



UN Multi-Partner Trust Fund
for Somalia (Somalia UN MPTF)

Terms of Reference

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UN Multi-Partner Trust Fund for Somalia (Somalia UN MPTF)

I. The Somalia UN MPTF in the context of Somali Development and Reconstruction Facility (SDRF)

1. Somalia's eight-year transition ended on 10 September 2012. The adoption of a new Provisional Constitution, formation of a new Parliament and selection of the President led to a new period (2012-2016), which presents an opportunity for a new phase of stabilization and peacebuilding. The challenges that Somalia faces are complex, multifaceted and differ from various political, social, and regional contexts. The strategy to address these challenges and effectively lead Somalia on a path of recovery, development and a durable peace, requires focused and committed leadership, solid government structures to deliver basic services, peoples trust, mediation and community participation, sound civic dialogues, and good and friendly international relationships based on mutual respects.

2. On 16 September a landmark Conference on A New Deal for Somalia was held in Brussels, co-hosted by the Somali Federal Government and the European Union (EU), with participation from Somali regions, Members of Parliament and civil society, as well as international friends and partners. The conference endorsed a New Deal Compact between Somalia and the international community that will guide the reconstruction of Somalia, based on the New Deal Principles for Fragile States and committed to its implementation. The Compact is the result of an inclusive process to determine the priorities of Somalia for the next three years (2014-2016). The process, based on the Busan New Deal principles, was initiated in December 2012, by the Federal Government of Somalia (FGS) and the international community.

3. The Somali Compact presents a new beginning in the joint partnership between the Somali people and the international community and is intended to be the only and overarching framework for all international donor and partner engagement with the country. It identifies a set of key priorities for the reconstruction of Somalia over the next three years under five Peacebuilding and Statebuilding Priorities (PSG).

2. As part of the Compact, the FGS and development partners agreed to establish the Somalia Development and Reconstruction Facility (SDRF) as a centerpiece of the New Deal partnership and in order to enhance the delivery of effective assistance to all Somalis. Closely aligned with the Somalia Compact principles, the SDRF will serve as a mechanism for the FGS to oversee and guide the diverse activities of its development partners. The SDRF establishment will be pragmatic and gradual, allowing for a steady transition towards full operational effectiveness, based on capacity and performance. The key objectives of the SDRF are to:

- align resources behind the critical Somali priorities set out and agreed in this Compact and ensure follow-up and monitoring of their delivery;

- develop sustainable institutional capacity within Somali authorities by putting Somali institutions in the lead;
- facilitate a transition towards the full use of country PFM systems by establishing and strengthening those systems, starting with the national budget framework;
- increase the transparency and accountability of the delivery and management of international assistance in Somalia; and
- reduce transaction costs by pooling funds and through harmonized results reporting.

3. The SDRF brings together several funds (“windows”) under common governance arrangements. This will ensure (a) coordination across activities, (b) wide coverage of the PSGs, and (c) a combination of instruments that can deliver on urgent needs as well as laying the foundations for longer-term institutional development. The windows would be administered by three technical agencies in areas based on comparative advantage: the UN, the World Bank and the African Development Bank. All window administrators will agree on their operating procedures with the FGS and development partners to ensure compatibility with the principles of the SDRF. The windows will ensure that technical work on design and delivery is undertaken with federal and regional institutions at the technical level as appropriate.

4. Development partners and the FGS recognize that the establishment of the SDRF will initially run in parallel to on-going activities, funds and programs. However, the SDRF will aim to facilitate information sharing on existing activities through its governance framework. Over time, financing may increasingly transition towards the SDRF framework as a preferred channel (as outlined in Compact Principle 5), based on the track record of the SDRF.

5. To avoid an overly complex structure and to lower transaction costs, the SDRF shares its governing bodies with the wider aid coordination architecture of the SDRF. The main SDRF governance arrangements include a high-level Steering Committee, which will be supported by the FGS Aid Coordination Unit performing the function of a Technical Secretariat.

6. The SDRF will establish a robust mechanism for reporting and monitoring the performance of participating funds against PSG priorities and for managing risks. To ensure visibility across funding instruments, the Technical Secretariat will develop common reporting standards for implementation and results and will prepare periodic progress reports for the SDRF governance and the broader aid coordination bodies.

7. The present Terms of Reference (TOR) guide the establishment of the United Nations Multi-Partner Trust Fund for Somalia (hereafter “Somalia UN MPTF”), which will be one of the windows within the SDRF. The Somalia UN MPTF is proposed for a period of 10 years, lasting through December 2024.

8. The Somalia UN MPTF will be complementary to and aligned with the other envisaged windows within the SDRF, to be administered by the World Bank and the Africa Development Bank (hereafter

“MPFs”), and the Special Financing Facility (SFF). Its governance structure will be aligned with the governance structure proposed for the SDRF.

II. The Somalia UN MPTF: Scope, Coverage and Structure

9. The Somalia UN MPTF organizes its programmatic and operational work according to the priorities identified under each Peacebuilding and Statebuilding Goals (PSGs) of the Somali Compact (hereafter referred to as PSG pillars). It will cover activities throughout the five PSGs, recognizing the UN’s activities and mandates throughout and will focus on immediate delivery, building resilience and capacity development, as a comparative advantage in relation to the other windows.

10. In addition to channelling funds for programmatic activities, the Somalia UN MPTF will also perform a coherence and alignment function for on-going existing UN programmes. In that regard, it will foster the inclusion of such activities under one reporting. While existing programmes (both Joint Programmes and individual entity programmes/projects) will maintain their account, governance structure and current legal relationship as stand-alone programmes, they will be progressively subject to the common reporting standards required by the SDRF and will be progressively placed under the SDRF oversight. The UN will strive to align the governance of its existing programmes to the SDRF governance, to the extent possible.

11. The Somalia UN MPTF will be structured in PSG pillars, following the definitions and priorities of the Somali compact:

PSG1 - Inclusive Politics: Strategic Objective: Achieve a stable and federal Somalia through inclusive political processes including, political dialogue, reconciliation and adoption of the Federal Constitution and elections by 2016. A peaceful and stable Somalia requires simultaneous progress in establishing inclusive political processes at different levels of society, promoting national and local level reconciliation, and completion of the revision and adoption of the Federal Constitution, culminating in the envisaged 2016 elections. These political milestones are the basis for creating the foundations for peace and recovery.

PSG2 – Security: Strategic Objective: Establish unified, capable, accountable and rights-based Somali Federal security institutions providing basic safety and security for its citizens. The objective is to create a more safe, secure and accountable Somalia which is able to better maintain peace within its borders and with its neighbours; is increasingly capable of restoring and maintaining internal security; protects its civilians, with special attention to securing the rights of women, youth and children; is improving equitable access to justice and the rule of law; applies human rights standards in adherence with international humanitarian law; and has accountable and financially sustainable security institutions.

PSG3 - Justice: Strategic Objective: Establish justice institutions capable of addressing the justice needs of the people of Somalia by delivering justice for all. This overarching objective was defined by the FGS and other relevant stakeholders in the framework of the National Strategic Plan for Justice Reform (2013-2015). It addresses the need to establish, maintain and enhance justice institutions based on a sound legal framework compliant with human rights, ensuring access to justice and quality delivery of justice for the people of Somalia.

PSG 4 - Economic Foundations: Strategic Objective: Revitalize and expand the Somali economy with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth. The economy has a critical role to play in Somalia's Statebuilding and Peacebuilding processes. Employment generation can help build trust in government and encourage social cohesion. A growing economy can generate critical revenue to support public service delivery and build the legitimacy of public institutions. An improved economy can also increase opportunities for peace and reduce conflict, through a broad-based engagement of the population in productive activities, and generation of employment, towards shared prosperity. In addressing the identified priorities within this PSG, due attention will be given to the necessary enabling environment to improve women's access and opportunities to engage in profitable income generating activities while seeking to address key impediments to their participation in economic activities. The objectives, priorities, and actions of PSG4 are closely linked to the Federal Government's Economic Recovery Plan (ERP). This pillar will include flagship Joint Programmes, such as the UN Joint Programme for Sustainable Charcoal Production and Alternative Livelihoods in Somalia.

PSG5 – Services and revenues: Strategic Objective: Increase the delivery of equitable, affordable, and sustainable services that promote national peace and reconciliation amongst Somalia's regions and citizens and enhance transparent and accountable revenue generation and equitable distribution and sharing of public resources. The objectives and priorities of PSG5 are closely linked to the ERP and PFM Reform Strategy and Action Plan. The focus is on increasing service delivery while at the same time laying the foundations for sustainable public expenditures by promoting transparent and accountable revenue generation and improving public financial managements systems and institutions. Delivering on these priorities will help to increase trust in Somalia's public institutions. The priorities and actions of PSG5 recognize that the provision of most services in Somalia by non-state actors and NGOs will continue, but should increasingly do so under the umbrella of the government. PSG 5 priorities also highlight the need to continue to work toward harmonization of regional and federal revenue generation programs, and to clarify the roles and responsibilities for service delivery between the different levels of government (district, regional, and federal). The existing flagship UN Joint Programmes falling within this category, such as the Joint Programme on Local Governance and

Decentralized Service Delivery Joint Programme (JPLG) would be phased into¹ the Somalia UN MPTF over time.

12. In order to increase its implementation capacity, the Government requested the UN to provide assistance in the coordination and management of advisors required to fill urgent capacity needs, and the implementation of sustained strategies **to support human resource and institutional development**. In particular, support is required to define the basic administrative functions of the Public Sector in Somalia. This may require the creation within the Somalia UN MPTF of a separate Capacity Development pillar, which could be established at the request of the Steering Committee. This could foresee allocations to support to regulatory, policy and strategy development at the centre of government, basic civil service management systems, and public sector capacities.

13. Furthermore each PSG pillar will be required to adopt a capacity development approach, in line with the principles, framework and strategy of the government, as established in the compact. At least 10 % of the proposal's budget presented to the Somalia UN MPTF shall be dedicated to capacity development.

14. Gender equality and women's empowerment, resilience programming, as well as matters pertaining to mobility and migration will also be cross-cutting areas that will be addressed in each of the PSG pillars.

15. All programmes and activities funded through the Somalia UN MPTF will balance the need for rapid response with the priority of government ownership. In situation of capacity constraints, operational flexibilities of UN Agencies, international organizations, namely the International Organization for Migration (IOM), and NGOs on behalf of and at the government's request may be well placed to implement priority activities. As the government strengthens its capacity, government execution will be promoted and increased over time.

16. Alongside the establishment of the Somalia UN MPTF, and in the context of the envisaged performance monitoring of the compact implementation, the UN will work with the government to establish a process and benchmarks to foster progressively the broader use of full national systems to channel and manage programmes.

III. Entities eligible for funding from the Somalia UN MPTF

17. The Somalia UN MPTF will be a Trust Fund model with multiple channels of execution (the Participating UN Organizations and IOM and National Entities). This model would be of a particular relevance to the current situation in Somalia, since it enables the FGS to use a variety of implementation channels for the Somalia UN MPTF and thereby underpins the flexibility in design of the Somalia UN

¹ While existing JPs will maintain their account, governance structure (Steering Committees) and current legal relationship as stand-alone Joint Programmes, the JPs will be subject to the common reporting standards required by the SDRF and would benefit from the progress oversight from the SDRF.

MPTF and SDRF. The UNMPTF will have two funding streams – the UN funding stream and the national funding stream.

18. **Under the UN Funding Stream**, participating UN Organisations (UN Agencies, UNSOM, and UNSOA) are eligible to receive funding from the Somalia UN MPTF by concluding a Memorandum of Understanding (MOU) with the Administrative Agent. IOM, which is a non-UN Entity and is a member of the UN Country Team, will also be eligible to become a Participating non-UN Organisations by concluding a separate MOU with the Administrative Agent. Financing may be provided to national and sub-national institutions and international NGOs through one of the UN Agencies. 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 and IOM. Participating UN organisations and IOM 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.

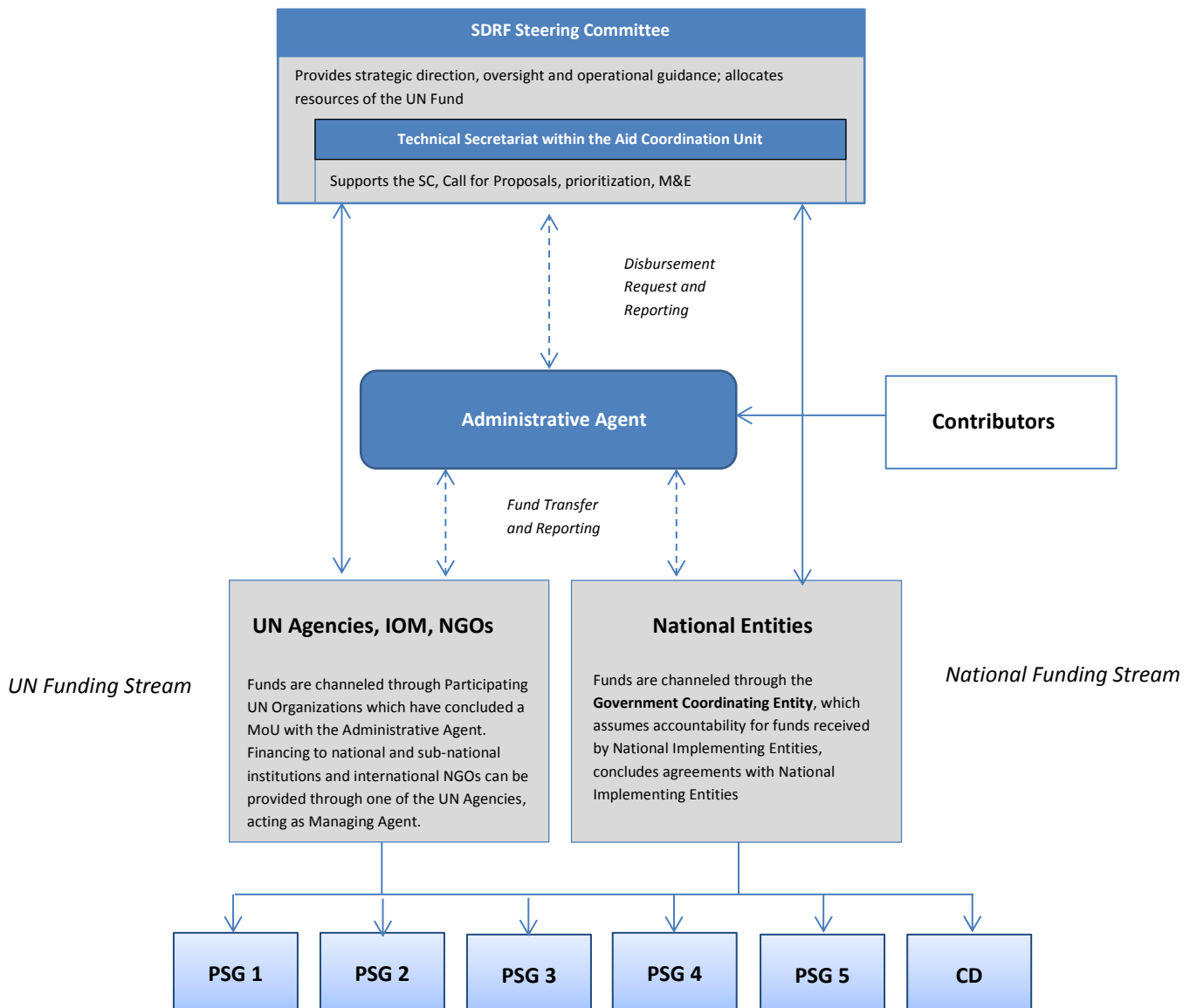
19. **Under the National Funding Stream**, financing from the Somalia UN MPTF can be provided directly to the National Entities that are included as Government Implementing Partners in the programmatic documents approved by the Steering Committee. Funds going directly to the National Entities through the treasury will be utilizing the national systems. The Ministry of Finance, as the Government Coordinating Entity, concludes a Memorandum of Agreement (MOA) with the Administrative Agent of the Fund. The Ministry of Finance assumes full financial accountability for the funds transferred to National Entities, which will be managed in accordance with the national budgetary framework (full on-budget – including financial, procurement, accounting and audit procedures), provided that they do not contravene the principles of UNDP’s Financial Regulations and Rules. The Somalia UN MPTF’s National Stream TOR presents a framework with respect to the Government of Somalia receiving the funding directly from the Fund describes the structure and the operational modality of this arrangement (*ANNEX 1*).

20. While in the initial phase, many programmes and activities of Somalia UN MPTF would be implemented by UN entities, the Fund envisages building the FGS capacity, enabling the gradual increase in the proportion of funds being channelled through the national funding stream modality where Somalia UN MPTF funding will go directly through national systems (Treasury) for the approved projects in line with the Compact Partnership Principle 4 (Aid is provided in line with the government budget cycle and helps to strengthen government Public Financial Management systems). From the onset, the Somalia UN MPTF programmes, implemented by the UN Agencies and IOM, will be implemented ‘on plan’, ‘on budget’, and ‘on-report’. The growth of the National Funding Stream and the channelling of funds through national systems will be linked to progress made towards agreed PFM benchmarks, which will be developed and monitored by the Financial Governance Committee under the framework of the SDRF in line with the Compact Partnership Principle 4.

IV. The Somalia UN MPTF: governance structure

21. The Somalia UN MPTF is a UN Multi-Partner Trust Fund, established under the overall leadership of the FGS and governed by the SDRF Steering Committee. The SDRF Steering Committee includes representatives of the Government, Multilateral Organizations, International Financing Institutions and donors, as defined in the TOR of the SDRF Steering Committee. The DSRSG/Resident Coordinator/Humanitarian Coordinator will represent the views of United Nations Assistance Mission in Somalia (UNSOM) and the UN system organizations. The DSRSG/RC will consult with Participating UN Organizations on all relevant issues and will ensure that the design/development of programme proposals for consideration by the Steering Committee will involve formal consultation with all Participating UN Organizations. The governance structure of the Somalia UN MPTF is depicted below:

Governance Structure of the Somalia UN MPTF



22. The **Steering Committee** will be responsible for:

- i) Providing oversight and exercising overall accountability of the Somalia UN MPTF;
- ii) Reviewing and approving proposals submitted for funding after being cleared by the structures to be established after the endorsement of the Somali compact for oversight of each PSG (PSG sector groups), ensuring their conformity with the requirements of the Somalia UN MPTF Terms of Reference (TOR);
- iii) Developing and approving the criteria by which the implementation and managerial capacities of National Entities will be reviewed, as part of the overall funding evaluation process;
- iv) Reviewing Somalia UN MPTF status and its overall progress, both in regard of itself and its contribution to the overall SDRF implementation;
- v) 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 and IOM and National Entities;
- vi) Commissioning reviews and “lessons learned” reports on the performance of the Somalia UN MPTF, and discussing follow-ups with Participating UN Organisations and National Entities on recommended actions that have Somalia UN MPTF-wide impact; and
- vii) Approving and updating the Somalia UN MPTF TOR, as required.

23. The Steering Committee shall meet periodically in Mogadishu. The Steering Committee consists of two formats: it will meet every month with a limited membership to oversee the day-to-day management of the SDRF (the “executive SC”). Every third meeting of the SDRF SC will be held in a plenary format (the “plenary SC”), open to a wider group of development partners, and will offer direction on strategic issues of coordination, implementation, financing of the Compact commitments according to agreed benchmarks and timelines in the Compact, and any other problems and bottlenecks acknowledged either by the FGS or the international community. It will make funding decisions by consensus. Reports, recommendations and minutes of its meetings will be shared with the Somalia UN MPTF stakeholders. They will be made public through the Fund’s website at the MPTF Office GATEWAY (<http://mptf.undp.org>).

24. The **FGS & Development Partners Groups (PSG Working Groups)** will provide technical forums for sectoral policy formulation, planning and programmatic co-ordination would serve as a common governance and coordination function for the Somalia UN MPTF and for the broader support to the Somali transition. Donors to the Somalia UN MPTF will participate in this governance arrangement together with a wider set of development partners. This platform would ensure joint oversight (donor and government) of the strategic direction, implementation and results of Somalia UN MPTF, the MPFs, and other financing instruments. The objective is to achieve shared oversight and coordination between the MPF and other financing instruments that adhere to common reporting standards agreed with the government as set out in the Compact;

25. The **Aid Coordination Unit** has been set up to support the proper functioning of the SDRF Steering Committee and the High Level Partnership Forum, and to advance day-to-day work on financing, aid effectiveness and co-ordination, monitoring and reporting. The Somalia UN MPTF will designate dedicated staff (who will be recruited or seconded), who will be dedicated to the work of the Somalia UN MPTF. Somalia UN MPTF's staff located in the **Somalia UN MPTF Fund's Secretariat** which is a part of the Aid Coordination Unit will be responsible for:

- i. Facilitating the preparation and conduct of the Steering Committee meetings related to the Somalia UN MPTF, including the preparation of agenda and minutes, distribution of documents, distribution of programme/project proposals submitted to the Steering Committee for funding decisions, etc.;
- ii. Organising programme/project vetting process/review, in close consultation with the PSG Working Groups (PSG WG), Participating UN Organisation and/or the National Entity that has been designated as an authority for a specific Pillar, to review the technical and operational appropriateness of the submitted proposal in light of the respective objective areas of Compact or future planning framework. The PSGWG and/or 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. Reviewing programmes/projects submissions of Participating UN Organisations and National Entities to ensure adherence to the Somalia UN MPTF 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, and identifying challenges to be reported to the Steering Committee;
- vi. Developing, in coordination with the Technical Secretariat, 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. Undertaking monitoring, reporting and evaluation on Fund-level progress on periodic basis, and preparing analytical progress reports relating to agreed Somalia UN MPTF objectives; and
- viii. Periodically reviewing the Somalia UN MPTF TOR and recommending changes or revisions.

26. Costs for the tasks of the staff dedicated to the Fund Secretariat within the Aid Coordination Unit will be agreed and approved by the Steering Committee, and would be charged to the Somalia UN MPTF account as direct costs.

27. The Somalia UN MPTF will be administered by UNDP Multi-Partner Trust Fund Office (MPTF Office), as Administrative Agent. The Administrative Agent will conclude a Memorandum of Understanding (MOU) with Participating UN Organisations and IOM, Memorandum of Agreement (MOA) with the FGS and Standard Administrative Arrangements (SAAs) with contributing partners. It will receive, administer

and transfer funds to Participating UN Organisations, IOM, and National Entities upon instructions from the Steering Committee and submit yearly consolidated narrative and financial reports, in accordance with the standards established by the FGS, to the Steering Committee and all contributing Partners that have provided financial contributions to the Somalia UN MPTF.

28. Subject to the availability of funds, the Administrative Agent shall normally make each disbursement to the Participating UN Organisation, IOM, and National Entity 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.

29. Upon its composition, the Steering Committee will adopt an Operational Manual, prepared by the Technical Secretariat with the support from the Administrative Agent, detailing the rules and procedures of the Somalia UN MPTF and its Steering Committee, call for proposal and approval cycle, project proposal and reporting templates, etc., in line with the principles and commitments embedded in the Compact. The Steering Committee will also develop the format for the one report.

V. Project Development and Approval

30. The Steering Committee, with the support of the Fund Secretariat within the Aid Coordination Unit and Administrative Agent, will develop a standard proposal request form that all Participating UN and Non-UN Organizations and National Entities will be required to use when submitting requests to the Somalia UN MPTF.

31. Using the standard proposal request form, Participating UN and non-UN Organizations and National Entities will develop and submit requests to the Fund Secretariat within the Aid Coordination Unit. The Secretariat will review the request to ensure that all required information is included in the standard request form before submission to the Steering Committee. The Secretariat within the Aid Coordination Unit will also call upon the UN organization that has been designated to lead the Pillar or Pillar's component under which the request is formulated, to review the technical and operational appropriateness of the request in light of the respective objective areas contained in Compact or future planning framework, and submit a written opinion to the Steering Committee. The Steering Committee will then review the request and the opinion of the relevant UN, non-UN organization and donors and either approve it, request further review or reject it. Upon approval of a request the Steering Committee will instruct the Administrative Agent to disburse the authorized amount to the recipient agency. The instruction will be signed by the Chair of the Steering Committee and include all relevant documentation to enable a disbursement. All programme documents need to be endorsed by the Ministry of Finance.

32. The full details of the project development and approval processes will be developed in the Operational Manual.

33. The Steering Committee will make a funding decision on any request within a maximum of two weeks of its receipt by the Secretariat, assuming that all required information has been provided. In addition, the Administrative Agent will disburse the authorized amounts to a recipient organization within 3-5 business days of receiving all the required documentation and instructions from the Steering Committee.

34. In order to ensure that the operations of the Somalia UN MPTF allow for an adequate and timely response to any urgent need, and in particular to minimize the time needed for reviewing requests, the Steering Committee, with the support of the Fund Secretariat within the Aid Coordination Unit and the Administrative Agent, will regularly review its procedures and decide on any amendment deemed necessary, such as fast track procedures which can ensure the approval of urgent project proposals within an even shorter time frame than the two week maximum.

35. The Fund Secretariat within the Aid Coordination Unit will post the final list of approved proposals on the Fund's web-site on the MPTF Office GATEWAY (<http://mptf.undp.org>).

VI. Fund Management and Operational Principles

36. Participating UN and non-UN Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Funds will be administered by each UN entity in accordance with its own regulations, rules, directives and procedures.

37. The Ministry of Finance will assume full programmatic and financial accountability for the funds disbursed to the National Entities. The National Entities will carry the programme activities in accordance with the the national laws, regulations, rules, directives and procedures, and accountability framework (National Regulatory Framework).

38. Resources from the Somalia UN MPTF will be utilized for the purpose of meeting the direct and indirect costs of projects managed by the Participating UN Organizations, IOM and National Entities. Details of such projects, including respective budgets and implementation partners, will be as set out in the relevant project documents.

39. The Somalia UN MPTF will terminate upon completion of all projects/programmes funded through the Fund and after satisfaction of all commitments and liabilities.

40. Any balance remaining in the Somalia UN MPTF Account or in the individual Participating Organizations' and Entities' separate ledger accounts upon completion of the Somalia UN MPTF in December 2024 will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the donors and the Steering Committee.

VII. Contributions to Somalia UN MPTF

41. Contributions to the Somalia UN MPTF may be accepted from governments, inter-governmental or nongovernmental organizations, and private-sector organizations. Since the Somalia UN MPTF will focus on a limited range of priority activities, contributors are encouraged to provide un-earmarked contributions, which will be programmed by the Steering Committee, supported by the Technical Secretariat.

42. Given the presence of the large PSG pillars and contributors' engagement with specific PSG pillars and sectors, contributors may earmark their contribution by Pillar (e.g. Justice, Revenue and services) or flagship Public Investment/ Joint Programme.

43. Contributions to the Somalia UN MPTF may be accepted in fully convertible currency or in any other currency that can be readily utilized. Such contributions will be deposited into the bank account designated by UNDP MPTF Office. Each individual contribution should amount to the equivalent of at least \$100,000.

44. The value of a contribution payment, if made in other than US dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges will be recorded in the Somalia UN MPTF account established by the Administrative Agent.

VIII. Cost Recovery

45. Resources from the Somalia UN MPTF 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 and IOM and National Entities. 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.

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

47. The indirect costs of the participating UN Organisations and IOM 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 Somalia UN MPTF, will be recovered as direct costs.

48. The cost of the Technical Secretariat's positions responsible for the Somalia UN MPTF's fund management (managing call for proposal, organization of the technical review and reporting of the Somalia UN MPTF) will submit the direct cost budget to the Steering Committee for its approval. This submission will be done jointly with the cost of the MPF Managing Unit.

49. The cost of developing the Operational Manual for the Somalia UN MPTF will be charged as the direct cost to the Fund, upon approval of the Steering Committee.

IX. Reporting

50. The operational manual of the Somalia UN MPTF will determine the process and format of the one report to be used by all activities funded under the fund. This will be in line with the principles and process adopted under the overall SDRF. The one report will also be applied for ongoing/existing UN supported activities that are not funded or managed under the Somalia UN MPTF.

51. For each project approved for funding from the Somalia UN MPTF, each Participating UN Organization and IOM, and National Entity (the latter through the Government Coordinating Entity/Ministry of Finance) shall provide the Administrative Agent with the statements and reports prepared in accordance with the accounting and reporting procedures applicable to the concerned Participating UN Organization and IOM:

(a) Annual narrative progress reports, following the reporting framework of the SDRF, to be provided no later than three months (31 March) after the end of the calendar year;

(b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Somalia UN MPTF, to be provided no later than four months (30 April) after the end of the calendar year;

(c) Final narrative 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 four months (30 April) of the year following the financial closing of the programme. The final report will give a summary of results and achievements compared to the goals and objectives of the Compact or future planning framework; and

(d) 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 programme.

52. The Administrative Agent will provide the Steering Committee and all donors, contributing to the Somalia UN MPTF, with the following statements and reports, based on the reports provided to the

Administrative Agent by each Participating UN Organization, IOM and National Entity prepared in accordance with the accounting and reporting procedures applicable to it:

(a) Annual consolidated narrative and financial reports covering all activities funded by the Somalia UN MPTF, following the reporting framework of the SDRF, to be provided no later than five months (31 May) after the end of the calendar year;

(b) Final consolidated narrative report, 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 seven months (31 July) of the year following the financial closing of the Somalia UN MPTF. The final consolidated narrative report will contain a summary of the results and achievements compared to the goals and objectives of the Compact or future planning framework.

(d) Final consolidated financial report, based on certified final financial statements and final financial reports received from Participating UN Organizations, IOM and National Entities 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 seven months (31 July) of the year following the financial closing of the Somalia UN MPTF

53. The Administrative Agent shall also provide to the Steering Committee and donors an annual certified financial statement on its activities as Administrative Agent ('Report on Sources and Use of Funds') no later than five months (May 31) after the end of the calendar year, as well as a certified financial statement no later than seven months (July 31) of the year following the financial closing of the Somalia UN MPTF, as applicable.

54. Consolidated reports and related documents will be posted on the websites of the UN in Somalia [website URL] and the Administrative Agent (<http://mptf.undp.org>).

X. Monitoring and Evaluation

55. All programmes funded through the Somalia UN MPTF will include a Monitoring and Evaluation (M&E) component that will be consistent with the guidelines set by the Technical Secretariat and respective regulations, rules and procedures of the Participating UN Organisations and IOM.

56. The Somalia UN MPTF will establish a system for third-party supervision of project activities, through the Risk Management Unit of the UN Resident Coordinator's Office. This would include financial management, procurement, and M&E, amongst other areas.

57. In addition, the Steering Committee of the Somalia UN MPTF, supported by its Technical Secretariat within the Aid Coordination Unit, 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 Somalia UN MPTF.

58. Based on the monitoring data and analysis provided the Technical Secretariat, the Steering Committee, contributing partners, the Administrative Agent and the Participating UN Organisations and IOM will hold annual consultations, as appropriate, to review the status of the Somalia UN MPTF.

XI. Transparency – knowing WHAT, WHEN and HOW in real time

59. A webpage for the Somalia UN MPTF on the [MPTF Office GATEWAY](#) will be established to provide full financial information of the Somalia UN MPTF. As is the case with other Multi-Partner Trust Funds, real-time financial information on contribution agreements signed, contributions deposited and money transferred to Participating UN Organizations and IOM, NGOs and National Entities will be publicly available. The web-site will contain key documents of the Somalia UN MPTF, such as TOR of the Fund, MOA with the Government, MOU with the UN Agencies and IOM, minutes of the Steering Committee funding decisions (related to the Somalia UN MPTF), approved project documents, quarterly and annual progress reports, and others.

60. The GATEWAY provides for each individual trust fund in its portfolio consistent financial information related to Donor commitments and deposits, approved programme budgets and funds transferred to Participating UN Organizations and IOM and National Entities, expenditures reported by the Participating UN Organizations and IOM and National Partners, interest gained on unutilized/returned funds and other expenditures such as the Fund Manager (administrative agent) fees, direct costs for Secretariat support, bank charges and refunds.

61. Refreshed every two hours directly from the internal UNDP financial system, the MPTF Office GATEWAY has become the standard setter for providing transparent and accountable trust-fund administration services.

62. By providing easy access to programmatic and financial reports based on Fund-level results frameworks, as well as project documents, the GATEWAY preserves important institutional knowledge and facilitates its sharing and management among development partners.

63. Participating organisations will enter and update all information relating to received funds in the Development Assistance Database (DAD), on a quarterly basis. The Administrative Agent will be responsible for quality control of MPTF data in the DAD.