



United Nations
Fund for Recovery Reconstruction and
Development in Darfur
(UNDF)

Terms of Reference

29 March 2013

Contents

I. Introduction	3
II. Purpose, Scope and Principles of the UNDF	4
III. Governance Arrangements	6
a) The Steering Committee	6
b) The UNDF Secretariat	7
c) The Administrative Agent.....	8
IV. Description of the UNDF	9
a) Administration of the UNDF	9
b) Contributions to the UNDF.....	9
c) Eligibility for UNDF funding	9
d) Utilisation of the UNDF	10
V. Monitoring and Evaluation	10
VI. Audit.....	11
VII. Reporting.....	11
a) Participating UN organisations	11
b) Administrative Agent.....	11
VII. Public Disclosure	12
VIII. Termination of the UNDF	12
IX. Visibility and Joint Communication	12

I. Introduction

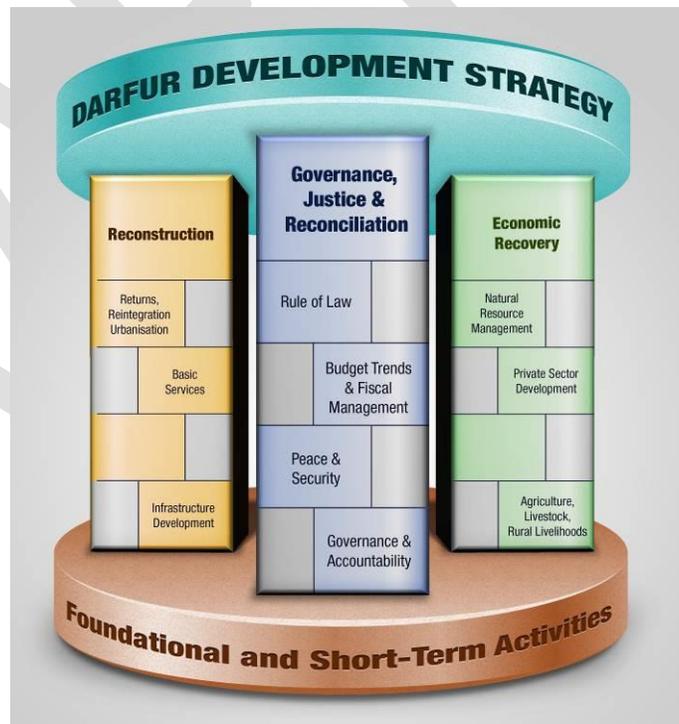
1. The United Nations Fund for Recovery Reconstruction and Development in Darfur (hereafter referred to as the Darfur Fund “UNDF”) is established to support the effective implementation of the Darfur Development Strategy (DSS) in pursuit of the overall objective of the Doha Document for Peace in Darfur (DDPD) “to support the transition from humanitarian assistance to recovery and development.”
2. After a decade of conflict and displacement, the 2011 Doha Document for Peace in Darfur (DDPD) strengthens the peace process and lays the groundwork for recovery and reconstruction. The Darfur Regional Authority (DRA), Government of Sudan and the international community have agreed on the need to have a coordinated and comprehensive strategy for supporting peace and development in the region. In accordance with the provisions of the DDPD, the Darfur Joint Assessment Mission (DJAM) was conducted in the later part of 2012. Informed by the needs and priorities of communities, identified through comprehensive, consultative workshops in all five Darfur states and the refugee communities in Chad, the Darfur Development Strategy (DDS) evolved. The DDS offers a sequenced, coordinated and holistic plan for equitable, sustainable and participatory development, vital to move Darfur out of a cycle of conflict and poverty, towards a stable and prosperous future.
3. The establishment of the UNDF responds to Article 32 of the DDPD which stipulates that “since the financial resources and expertise required to undertake such an operation are beyond Sudan's capacity, the Parties request the international community to urgently and fully participate in this initiative and assist in the provision of necessary resources and expertise and partake in meeting the needs set for this purpose through the establishment of a Multi-Donor Trust Fund.”
4. The UNDF is the UN window of the Facility, as described in the Section IV of the Darfur Development Strategy (DDS) and is established under the overall leadership of the Darfur Regional Authority (DRA) and the United Nations Country Team, represented by the UN Resident Coordinator, and with participation of the Government of Sudan (GoS).
5. All programmes/projects funded by the UNDF will be in support of, and strictly aligned with the priorities of the Government of Sudan and the Darfur regional Authority, as described in the DDS, ensuring full national ownership. The UNDF will complement other support that will be provided to recovery and development in Darfur by Sudan’s partners and bring strategic value in developing capacity and promoting sustainability. The UNDF will enhance coherence, transparency and accountability in the implementation of key components of the DDS.
6. This Terms of Reference (TOR) of the UNDF describe the essential features of the Trust Fund including objectives of the Fund, its governance structure, the roles, responsibilities, accountability and expected activities of the participating UN organisations and the Administrative Agent, in supporting Darfur to achieve the objectives of the DDS.

II. Purpose, Scope and Principles of the UNDF

7. The UNDF is established to support the efficient implementation of key components of the Darfur Development Strategy. Specifically, it seeks to:

- Restore peace, security, and social stability;
- Improve government functionality at all levels;
- Strengthen the civil administration;
- Rehabilitate, reconstruct and construct physical, institutional and social infrastructure in post conflict Darfur; and
- Implement a comprehensive structural reform of health and educational institutions, especially Universities, in order to transform Darfur into a developed society in terms of technology, industry agriculture and trade.

8. To this end, the Darfur Development Strategy is supported by 3 interlinked pillars. The **Governance, Justice and Reconciliation pillar** aims to contribute policy support, technical assistance and capacity enhancement to State governments to enable them to more effectively execute their mandate, especially at the local (decentralised) level, and thus oversee recovery of the region and initiate the revival, staffing, equipping and maintenance of basic services, and support to conflict-affected populations through the provision of security, community policing and access to justice, compensation and land settlement. The main objective of the **Reconstruction pillar** is to support the recovery and stabilisation of war-affected populations, whose economic and social life have been severely disrupted. Fundamental to any recovery programme is the return and/or resettlement of displaced people, the construction and restoration of



physical infrastructure and basic service recovery, such as water supply in villages and for agricultural usage and livestock, schools, health posts and police stations, as well as linking communities and markets by constructing and improving vital road, rail and air links, promoting resource-efficient housing and restoring productive systems. The main objective of the **Economic Recovery pillar** is to contribute positively towards poverty alleviation and transitioning Darfur to development in an equitable and environmentally sustainable manner. This will be achieved by technical and material support to key livelihoods, the promotion of the private sector, especially the creation of employment opportunities and access to financial

services, and ensuring the sustainability of productive sectors through appropriate natural resource management.

9. The three pillars of the Darfur Development Strategy and their priority objectives are described in the table below:

Table 1: Darfur Development Strategy by Pillar and Priority Objectives

Pillar	Priority Objectives
<p style="text-align: center;">Governance, Accountability and Reconciliation</p>	<ul style="list-style-type: none"> i. Strengthened local governance systems, structures and processes ii. Public delivery system which is appropriately staffed and managed at state and locality level iii. Enhanced citizen participation in governance and service delivery iv. Improved budgeting and increased own source of revenue v. Intergovernmental transfers more transparent, efficient and equitable vi. Improved access to justice vii. Successful social and economic reintegration of demobilised armed forces viii. Security Sector reform implemented ix. Improved land registration/property system and related conflict resolution mechanisms x. Reconciliation and conflict management process and mechanisms established xi. People having access to a compensation system and compensation paid
<p style="text-align: center;">Reconstruction</p>	<ul style="list-style-type: none"> i. Improved physical access to goods markets and administrative social services, including the provision / enhancement of local community infrastructure ii. Increased access to improved water sources and sanitation iii. Increased access to electricity services iv. Increased access to health and nutrition services v. Increased access to quality education vi. Successful social and economic reintegration of returnees vii. Improved quality of urban environment an access to planned land in major towns of Darfur viii. Improved access to quality urban housing and services
<p style="text-align: center;">Economic Recovery</p>	<ul style="list-style-type: none"> i. Improved business enabling environment and institutional capacity ii. Increased access to employment opportunities iii. Increased access to financial services iv. Improved agricultural and livestock policies, regulatory instruments and institutions v. Improved crop and livestock production and productivity vi. Improved value chains in livestock production and productivity vii. Sustainable management of water, land and forest resources

10. Gender and youth concerns are essential considerations in all three pillars and all projects funded under the DDS will have gender equality and women’s and youth’s empowerment as a central tenet of their design.

11. The UNDF principles, governance structure and operational arrangements aim to ensure, in particular, that:

- i) Each programme/project approved for funding is part of the DDS. It is based on, or formulated in consultation with, relevant national authorities and beneficiary communities, carefully coordinated with other projects intervening in the framework of the DDS through the Darfur Coordination Board for Recovery, Reconstruction and Development (hereafter, the Darfur Coordination Board (DCB));
- ii) Funding and implementation are undertaken with special attention to transparency and accountability;
- iii) The structure of the Fund will enhance speed and flexibility in delivering results and efficient utilisation of funds;
- iv) The UNDF will focus on building the capacities of the DRA/GOS and other national and Civil Society institutions, developing sustainable local capacities for the long term.

III. Governance Arrangements

a) The Steering Committee

12. The UNDF Steering Committee provides oversight of the Fund, establishes the fund allocation criteria under the guidance of the DCB, makes the resource allocation decisions for the programmes/projects based on the technical review by the UNDF Secretariat and the progress of the DDS, as determined by the DCB, with which the Steering Committee coordinates and shares information.

13. Co-Chaired by the representative of the DRA and the UN Resident Coordinator, the Steering Committee will include representatives from the GoS, contributing donors, participating UN organisations, and civil society.

14. The Steering Committee will be responsible for:

- i) Providing oversight and exercising overall accountability of the UNDF, under the overall guidance of the DCB;
- ii) Reviewing and approving proposals submitted for funding after being cleared by the Technical Secretariat, allocating resources, ensuring their conformity with the requirements of the UNDF TOR, Memorandum of Understanding (MoU) and Standard Administrative Arrangement (SAA); instructing the Administrative Agent for disbursement accordingly;
- iii) Develop and approve the criteria by which the implementation and managerial capacities of implementing partners will be reviewed, as part of the overall funding evaluation process;
- iv) Reviewing UNDF status and overall progress of the Fund, both in regard of itself and its contribution to the overall DDS implementation through the DCB;

- v) Assisted by the Technical Secretariat of the UNDF, overseeing the Fund-level management, monitoring, reporting and evaluation, establishing UNDF requirements and priorities concerning, *inter alia*; programme/project management, programme/project costing, cost recovery, implementation modalities, results-based reporting, impact assessment and information management, including appropriate UNDF, GoS, DRA, and contributing partners' visibility;
- vi) Ensuring that appropriate consultative processes take place at the level of the Two-Window Darfur Facility MDTF, if established, and under the overall guidance of the DCB, as more fully described in the DSS document;
- vii) Reviewing and approving the periodic progress reports (programmatic and financial) consolidated by the Administrative Agent, based on the progress reports submitted by the participating UN organisations;
- viii) Commission reviews and "lessons learned" reports on the performance of the UNDF, and discuss follow-ups with participating UN organisations on recommended actions that have UNDF -wide impact;
- ix) Report progress of the Fund to the DCB on a 6-monthly basis or as required by the DCB;
- x) Approve and update the UNDF TOR and Steering Committee TOR and Rules of Procedures, as required.

15. The Steering Committee shall meet periodically in Khartoum and/or in Darfur. Reports, recommendations and minutes of its meetings will be shared with the UNDF stakeholders and the DCB. They will be made public through the Fund's website at the MPTF Office GATEWAY.

16. The Steering Committee Terms of Reference and Rules of procedure will be elaborated in detail in a separate document.

b) The UNDF Secretariat

17. The Secretariat will support the UNDF Steering Committee. Costs for such tasks will be agreed in advance and approved by the Steering Committee, and could be charged to the UNDF account as direct costs. In assisting the Steering Committee in all of its functions, the UNDF Secretariat will be responsible for:

- i) Facilitating the preparation and conduct of the Steering Committee meetings, including the preparation of agenda and minutes, sharing information on behalf of the Resident Coordinator, distribution of documents, distribution of programme/project proposals submitted to the Steering Committee for funding decisions, etc.;
- ii) Organising programme/project vetting process/blind review, by calling upon a participating UN organisation that has been designated an authority on a Priority Objective under which the programme/project proposal is formulated, to review the technical and operational appropriateness of the submitted proposal in light of the

respective objective areas contained in DDS. The Participating Organisation would then submit a written opinion of the proposal to the Steering Committee through the Technical Secretariat for the Steering Committee's decision-making;

- iii) Review programmes/projects submissions of participating UN organisations to ensure adherence to the UNDF TOR and any subsequent criteria approved by the Steering Committee;
- iv) Recording the Steering Committee decisions, approvals and allocations and submitting those to the Administrative Agent;
- v) Tracking implementation progress, closure of projects and identifying challenges to be reported to the Steering Committee;
- vi) Develop, in coordination with the Administrative Agent, forms and templates to be used by the participating UN organisations, to submit project proposals and provide result-based reporting to the Steering Committee;
- vii) Undertake monitoring, reporting and evaluation on Fund level progress on periodic basis, and prepare analytical progress reports relating to agreed UNDF objectives; and
- viii) Periodically reviewing the TOR and Rules of Procedure of the Steering Committee and recommending changes or revisions.

c) *The Administrative Agent*

18. The UNDP MPTF Office will be the Administrative Agent, with responsibilities to conclude an MoU with participating UN organisations and SAAs with contributing Partners. It will receive, administer and transfer funds to participating UN organisations, upon instructions from the Steering Committee and submit yearly consolidated narrative and financial reports to the Steering Committee and all contributing Partners that have provided financial contributions to the UNDF. The MPTF Office will post the MoU, SAAs and other relevant documents on the UN website for Darfur, as well as in the Administrative Agent website - the MPTF Office GATEWAY (<http://mptf.undp.org>).

19. Each participating UN organisation shall sign a standardised MoU with the MPTF Office, as the Administrative Agent that sets out the roles and responsibilities of each party.

20. Each contributing partner to the UNDF would sign an SAA with the MPTF Office, as the Administrative Agent that sets out the terms and conditions governing the receipt and administration of the contribution.

21. Subject to the availability of funds, the Administrative Agent shall normally make each disbursement to the participating UN organisation within three to five business days after receipt of instructions from the Steering Committee, accompanied with the approved Project Document and the relevant transfer forms, signed by all parties concerned.

IV. Description of the UNDF

a) Administration of the UNDF

22. The UNDF shall be administered by UNDP through its Multi-Partner Trust Fund Office (MPTF Office), as Administrative Agent, on behalf of the participating UN organisations, as agreed with the Government of Sudan (GoS) and the Darfur Regional Authority (DRA) through the DCB. The MPTF Office, as Administrative Agent, will administer the Fund in accordance with UNDP's regulations and rules. It will establish a separate ledger account for receipt of contributions to this Fund. The UNDF will be established upon the signature of the MoU between the participating UN organisations and the Administrative Agent and will be operational with the signing of the first SAA between a contributing partner and the Administrative Agent.

23. Unless otherwise agreed by the DCB and the contributing partners, the UNDF shall terminate on such date as the contributed funds will have been fully disbursed and after satisfaction of all commitments and liabilities.

b) Contributions to the UNDF

24. Contributions to the UNDF may be accepted from governments, intergovernmental or nongovernmental organisations and private-sector organisations, upon signature of an SAA with the Administrative Agent.

25. Contributions to the UNDF may be accepted in fully convertible currency or in any other currency that can be readily utilised. Such contributions shall be deposited into the bank account designated by the Administrative Agent.

26. The value of a contribution payment, if made in other than United States dollars, shall be determined by applying the UN operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges shall be recorded in the UNDF account established by the Administrative Agent to transfer funds to participating UN organisations.

27. To achieve optimal progress and ensure maximum flexibility and adaptation to emerging and changing priorities in Darfur, a guiding principle for resource mobilisation would be that contributing partners are encouraged to contribute with multi-year un-earmarked resources. However, if this is not possible, earmarking will be allowed at the level of the Pillar or Priority Objective(s).

c) Eligibility for UNDF funding

28. Participating UN organisations may be eligible for funding by concluding a MoU with the Administrative Agent of the Fund. Non UN-entities that are members of the UN Country Team and that have a similar international character and financial rules and regulations comparable to the UN, may also become participating organisations by concluding a separate MoU with the Administrative Agent.

29. Non-governmental organisations (NGOs), civil society organisations (CSOs) and national and sub-national institutions can receive funds from the UNDF through a participating UN organisation, based on a project agreement concluded between the UN organisation and those implementing partners in accordance with its regulations, rules and procedures. Use of funds, reporting obligations, liability, audit and other matters relating to the management of the funds provided, and the activities shall be addressed in such project agreements in the manner that is customary for the concerned UN organisation.

d) Utilisation of the UNDF

30. Resources from the UNDF will be utilised for the purpose of meeting the direct and indirect costs of programmes/projects approved by the Steering Committee and managed by the participating UN organisations. Details of such programmes/projects, including respective budgets and implementation partners (national entities, NGOs, CSOs, intergovernmental organisations) will be set out in the relevant project documents.

31. The indirect costs of the participating UN organisations recovered through programme support costs will be seven per cent (7%). All other costs, incurred by each participating UN organisation in carrying out the activities for which it is responsible under the UNDF, will be recovered as direct costs.

32. The Administrative Agent will charge a one-time-fee of one per cent (1%) for fund management and fiduciary responsibilities, which will be deducted from the contributions to the UNDF at the time they are deposited.

33. Participating UN organisations shall assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds shall be administered by each participating organisation in accordance with its own regulations, rules, directives and procedures.

V. Monitoring and Evaluation

34. All programmes funded through the UNDF will include a Monitoring and Evaluation (M&E) component that will be consistent with the respective regulations, rules and procedures of the participating UN organisations.

35. In addition, the Steering Committee of the UNDF, supported by its Technical Secretariat, will ensure systematic progress and results monitoring, as well as monitoring of operational performance. It may also commission independent lessons-learned studies and / or review exercises relating to the operations and management of the UNDF.

36. Based on the monitoring data and analysis provided the UNDF Steering Committee, the DCB, the Darfur Facility Executive Committee (DFEC), contributing partners, the Administrative Agent and the participating UN organisations will hold consultations, as appropriate, to review the status of the UNDF.

VI. Audit

37. The Administrative Agent and participating UN organisations will be audited in accordance with their own Financial Regulations and Rules. In addition, the Fund's projects implemented by the participating UN organisations may be audited in accordance with the Framework for Auditing Multi-Donor Trust Funds, which has been agreed to by the Internal Audit Services of participating UN organisations and endorsed by the UNDG in September 2007.

VII. Reporting

a) Participating UN organisations

38. Each participating UN organisation will provide the Administrative Agent with the following statements and reports prepared in accordance with their own accounting and reporting procedures:

- i) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- ii) Annual financial statements and reports, as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
- iii) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will provide a summary of results and achievements; and,
- iv) Certified final, financial statements and final, financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.

b) Administrative Agent

39. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in the previous paragraph (i) to (iv) above, and will provide those consolidated reports to each contributing partner that has contributed to the Fund Account, as well as the Steering Committee, in accordance with the timetable established in the SAA. The consolidated annual narrative and financial reports shall be provided no later than five months (31 May) after the end of the calendar year, and the final consolidated narrative and financial report shall be provided no later than seven months (31 July) of the year following the financial closing of the UNDF.

40. The Administrative Agent will also provide the Steering Committee and the participating UN organisations with the following statements on its activities as Administrative Agent:

- i) Certified annual financial statement (“Source and Use of Funds” as defined by the UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
- ii) Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

41. Consolidated reports and related documents will be posted periodically on the website of the Administrative Agent, MPTF Office GATEWAY (<http://mptf.undp.org>).

VII. Public Disclosure

42. The Administrative Agent in consultation with the Steering Committee, the UN Resident Coordinator and the participating UN organisations will ensure that decisions regarding the review and approval of the UNDF, as well as periodic reports on the progress of implementation of the UNDF and any associated external evaluation, are posted for public information on the relevant UN website for Darfur and the MPTF Office GATEWAY (<http://mptf.undp.org>). Such reports and documents may include the UNDF Steering Committee approved programmes, UNDF annual financial and progress reports and external evaluations, as appropriate.

VIII. Termination of the UNDF

43. The UNDF will continue its operation until the 31 December 2019, consistent with the DDS timeframe, unless otherwise decided by the Steering Committee. The final date for approval of new projects, final date for transfer of new funds and for operational closure will be established based on the Fund End Date.

44. The UNDF will terminate upon completion of all programmes funded through the UNDF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the programmes financed from the UNDF, any unutilised balances will continue to be held in the UNDF Account until all commitments and liabilities incurred in implementation of the programmes have been satisfied and programme activities have been brought to an orderly conclusion.

45. Any balance remaining in the UNDF Account or in the participating UN organisations’ separate ledger accounts upon winding up of the UNDF will be used for a purpose mutually agreed upon by the Steering Committee or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the donors and the Steering Committee.

IX. Visibility and Joint Communication

46. Each participating UN organisation will take appropriate measures to publicise the UNDF and to give due credit to the DCB and to the other participating UN organisations. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the GoS, the DRA, the contributing

partners, the participating UN organisations, the Administrative Agent and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each participating UN organisations and national partners in all external communications relating to the Fund.

DRAFT