

The Cape Verde Transition Fund
Terms of Reference
FINAL
(January 2012)

I. Introduction

1. In January 2006, in response to the Triennial Comprehensive Policy Review (TCPR) and ECOSOC the Executive Committee of the United Nations Development Group (UNDP, UNFPA, UNICEF and WFP) and the Government of Cape Verde established a Joint Office for the United Nations Funds and Programmes in Cape Verde. The primary objectives were to achieve a more coherent Programme delivery at the country level and to achieve a significant reduction in the administrative and procedural costs of the organizations to their national partners.
2. In November 2006, the Cape Verde Government reiterated its commitment to pursue the reform efforts by moving from the Joint Office to “Delivering as One” pilot within the context of the High Level Panel (HLP) on UN System-Wide Coherence and the Spirit of the Paris Declaration. Since the beginning of 2007, Cape Verde is piloting the concept of “Delivering as One” as proposed by the HLP and the TCPR 2007 recommendations, but tailored to the national context.
3. As many of the elements of the “Delivering as One” were already present in the Joint Office, of the four Ex-Com Agencies, the process was agreed to focus on the programmatic aspect of the “Delivering as One”, making the “One Programme” the main goal to enlarge the UNCT to include all participating Agencies, under a common development document based on new emerging national priorities. The “One Programme” 2008-2011 and its related budgetary framework aimed primarily at addressing the implications of the Graduation of Cape Verde from the group of Least Developed Countries and vulnerabilities related to this and to attain the MDGs by 2015.
4. In June 2012 the United Nations and the Government of Cape Verde signed the “ONE Programme” 2012-2016 in alignment with national priorities. The 2012-2016 UNDAF aims at promoting Human rights and addressing principles and values to achieve the MDGs.
5. Thus, the focus is to ensure a guiding framework and common understanding between UN Agencies working in the country and in line with the Government’s request to implement the “Delivering as One” concept in Cape Verde. The One Programme 2012-2016 is structured in (4) Pillars as follows: (i) Inclusive Growth and Poverty reduction, (ii) Consolidation of institutions, democracy and citizenship, (iii) Reduction of disparities and promotion of equity, and (iv) Environmental sustainability and Climate change Adaptation.
6. Following the various UNCT retreats in 2007, the UNCT agreed to establish the Cape Verde Transition Fund to support the implementation of the One UN Programmes

for the cycles 2008-2011 and 2012-2016. The Terms of Reference of the Cape Verde Transition Fund may be revised to reflect the dynamic nature of the UN reform process in Cape Verde and as additional organizations participate in the Cape Verde Transition Fund along with the initial signatory UN system organizations.

II. Purpose and Principles of the Cape Verde Transition Fund

7. The objective of the Cape Verde Transition Fund, under the management leadership of the Government/UN Steering Committee, is to support the coherent resource mobilization, allocation and disbursement of new donor resources to unfunded elements of the One Programme in Cape Verde and the new initiatives responding to emerging needs within the context of the One UN Programme and the “Delivering as One” in Cape Verde.

8. The Cape Verde Transition Fund is the proposed vehicle for new resources contributed by Development Partners to support the unfunded portions of the One UN Programme and new initiatives responding to emerging needs within the context of the One UN Programme.

9. The Cape Verde Transition Fund conforms to the principles governing a multi-donor trust fund using the pass-through fund management modality, based on the United Nations Development Group (UNDG) endorsed guidelines and frameworks .

10. The Cape Verde Transition Fund intends to facilitate the delivery of outputs planned in the One UN Programme by strengthening the joint planning, coordination and implementation process and channelling funds towards the highest priority needs determined by the Steering Committee for “Delivering as One” in Cape Verde, based on the agreed criteria and procedures with documented process and rationale for allocations. The objectives of the activities to be financed by the Cape Verde Transition Fund are elaborated in the One UN Programme.

11. The Cape Verde Transition Fund will support partnership and communication between all stakeholders involved in development led by the Government of Cape Verde. Information given to the press, to the beneficiaries of the One UN Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of Government of Cape Verde, the UN and the Development Partners.

III. Description of the Cape Verde Transition Fund

12. The UN System Organizations that participate in the Cape Verde Transition Fund will sign a Memorandum of Understanding (MOU) between Participating UN System Organizations (“Participating UN Organizations”), the Resident Coordinator and UNDP, in its capacity as the Administrative Agent, regarding the operational aspects of the Cape Verde Transition Fund.

13. The United Nations Development Programme (UNDP), as the Administrative Agent, will administer the Cape Verde Transition Fund on behalf of the Participating UN Organizations and the United Nations Resident Coordinator (Resident Coordinator)

in accordance with its regulations, rules, directives and procedures applicable to it, including those relating to interest. The Administrative Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Standard Administrative Arrangements with Sub-programme Lead Agencies, Development Partners and the Resident Coordinator.

IV. Contributions to the Cape Verde Transition Fund

14. Contributions to the Cape Verde Transition Fund may be accepted from governments of Member States of the United Nations, intergovernmental organizations, non-governmental organizations or the private sector. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines for cooperation between the UN and the Business Community (the UN Secretary General's guidelines <http://www.un.org/partners/business/otherpages/guide.htm>).

15. Each donor will sign a Standard Administrative Arrangement (SAA) with the Resident Coordinator and UNDP as Administrative Agent, setting out the terms and conditions governing receipt and administration of and reporting on the contributions.

16. In order to ensure focus on the national priorities and allow the Steering Committee the maximum flexibility of planning and funds allocation, Development Partners are encouraged to provide multi-year and un-earmarked contributions as much as possible. However, if this is not possible, earmarking for a Sub-programme in the One UN Programme may be accepted when endorsed by the Steering Committee. The proportion of earmarked funding is expected to be minimal.

17. As the Administrative Agent of the Cape Verde Transition Fund, UNDP will be responsible for receiving all donor contributions in the Cape Verde Transition Fund Account established for this purpose. Subject to the availability of funds, the Administrative Agent shall normally make each disbursement within three (3) to five (5) business days after receipt of the approval of the specific OWP/JPWP/Programmatic Document by and instructions from the Resident Coordinator based on the fund allocation decisions of the Steering Committee along with copy of the signed Operational Plan/Programmatic Document by all the parties concerned.

18. The Resident Coordinator's instruction shall not be unreasonably delayed after the allocation decision by the Steering Committee.

V. Utilization of the Cape Verde Transition Fund

19. The Cape Verde Transition Fund will be utilized for the purpose of supporting the unfunded elements of the One UN Programme. Details of the One UN Programme, including the planned activities, estimated budgets and implementation arrangements are provided in the One UN Programme and its annexes.

20. The Administrative Agent and the Participating Organizations, some of whom also serve their capacity as Lead Agency of a Sub-programme, shall be entitled to deduct their indirect costs on contributions received in accordance with the following formula:

- a) The Administrative Agent’s administrative fee will be one percent (1%). The fee will be deducted from the contribution to the Cape Verde Transition Fund at the time it is deposited;
- b) Indirect costs of the Participating UN Organizations will be seven percent (7%) for the funds passed through from the Administrative Agent for which the Participating UN Organizations directly implement activities.
- c) The Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the Cape Verde Transition Fund not related to the Administrative Agent functions and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the Steering Committee be charged to the Transition Fund as direct costs.

VI. Governance Arrangements

a. The One UN Steering Committee

21. The objective of the One UN Steering Committee (Steering Committee) is to advance the UN reform by providing strategic leadership and guidance to the “Delivering as One” process in Cape Verde; to serve as advisory function and to ratify strategic decisions, to facilitate the ongoing pilot process. In this capacity, the Steering Committee will oversee and monitor the implementation of all components of the “Delivering as One”, particularly the “One Programme” and will commission quarterly reviews the result on the “One Programme” progress.

22. The Steering Committee will be co-chaired by the Minister of Foreign Affairs and the UN Resident Coordinator. The membership of the Steering Committee will be limited to eight representatives; three from the Government, three from the United Nations, one from the National Association of Capeverdian Municipalities and one from Civil Society.

The Steering Committee will be responsible for:

- Ensuring the strategic alignment of the ‘One Programme’ with national priorities as defined in the Economic Growth and Poverty Reduction Strategy (EGPRS) and in the Millennium Development Goals (MDGs) Declaration;
- Facilitating a common understanding of the “Delivering as One” concept in Cape Verde and monitoring the roadmap for its implementation
- Monitoring the progress of the implementation of the “One Programme”, overseeing the development and evaluation (internal/external) of “Delivering as One” in Cape Verde;
- Approving allocation of resources mobilized under the Cape Verde Transition fund in accordance with agreed criteria;
- Overseeing the execution level of the available funds for the “One Programme”, guiding their utilization according to national priorities and supporting the possibilities of mobilization of new funds;
- Assessing and approving new proposals to respond to emerging issues
- Providing a forum for balance, dialogue and analysis of issues that may hinder the implementation of “Delivering as One” as well as proposing

measures to remove the constraints identified and proposing corrective measures, where appropriate.

b. The UN Resident Coordinator

23. The overall management of the Cape Verde Transition Fund will be led and coordinated by the UN Resident Coordinator, in consultation with the UNCT.

The Resident Coordinator will be responsible for:

- Co-chairing the Steering Committee and facilitate strategic guidance, leadership and decision of the Steering Committee for “Delivering as One UN” in Cape Verde;
- Providing strategic guidance, especially on coherence, for the One UN Programme and the Cape Verde Transition Fund ;
- Recommending available fund allocation to the Steering Committee for decision based on the agreed recommendation of the UNCT;
- Taking leadership in mobilizing resources for the Cape Verde Transition Fund in collaboration with Participating Organizations;
- Providing strategic focus to the consolidated reports prepared as per the MOU and SAA of the Cape Verde Transition Fund (including analysis of progress and lessons learned for future programme implementation) to be shared with the Participating Organizations, UNCT and Development Partners;
- Ensuring effective communication on developments and progress of Cape Verde Transition Fund and One UN Programme to the UNCT, all Participating UN Organizations and Development Partners;
- Ensuring accountability of Representatives/Heads of the Participating Organizations for programme implementation, utilization of the funds allocated from the Cape Verde Transition Fund and their organizations’ components of the results achieved;
- Being accountable for the overall management of the Cape Verde Transition Fund and the utilization of the funds in the Cape Verde Transition Fund Account;
- Signing the Standard Administrative Arrangements with Development Partners and UNDP and the Memorandum of Understanding with the Participating Organizations and UNDP, in its capacity as Administrative Agent;
- Maintaining standards of conduct that govern the performance of staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement.

c. Representatives/Heads of the Participating UN Organizations

24. The Representatives/Heads of the Participating UN Organizations will be responsible for:

- Programme implementation, utilization of the funds allocated from the Transition Fund and their organization's components of the results achieved;
- Providing relevant reports and statements as per MOU and SAA to the Administrative Agent;
- Signing the Memorandum of Understanding with the Resident Coordinator, the Participating UN Organizations and UNDP, in its capacity as Administrative Agent;
- Maintaining standards of conduct and accountability that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement.

d. The Administrative Agent

25. UNDP, in its capacity as Administrative Agent, will be responsible for:

- Receiving contributions from Donors that wish to contribute to the Cape Verde Transition Fund;
- Administering such funds received in accordance with the MOU and SAA, including the provisions relating to winding up the Cape Verde Transition Fund and related matters;
- Subject to availability of funds, disbursing such funds to each of the Participating UN Organizations, in accordance with instructions received from the Resident Coordinator based on the fund allocation decisions of the Steering Committee, taking into account the provisions of the applicable SAA and the MOU and the budget set out in the specific Operational Work Plan (hereinafter referred to as the "OWP")/Joint Programme Work Plan (hereinafter referred to as the JPWP)/Programmatic Document of the Participating Organizations in line with the budget set out in the One UN Programme Document;
- Consolidating financial and narrative progress reports, based on progress reports received from the Participating UN Organisations and in accordance with the MOU and SAA, and submit such reports to the Resident Coordinator;
- Providing final reporting, including notification that the activities funded from the Cape Verde Transition Fund have been operationally and financially completed, in accordance with the MOU, based on reports received from the Participating UN Organizations;
- Maintaining standards of conduct and accountability that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement;
- Performing such other activities as the UNCT, the Resident Coordinator, the Participating UN Organizations and the Administrative Agent may agree in writing.

e. The Sub-programme Lead Agencies

26. The Sub-programme Lead Agencies will be responsible for:

- Ensuring constant review and alignment of the Sub-programmes to the national priorities in close collaboration with the RCO and Programmes Unit;
- Providing strategic leadership, and coordination of technical inputs by all Participating UN Organizations and national partners within Sub-programmes;
- Ensuring appropriate communication with and among Participating UN Organizations, national and sub-national partners, RCO and Programmes Unit on planning and implementation progress;
- Ensuring monitoring and evaluation of the Sub-programme within the programme framework;
- Overseeing on the programmatic coherence of the Sub-programme along with other Sub-programmes and programmes;
- Facilitating and providing coordination to Sub-programme level reporting, as appropriate, including progress updates, in accordance with the requirements of the Steering Committee;
- Maintaining standards of conduct and accountability that govern the performance of staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement;
- Performing such other activities as the Participating Organizations and the Sub-programme Lead Agencies may agree in writing.

f. Support services provided by the Resident Coordinator's Office

27. The Resident Coordinator's Office is responsible for supporting the strategic leadership role of the Resident Coordinator for the Cape Verde Transition Fund. It will provide support in all the designated tasks for the Resident Coordinator as detailed above. It will circulate the finalized annual consolidated report on the Cape Verde Transition Fund to the Steering Committee for consultation. The Resident Coordinator's Office will ensure that these reports are distributed to all Donors contributing to the Cape Verde Transition Fund and maintain an appropriate level of fund information on the website of the UN Cape Verde (www.uncv.org) to ensure transparency, and liaise with the Administrative Agent to ensure appropriate level of fund information on the Administrative Agent's website (ww.undp.org/mdtf).

VII. Reporting

28. The Resident Coordinator, each Participating UN Organization and Administrative Agent shall provide the reports and statements as per the requirements set forth in the MOU and SAA.

29. In line with the Assistance Strategy for Cape Verde, until such time that a harmonised reporting format and procedure is mutually agreed and accepted by Government, the Resident Coordinator, each of the Lead Agencies and each of the Participating Organizations, the financial reports referred to above shall be prepared using the UNDG agreed categories and the narrative reports referred to above shall be prepared using the UNDG results based Progress Reporting Guidelines.

30. The Resident Coordinator will provide strategic focus to the consolidated reports, including analysis of progress and lessons to be learned for future programme implementation, and subsequently will submit such consolidated reports to Development Partners.

31. Consolidated Cape Verde Transition Fund reporting and related documents, including Cape Verde Transition Fund agreements will be posted on the websites of the UN Cape Verde (www.uncv.org) and that of the Administrative Agent (www.undp.org/mdtf).

VIII. Monitoring and Evaluation

32. Monitoring and evaluation of the activities of the OWP/JPWP/Programmatic Documents funded under the Cape Verde Transition Fund shall be undertaken in accordance with the provisions contained in the specific the OWP/JPWP/Programmatic Documents approved by the Steering Committee, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

33. The donor(s), the Resident Coordinator, the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the Cape Verde Transition Fund. In addition, the Resident Coordinator and the Steering Committee may commission a regular, independent lessons-learned and review exercise relating to the operations and management of the Cape Verde Transition Fund.

34. Under the direction of the Resident Coordinator, a Monitoring and Evaluation system will be developed to monitor and evaluate the One UN Programme joint outputs (process, impact and effectiveness) including those achieved with funding provided through the Cape Verde Transition Fund and those indicators to measure the UN's progress in regards to the Paris Indicators. Participating Organizations shall also explore thematic or functional clustering of monitoring and evaluation activities.

IX. Audit Arrangement

35. Agency specific auditing shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the respective Participating UN Organisations (including HACT).

36. The activities of the Administrative Agent shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

X. Public Disclosure and Communication Strategy for “Delivering as One”

37. In line with the Communication Strategy for ‘Delivering as One’, UN Organizations participating at the One Programme shall take appropriate measures to promote the One UN Programme and the Cape Verde Transition Fund and to give due credit to the role of the Government, the Development Partners, the Participating UN Organizations and national partners. Information given to the press, to the beneficiaries

of the One UN Programme and the Cape Verde Transition Fund, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Government, the Development Partners, the Participating Organizations, national partners, the Administrative Agent and any other relevant parties.

38. The Resident Coordinator, the Steering Committee and the Administrative Agent will ensure that decisions regarding the review and approval of programmes funded under the Cape Verde Transition Fund, as well as periodic reports on the progress of implementation of such programmes and associated external evaluation reports, are posted for public information on the website of the UN in Cape Verde (www.uncv.org), as well as on the Administrative Agent's website (www.undp.org/mdtf). Website postings may also include a record of decisions of the Steering Committee, UNCT and, as appropriate, summary sheets of approved programmes, fund level financial and progress reports, and external evaluation reports, including relevant information on the operations of the Cape Verde Transition Fund.

XI. Other Matters

39. The Cape Verde Transition Fund will be established upon signing of the Memorandum of Understanding between the Resident Coordinator, Participating Organizations and the Administrative Agent and the first Standard Administrative Arrangement between a donor, the Resident Coordinator and the Administrative Agent.

40. The Cape Verde Transition Fund will terminate upon the completion of all Sub-programmes funded through the Cape Verde Transition Fund and when all commitments and liabilities under the Sub-programmes have been satisfied. Notwithstanding the completion of the initiatives financed from the Cape Verde Transition Fund, any unutilized balances will continue to be held in the Cape Verde Transition Fund Account until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion. Any balance remaining in the Cape Verde Transition Fund Account or in the individual Participating UN Organizations' separate ledger accounts will be used for a purpose mutually agreed upon by the Development Partners, the Steering Committee/UNCT and the Administrative Agent.

41. This Terms of Reference may be modified from time to time upon the written agreement among the Resident Coordinator, UNCT and the Steering Committee for 'Delivering as One' in Cape Verde.