

Terms of Reference for a UN Central Fund For Influenza Action (CFIA)

I. Introduction

The UN System Consolidated Action Plan for Avian and Human Influenza (UNCAPAHI) has identified 7 strategic objectives, which covers the entire scope of AHI action and provides a template for a coordinated UN system response to Avian and Human Influenza (AHI). Coordination among all actors involved, and within the UN system in particular, is a fundamental pre-condition for meeting these objectives and managing the complexity of the challenges at stake. It also represents the strength of diversity of the respective UN agencies. A pooled funding mechanism is a critical element of a coordinated UN response, enabling UN and subsidiary stakeholders to access funding rapidly and to support key emergent areas requiring funding within the context of the UNCAPAHI and its objectives. As such, the notion of a pooled funding mechanism supports the Action Plan's 6 factors for success, which include the need for procedures and systems that lead to rapid scaling up and implementation of priority actions.

Under these conditions, the proposed **UN Central Fund For Influenza Action (CFIA)** is designed as a financing mechanism that i) enhances inter-agency coordination, ii) respects the key UN agency responsibilities iii) promotes the *coherence, effectiveness, and predictability* of the overall UN system response and iv) simplifies, through one pooled account, their capacity to support the range of UN agencies engaged in specific responses. A pooled funding mechanism will assist focused joint planning and implementation.

II. Purpose

To ensure that the CFIA constitutes a strategic instrument that brings added value to the international response to AHI, the focus and allocations of this financing mechanism will be designed as **gap filling interventions**, within the strategic framework of the UNCAPAHI, to be used when critical activities in the Plan cannot be adequately funded, or in a satisfactory manner, through other channels, including internal agency allocations, bilateral funding or when new needs arise, including the need to move cash rapidly to countries and partners on the ground, for which other funding mechanisms are inadequate (in terms of timing, volume, scope, coverage). As such, it will be clearly communicated to donors that funds contributed to the CFIA would not be in place of funds that might be channeled to any existing individual agency for AHI or emergency funds more generally. The operationalization of the Fund will respect the individual mandates and responsibilities of the UN agencies comprising the Action Plan.

Acting as a **funder of last resort and a reserve for urgent unfunded and under-funded priority actions**, the CFIA will thus apply to the following:

1. **Countries with restricted implementation capacity needs** (see Annex 1 of the Action Plan, p. 17) where they have already experienced cases or where they are at high risk of Avian Flu threatening the health of population, and where the need to offer concrete responses beyond the planning stage is acute. CFIA resources would offer these countries a means to partner with operational international organizations so that local and national authorities can implement priority influenza actions in a timely and effective manner. Those countries seek intensive technical assistance, urgent financial support and – in some cases – short term practical help when facing major increases in the demand for livestock or human health services, bio-security, communications or AHI pandemic preparedness actions.

2. **Unforeseen urgencies** in countries not necessarily with restricted implementation capacity but where the urgency of action and the need to ensure continuity of essential interventions before longer term support can be made available require a timely injection of resources. The CFIA will thus provide a mechanism for the “Rapid Movement of Cash” modality envisaged in the UN Action Plan (see paragraph 39, pp. 13-14).
3. **Joint Programming**, where the CFIA can provide either start up or supplementary resources to jointly implemented activities by UN agencies, NGOs and national authorities in a specific location (local or regional) and/or for global initiatives in order to maximize the impact and the efficiency of the required response. The Fund will not interfere with ongoing or planned joint programming undertaken by respective UN agencies.

Under this strategic focus, the scope of the CFIA will cover the seven objectives identified in the UN Consolidated Action Plan.

For all three of these priorities, the CFIA will provide gap-filling, catalytic support until other sources of funding can be mobilized.

III. Structure and Procedures

Management Committee

The CFIA will be governed by one inter-agency Management Committee composed of high level Avian Flu focal points for each participating agency. Donors will also be invited to participate. The Management Committee will be chaired by the UNSIC Coordinator, who will be responsible for ensuring that the CFIA operations are in line with these Terms of Reference and for overall coordination of the Management Committee.

The Management Committee will be tasked with articulating and developing the CFIA funding policy and with reviewing and approving project submissions by participating UN agencies. The Management Committee will ensure that the nature of the requests meets the CFIA's aforementioned policy and priorities and that their scope conforms to the framework of the UN Action Plan.

The Management Committee will make funding decisions by consensus.

It will meet once a month or anytime it should be required to do so, upon instruction from the Chair. The Management Committee will meet via video or teleconference.

The Management Committee will be supported by a small Secretariat, composed of a seconded person from one of the participating UN agencies, to process the agency requests and ensure follow up to the Management Committee decisions.

Upon composition, the Management Committee will develop and adopt Terms of Reference detailing the rules and procedures, with support from the Administrative Agent and the Secretariat

Project development and approval

The CFIA will allocate funds to participating agencies based on agency requests (for country specific project/programme proposals, or regional programmes), including inter-agency and joint programming proposals.

The Management Committee, with the support of the Administrative Agent and the Secretariat, will develop a standard proposal request form that all Participating UN and Non-UN Organizations will be required to use when submitting requests to the CFIA.

Using the standard proposal request form, Participating UN Organizations will develop and submit requests to the CFIA Secretariat. The Secretariat will review the request to ensure that all the required information is included in the standard request form before submission to the Management Committee. The Secretariat will also call upon the UN organization that has been designated to lead the category or the relevant objective of UNCAPAHI 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 UNCAPAHI, and submit a written opinion to the Management Committee. The Management 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 Management Committee will instruct the CFIA Administrative Agent to disburse the authorized amount to the recipient agency. The instruction will be signed by the Chair of the Management Committee and include all relevant documentation to enable a disbursement.

The Management 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 business days of receiving all the required documentation and instructions from the Management Committee.

In order to ensure that the operations of the CFIA allow for an adequate and timely response to any emergency need, and in particular to minimize the time needed for reviewing requests, the Management Committee, with the support of the Secretariat 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.

To ensure that gaps are filled and overlaps avoided and that there is consistency and coherence between Trust Fund financed activities (including the WB Trust Fund and individual agency Emergency Funds) and the overall national priorities and budget for avian and human pandemic influenza response, agency requests will need to be developed in close collaboration with national authorities and the Agency that is leading the activities pertaining to the Action Plan objective under which the request is developed. While it is not envisaged to create a formal approval mechanism at the country level, proposals for funding should be shared with the relevant local stakeholders, including donors, and the UNCT and the RC Office to facilitate coordination of efforts and avoid programmatic and funding overlap.

Eligible recipients of the CFIA will include governments, Participating UN and non-UN Participating Organizations and civil society through appropriate sub contracting and other implementing arrangements with a UN agency.

Regular consultations with the World Bank MDTF will be held to ensure strategic and programmatic coherence between the two instruments, and that programmes funded from these instruments are coordinated with those funded from the national budget, bilateral donors, and regional banks.

IV. Fund Management and Operational Principles

Participating agencies have designated UNDP to serve as the Administrative Agent (AA) responsible for the maintenance of the Fund account, the receipt of donor contributions and the disbursement of funds upon instructions from the Management Committee.

Under the CFIA, donors will be able to earmark their contributions by objective and/or by agency, and reports will be managed accordingly.

Resources from the CFIA will be utilized for the purpose of meeting the direct and indirect costs of projects managed by the recipient organizations. Details of such projects, including respective budgets and implementation partners, will be as set out in the relevant project documents. Participating UN and Non-UN Organizations will be entitled to deduct their indirect costs on contributions received according to their own rules and regulations. Indirect costs will be within a 5%-13% range, depending on the scope of the individual project concerned. UNDP as the Administrative Agent will charge a fee of 1% for pass-through services which will be deducted from the contributions to the CFIA at the time they are deposited. The costs of the Secretariat, anticipated to be the cost of one seconded individual, will be covered by the CFIA, on an actual cost basis.

Recipient 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 UN entity in accordance with its own regulations, rules, directives and procedures.

Whenever possible and to the extent that it does not jeopardize the privileges and immunities accorded to them and the safety and security of their staff, the Participating UN Organizations will promote donor visibility on information, project materials and at project sites.

Unless otherwise agreed by the donors and the participating agencies, the CFIA arrangements will terminate on the earlier of: (i) December 31 of 2009; or (ii) such date as the contribution funds will have been fully disbursed.

V. Monitoring and Reporting

Since the appraisal/approval process will be more streamlined than current practice, appropriate oversight and evaluation mechanisms should be established (including ensuring a link with the UNDG MDTF Oversight Group, which will provide guidance, upon request, to the CFIA on inter-agency issues).

Such mechanisms will include full disclosure of bilateral funding from the agencies applying to the CFIA, regular independent review of fund allocation and the extent to which funded projects conform to the Fund's strategic focus and the Action Plan.

For each Project approved for funding from the CFIA, each participating organization shall provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN and Non-UN Organization concerned. The Participating UN and Non-UN Organizations will endeavour to harmonize their reporting formats to the extent possible and in particular harmonise their financial reporting based on the ten categories agreed by the UNDG Financial Policies Working Group.

- (a) Narrative progress reports for each twelve-month period, to be provided no later than two months after the end of the applicable reporting period;

- (b) Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the CFIA Account, to be provided no later than three months after the end of the applicable reporting period;
- (c) A final consolidated narrative report and financial report, after the completion of the project activities financed by the Fund and including the final year of the project activities, to be provided no later than 30 April of the year following the financial closing of the Project activities;
- (d) A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of the Project.

The Management Committee may agree upon the provision of additional reporting, such as six monthly reports, monthly informal disbursement and commitment figures, if deemed necessary for effective resource mobilization and transparency of the fund.

The reports will be consolidated by the Administrative Agent, by objective and Participating UN Organization and those consolidated reports provided to each donor that has contributed to the CFIA Account, and to the CFIA Management Committee.

A dedicated public web site will be maintained to provide a full range of information on the activities funded by the CFIA. The site will build on the UN system website Portal www.un.influenza.org and will seek to communicate proactively with stakeholders on an ongoing basis.

The CFIA will also carry out an annual “lessons-learned and review exercise” of the entire CFIA operation. Participating UN and Non-UN Organizations will determine, through the Management Committee, the exact scope and objectives of the lessons learned and review exercise.