



United Nations Peacebuilding Support Office/Peacebuilding Fund Project Submission

Recipient UN Organizations: UNDP	Country: Somalia
Project Title: Risk Management Support for the UN MPTF Somalia and Somalia Development and Recovery Facility (SDRF)	Project Number: Tbc by MPTF Office
Project Cost: US\$300,000	Project Duration: 12 months

1. Decision of the Head of the Peacebuilding Support Office

- Approved for a total budget of US\$300,000 under the IRF**
- Approved with modification/condition**
- Deferred**

Reason/Comments

PBSO has approved the Somalia a PBF/IRF project for Somalia on "Risk Management Support for the UN Multi-partner Trust Fund (UN-MPTF) Somalia and Somalia Development and Recovery Facility (SDRF) with a budget of \$300,000 to be implemented by UNDP.

The project will provide technical capacity to government, the UN and other development partners to implement the Risk Management Strategy developed for the SDRF Trust Funds to ensure that they achieve their objectives of supporting the implementation of the Somalia Compact. The project will also help to transfer risk management knowledge to national counterparts for use in longer term planning and programming efforts.

By copy of this message I hereby authorise the MPTF Office to transfer to UNDP the approved project funds in line with the budget breakdown shown below:

Table 3: Project Budget by UN Agency		
CATEGORIES	Amount UNDP (\$)	TOTAL (\$)
1. Staff and other personnel	244,374	244,374
2. Supplies, Commodities, Materials	6,000	6,000
3. Equipment, Vehicles, and Furniture (including Depreciation)		
4. Contractual services		
5. Travel	15,000	15,000
6. Transfers and Grants to Counterparts		
7. General Operating and other Direct Costs	15,000	15,000
Sub-Total Project Costs	280,374	280,374
8. Indirect Support Costs*	19,626	19,626
TOTAL	300,000	300,000

Oscar Fernandez-Taranco
Assistant-Secretary General for Peacebuilding Support



12 AUG 2015

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Signature

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Date

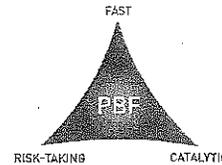
2. Action taken by the Executive Coordinator, MDTF Office, UNDP

- Project consistent with provisions of the UN-UNDP and UNDP-Recipient UN Organizations MOUs and the LOA with donors

Jennifer Toppings
Executive Coordinator, MPTF-Office, UNDP

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Signature

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Date



**United Nations Peacebuilding Support Office (PBSO)/ Peacebuilding Fund (PBF)
IRF PROJECT DOCUMENT**

<p>Project Title:</p> <p>Risk Management Support for the UN MPTF Somalia and Somalia Development and Recovery Facility (SDRF)</p>	<p>Recipient UN Organization(s):</p> <p>UNDP</p>
<p>Project Contact:</p> <p>Marc Jacquand Address: UNDP, RCO/RMU, Nairobi, Kenya Telephone: +254 719 229 312 E-mail: marc.jacquand@one.un.org</p>	<p>Implementing Partner(s) – name & type (Government, CSO, etc.):</p> <p>Ministry of Finance, Ministry of Planning, World Bank, UNDP/Risk Management Unit (RMU)</p>
	<p>Project Location(s):</p> <p>Somalia</p>
<p>Project Description:</p> <p>The project will provide technical capacity to government, the UN and other development partners to implement the Risk Management Strategy developed for the SDRF Trust Funds to ensure that they achieve their objectives of supporting the implementation of the Somalia Compact. The project will also help to transfer risk management knowledge to national counterparts for use in longer term planning and programming efforts.</p>	<p>Total Project Cost: \$300,000</p> <p>Peacebuilding Fund: \$300,000</p> <p>Government Contribution: 0</p> <p>Other: 0.</p> <p>Proposed Project Start Date: 15 July 2015</p> <p>Proposed Project End Date: 15 July 2016</p> <p>Total duration (in months): 12 months</p>
<p>Gender Marker Score¹: 1 <i>Score 1 for projects that will contribute in some way to gender equality, but not significantly.</i></p>	

¹ PBSO monitors the inclusion of gender equality and women’s empowerment all PBF projects, in line with SC Resolutions 1325, 1888, 1889, 1960 and 2122, and as mandated by the Secretary-General in his Seven-Point Action Plan on Gender Responsive Peacebuilding.

Project Outcome:

The SDRF Trust Funds provide an effective contribution to Somalia's peacebuilding and statebuilding priorities due to better risk mitigation in the design and implementation of support interventions.

PBF Focus Areas which best summarizes the focus of the project (*select one*):

4.3 :Governance of peacebuilding resources (including JSC/ PBF Secretariats)

(for IRF-funded projects)

<p>Recipient UN Organization(s)²</p> <p></p> <p><i>George Conway, Country Director UNDP Somalia Date & Seal 10-Aug-15</i></p> <p><small>(Usually SRSG for mission settings and RC for non-mission settings. If it is a joint project all the Heads of UN Entities Agencies receiving funds should sign)</small></p>	<p>Representative of National Authorities</p> <p></p> <p><i>Name of Government Counterpart Title Minister of Finance Date & Seal August 4/2015</i></p>
<p>Peacebuilding Support Office (PBSO)</p> <p></p> <p><i>12 Aug 2015</i></p> <p><i>Oscar Fernandez-Tarranco Assistant Secretary-General for Peacebuilding Support Peacebuilding Support Office, NY Date & Seal</i></p>	<p>Resident Coordinator (RC)</p> <p></p> <p><i>Peter de Clercq Deputy Special Representative of the Secretary-General RCO Somalia Date & Seal</i></p> 

² Please include signature block for each RUNO receiving funds under this IRF.

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Annex A: Project Summary (to be submitted as a word document to MPTF-Office)

Annex B: Project Results Framework

Annex C: Risk Management Strategy

Annex D: UN MPTF Risk Manager Job description

PROJECT COMPONENTS:

I. Peacebuilding Context and Rationale for PBF support

a) Peacebuilding context:

Somalia is in the midst of an intense political transition, with ambitious milestones set for 2016, including democratic elections, the formation of new regional states and the finalization of a new constitution.

The Federal Government of Somalia (FGS) decided in 2013 to adopt the New Deal as the overarching framework to enable this transition, and structure international engagement in Somalia. As part of the New Deal, a Compact was developed and approved, with milestones and coordination structures around five Peacebuilding and Statebuilding Goals (PSG), and a Somalia Development and Reconstruction Facility (SDRF) as the main vehicle for collective decision making, policy dialogue and the channeling of international funds to Somalia. Within the SDRF, three trusts funds have been established, by the AfDB, the WB and the UN respectively, to pool donor resources in support of the New Deal. For the UN Multi-Partner Trust Fund (UN MPTF), a first pipeline of programs was approved by the SDRF in March 2015, and approximately \$100 million of donor resources have been secured to launch these programs in the coming months.

While significant progress has been achieved since 2012, the transition is currently under stress. Somalia remains one of the most complex operating environments for international assistance. Risks range from security to corruption, and the country context is unforgiving for any actor who ignores such risks. In addition, and beyond the pressures generated by the ongoing military conflict with Al Shabab, and the multiple challenges inevitably associated with a contentious political process, doubts have emerged with regards the efficacy and relevance of the New Deal approach. After months dedicated to the establishment of new structures (e.g. PSG Working Groups, the Trust Funds), voices from within Somalia as well as from the international community have lamented the lack of tangible results on the ground, and the slow pace of delivery. And while sound arguments are made regarding the need for these structures to come together, and the time required for various actors to shift modes of operations patterns of behavior towards a more collective and nationally owned paradigm, there is a real risk of seeing the New Deal, and its mechanisms become the recipient of choice for frustrations and political finger pointing as the pressure builds towards the 2016 deadlines.

As the centerpiece of the UN's contribution to the Somalia Compact and a source of funding for the UN's work across all five PSGs, the UN MPTF is particularly exposed to these pressures. Its success will to a large extent contribute to the success of the UN as a whole in Somalia. With its governance structure firmly embedded in the SDRF, and with a national window set up side by side with a more traditional UN window, the MPTF represents a very visible and concrete commitment to supporting the FGS, and translating New Deal principles of national ownership into daily practice. As such, it also harbors a number of risks (security, fiduciary, etc.), with implications for the reputation and relevance of the UN and of the government.

Some of the risks to the Trust Funds pertain to the overall situation in Somalia: the main contextual risks are staff security, access constraints and diversion of aid, which reinforce

each other. The materialization of any of these risks can undermine the effectiveness of the Trust Funds, by hampering delivery of results or by undermining donor confidence in the mechanisms.

Risks that are specific to the Trust Funds and can be organized as strategic and governance risks on the one hand, and programmatic and operational risks on the other. At the strategic and governance level experience with similar mechanisms in other contexts has shown, for example, that fund administrator behavior and capacities can affect the functioning, and hence the reputation of the Funds. Other risks include the potential for divergent interests amongst fund stakeholders, and paralysis of the funds' governance structures, which can in turn affect disbursements and results on the ground.

At the programmatic level, the fund needs to mitigate against the potential harm that poorly designed programs may incur on beneficiaries, and/or on the broader peacebuilding dynamics. In particular, programs that may exacerbate gender inequalities may damage the funds' effectiveness and reputation, and undermine their contribution to the sustainable peace.

With the implementation of UN MPTF funded projects about to begin in the coming weeks, ensuring that the Trust Funds have robust risk management capacity to mitigate against these risks is therefore essential.

Ultimately, what is at stake with the New Deal, and with the funds, which have been set up within the New Deal structures, is the legitimacy of the FGS, and the viability of the transition.

b) Mapping of existing peacebuilding activities and gaps:

Given the nature of the project (human capacity to manage a risk management strategy for the SDRF Trust Funds), it differs from all other peacebuilding interventions currently undertaken by the UN and other actors. Its purpose however is to ensure that projects/programs funded under the SDRF Trust Funds benefit from robust, fund-level, risk management mechanisms, and that their impact is collectively maximized by the implementation of this strategy. The following table lists current and upcoming SDRF projects that should indirectly benefit from this risk management strategy.

Table 1 – UN MPTF approved programs and pipeline

Project / Programme	Source of funding (Government/ development partner)	Duration of projects/activities	Budget in \$
<i>Elections</i>	<i>UN MPTF</i>	<i>6 months (initial project)</i>	<i>\$2.7 million</i>
<i>Constitution</i>	<i>UN MPTF</i>	<i>6 months (initial project)</i>	<i>\$3 million</i>
<i>State Formation</i>	<i>UN MPTF</i>	<i>6 months (initial project)</i>	<i>\$2.8 million</i>

<i>Youth Employment</i>	<i>UN MPTF</i>	<i>18 months</i>	<i>\$22 million</i>
<i>Capacity Building</i>	<i>UN MPTF</i>	<i>18 months</i>	<i>\$9 million</i>
<i>Rule of Law</i>	<i>UN MPTF</i>	<i>18 months</i>	<i>\$62 million</i>

c) Rationale for this IRF:

i) Strategy for risk mitigation

As the UN's experience in numerous crisis and conflict contexts has demonstrated, financing instruments can have a significant impact, both positive and negative, on the peacebuilding process. If well used, instruments such as the UN MPTF can support meaningful and inclusive peacebuilding engagement and results.

At the same time, they also have the potential to do the most harm. In how they are structured and how they operate, and through allocation decisions, they can empower some actors at the expense of others; they can inadvertently create imbalances (across sectors, regions); and/or they can exacerbate tensions at multiple levels, between a government and the international community, within government or within the international community, and between a federal government and local actors.

The potential impact of funding instruments is particularly acute in the Somali context, where the Trust Funds established under the SDRF constitute the centerpiece of the international community's assistance to the Compact and the main vehicle for policy dialogue and coordination with the government. Expectations for strong delivery are high on all sides, and the way the Funds will operate, including its allocation decisions and results achieved, will be scrutinized, inter alia, by donors, by the government, by regional authorities and NGOs.

This recognition of the multiple ways in which the UN MPTF, along with the other two trust funds, can either strengthen or undermine the Somalia peacebuilding process led to the design of a comprehensive risk management strategy common to all three funds.

The purpose of this Risk Management Strategy is to support the delivery of the SDRF strategic objectives, within the risk context in which the funds operate³. To maximize the impact of the funds, the strategy must promote fiduciary accountability, conflict sensitivity and informed decision making for portfolio management. This strategy addresses risks that extend across or beyond individual projects. As such, this approach is intended to complement, not replace, project-level risk management across the SDRF funds. Project-level risk management is carried out according to the institutional requirements of the respective fund administrators – the AfDB, UN, and World Bank – and the recipient entities. A brief description of their approaches is provided in Annex

This strategy was designed jointly by the UN Risk Management Unit (RMU) and the World Bank Somalia team, the AfDB and the Somali government, with ODI external support

³ See Risk Management strategy document as annex to this proposal

between December 2014 and April 2015. Based on local context analysis and consultations, as well as an assessment of global practices, its overarching goal is enhance the funds' contribution to the implementation of the Compact; the strategy has three specific objectives:

- *Guide* trust fund decision making (SDRF Steering Committee allocation decisions, and overall strategy making)
- *Protect* the funds' resources, and the fund administrator's reputation and integrity
- *Do no harm*, with a specific focus on ensuring that fund activities do not exacerbate, but rather redress existing vulnerabilities faced by specific constituencies such as women and youth, and/or local grievances

The design of the strategy was initiated by a joint risk assessment, which yielded a register of all the risks that could potentially affect the fund's operations. These risks (see risk management strategy for more details) were subsequently organized along three broad categories:

- Contextual: risks deriving from the broader context (political crisis, environmental shock, security, etc.)
- Strategy and governance: risks deriving from stakeholder behavior (portfolio level decisions, misalignment of interests) and from the fund's structures (paralysis of steering committee, etc.)
- Programmatic and operational: risks deriving from the fund's day to day operations and programs/projects funded by the Trust Funds (poorly designed projects, ineffective administration of the fund, etc.)

The risk assessment was followed by the development of a risk management dashboard, designed to support the analysis of each risk based on standard ISO31000 methodology (likelihood and impact), and the development of an options of menu for treatment measures that may be used to either reduce the likelihood of each risk or mitigate their impact.

The last step in the finalization of the strategy focused on the institutional arrangements for its implementation, which includes the creation of a Risk Management Group, whereby the Fund Administrators bring together government and donor risk management experts to regularly update the dashboard, and make recommendations to the SDRF Steering Committee.

As part of the institutional arrangements, it was agreed that each Fund Administrator would provide dedicated Trust Fund risk management expertise to support implementation of the strategy. Within the UN, a decision was made to seek PBF support for a dedicated UN MPTF Risk Manager to contribute to this institutional arrangement. While the RMU will continue to play a role in support of the UN MPTF, the implementation of the risk management strategy requires *dedicated full time capacity*, in the form of a UN MPTF Trust Fund Risk Manager.

With the approval of a first portfolio of programs for the UN MPTF⁴, *the risk management strategy has now entered its implementation phase, for which PBF IRF support is requested.*

⁴ The WB fund is also operational. The AfDB fund is expected to begin operations later in 2015

ii) Project strategy

An IRF allocation would allow the UN to recruit a UN MPTF Risk Manager for an initial 12 months, to oversee the implementation of the risk management strategy, in collaboration with the RMU, the UN system, and in partnership with the other Fund Administrators and the government.

Implementation of the risk management strategy entails the following:

- Regular analysis of the risks identified through the joint risk assessment
- Identification of new risks as they emerge through implementation of the programs/projects funded by the Trust Funds
- Identification and recommendation of treatment measures (through the existing menu or new ones) to the SDRF Steering Committee
- Monitoring of overall impact of the risk management strategy on the risk exposure of the fund and aggregate risk occurrences, and reporting to stakeholders

The risk management strategy is implemented at fund level. Therefore while the UN Risk Manager, as a member of the RMU and the UNMPTF Secretariat, may provide tailored risk management assistance to individual projects, the focus of the aforementioned elements of implementation is at the aggregate level.

As such, implementation of the strategy is a collective endeavor, between the Fund Administrators (UN, WB, AfDB), the government (Ministry of Finance and Ministry of Planning), and in consultations with donors (see Risk Management Group).

The implementation of the risk management strategy is nonetheless informed by development at the program/project level. Risk occurrences at the program/project level will be monitored to determine overall fund risk exposure and treatment measures may be proposed for specific programs/projects for consideration by the SDRF Steering Committee. The aggregate analysis will assess correlation between risk occurrences (type of risk, frequency, etc.) and programs/projects (sector, location, type of implementing partners, etc.)

However, as indicated in the risk register, the risk management strategy is not solely an aggregation of program/project level risk analysis and response. A number of risks deriving beyond programs/projects need to be accounted for, and properly addressed. The strategy's tools (dashboard) and institutional arrangements are designed to ensure that the Funds' effectiveness, in terms of contribution to the Compact full range of risks, is protected against a comprehensive range of potential risks.

Finally, the risk management strategy includes a number of treatment options already in place. These include, inter alia, program/project level measures (third party monitoring, spot checks, high risk partner due diligence procedures, etc.), which are under the responsibility of each recipient entity, developed individually or with RMU support. They also include measures provided for in the National Funding Stream (NFS) of the UN MPTF, such as the use of a monitoring agent for all NFS funded activities. One objective of the strategy will be to determine the effectiveness, at the aggregate fund level, of these measures, and to recommend, if need be, additional safeguards to be implemented, for consideration by the SDRF Steering Committee.

Capacity building: the design of the Trust Fund risk management strategy has already provided an opportunity for capacity building and mutual learning between the UN and government counterparts, through the exposure to risk management tools included in the strategy: ISO31000 standards, risk analysis dashboard, monitoring options, etc. By implementing the strategy jointly, including through the Risk Management Group, co-chaired with government, this 'learning by doing' approach will continue. This approach has been recognized as more effective than an exclusive reliance on one-off trainings. However, and in addition to day-to-day collaboration, the UN Risk Manager will, with the support of RMU, organize and facilitate dedicated technical sessions (3/year) on specific risk management themes, which will combine theory with the practical issues and challenges that arise from the implementation of the risk management strategy for the Trust Funds. These sessions will be the opportunity to broaden the pool of government counterparts, beyond the focal points for this risk management strategy.

Sustainability: An initial IRF allocation to support this capacity would provide a certain degree of independence from both government and donors, as the strategy is rolled out and difficult decisions are made with regards to risk assessments and mitigation measures.

After 12 months, it is expected that such a capacity would be funded directly from the Trust Fund, as its capitalization increases.

II. Objectives of PBF support and proposed implementation

a) Project outcomes, theory of change, activities, targets and sequencing:

Outcome Statement:

The SDRF Trust Funds provide an effective contribution to Somalia's peacebuilding and statebuilding priorities due to better risk mitigation in the design and implementation of support interventions.

Theory of Change:

Dedicated Risk Management capacity for the UN MPTF in particular, and the SDRF Trust Funds overall, will support the implementation of the SDRF Trust Funds risk management strategy. Effective implementation of the strategy will reduce the occurrence of risks, and/or impact of realized risks on the Trust Funds. Reduced risk occurrence and/or reduced risk impact will contribute to the Trust Funds' effectiveness and the achievement of results on the ground, including 'do no harm' imperatives and gender inclusion. These results in turn should support the realization of Somalia's peacebuilding and statebuilding objectives.

In addition, the process of implementing the risk management strategy is done jointly with government counterparts. It offers many entry points for knowledge transfer and mutual learning on risk management approaches and tools.

Envisaged Support: A dedicated UN MPTF Risk Manager, linked to the Risk Management Unit, to implement the Trust Funds' risk management strategy, with World Bank, AfDB and government; and to provide risk management support to UN and government recipients of UN MPTF funds

With support from the RMU, the UN MPTF Risk Manager would form part of the Fund Administrator Risk Management team and convene the Trust Fund Risk Management Group.⁵

Per the SDRF Trust Fund risk management strategy, specific tasks of the UN MPTF Risk Manager will include:

- Manage the risk management dashboard (see strategy), with other Fund Administrator and government counterparts, including regular review of risks (nature, likelihood, impact on fund)
- Propose, in collaboration with the other Fund Administrators and government counterparts, additional treatment measures for SDRF Steering Committee consideration
- Develop general risk management trainings and other technical assistance products (guidance notes, etc.) to support Trust Fund recipient entities
- Provide tailored risk management related technical assistance, *upon request*, to Trust Fund recipient entities, during the design phase and/or during the implementation phase
- Convene and co-chair, with the World Bank and government counterparts, the Risk Management Group, which brings together the Fund Administrators, the government, and donor representatives to review the strategy, share information, and explore additional risk management outputs (treatment measures, technical tools, guidance, etc.) that may benefit the operations of the SDRF trust Funds and the programs/projects funded by the SDRF trust Funds
- Draft risk management strategy reports to the SDRF Steering Committee, to the Fund Administrators, and to the UNCT
- Provide other risk management related technical assistance to the UN and Government technical assistance, as required, and in collaboration with the RMU

With the support of the RMU, the Risk Manager will work closely with the RCO, which oversees the secretariat functions for the UN MPTF (note that since March 2015, the Head of RMU and Head of RCO functions have been merged).

b) Budget:

The overall project budget is \$300,000, with PBF as the sole source of funding for the first 12 months. Following the 12 month inception period, funded by the PBF, the function of UN MPTF Risk Manager will be funded by the UN MPTF contributions, on a direct cost basis.

Given the nature of the project, the main budget line is dedicated to staff cost (cost of a P4 Risk Manager post). The post will be based in Nairobi (in the RCO/RMU), with frequent travel to Somalia for engagement with government authorities and field missions.

⁵ See Risk Management strategy for details

Table 2: Project Activity Budget

Outcome/ Output number	Output name	Output budget by RUNO	UN budget category (see table below for list of categories)	Any remarks (e.g. on types of inputs provided or budget justification)
Outcome 1: The implementation of the Compact, and the political transition, is facilitated by effective funding instruments				
Output 1.1:	RM strategy implemented	\$134,373		57% of Risk Manager time
Output 1.2	Technical assistance to Government counterparts (trainings, mentoring, etc.	\$100,000		43% of Risk Manager time
Outcome 2: Project Management and Implementation Team				
Output 2.1	RMU management	\$10,000		
Output 2.2	Equipment / supplies	\$6,000		1 PPE, laptop, phone + SSAFE training
Output 2.3	Travel	\$15,000		2 trips to Somalia/month flight + DSA)
Output 2.4	M&E and Oversight (5%)	\$15,000		
General Management Services				
GMS	GMS (7%)			
Total		\$300,000		

Table 3: Project Budget by UN Agency

CATEGORIES	Amount UNDP (\$)	TOTAL (\$)
1. Staff and other personnel	244,374	244,374
2. Supplies, Commodities, Materials	6,000	6,000
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5. Travel	15,000	15,000
6. Transfers and Grants to Counterparts		
7. General Operating and other Direct Costs	15,000	15,000
Sub-Total Project Costs	280,374	280,374
8. Indirect Support Costs*	19,626	19,626
TOTAL	300,000	300,000

* The rate shall not exceed 7% of the total of categories 1-7, as specified in the PBF MOU and should follow the rules and guidelines of each recipient organization. Note that Agency-incurred direct project implementation costs should be charged to the relevant budget line, according to the Agency's regulations, rules and procedures.

b) Capacity of RUNO(s) and implementing partners:

i) Capacity of RUNO

The Trust Fund Risk Manager will be part of, and receive support from the Risk Management Unit (RMU). The RMU was established in 2011 to support UN engagement in Somalia through a range of risk management services, including: risk assessment/reports on contractors, tailored technical assistance, information sharing, data management, training, and third party monitoring.

Since 2014, the RMU has expanded its scope of work to provide assistance to the UN system as a whole (including UNSOM and UNSOA) as well as to donors and NGOs in support of collective risk management approaches.

The unit comprises of nine staff, including two analysts, three information and database managers, one NGO liaison officer, two monitoring officers, and the director.

The work of the RMU has been regularly recognized as best practice, including in UN Security Council reports and by the Somalia and Eritrea Monitoring Group.

Finally, the recently developed risk management strategy has also been recognized by the UN MPTF Office and the OECD INCAF.

Table 4: Overview of RMU funding in the country

	UNDP	Key Source of Funding (government, donor etc)	Annual Regular Budget in \$	Annual emergency budget (e.g. CAP)
Previous calendar year	N/A	Donors: UK, Denmark, CHF	\$1,200,000	N/A
Current calendar year	N/A	Donors: UK, USAID	\$1,300,000	N/A

ii) Other implementing partners

The fiduciary responsibility for the UN MPTF lies with the recipient entities (Participating UN Organizations – or PUNOs – for the UN window, and government entities for the National Window), and with the MPTF Office, in its capacity as Administrative Agent. In addition, The implementation of the SDRF Trust Fund risk management strategy is undertaken in collaboration with government counterparts and the World Bank (as the other Fund Administrator).

The government participation in the implementation is provided by a representative from the Ministry of Finance and

III. Management and coordination

a) Project management:

i) *Project Management*

The Trust Fund Risk Manager will be under the supervision of the Head of the RCO/RMU. The Head of the RCO/RMU reports to the UN DSRSG/RC/HC.

Project Implementation Modality

The project will be implemented by the RMU, which is administered by UNDP, as part of a Joint Programme on UN Enablers, bringing together the services of the RMU, the RCO, and UNDSS under a UNDP operated pooled fund.

As the administrator for the Joint Programme on Enabler, UNDP is responsible for providing administrative services to the RMU, including, inter alia, recruitment, travel, procurement, financial reporting and salary management.

ii) *Institutional structures - The Programme Board*

As a component under the Joint Programme on UN Enablers, the project will be governed by the Joint Programme Board, which brings together the DSRSG/RC/HC, the contributing donors and UNDP. As a donor, the PBF will be a member of the Joint Programme Board, which meets on a quarterly basis to review progress made and expected deliverables.

Since the Joint Programme on UN Enablers oversees the RMU as well as the RCO and UNDSS, it is envisaged that Board meetings will be structured in a manner that allows donors to participate in the specific parts of the Joint Programme that they support. As such, donors that have earmarked their contribution to a specific part of the Joint Programme (for example, to the RMU Risk Management capacity) may opt to participate only in the RMU segment of the Joint Programme Board meeting.

Other

The risk management strategy established two mechanisms designed to support its implementation:

- The Fund Administrator risk team, which brings together the Risk Managers for the respective funds, to share information, conduct risk assessments, explore changes (to the risk strategy tools, to the mitigation measures, etc.) and to consolidate reports to the SDRF and donors.
- The Trust Fund Risk Management Group, convened by the Fund Administrators, which brings together technical risk experts from government and donors to review the risk assessments/analysis, share information and discuss mitigation measures for consideration by the SRDF.

b) Risk management:

Table 5 – Risk management matrix

Risks to the achievement of PBF outcomes	Likelihood of occurrence (high, medium, low)	Severity of risk impact (high, medium, low)	Mitigating Strategy (and Person/Unit responsible)
<u>Security</u> : the security situation prevents the Risk Manager from accessing areas/interlocutors	High	Low	Existing remote control management measures (RM, RMU)
<u>Stakeholder buy in</u> : as risk (and risk sources) are identified, the government and/or donors do not support the implementation of the strategy	Medium	High	Thorough consultations during the design phase (completed) Assessment of donor interest (RMU) Advocacy (DSRSG/RC/HC) through regularly scheduled monthly briefings
<u>SDRF/Trust Fund interruption</u> : the trust fund operations are interrupted due to lack of funding/political crisis/etc.	Low	High	Advocacy (DSRSG/RC/HC, UNSOM) through regularly scheduled monthly briefings Risk management strategy*

[*NOTE: the risk management strategy includes a detailed risk register on the risks to the Fund – and therefore the overall outcomes – along with treatment measures (mitigation and adaptation)]

c) Monitoring & evaluation:

While the present project operates in accordance with the programming policies and procedures outlined in the UNDP Programme and Operations Policies and Procedures, it should be reminded that this is a short term project for a limited period of time (12 months (mid-May 2015 to mid-January 2016)) and is operating in a rather volatile and fast changing environment.

In this context, the following quality assurance and monitoring arrangements will be implemented:

- RMU oversight (daily): RMU will focus in particular on the process of strategy implementation and support adjustments/changes to the various elements of the strategy (the risk management dashboard), and on managerial oversight of the Risk Manager function (work plan, deliverables, performance, etc.)
- Programme Board (quarterly) – see ii) institutional structures
- ODI review (as foreseen in risk management strategy – semi-annual): As a participant in the design of the strategy, ODI will now be called upon to undertake independent reviews at regular intervals to assess stakeholder perceptions of the strategy, its impact, and recommend changes to the Fund administrators

- The project will submit two progress reports to the Board:
 - One progress report (based on quarterly report) after three months of the start of implementation, focusing on progress towards the completion of key results. This report will equally serve to document adaptations of the past quarter and the expected adaptations for the coming quarter.
 - One final report after completion of the project (after twelve months) providing a comprehensive overview of activities implemented, results achieved and financial resources deployed as well as lessons learned.

d) Administrative arrangements

The UNDP MPTF Office serves as the Administrative Agent (AA) of the PBF and is responsible for the receipt of donor contributions, the transfer of funds to Recipient UN Organizations (RUNOs), the consolidation of narrative and financial reports and the submission of these to the PBSO and the PBF donors. As the Administrative Agent of the PBF, MPTF Office transfers funds to RUNOs on the basis of the signed Memorandum of Understanding between each RUNO and the MPTF Office.

AA Functions

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved "Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds" (2008), the MPTF Office as the AA of the PBF will:

- Disburse funds to each of the RUNO in accordance with instructions from the PBSO. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the PBSO along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate narrative reports and financial statements (Annual and Final), based on submissions provided to the AA by RUNOS and provide the PBF consolidated progress reports to the donors and the PBSO;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is notified by the RUNO (accompanied by the final narrative report, the final certified financial statement and the balance refund);
- Disburse funds to any RUNO for any costs extension that the PBSO may decide in accordance with the PBF rules & regulations.

Accountability, transparency and reporting of the Recipient United Nations Organizations

Recipient United Nations Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each RUNO in accordance with its own regulations, rules, directives and procedures.

Each RUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each RUNO in accordance with its own regulations, rules, directives and procedures, including those relating to interest. The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the RUNO.

Each RUNO will provide the Administrative Agent and the PBSO (for narrative reports only) with:

- Bi-annual progress reports to be provide no later than 15 July;
- Annual and final narrative reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Annual financial statements as of 31 December with respect to the funds disbursed to it from the PBF, to be provided no later than four months (30 April) after the end of the calendar year;
- Certified final financial statements after the completion of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the completion of the activities.
- Unspent Balance at the closure of the project would have to been refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

Ownership of Equipment, Supplies and Other Property

Ownership of equipment, supplies and other property financed from the PBF shall vest in the RUNO undertaking the activities. Matters relating to the transfer of ownership by the RUNO shall be determined in accordance with its own applicable policies and procedures.

Public Disclosure

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent's website (<http://mptf.undp.org>).