
28 October 2014

Tenth Meeting of the Consultative Committee of the ITC Trust Fund

AGENDA ITEM 6

ANNEX I

Revisions of the “General conditions for the implementation of the ITC Trust Fund (ITF)”

“General conditions for the implementation of the ITC Trust Fund (ITF)”, original version of November 2008

1. The ITF shall be organized in two windows: one window is reserved for unearmarked contributions, a second window for earmarked contributions.
2. Donors shall deposit their contributions to the ITF in convertible currencies of unrestricted use to the bank account as provided by ITC to the donors separately.
3. Donors shall specify if funds are unearmarked or earmarked. Activities will be initiated only as and when funds are actually received; allotments will not exceed cash available.
4. The funds and the activities financed there from shall be administered by ITC in accordance with the applicable United Nations regulations and rules and ITC procedures. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.
5. All financial accounts and statements shall be expressed in United States dollars.
6. The ITF shall be charged with expenditures incurred in the implementation of approved activities.
7. The ITF will also be charged with thirteen percent (13%)¹ of all expenditures from the Fund for programme support services provided by ITC in the implementation of all activities financed from the Fund. ITC will provide programme support services in a cost-effective manner.
8. Exchange gains and annual interest attributable to the contributions shall be transferred to the ITC Operating Reserve until such time the ITC Operating Reserve is maintained at the level of 15% of the annual estimated expenditures. The ITC Operating Reserve is used for bridge financing of technical cooperation activities and to meet final expenditures of trust fund activities, including liquidating liabilities. After the ITC Operating Reserve has reached the level of 15 %, any exchange

¹ Rate as determined by the [UN General Assembly Resolution, A/35/217 of 17 December 1980](#).



gains and annual interest attributable to the contributions shall be retained in the ITF and used for technical cooperation activities.² Upon request of a donor and as stated in the contribution agreement, exchange gains and annual interest attributable to the donor's contribution will not be transferred to the Operating Reserve.

9. With regard to Window 2 (earmarked contributions), ITC will not make any commitments above the amounts specified for expenditures.

10. With regard to Window 2 (earmarked contributions), if unforeseen expenditures related to a programme or project thus funded, ITC will submit a supplementary request to the donors showing the additional financing required. If no such further financing is available, the programme/project activity may be reduced or, if necessary be terminated. In no event will ITC assume any liability in excess of the earmarked funds provided in the Window 2 of the ITF.

11. During the progress of activities, ownership of equipment, supplies and other property financed from the ITF shall vest in ITC. On the termination or expiration of the activities, the matter of ownership shall be determined in accordance with the provisions of the programme document. If not specified, ownership will be transferred to the beneficiary/beneficiaries of the projects/programme or written-off by ITC if the transfer is not cost-effective.

12. The ITF shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations and Rules of the United Nations.

13. For the purpose of oversight, ITC shall provide the following global financial statements and substantive reports prepared in accordance with the United Nations accounting and reporting procedures:

- a. A biannual report on the ITF showing contributions to the ITF windows by time period and by donor; as well as the income and expenditure status and funds balance by windows over the time period, and as of 31 December of a given biennium.
- b. An audited financial statement for ITC for a given biennium and an unaudited interim financial statement for the first twelve months of the biennium.

ITC is moving toward results based reporting.

14. On closure of the ITF, the funds will continue to be held by ITC until all commitments entered into by ITC have been satisfied from such funds; thereafter, any surplus remaining in the ITF shall be used for a purpose consistent with the intent of the original contribution as determined by ITC and reported.

November 2008

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² In accordance with the Financial Regulations and Rules of the United Nations, ITC is required to maintain a trust fund operating reserve. "This reserve is a sum set aside within the cash resources of the trust funds to cover delays in payment or non-receipt of pledged contributions and to meet final expenditures of trust fund activities, including liquidating liabilities. The trust fund operating reserve is calculated as a percentage of the estimated annual expenditures" (ST/SGB/188). ITC may use its operational reserve to advance part of the funds pledged but not yet received, so as not to delay implementation of activities and to optimise the use of resources. Under the terms of ST/AI/285, the applicable percentage is normally at the level of 15 per cent of the annual estimated expenditures, for multiple project technical cooperation trust funds.