



# Somalia UN Multi-Partner Trust Fund's National Funding Stream

*FRAMEWORK WITH RESPECT TO THE GOVERNMENT OF SOMALIA  
RECEIVING THE FUNDING DIRECTLY FROM THE SOMALIA UN MPTF*

## Terms of Reference

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# **SOMALIA UN MPTF'S NATIONAL FUNDING STREAM**

## **FRAMEWORK WITH RESPECT TO THE GOVERNMENT OF SOMALIA RECEIVING THE FUNDING DIRECTLY FROM THE SOMALIA UN MPTF**

### **I. Introduction**

1. 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 FGS to establish a process and benchmarks to foster progressively the broader use of full national systems to channel and manage programmes. In view of this, the creation of a National Funding Stream was deemed to be a priority of the FGS.
2. The Somalia UN MPTF National Funding Stream will organize its programmatic and operational work according to the priorities identified under each Peacebuilding and Statebuilding Goals (PSGs) of the Somali Compact.
3. The National Funding Stream will be administered by the Multi-Partner Trust Fund Office (MPTF Office) of the United Nations Development Programme (UNDP), an international organization with experience and a demonstrated record in the administration of UN and National trust funds. The National Funding Stream will be governed and overseen by the SDRF Steering Committee led by the Government, with the participation of representatives from the Government, Multilateral Organizations, International Financing Institutions and donors, as defined in the TOR of the SDRF Steering Committee.
4. The Somalia UN MPTF will regularly review progress made towards agreed PFM benchmarks that will facilitate the increase of the overall share of aid funding that uses country systems.

### **II. Scope and Guiding Principles**

5. The Somalia UN MPTF's National Funding Stream will be also be along the PSG Pillars, following the definitions and priorities of the Somali compact, namely Inclusive Politics (PSG1), Security (PSG2), Justice (PSG3), Economic Foundations (PSG4) and Revenue and Services (PSG5).
6. The Ministry of Finance recognizes that the detailed formulation and efficient implementation of the National Funding Stream activities will require substantial support in terms of the capacity development. Therefore, the financing of capacity development activities will be a priority of the Fund. This support for capacity development will be provided at the different levels:

- (a) Compliance with fiduciary standards;

- (b) Drafting high quality proposals;
  - (c) Strengthening technical capacity and advisory services in relevant sectors; and
  - (d) Support to the National Entities involved in the program and financial management, procurement, monitoring and evaluation, etc.
7. The Somalia UN MPTF's National Funding Stream arrangements aim to ensure that:
- (a) Each project approved for funding is part of a Government-approved priority programme according to the Somali Compact and further elaborated through the PSG Action Plans.
  - (b) The activities financed are implemented by national implementing partners, under the overall ownership and leadership of the Government, to ensure sustainable local capacities;
  - (c) Funding and implementation are undertaken with full transparency and accountability, prompt delivery and efficient utilization of Somalia UN Fund resources.
8. The Somalia National Funding Stream mode of operation will enable the Government to oversee and guide the coordinated implementation of activities in accordance with its development agenda and ensure transparent fund administration and project implementation in accordance with international standards.
9. The Government has taken the initiative to establish a comprehensive governance and management structure for the Somalia UN MPTF, including:
- (a) Fund administration by the MPTF Office of the UNDP;
  - (b) Use of international standards and systems for financial oversight, accountability and transparency;
  - (c) Governance of the Fund activities, including oversight of financial management taking into account the national laws, regulations, rules, directives and procedures, and accountability framework of Somalia (hereinafter referred to as the "National Regulatory Framework") and the development and approval of the Fund portfolio of activities;
  - (d) Following the decision of the SDRF Steering Committee, the direct transfer of resources by the MPTF Office to National Entities as instructed by the Ministry of Finance and on the basis of the capacity assessment; when the fiduciary management capacity of National Entities requires strengthening an appropriate level of support to expand capacity, accountability and fiduciary control is to be provided by the Fund.
  - (e) Participation of the Fund contributors in the governance process;

- (f) Assessment of proposed Fund activities, based on the technical merits, and the principles of independence and impartiality;
- (g) Government-wide coordination and participation in development of the Trust Fund portfolio; and
- (h) On-going monitoring and evaluation of all Fund activities, including (1) setting up a comprehensive monitoring, reporting and verification system, which could be revised from time to time to ensure its continue relevance, (2) continuous monitoring of and reporting on Fund-supported projects through clear results- and resource-based frameworks, and (3) the systematic verification of project performance, using rigorous procedures, so that results are achieved in accordance with existing international standards, and recognized by national counterparts, as appropriate.

### III. Governance Structure

10. The governance structure of the National Funding Stream is illustrated in the diagramme of the governance structure of the overall UNMPTF (page 9).

11. The Somalia National Fund Stream is governed by the **SDRF Steering Committee**. After the establishment of the Somalia UN MPTF's National Funding Stream, the Steering Committee will establish its Rules of Procedure and approve the Operational Manual

12. With regards to the National Funding Stream, the SDRF Steering Committee undertakes the following responsibilities:

- (a) Provide overall leadership and set the strategic direction and oversight of the Fund;
- (b) Review and make fund allocation decisions on all Somalia UN MPTF's National Funding Stream activities, as recommended by the Ministry of Finance, serving as the Government Coordinating Entity, and appraised by the Technical Secretariat and within the framework of the Somali Compact and PSG Action Plans;
- (c) Authorize the Administrative Agent to release funds to the National Entities;
- (d) Review and approve the PSG annual workplans, which shall include the proposed budget framework and programme priorities. The PSG annual workplans are prepared by the PSG Working Groups.;
- (e) Review and approve the *Annual Fund Consolidated Report* that will be submitted by the Administrative Agent, for further submission to Contributors and public dissemination. Among other information, the *Annual Consolidated Report* shall include the annual consolidated narrative and financial reports of the Somalia National Funding Stream projects,

- as implemented by the National Entities and compiled and submitted to the Administrative Agent by the Government Coordinating Entity;
- (f) Review and approve, as applicable, the *Final Consolidated Reports* of the Somalia UN MPTF National Funding Stream activities which shall include the final consolidated narrative and financial reports of the Somalia UN MPTF National Funding Stream projects, implemented by the National Entities for further submission to Contributors and public dissemination;
  - (g) Maintain oversight of financial management of the Somalia UN MPTF National Funding Stream, including through requesting third party financial audits of the National Entities, as required;
  - (h) Oversee effective monitoring and evaluation of all Somalia UN MPTF's National Funding Stream activities to ensure fund-wide success and transparency, including receiving and approving the *Annual Monitoring and Evaluation Report* from the Secretariat, including commissioning independent performance evaluations and "lessons learned" exercises;
  - (i) Review the broad findings of the periodic external audits of the National Entities to guide its resource allocation decisions;
  - (j) Ensure flexible adaptation of the Somalia UN MPTF's National Funding Stream activities to changes in national programmes. It will also ensure coordination with the other relevant SDRF Windows.

13. 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>).

14. 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;

15. 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 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.

16. The following entities are involved in the Somalia UN MPTF's National Window:

- (a) The Ministry of Finance and Planning has been designated as the **Government Coordinating Entity** with a mandate to coordinate the development and implementation of the Somalia UN

- Fund's National Funding Stream activities on behalf of the Government, promote Government-wide participation in the Somalia UN MPTF process and, ensure the exercise of oversight, accountability and transparency in relation to the portfolio implemented. Annually the Ministry of Finance will incorporate the projected Somalia UN MPTF National Funding Stream's resources as part of the National Budget (with the objective to be on plan; on budget; on parliament; on treasury; on procurement; on accounting; on audit; and on report).
- (b) **National Entities**, national institutions responsible for implementation of projects funded from the Somalia UN Fund's National Funding Stream; and
  - (c) **The Administrative Agent** entrusted with fund administration functions for the Somalia UN MPTF's National Funding Stream.

### **The Ministry of Finance as the Government Coordinating Entity**

17. As the Government designated Government Coordinating Entity, the Ministry of Finance shall be responsible and accountable for the effective development, implementation and monitoring and evaluation of the Somalia UN MPTF's National Funding Stream portfolio implemented by National Entities. Among the tasks, the Government Coordinating Entity shall:

- (a) Assume full programmatic and financial accountability, on behalf of the Government, for activities implemented by the National Entities;
- (b) Instruct the Administrative Agent on the disbursements of the funds approved by the Steering Committee to the National Entities, pursuant to the National Regulatory Framework.
- (c) Promote Government-wide participation, coordination and coherence in the Somalia UN MPTF's National Funding Stream;
- (d) Coordinate the design of the overall Somalia UN MPTF National Funding Stream's portfolio through the PSG Working Groups, including selection of the individual projects that will comprise such portfolio;
- (e) Authorize the development of *Programme/Project Proposals* by the National Entities;
- (f) Ensure that all *Programme/Project Proposals* are relevant to the Somalia UN MPTF National Funding Stream priorities, in accordance with the Somali Compact and further elaborated by the PSG Action Plans, and that all development criteria have been met;
- (g) Submit *Project Proposals* to the Secretariat for appraisal, including follow-up as required; and
- (h) Compile and submit to the Administrative Agent the narrative and financial reports of the Somalia UN MPTF National Funding Stream activities implemented by the National Entities.

18. **The Ministry of Finance** will ensure that funds disbursed by the Administrative Agent to the National Entities, as approved by the Steering Committee, for the purposes of the approved activities under the Somalia UN MPTF's National Funding Stream shall not be co-mingled and are released to the National Entities in a timely manner.

### **National Entities**

19. The Government Coordinating Entity through the National Entities shall assume full programmatic and financial accountability for the funds disbursed to them by the UN MPTF Office as Administrative Agent upon the instruction of the Steering Committee. Such funds shall be administered by each National Entity in accordance with the National Regulatory Framework, provided that national financial regulations and rules do not contravene the principle of UNDP's Financial Regulations and Rules.

20. National Entities, through the Government Coordinating Entity, will prepare proposals for funding and submit them to the Steering Committee for approval after review by the Secretariat. Based on the instructions from the Steering Committee and the capacity assessment, particularly related to standards and fiduciary management capacity, the Administrative Agent will transfer the approved funding to the relevant National Entities who are responsible for implementing activities, in accordance with the National Regulatory Framework.

21. The Government Coordinating Entity, through each National Entity, shall assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent.

22. Each National Entity shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent, from the Somalia UN MPTF National Funding Stream Account. This separate ledger account shall be administered by each National Entity in accordance with the National Regulatory Framework, including those relating to interest. This separate ledger account shall be subject exclusively to the internal and external auditing procedures set forth in the National Regulatory Framework and in accordance with the Memorandum of Agreement (MOA) signed between the Government and UNDP, in its capacity as the Administrative Agent of the Somalia UN MPTF National Funding Stream.

23. The terms of payment of the National Entities will be approved by the Steering Committee. The Somalia UN Fund National Funding Stream's projects will be implemented by National Entities in accordance with the Somali Compact and further elaborated by the PSG Action Plans, the National Regulatory Framework and the MOA.

### **Administrative Agent**

24. The Somalia UN MPTF National Window will be administered by the UNDP through its Multi-Partner Trust Fund Office (MPTF Office), as Administrative Agent, providing management and other support services to the Government, in accordance with UNDP's regulations and rules. The Administrative Agent will establish a separate bank account for receipt of contributions to the Somalia UN MPTF's National Funding Stream.

25. The UNDP MPTF Office, as the Administrative Agent of the Somalia UN MPTF's National Funding Stream, will:

- (a) Receive financial resources from Contributors and deposit those in the Somalia UN MPTF's National Funding Stream Account;
- (b) Administer the funds received, in accordance with UNDP regulations, rules, policies and directives and this TOR, including the provisions relating to winding up the Somalia UN MPTF's National Funding Stream Account and related matters;
- (c) Subject to availability of funds and following agreements signed between the Government Coordinating Entity and National Entities, and after instruction from the Government Coordinating Entity, disburse the funds to each National Entity for the Somalia UN MPTF's National Funding Stream projects in accordance with the decisions of the Steering Committee, taking into account the budget set out in the approved programmatic document<sup>1</sup>, as amended in writing from time to time by the Steering Committee;
- (d) Subject to availability of funds, and following the agreement signed between the Government Coordinating Entity and the National Entities carrying out activities financed from the Somalia UN MPTF's National Funding Stream, disburse the funds from the Somalia UN MPTF's National Funding Stream to the National Entities, in accordance with the decisions of the Steering Committee and the instruction of the Government Coordinating Entity, taking into account the budget set out in the approved programmatic document, as amended in writing from time to time by the Steering Committee;
- (e) Consolidate statements and reports, based on submissions provided to the Administrative Agent by the Government Coordinating Entity containing the submissions of each National Entity, as set forth in Paragraph 34 below, and provide these to the Steering Committee and Contributors, through the Secretariat;
- (f) Provide final reporting, including notification that the Somalia UN MPTF's National Funding Stream has been operationally completed, in accordance with this Framework;

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<sup>1</sup> As used in this document, an approved programmatic document refers to projects, programmes which are approved by the Steering Committee for fund allocation purposes.

(g) Disburse funds to the Government Coordinating Entity for any additional costs of the tasks that the Steering Committee may decide to allocate in accordance with this Framework.

26. To cover the cost of the UNDP MPTF Office fund administration services, UNDP MPTF Office will charge a one-time fee of one per cent (1%) of each contribution deposited in the Somalia UN MPTF's National Funding Stream Account. The fee will be deducted from the contribution at the time of its deposit.

#### IV. Contributions to the Somalia UN MPTF's National Funding Stream

27. Contributions to the Somalia UN MPTF's National Funding Stream will be accepted from governments, intergovernmental and non-governmental organizations, and private sector organizations.

28. **Contributors are encouraged to provide un-earmarked contributions to the Somalia UN MPTF's National Funding Stream**, which will be programmed by the Steering Committee, supported by the Secretariat. 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 (see template of the Standard Administrative Arrangement).

29. Contributions to the Somalia UN MPTF's National Funding Stream may be accepted in United States dollars or in any other currency that can be readily utilized. Such contributions shall be deposited into the bank account established by the UNDP MPTF Office. Funds received from Contributors will be received on account of the Government, and not as UNDP resources.

30. The value of a contribution payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges shall be recorded in the Somalia UN MPTF's National Funding Stream Account established by the Administrative Agent.

31. Resources from the Somalia UN MPTF's National Funding Stream will be utilized for the purpose of meeting the direct costs of projects managed by the National Entities. Details of such projects, including respective budgets and implementation partners (national entities, NGOs/civil society organizations, intergovernmental organizations) will be set out in the relevant project documents that will be reviewed by the Secretariat and subsequently approved by the Steering Committee.

#### V. Project Identification and Review

32. The development and approval of the Somalia UN MPTF's National Funding Stream *Projects* shall follow the following stages:

- (a) **Development of a *Project Proposal*:** The development of a *Project Proposal* shall be authorized by the Government Coordinating Entity. The process and criteria for determining the composition of the portfolio and authorizing development of individual projects shall be determined by the Government, according to the established policy, priorities and procedures of the Somalia UN MPTF's National Funding Stream and using government systems (on plan; on budget; on parliament; on treasury; on procurement; on accounting; on audit; and on report). *Project Proposals* will use a *Standard Project Application Form* developed by the Ministry of Finance. The National Entities shall ensure that each Somalia National Fund *Project Proposal* is supported by the appropriate performance, impact and capacity studies, as outlined in the *Standard Project Template*. Where appropriate, the National Entities shall engage in processes of public consultation, and include consultation results in the proposal;
- (b) **Submission of *Project Proposals* for appraisal by the Secretariat:** *Project Proposals* shall be presented to the Secretariat within the Aid Coordination Unit for appraisal, with all relevant supporting documentation. *Project Proposals* shall be presented through the Government Coordinating Entity, which will make its own recommendation on funding allocation. The Secretariat shall conduct a comprehensive, independent and impartial technical appraisal of each Somalia UN MPTF's National Funding Stream *Project Proposal*, based on criteria developed in collaboration with the Government Coordinating Entity and approved by the Steering Committee. The appraisal shall include a review of the financial, technical and performance elements of the activity, social and environmental impact studies, and assessment of the institutional capacity of the National Entities to ensure the organization has the means to implement the project, among other elements. The technical appraisal may be conducted directly by Secretariat personnel. Alternatively, the Secretariat may rely on the support from the UN System with the technical assessments of specific proposals.
- (c) **Decision on Funding Allocation by the Steering Committee:** The Secretariat will present the findings of its *Technical Appraisal of Project Proposals* to the Steering Committee, along with all relevant project documentation and the recommendation of the Government Coordinating Entity. At its regular meetings, the Steering Committee will render a decision on funding allocations to each *Project Proposal*, taking into account the recommendations of the Government Coordinating Entity and the findings of the Secretariat appraisal. The Steering Committee may also receive submissions from other interested parties, where these are of direct relevance to the *Project Proposal* under consideration. The Steering Committee shall have access to all information it deems relevant in making its decision. If the Steering Committee rejects a project or if it requests further study or review. It shall communicate its decision or request to the Government Coordinating Entity, and will direct the Secretariat to take the appropriate follow up action;
- (d) **Release of funds:** Following its project approval and funding allocation decisions, the Steering Committee will authorize the Administrative Agent to disburse funding promptly from the

Somalia UN MPTF National Funding Stream Account to National Entities. The fund transfers to the projects by the Administrative Agent will normally be released in accordance with the national regulatory framework, in order to avoid interruptions in the ongoing activities due to lack of funds. On a quarterly basis the Steering Committee will verify the accurate use of the resources for the previous quarter, and will authorize the next fund allocation.

- (e) **Ongoing Monitoring and Evaluation:** After the funding allocation decision is made, the National Entities, working with the Government Coordinating Entity and the Secretariat, shall ensure that each activity is subject to the required standards and procedures for accountability and transparency, including all financial and programme performance monitoring, evaluation and reporting, in accordance with internationally-accepted standards. The funded activities will be implemented in accordance with the National Regulatory Framework and subject to external auditing requirements as set in their respective National Entities' agreements.

## VI. Reporting, Transparency and Accountability

33. For each project approved for funding from the Somalia UN MPTF National Funding Stream, each National Entity through the Government Coordinating Entity shall provide the Administrative Agent with the following statements and reports prepared in accordance with the reporting procedures of the Somalia National Funding Stream:

- (a) Annual narrative progress reports, to be provided no later than three months (March 31) 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 National Fund Account, to be provided no later than four months (April 30) 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 (April 30) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund, as applicable.
- (d) Mid-year progress updates that will allow the Government and the Steering Committee to assess project implementation progress on an on-going basis;
- (e) 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 Fund, as applicable.

34. In line with the Memorandum of Agreement, the Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in Paragraph 39 (a) to (e) above, and will provide those consolidated reports to each Contributor to the Somalia UN MPTF National Funding Stream Account, as well as the Steering Committee, in accordance with the timetable established in the Standard Administrative Arrangement.

35. The Administrative Agent shall also provide to the Contributors and the Steering Committee 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 Fund, as applicable.

## VII. Public Disclosure

36. The Steering Committee, Government Coordinating Entity and Administrative Agent shall collaborate to ensure full transparency and accountability of the Somalia UN MPTF National Funding Stream operations. The Government and Administrative Agent will ensure that operations of the Somalia UN MPTF's National Funding Stream are publicly disclosed on the website of the FGS as well as on the Administrative Agent's website (<http://mptf.undp.org>). Website postings will include a record of decisions of the Steering Committee, summary sheets of proposed and approved projects, project and fund level financial and progress reports, and external evaluation reports, including relevant information on the Somalia UN MPTF National Funding Stream operations.

37. Each National Entity shall take appropriate measures to promote the Somalia UN MPTF National Funding Stream. Information given to the press and to the beneficiaries of the assistance provided through the Somalia UN MPTF National Funding Stream, all related promotional material, official notices, reports and publications shall acknowledge the leading role of the Government. In particular, the Administrative Agent will ensure that full recognition is given to the role of the Government and national partners in all external communications relating to the Somalia National Fund.

## VIII. Ownership of Equipment, Supplies and Other Property

38. Ownership of equipment, supplies and other property financed by the Somalia UN MPTF's National Funding Stream shall be vested in the Government.

## IX. Audit

39. Project-level auditing shall be subject exclusively to the internal and external auditing procedures provided in the Somalia's National Regulatory Framework and to external auditing requirements as set in their respective National Entity agreements.
40. The activities of the UNDP MPTF Office, as the Administrative Agent shall be subject exclusively to the internal and external auditing procedures provided in the financial regulations, rules and directives of UNDP.

## X. Evaluation and Independent Lessons Learned Review

41. The Steering Committee will ensure that the Secretariat develops an appropriate Monitoring and Evaluation Plan so that all projects supported by the Somalia UN MPTF's National Funding Stream will undertake proper monitoring and final evaluation which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation.
42. In view of the unique features of the Somalia UN MPTF National Funding Stream and its possible relevance and lessons for other similar initiatives of other developing countries, the Steering Committee shall commission an independent "lessons-learned and review studies" of the entire operation of the Somalia UN MPTF National Funding Stream, as appropriate.
43. The Government Coordinating Entity will ensure the development of a system for evaluation of the Fund's use of resources and operations in accordance with the National Regulatory Framework.

## XI. Establishment of the Somalia UN MPTF's National Funding Stream

44. The Somalia UN MPTF's National Funding Stream will be established upon the signing of:
- (a) Memorandum of Agreement (MOA) between the Government and UNDP, as the Administrative Agent, for Management and Other Support Services related to the Somalia UN MPTF's National Funding Stream, including provisions related to the Government Coordinating Entity's overall accountability on behalf of the Government for funds approved for implementation by the National Entities; and,
  - (b) Standard Administrative Arrangements between the Administrative Agent and the Contributors to the Somalia UN MPTF's National Funding Stream.

## XII. Termination of the Somalia UN MPTF's National Funding Stream

45. Notwithstanding completion of the projects financed from the Somalia UN MPTF National Funding Stream, as applicable, any unutilized balances shall continue to be held in the Somalia UN MPTF's National Funding Stream Account until all commitments and liabilities incurred in the implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion.

46. Any balance remaining in the Somalia UN MPTF's National Funding Stream Account or in the individual National Entity's separate ledger accounts upon winding up of the Somalia UN MPTF's National Funding Stream will be used for a purpose as decided by the Steering Committee or will be returned to the Government.

47. The Somalia UN MPTF's National Funding Stream will terminate on 31 December 2024.