

“Towards Unity in Action”

**Multi-Donor Trust Fund – Republic of Moldova
Terms of Reference**

December 2013

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1. Introduction

1. The United Nations – Republic of Moldova Partnership Framework 2013-2017 “Towards Unity in Action” expresses the collective determination of the Government of the Republic of Moldova and the UN to work together to address major national development challenges and meet international human rights commitments. The accompanying Action Plan, signed in December 2012, articulates how these commitments will be implemented. Responding to a request from the Government, it advances UN reform through greater unity in UN action.
2. By joining its forces, the UN endeavours to increase the impact of its work and to create a common platform for the Government to access the expertise across the UN System, including that of non-resident agencies.¹
3. Pillar 1 of the Partnership Framework refers to democratic governance, justice, equality and human rights. It supports accomplishment of in-depth reforms to create an efficient, functional and sustainable framework of the state; better performance of public institutions; and strengthened rule of law and human rights protection mechanisms. Outcome 1.3 specifically supports the effective promotion and protection of human rights, gender equality and non-discrimination, with particular attention to marginalized and vulnerable groups.

2. The “Towards Unity in Action MDTF” Purpose and Outline

4. The MDTF complements other resources available to the country and is designed specifically to support the activities agreed by the Government and the UN as outlined in Pillar 1, Outcome 1.3 of the Partnership Framework. Initially, the MDTF will be articulated around this thematic windows and it will offer the flexibility to expand to additional thematic windows according to expressions of interest by more than one agency.
5. The MDTF conforms to the principles governing a multi-donor pass-through arrangement,² with the aim to reduce the administrative costs for (joint) UN action. It is administered by UNDP, through its Multi-Partner Trust Fund Office (MPTF Office). The MPTF Office acts as Administrative Agent, on behalf of the Participating UN Organisations, and administers the fund in accordance with its Regulations and Rules.

a. Contributions to the MDTF

6. Contributions to the MDTF may be accepted from governments of Member States of the United Nations or from intergovernmental or non-governmental organizations, or from private sources and philanthropic organizations. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General’s guidelines: <http://www.un.org/partners/business/otherpages/guide.htm>).
7. Development partners are encouraged to contribute multi-year pooled/non-earmarked resources towards the Partnership Framework’s Outcome 1.3 on the promotion and protection of human rights, gender equality and non-discrimination in the Republic of Moldova, including emerging priorities within this

¹ The UN Country Team in Moldova consists of: FAO, IFAD, ILO, IOM, OHCHR, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, UN Women, and WHO; World Bank and IMF; and UNESCO as non-resident agency. Other non-resident agencies participating in the Action Plan are IAEA, ITC, UNCITRAL, UNCTAD, UNECE, UNEP, UNIDO and UNODC. For the purposes of the present document, the terms “UN” and “the Participating UN Organisations” used hereunder shall be understood to include the International Organization for Migration (IOM), Mission to the Republic of Moldova.

² In a pass-through arrangement, donors and Participating UN Organizations agree to channel funding through one Participating UN Organization, referred to as the Administrative Agent that is jointly selected by all Participating UN Organizations. As such, the Administrative Agent is the appointed interface between the Participating UN Organizations and the donors. The programmatic and financial accountability for individual projects and joint programmes rests with the Participating UN Organizations to which funds are disbursed by the Administrative Agent upon instruction of the Steering Committee.

Outcome to increase flexibility and predictability of funding for UN-supported activities. However, if this is not possible, partners' requests for earmarking their contributions to specific areas/components of the MDTF will be considered.

8. Contributions to the MDTF may be accepted in fully convertible currencies. Such contributions shall be deposited in the bank account designated by the Administrative Agent. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

b. Utilization of Funds

9. Resources from the MDTF will be utilized for the purpose of meeting the funding gaps of the UN-Moldova Partnership Framework's Outcome 1.3 to support the effective promotion and protection of human rights, gender equality and non-discrimination, with particular attention to marginalized and vulnerable groups.

10. Resources from the MDTF will be utilized to meet the direct and indirect costs of projects selected for funding and managed by the Participating UN Organizations. Details of such projects, including respective budgets and implementation partners (national entities, NGOs, civil society organizations, non-state actors and inter-governmental organizations) will be set out in the relevant project documents.

11. Indirect costs of each Participating UN Organization will be seven percent (7%). The indirect costs will be reflected in the project proposal approved by the Steering Committee. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

12. The Administrative Agent will be entitled to allocate an administrative one-time fee of one percent (1 %) of the contribution by each Donor to cover the Administrative Agent's costs of performing the Administrative Agent's functions. The fee will be deducted from the contributions to the MDTF at the time they are deposited.

13. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

14. The Participating UN Organizations will not make any commitments of MDTF resources above the approved budget. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned will submit a supplementary budget request to the Steering Committee.

c. Governance Arrangements

15. Oversight of the MDTF is embedded in the overall oversight structure for the UN-Moldova Partnership Framework, namely high level oversight in the framework of the Joint Partnership Council as the key national mechanism for monitoring of strategic plans and external assistance.

i. Steering Committee

16. The MDTF Steering Committee will be co-chaired by the State Chancellery as national coordinating authority of the UN-Moldova Partnership Framework and the UN Resident Coordinator, and will include the Participating UN Organizations. The Steering Committee will oversee and approve the attribution of available funds according to the priority areas as identified in the UN – Republic of Moldova Partnership Framework and its Action Plan.

17. The Steering Committee makes decisions by consensus. Decisions of the Steering Committee shall be duly recorded.

18. The Steering Committee will also review and approve the periodic financial and narrative progress reports consolidated by the administrative agent, based on the progress reports submitted by the Participating UN Organizations.

ii. MDTF Board

19. Under the coordination of the UN Resident Coordinator, the UN Country Team will review programme proposals submitted by the Participating UN Organizations, ensuring eligibility criteria outlined in these Terms of Reference are met, and advise on the allocation of un-earmarked funding to selected programme proposals – all within the areas approved by the Steering Committee. The UN Country Team shares the responsibility for mobilizing resources for the MDTF where this is possible to strengthen the coherence of the UN's collective efforts.

iii. Programme and Project Planning and Implementation

20. The Participating UN Organizations will be responsible for the implementation of the specific projects and joint programmes. They will assume full programmatic and financial accountability for the funds transferred to them by the Administrative Agent. The Participating UN Organizations will issue the narrative annual and final reports (and other reports if agreed by the Steering Committee). As with all programmes supported by the United Nations, projects and programmes will be implemented with the active involvement of relevant line ministries, civil society and other relevant partners.

21. For Joint Programmes, the lead agency will coordinate activities related to the Joint Programme and will be responsible for the consolidation of the Joint Programme narrative annual and final report. In case these functions are required to be taken on by the UN Resident Coordinator's Office, this will be supported by the fund.

iv. Administrative Agent (AA)

22. On behalf of the Participating UN Organizations, as per the Memorandum of Understanding (MoU), UNDP MPTF Office's responsibilities as Administrative Agent will include to:

- Conclude Standard Administrative Arrangements (SAA) with Donors;
- Receive, administer, and manage contributions from Donors, in accordance with the SAA and MoU, including the provisions relating to winding up the Fund Account and related matters;
- Subject to availability of funds, disburse such funds to each Participating UN Organisations in accordance with instructions received from the UN Resident Coordinator and based on the approval of the Steering Committee and in line with the approved project/joint programme documents and budgets.
- Based on the narrative reports submitted by the Participating UN Organisations, duly consolidated by the chairs of the respective Working Group of the UN-Moldova Partnership Framework³, provide annual and final consolidated narrative and financial reports and financial statements to the Resident Coordinator for onward submission to Donors and the Steering Committee.

23. The Office of the Resident Coordinator will provide support to all the tasks designated to the Resident Coordinator listed above.

³ The UN-Moldova Partnership Framework is thematically structured by three pillars. Technical experts from the different thematic areas convene in three UNPF Pillar Working Groups.

v. Criteria for Allocation of Funds

24. Allocation of MDTF resources will be made based on the following criteria:

- i. UN Coherence: Agency-specific projects and joint programme are eligible for funding only if they contribute to the UN-Moldova Partnership.
- ii. Justification: Project or joint programme concept notes detail the justification for the project or programme, its objectives, outcomes, key indicators and activities.
- iii. Performance: Recognized comparative advantage of the Participating Organization and track record in implementation on the particular programmatic area. Subsequent allocations or approvals will take into consideration the disbursement and expenditure rate for previously approved allocations. Expenditure turnaround should ideally be one year.
- iv. Readiness: The programme or project is ready to start with implementation structure in place.
- v. Predictability: The projects or joint programmes that request resources from the MDTF are either reflected in the annually updated One Budgetary Framework, or address an emerging priority in the area of human rights, gender equality and non-discrimination.
- vi. Impact: The project or programme is expected to have a significant impact in its area, and to leverage additional resources and progress for other interventions.
- vii. Relevance: Results Framework in line with the United Nations – Republic of Moldova Partnership Framework 2013-2017 “Towards Unity in Action” and its Action Plan.

3. Monitoring & Evaluation, Audit and Reporting

25. Programmes supported by the MDTF will be subject to monitoring and evaluation as agreed in the United Nations – Republic of Moldova Partnership Framework 2013-2017 “Towards Unity in Action”, and specifically in Chapter Six of its Action Plan. As such they will be monitored through the annual review of progress against the Partnership Framework’s outputs and outcomes conducted by the Government and the UN.

a. Audit

26. The AA and Participating UN Organizations may be audited in accordance with their own Financial Regulations and Rules and, in accordance with the Framework for auditing MDTFs which has been agreed to by the Internal Audit Services of Participating UN Organizations and endorsed by the UNDG in September 2007.

b. Reporting

27. 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:

- Annual narrative progress reports, and in case of Joint Programmes, consolidated annual narrative reports, to be provided no later than three months (31 March) after the end of the calendar year. To the extent possible, the narrative reports will be provided earlier, to flow into the UN’s annual progress report;
- 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;
- Final narrative reports, after the completion of the programme activities and including the final year of the activities, to be provided no later than four months (30 April) of the year following the

operational closing of the Fund. The final report will provide a summary of results and achievements; and,

- Certified final financial statements and final financial reports no later than six months (30 June) of the year following the operational closing of the Fund.

Further details on these aspects are available in the Memorandum of Understanding between participating organizations and in the Standard Administrative Arrangement with Donors to the fund.

c. Public Disclosure

28. 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 MDTF, as well as periodic reports on the progress of implementation of the MDTF and any associated external evaluation, are posted for public information on the relevant UN website for Moldova and the MPTF Office Gateway (<http://mptf.undp.org>).

4. Other Matters

29. The MDTF will be established upon signing of the Memorandum of Understanding amongst at least two Participating UN Organizations and the Administrative Agent. It will become operational upon signing of the first Standard Administrative Arrangement with the development partner. Nothing in these TORs affects the provisions agreed in the Memorandum of Understanding between Participating UN Organizations and the United Nations Development Programme regarding the Operational Aspects of the MDTF.

30. The MDTF will be closed with the end of the UN-Moldova Partnership Framework 2013-2017, on 31 December 2017.