



DIRECTIVE NO. 2000/5

ON THE MANAGEMENT OF DONOR FUNDING

The Special Representative of the Secretary-General (hereinafter: Transitional Administrator),

Pursuant to the authority given to him under the United Nations Security Council Resolution 1272 (1999) of 25 October 1999,

Taking into account United Nations Transitional Administration in East Timor (UNTAET) Regulation No. 1999/1 of 27 November 1999 on the Transitional Administration in East Timor,

Pursuant to UNTAET Regulation No. 2000/20 of 30 June 2000 on Budget and Financial Management and UNTAET Regulation No. 2000/21 of 30 June 2000 on Appropriations (No. 1) 2000-2001,

Promulgates the following:

Section 1
Objective of Directive

The objective of the present Directive is to define the administrative procedures for the effective and efficient management of donor funding, including as contemplated in Section 4 of UNTAET Regulation No. 2000/21.

Section 2
Definition of Donor Funding

2.1 For purposes of the present Directive, “donor funding” means multilateral or bilateral funding which is:

(a) provided to UNTAET under an agreement between the Transitional Administration or an *agency* and the donor to finance specified development activities in East Timor;

(b) complementary or supplementary to the funding provided in the Consolidated Fund of East Timor; and

(c) administered by the Transitional Administration or an *agency*, including, where required in the funding agreement, a project or programme management unit within that *agency*.

2.2 For purposes of Section 4.1 of UNTAET Regulation 2000/21, “agency” includes UNTAET as the Transitional Administration with respect to an agreement with a donor relating to activities financed by donor funding which are to be administered by an *agency*.

Section 3 General Rules under the Directive

3.1 The negotiation of all agreements for donor funding shall be conducted solely on the authority of the Transitional Administrator, which negotiations shall include the Head of the Central Fiscal Authority and the Principal Legal Advisor, or their designees, and shall take due cognizance of the overall macro-economic impact of the donor funding on East Timor.

3.2 All agreements for donor funding, including those administered directly by the Transitional Administration and those administered by an *agency*, shall be signed by the Transitional Administrator.

3.3 The procedures for the commitment and disbursement of donor funding shall be as determined by the Transitional Administration and the donor, and

(a) to the extent that the agreement with a donor specifies procedures that conflict with relevant UNTAET Regulations or Directives, the procedures set forth in such agreement shall prevail; provided, however,

(b) that notwithstanding Section 3.4(a) of the present Directive, funds appropriated from the *CFET* in connection with activities financed by donor funding shall be disbursed in accordance with established procedures of the Central Fiscal Authority.

3.4 With respect to donor funding to be administered by an *agency*, there may be established within the *agency* a project or programme management unit to manage the activities financed by donor funding with such authorities as the *head of agency* may delegate. Should a project or programme management unit be established,

(a) a bank account to receive donor funding may be opened as shall be prescribed by the Central Fiscal Authority, which shall also prescribe the authority to withdraw funds from such account;

(b) all financial transactions managed by the project or programme management unit shall, in addition to being reported in accordance with the reporting requirements of the

donor, also be reported to the Central Fiscal Authority in accordance with the financial administrative instructions supplied by the Central Fiscal Authority; and

(c) in addition to any accounting documentation maintained by a project or programme management unit, the Central Fiscal Authority shall prepare consolidated accounting reports for reporting to the Transitional Administrator to be based on reports required by and provided to the Central Fiscal Authority from the project or programme management units.

3.5 With respect to donor funding provided to the Transitional Administration and administered other than through an *agency*, the Central Fiscal Authority shall directly coordinate all disbursements and withdrawals and shall provide in the exercise of its functions and responsibilities for the Transitional Administration's budget execution such reports as may be required by the donor and the Transitional Administration.

Section 4 Definitions

Wherever used in the present Directive, the following terms shall have the following meanings:

- (a) “*agency*” has the meaning provided in UNTAET Regulation No. 2000/21.
- (b) “*CFET*” means the Consolidated Fund of East Timor as provided for in UNTAET Regulation No. 2000/1.
- (c) “*head of agency*” has the meaning provided in UNTAET Regulation No. 2000/21.

Section 5 Entry Into Force

The present Directive shall enter into force on 26 July 2000.

Sergio Vieira de Mello
Transitional Administrator