

Note

On 27 June and 13 December 2002, Commonwealth governments, meeting in Marlborough House, London, approved amendments to the Agreed Memorandum on the Commonwealth Secretariat and Financial Regulations of the Commonwealth Secretariat, and to the Memorandum of Understanding on the Commonwealth Fund for Technical Co-operation (CFTC) and Financial Regulations of the CFTC.

These amendments put into effect the changes to the governance of the Commonwealth Secretariat agreed by Commonwealth Heads of Government, at their meeting in Coolum, Australia, in March 2002.

The document was revised further on 12 May, to put into effect changes required due to the enactment on 7 April 2005 of the International Organisations Act 2005, which amended the Commonwealth Secretariat Act of 1966.

The revised texts of the Secretariat's governance memoranda and financial regulations are reproduced in this document.

Commonwealth Secretariat
Marlborough House
London
United Kingdom

12 May 2005

**MEMORANDUM OF UNDERSTANDING ON
THE COMMONWEALTH FUND FOR
TECHNICAL CO-OPERATION**

MEMORANDUM OF UNDERSTANDING ON THE COMMONWEALTH FUND FOR TECHNICAL CO-OPERATION

I. ESTABLISHMENT OF THE FUND

Commonwealth Governments have agreed to establish a Commonwealth Fund for Technical Co-operation to be administered by the Commonwealth Secretariat and to be financed by such voluntary contributions as individual Governments may from time to time provide. The Fund will form part of the Commonwealth Secretariat and will thus share its legal capacities, privileges and immunities.

II. PURPOSE AND FUNCTIONS

2. The major purpose of the Fund will be to take advantage of shared experiences and similarities to promote development in the Commonwealth, thereby demonstrating in a practical way the ideals of co-operation and mutual assistance and strengthening the multilateral links among Commonwealth countries and peoples. The Fund will support efforts aimed at sustainable and people-centred development and the elimination of poverty.

3. Subject to the availability of resources the Fund may, in response to requests to do so, provide technical assistance for development in the Commonwealth in accordance with such terms and conditions as may from time to time be laid down by the Board of Governors of the Commonwealth Secretariat.

4. In this Memorandum 'technical assistance', means the provision of professional advice, transfer of best practice and the enhancement of skills and knowledge in support of policy and institutional development, capacity building and specific projects and programmes for economic, social and political development. It should typically be delivered through experts and consultants, training, the provision of technical documents, manuals and equipment, and the promotion of technical co-operation among member countries and with others.

5. The Fund will draw its focus from the development content of the Commonwealth Secretariat's Strategic Plan that in turn will reflect the decisions and direction of Commonwealth Heads of Government. The Plan will include as an annex, a planning and implementation framework for the CFTC that, with the Plan itself, will be reviewed every four years and approved by the Board of Governors. The implementation framework may cover, *inter alia*, details on the targeted development results of the Fund and the evaluation and accountability approaches used.

6. The focus of the Fund's assistance should be in three areas:

- (i) special programmes of assistance focusing on (a) good governance (b) global issues (c) support for negotiations with international organisations and multi-national companies and (d) democracy, rule of law and human rights;

- (ii) programmes which provide technical support for policy development and advocacy of Commonwealth interests at the regional/global level and
- (iii) programmes which seek to meet strategic gaps in skills and assist capacity building through the provision of experts, training and professional advisory services on a demand-led basis, in the Secretariat's areas of focus and expertise.

7. Any developing member of the Commonwealth, any state associated with a member of the Commonwealth, any dependent territory of any member of the Commonwealth, and any Commonwealth inter-governmental organisation or agency will be eligible for assistance from the Fund subject to any specific decisions by Heads of Government. In the case of governments, they are eligible for CFTC assistance by virtue of their contributions to the CFTC.

III. PARTICIPATION AND CONTRIBUTIONS

8. Contributions towards the costs of the programmes of the Fund may be accepted from any member government or state associated with a member. Such contributions may be made either on an annual basis or for a period of more than one year. Contributions will to the maximum possible extent be freely usable for the purposes of the Fund including the covering of local costs of activities being financed by the Fund. Nevertheless the Board of Governors may accept contributions in both convertible and non-convertible currencies, the use of training and other facilities including basic local support or other resources required to achieve the purpose of the Fund, and may agree to the designation of certain contributions to cover the costs of specified activities being financed by the Fund. The use of such specified or tied contributions will be reviewed by the Board annually.

9. Donations may also be accepted from any other source for purposes consistent with those of the Fund. Donations received on a tied or conditional basis should be reviewed on an annual basis by the Board.

10. Contributions, donations and other income accruing to the Fund will be held and accounted for separately from the regular budget and other resources of the Commonwealth Secretariat.

11. Currencies contributed to the Fund may be exchanged for other currencies with the concurrence of the contributing Governments or, where appropriate, of the Government whose currency is involved.

12. The Board may establish and maintain a Reserve Fund which shall be held and accounted for separately from all other resources.

13. The Reserve Fund shall be constituted by payment of income from deposits/loans received for the purpose from member Governments, together with such other funds as the Board may from time to time authorise.

IV. BOARD OF GOVERNORS

14. Responsibility for the formulation of the general policies to be followed in the operations of the Fund will rest with the Board of Governors of the Commonwealth

Secretariat as set out in Annex B of the Agreed Memorandum of the Commonwealth Secretariat.

15. The Board will be guided by the Agreed Memorandum on the Commonwealth Secretariat, the terms of this Memorandum of Understanding and any amendments thereto.

V. EXECUTIVE COMMITTEE OF THE BOARD OF GOVERNORS

16. General direction of the operations of the Fund within such guidelines as may be laid down by the Board of Governors will be the responsibility of the Executive Committee of the Board of Governors, as set out in Annex B of the Agreed Memorandum on the Commonwealth Secretariat.

VI. ADMINISTRATIVE ARRANGEMENTS

17. The Commonwealth Secretary-General will be responsible for conducting the operations of the Fund in accordance with the decisions of the Board of Governors and the Executive Committee of the Board of Governors. The Secretary General will be responsible for the programme of work, and for the control, appointment and dismissal of officers and staff. The Secretary-General will delegate to one Deputy Secretary-General the responsibility for the administration of the Fund.

18. Officers and staff appointed by the Secretary-General for the purposes of the administration and operation of the Fund will for all purposes be members of the staff of the Secretariat and the provisions of the Agreed Memorandum on the Commonwealth Secretariat will apply to them.

19. Costs of administering and operating the Fund met out of the regular budget of the Secretariat will be charged to or reimbursed by the Fund in accordance with procedures approved by the Board of Governors of the Commonwealth Secretariat.

20. No financial commitments will be entered into unless fully covered by contributions or firm pledges, or by drawings from the Reserve Fund in such circumstances as may from time to time be authorised by the Board of Governors.

VII. DECISION MAKING

21. Any decision with regard to the CFTC shall normally be taken by general agreement. Any decision taken by majority decision must have the support of representatives of governments contributing three-quarters of the resources of the CFTC in that financial year.

VIII. FINAL PROVISIONS

22. A Government may cease to be a party to this Memorandum of Understanding by giving twelve months notice to the Secretary-General of its intention to do so, and provided that the pledges that it has made under this Memorandum are nevertheless honoured.

23. This Memorandum may be amended from time to time as agreed by participating Commonwealth Governments. Commonwealth governments should be given at least six weeks' notice of all proposed amendments.