

One UN Fund for the United Republic of Tanzania

Revised Terms of Reference

(based on principles agreed by the UN Country Management Team on 26 April 2013)

I. Purpose and Principles of the One UN Fund

1. The objective of the One UN Fund, under the management leadership of the Government/UN Joint Steering Committee, is to support the coherent resource mobilization, allocation and disbursement of donor resources to unfunded elements of the UN Development Assistance Plan July 2011-June 2015 (“UNDAP”) and new initiatives responding to emerging needs within the context of the UNDAP.
2. The One UN Fund conforms to the principles governing pooled and pass-through fund management modalities based on the United Nations Development Group (“UNDG”) Guidance Note on Joint Programming, dated 19 December 2003 introducing innovations agreed locally among the UNCT and the inter-agency mission on financial accountability and audit that took place on 1 – 3 October 2007.
3. The One UN Fund intends to facilitate the delivery of outcomes planned in the UNDAP by strengthening the joint planning, coordination and implementation process and channelling funds towards the highest priority needs determined by the Joint Steering Committee based on agreed criteria and procedures with documented process and rationale for allocations. The objectives of the activities to be financed by the One UN Fund are elaborated in the UNDAP.
4. In line with the UN Tanzania Code of Conduct 2011, signatory UN system organizations shall take appropriate measures to publicize the UNDAP and the One UN Fund, and to give due credit to the role of the Government, Donors and the signatory UN system organizations. Information given to the press, to the beneficiaries of the UNDAP and the One UN Fund, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Government, the Donor, the signatory UN system organizations, national partners, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of the Government, the Donor, the signatory UN system organizations, national partners, and the UN in all external communications relating to the One UN Fund. Nothing in this Article implies a license to use the logo of any donor, signatory UN system organizations, or national partner without its consent.

II. Description of the One UN Fund

5. The UN system organizations that participate in the One UN Fund will sign a Memorandum of Understanding between Participating UN System Organizations, (“Participating UN Organization”) the Resident Coordinator and UNDP regarding the Operational Aspects of the One UN Fund for Tanzania.

6. The United Nations Development Programme (“UNDP”), as the Administrative Agent, will administer the One UN 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 donors and the Resident Coordinator.

III. Contributions to the One UN Fund

7. Contributions to the One UN 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>).
8. Each donor will sign a Standard Administrative Arrangement 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.
9. In order to ensure focus on the national priorities and allow the Joint Steering Committee the maximum flexibility of planning and funds allocation, the UN’s preference is for un-earmarked funding. Nevertheless, earmarked funding can be accepted on an exceptional basis, at Programme level (ten UNDAP Programmes), subject to the agreement of the JSC.
10. As the Administrative Agent of the One UN Fund, UNDP will be responsible for receiving all donor contributions in the Tanzania One UN 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 UNDAP Working Group Annual Work Plan (WG AWP) and instructions from the Resident Coordinator based on the fund allocation decisions of the Joint Steering Committee along with copy of the signed UNDAP WG AWP. The Resident Coordinator’s instruction shall not be unreasonably delayed after the allocation decision by the Joint Steering Committee.

IV. Utilization of the One UN Fund

11. The One UN Fund will be utilized for the purpose of supporting elements of the UNDAP not funded by the Participating UN Organizations’ own resources. Details of the UNDAP, including the planned activities, estimated budgets and implementation arrangements relevant to the utilization of the One UN Fund are provided in the UNDAP and its annexes.

V. Governance Arrangements

The Joint Steering Committee

12. The Joint Steering Committee, co-Chaired by the Permanent Secretary of the Ministry of Finance and the Resident Coordinator, will provide strategic guidance to the UNDAP and strategic leadership of the One UN Fund including making decisions on available fund allocation (with documented process and rationale for these decisions) and monitoring of the overall agreed UNDAP implementation and its annual review.
13. The Joint Steering Committee will consist of the representatives of the Government, appointed by the Chief Secretary, the representatives of the United Nations Country Management Team (“UNCMT”), decided on a rotational basis and agreed by the UNCMT members and a representative of the Development Partners.
14. The Joint Steering Committee will be responsible for:
 - a) providing strategic guidance to the UNDAP as well as monitoring and evaluation of overall agreed UNDAP implementation including annual reviews;
 - b) providing strategic leadership of the One UN Fund on the basis of the UNDAP; and
 - c) making decisions on available fund allocation (with documented process and rationale for these decisions) in accordance with the agreed criteria and procedures.

The Resident Coordinator

15. The Resident Coordinator will be responsible for:
 - a) co-chairing the Joint Steering Committee and facilitate strategic guidance, leadership and decisions of the Joint Steering Committee;
 - b) provide strategic guidance to the UNDAP among the Participating UN Organizations in consultation with the UNCMT;
 - c) providing strategic leadership of the One UN Fund on the basis of the UNDAP among Participating UN Organizations in consultation with the UNCMT;
 - d) recommending available fund allocation to the Joint Steering Committee for decisions together with other UN representatives to the Joint Steering Committee based on the agreed recommendation at the UNCMT meeting;
 - e) taking leadership in mobilizing resources for the One UN Fund in collaboration with Participating UN Organizations;
 - f) providing strategic focus to the consolidated reports prepared under Article V of the MOU, including analysis of progress and lessons to be learned for future agreed UNDAP implementation;
 - g) providing relevant reports and statements defined under Article V of the MOU to the Participating UN Organizations and donors;

- h) holding Country Directors/Representatives/Heads of the Participating UN Organizations accountable for the implementation of those activities for which their agencies are responsible, for the achievement of the outputs and outcomes established by the UNDAP, and the utilization of the funds allocated from the One UN Fund;
- i) being accountable for the overall management of the One UN Fund and the utilization of the funds in the One UN Fund Account.
- j) signing the Standard Administrative Arrangements with Donors and UNDP and the Memorandum of Understanding with the Participating UN Organizations and UNDP; and
- k) maintaining standards of conduct 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.

Representatives/Country Directors/Heads of Lead Agencies

16. The Representatives/Country Directors/Heads of the Lead Agencies of Programme and other UNDAP Working Groups (WGs) will be responsible for:
- a) ensuring UN alignment with national priorities and international obligations;
 - b) ensuring engagement with government partners and non-state actors where appropriate;
 - c) ensuring a coherent UN response in the programme, operations and thematic area and on applicable policy issues;
 - d) promoting UN upstream and downstream engagement where appropriate and ensuring that the WGs aim for national impact;
 - e) ensuring that the UN gives consistent messages in the programme, operations and thematic area;
 - f) Promoting the articulation of joint strategies where possible;
 - g) promoting a common understanding and assessment among partners within the WG of results;
 - h) facilitating operational-level coordination;
 - i) promoting harmonization and cohesion among UN agencies active in the programme, operation and thematic area, by ensuring that the WG explores synergies, integration, and value added;
 - j) promoting appropriate bilateral technical support by Participating UN Organisations and levels of accountability with their respective IPs;

Representatives/Country Directors/Heads of the Participating UN Organizations

17. The Representatives/Country Directors/Heads of the Participating UN Organizations will be responsible for:
 - a) agreed UNDAP implementation, effective utilization of the funds allocated from the One UN Fund and their organization's components of the UNDAP;
 - b) providing in a timely manner and according to agreed quality standards relevant reports and statements defined under Article V of the MOU to respective Lead Agencies and Administrative Agent;
 - c) signing the One UN Fund Memorandum of Understanding with the Resident Coordinator, the Participating UN Organizations and UNDP; and
 - d) maintaining standards of conduct 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.

Support services provided by the Resident Coordinator's Office

18. The Office of the Resident Coordinator is responsible for support to the strategic leadership role of the Resident Coordinator for the One UN Fund. It will provide support in all the designated tasks for the Resident Coordinator under paragraph 15 above.
19. A focal point designated within the Office of the Resident Coordinator will be dedicated to supporting the quality assurance of the One UN Fund and the UNDAP.

VI. Annual Reporting

20. In addition to requirements reflected in Section V of the MoU, through which each participating UN Organisation, through the respective Lead Agency, will provide the Administrative Agent with narrative and financial progress and final reports, and for the purpose of reporting on the UNDAP according to the national fiscal calendar, the Participating UN Organisation, through the lead agency, shall provide to the Resident Coordinator a narrative and financial progress report, on the UNDAP WG AWP.
21. The Resident Coordinator will provide strategic focus to the UNDAP consolidated report, including analysis of progress and lessons to be learned for future implementation, and subsequently will submit such consolidated report to donors according to schedules agreed in the Standard Administrative Arrangement.

VII. Criteria for Allocation of Funds

22. The criteria has been developed to provide the Joint Steering Committee (JSC) for the One UN Fund in Tanzania with an objective basis for allocations to support the unfunded portions of the UNDAP and new initiatives responding to emerging needs within the context of the UNDAP.

23. The criteria will be applied in three steps: eligibility, initial allocation and subsequent allocation(s).
- (i) *Eligibility criteria:* These criteria set the minimum requirements that agreed UNDAP WGs must meet as a prerequisite for allocation of resources from the One UN Fund. The criteria are divided into ‘substantive’, ‘capacity’ and ‘process’ criteria.
 - (ii) *Initial allocation criteria:* This is the first allocation of funds from the One UN Fund to eligible agreed UNDAP WG AWP. These criteria provide the basis upon which eligible agreed UNDAP WG AWP are prioritised for funding.
 - (iii) *Subsequent allocation criteria:* These criteria are applied in the second and subsequent allocations from the One UN Fund. The criteria allocates funding to on-going agreed UNDAP WG AWP based on performance.

Eligibility Criteria

Agreed UNDAP WGs to be eligible for funding under the One UN Fund must meet the following *detailed planning*:

- Presentation of a detailed UNDAP WG AWP, Budget and Procurement Schedule, including:
 - detailed sequencing of activities aligned to UNDAP key actions and cross cutting considerations;
 - a clear division of labour among UN Agencies for various activities;
 - clear performance targets for outputs that realistically enable progression to the delivery of the agreed UNDAP outcomes;
 - quarterly disbursement plan and risk mitigation activities;
- demonstrated capacity of the UN to deliver the agreed UNDAP WG AWP (i.e. indication of staff with primary responsibility for delivery of each activity); and
- measures to redress Implementing Partners deficiencies/obstacles for successful agreed UNDAP implementation, as identified through the HACT micro-assessment.

Initial allocation

24. Agreed UNDAP WGs that have fully complied with the above eligibility criteria will qualify for an initial allocation of funds from the One UN Fund. An Inter-Agency Performance Assessment Team (IPAT)—comprised of chairs of the Programme and Operations Management Team (POMT), Operations Management Team, and the leads of the Inter-Agency Gender Group (IAGG), the Human Rights Working Group (HRWG) and the Planning, Monitoring and Evaluation Working Group (PMEWG) and a member of the UNDG Regional Team—will conduct a desk review of all the UNDAP AWP and make a proposal for allocation of funds after application of the criteria for initial allocation of funds. The IPAT fund allocation recommendations will then be presented to the CMT by the chair of the POMT. The CMT will take a final UN position and engage the JSC, where the final decision will be made.

25. The criteria for initial fund allocation will be applied as follows:

(a) Where the One UN Fund is 100% funded

- Agreed UNDAP WGs are allocated 100% of their total annual unfunded budgets. A ceiling on requests will be placed to insure against over-budgeting, namely: Year One – up to 25% of the One Fund budget
- Year Two – up to 33% of One Fund residual budget
- Year Three – up to 50% of the One Fund residual budget
- Year Four – up to 100% of the One Fund residual budget.

(b) Where resources in the One UN Fund are sufficient to cover between 50% - 99% of the funding gap (excluding earmarked funds)

- *Each agreed WG is allocated a pro-rata of its funding gap*
- *In the presence of earmarking, a mechanism to correct pro-rating will be instigated, namely:*
 - if earmarked resources are more than the agreed UNDAP WG would have been allocated without earmarked funds via pro rating, then the agreed UNDAP WG will be allocated no additional funding;
 - if the earmarked resources are less than the resources the agreed UNDAP WG would have been allocated without earmarking, the agreed UNDAP WG will be allocated monies according to the formula:
Earmarked funds + (pro rated entitlement - earmarked funds).
- Allocated funds will then be prorated between agreed UNDAP WG Participating UN Organisations.
- The aforementioned ceiling on requests, to guard against over-budgeting, will apply.
- At the end of the Year, funds allocated to the agreed UNDAP WG but not disbursed from the One Fund will be zeroed.

(c) Where resources in the One UN Fund are sufficient to cover less than 50% of the funding gap (excluding earmarked funds)

- Fund allocation will be prioritised according to the following criteria:
 - Distance from attainment of MDGs;
 - GoT indication of preference

Subsequent (Performance Based) Allocations

26. Performance based allocations will be undertaken twice a year. In line with the requirements established by the MOU for the One Fund, each agreed UNDAP WG will report on progress made against outputs, financial expenditure, major achievements and constraints. They will be required to account for annual targets and the extent to which cross-cutting issues were mainstreamed. WGs will also provide a narrative against the outcome statement.
27. The IPAT will apply the criteria (below) and make recommendations on the fund allocation. The recommendations will be discussed by the IAPC and OMT and then the UNCMT, which once satisfied that the criterion have been properly applied, will present the recommendations to the JSC for a final decision.

28. Weighted performance criteria will be applied in two phases. Step One will assess at agreed UNDAP WG level:

- Extent to which annualized targets captured in the work plan have been achieved - 50%
- Extent to which performance indicators relating to UN's cross cutting considerations have been met - 20%
- Extent of financial delivery over allocated funds, both Agency and One Fund resources - 30%

Performance scores will then be translated into entitlement scores, using the following conversion chart:

Performance Score	Entitlement
<29%	0%
30% - 49%	40%
50% - 59%	70%
60% - 69%	80%
70% - 79%	100%
80% - 89%	110%
90% - 100%	120%

- Where the One Fund is less than 100% resourced, allocations to WG will made by multiplying the performance entitlement percentage by the prorated allocation (including adjustments to balance earmarking).
29. The second step will assess the financial delivery of each Participating UN Organisation within the agreed UNDAP WG. Funds allocated to the WG in step one will be distributed between Participating UN Organisations according to performance entitlement (based on financial delivery)—using the aforementioned conversion chart—multiplied by prorated allocation, and then adjusted.

Non-disbursement of allocated funds

30. At the end of the programme year, funds allocated to the agreed UNDAP WG but not disbursed from the One Fund will be zeroed. If so agreed by the Joint Steering Committee, funds allocated to Participating UN Organizations but not spent at the end of the programme year shall be returned to the Administrative Agent for the utilization of the One UN Fund, in exceptional circumstances and with due consideration of the costs incurred.

The Role of The JSC

31. Final decision-making should reflect on cross-validation and the initial/subsequent proposals for allocation of funds that flow from the application of the criteria. The

purpose is to ensure that there is an adequate balance between competing priorities. The JSC will therefore have authority to waive the performance criteria, if due justification is provided for and accepted; the Committee will ensure that the final decision is wholly appropriate and that equity and reasonableness have been applied.