

One UN Fund for the United Republic of Tanzania

Terms of Reference

I. Introduction

1. “Delivering as One” in Tanzania proceeds in the new development aid environment unique to Tanzania. The Government’s key development aspirations and priorities based on the Millennium Development Goals are outlined in the *VISION 2025* for mainland, the *VISION 2020* for Zanzibar and specific goals are set out in the National Strategy for Growth and Reduction of Poverty (2005 – 2010), commonly known by its Swahili acronym as *MKUKUTA* in mainland, and *MKUZA* in Zanzibar. The UN in Tanzania supports the Government to reach these goals through the United Nations Development Assistance Framework (“UNDAF”) that guides the work of all UN system organizations in Tanzania. The second phase UNDAF (2007 – 2010), signed in June 2006, is aligned with the three clusters of development priorities in the *MKUKUTA/MKUZA*: (i) Growth and Reduction in Income Poverty; (ii) Improved Quality of Life and Social Well-being; and (iii) Good Governance and Accountability.

2. Development assistance is built around these priorities in accordance with the Joint Assistance Strategy for Tanzania (“JAST”) and with commitment to the *2005 PARIS DECLARATION ON AID EFFECTIVENESS*. The JAST aims to increase national ownership over the development process, establish partnerships based on mutual trust and dialogue, and encourage mutual accountability for results.

3. “Delivering as One” also reflects the ongoing reforms of the United Nations. The *TRIENNIAL COMPREHENSIVE POLICY REVIEW (TCPR) OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM A/RES/59/ 250* of 17 December 2004, emphasizes that the purpose of reform is to make the United Nations development system more efficient and effective". It, in turn, led to the report of the Secretary-General’s High Level Panel on System-wide Coherence, under review by the member states, which recommends the establishment of One UN at country level. In response to the request by the Government of United Republic of Tanzania (the “Government”) on 18 December 2006, the Secretary-General selected Tanzania as one of eight pilot countries to implement “Delivering as One” initiative on 9 January 2007.

4. Following the UNCMT discussions on 18 – 19 January 2007, the UNCMT finalized a concept note with a road map on “Delivering as One”. This note discusses a vision, key challenges of UN reforms in Tanzanian context with its current aid environment, Four Ones, One Leader, One Programme, One Budgetary Framework and One Office, and necessary HQs support to the UN Country Team. The UNCMT agreed that the One UN Programme, among Four Ones, would be the driving force of “Delivering as One” pilot in Tanzania and be established during the first half of 2007. After the inter-agency mission on the One Budgetary Framework and the One UN Fund on 16 – 18 April, the UNCMT agreed to establish the One UN Fund also during the first half of 2007 to support the One UN Programme.

5. The Terms of Reference of the One UN Fund may be revised to reflect the dynamic nature of the UN reform process in Tanzania and as additional organizations participate in the One UN Fund along with the initial signatory UN system organizations.

II. Purpose and Principles of the One UN Fund

6. The objective of the One UN Fund, under the management leadership of the Government/UN Joint Steering Committee, is to support the coherent resource mobilization, allocation and disbursement of new donor resources to unfunded elements of the One UN Programme (“The UN Working Together in Tanzania – One UN Programme (2007 – 2008)”, attached as Annex A), including the Joint Work Plan in the areas of Change Management and the approved One UN Communication Strategy implementation, and to new initiatives responding to emerging needs within the context of the One UN Programme.

7. The One UN Fund is the proposed vehicle for new resources contributed by donors to support the unfunded portions of the One UN Programme and new initiatives responding to emerging needs within the context of the One UN Programme.

8. The One UN Fund conforms to the principles governing a pooled and pass-through fund management modalities based on the United Nations Development Group (“UNDG”) Guidance Note on Joint Programming, dated 19 December 2003 introducing innovation agreed locally among the UNCT and the inter-agency mission on financial accountability and audit that took place on 1 – 3 October 2007.

9. The One UN Fund intends to facilitate the delivery of outputs planned in the One UN Programme by strengthening the joint planning, coordination and implementation process and channelling funds towards the highest priority needs determined by the Joint Steering Committee based on the agreed criteria and procedures with documented process and rationale for allocations. The objectives of the activities to be financed by the One UN Fund are elaborated in the One UN Programme.

10. In line with the approved One UN Communication Strategy dated March 29 2007, signatory UN system organizations shall take appropriate measures to publicize the One UN Programme and the One UN Fund, and to give due credit to the role of the Government, Donor, the signatory UN system organizations. Information given to the press, to the beneficiaries of the One UN Programme and the One UN Fund, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Government, the Donor, the signatory UN system organizations, national partners, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of the Government, the Donor, the signatory UN system organizations, national partners, and the UN in all external communications relating to the One UN Fund. Nothing in this Article implies a license to use the logo of any donor, signatory UN system organizations, or national partner without its consent.

III. Description of the One UN Fund

11. The UN system organizations that participate in the One UN Fund will sign a Memorandum of Understanding between Participating UN System Organizations, (“Participating UN Organization”) the Resident Coordinator and UNDP regarding the Operational Aspects of the One UN Fund for Tanzania (“MOU”, attached as Annex B).

12. The United Nations Development Programme (“UNDP”), as the Administrative Agent, will administer the One UN Fund on behalf of the Participating UN Organizations and the United Nations Resident Coordinator (“Resident Coordinator”) in accordance with its regulations, rules, directives and procedures applicable to it, including those relating to interest. The Administrative Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to letters of agreements with donors and the Resident Coordinator.

Contributions to the One UN Fund

13. Contributions to the One UN Fund may be accepted from governments of Member States of the United Nations, intergovernmental organizations, non-governmental organizations or the private sector. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines for cooperation between the UN and the Business Community (the UN Secretary General’s guidelines <http://www.un.org/partners/business/otherpages/guide.htm>).

14. Each donor will sign a standard Letter of Agreement (“LOA”) with the Resident Coordinator and UNDP as Administrative Agent (attached as Annex C), setting out the terms and conditions governing receipt and administration of and reporting on the contributions.

15. In order to ensure focus on the national priorities and allow the Joint Steering Committee the maximum flexibility of planning and funds allocation, donors are encouraged to provide multi-year and un-earmarked contributions as much as possible. However, if this is not possible, earmarking for a Joint Programme, the Joint Work Plan and the One UN Communication Strategy in the One UN Programme may be accepted when endorsed by the Joint Steering Committee. The proportion of earmarked funding is expected to be minimal.

16. As the Administrative Agent of the One UN Fund, UNDP will be responsible for receiving all donor contributions in the Tanzania One UN Fund Account established for this purpose. Subject to the availability of funds, the Administrative Agent shall normally make each disbursement within four (4) to five (5) business days after receipt of the approval of the specific AWP/JPWP/Programmatic Document by and instructions from the Resident Coordinator based on the fund allocation decisions of the Joint Steering Committee along with copy of the signed AWP/JPWP/Programmatic Document by all the parties concerned. The Resident Coordinator’s instruction shall not be unreasonably delayed after the allocation decision by the Joint Steering Committee.

Utilization of the One UN Fund

17. The One UN Fund will be utilized for the purpose of supporting the unfunded elements of the One UN Programme. Details of the One UN Programme, including the planned activities, estimated budgets and implementation arrangements are provided in the One UN Programme and its annexes.

18. The Administrative Agent and the Participating UN Organizations, some of whom also serve their capacity as Managing Agent of a Joint Programme, shall be entitled to deduct their indirect costs¹ on contributions received in accordance with the following formula:

¹ A general cost that cannot be directly related to any particular programme or activity of the organization. (UNDG Financial Policy Working Group)

- a) The Administrative Agent's administrative fee will be one percent (1%). The fee will be deducted from the contribution to the One UN Fund at the time it is deposited;
- b) Indirect costs of the Managing Agent will be seven percent (7%) for the funds passed through from the Administrative Agent for which the Managing Agent manages implementation; and
- c) Indirect costs of the Participating UN Organizations will be seven percent (7%) for the funds passed through from the Administrative Agent for which the Participating UN Organizations directly implement activities.

IV. Governance Arrangements

The Joint Steering Committee

19. The Joint Steering Committee, co-Chaired by the Permanent Secretary of the Ministry of Finance and the Resident Coordinator, will provide strategic guidance to the One UN Programme and strategic leadership of the One UN Fund including making decisions on available fund allocation (with documented process and rationale for these decisions) and monitoring of the overall programme implementation and its annual review.

20. The Joint Steering Committee will consist of the representatives of the Government, appointed by the Chief Secretary, the representatives of the United Nations Country Management Team ("UNCMT") agreed by the UNCMT members and a representative of Development Partners (see Annex D for the members of the Joint Steering Committee).

21. The Joint Steering Committee will be responsible for:

- a) providing strategic guidance to the One UN Programme as well as monitoring and evaluation of overall programme implementation including annual reviews;
- b) providing strategic leadership of the One UN Fund on the basis of the One UN Programme; and
- c) making decisions on available fund allocation (with documented process and rationale for these decisions) in accordance with the agreed criteria and procedures. In this process, the Joint Steering Committee may be assisted by the Joint Task Force (see Annex E for the members of the Joint Task Force).

The Resident Coordinator

22. The Resident Coordinator will be responsible for:

- a) co-chairing the Joint Steering Committee and facilitate strategic guidance, leadership and decision of the Joint Steering Committee;
- b) provide strategic guidance to the One UN Programme among the Participating UN Organizations in consultation with the UNCMT;
- c) providing strategic leadership of the One UN Fund on the basis of the One UN Programme among Participating UN Organizations in consultation with the UNCMT;

- d) recommending available fund allocation to the Joint Steering Committee for decision together with other UN representatives to the Joint Steering Committee based on the agreed recommendation at the UNCMT meeting;
- e) taking leadership in mobilizing resources for the One UN Fund in collaboration with Participating UN Organizations in accordance with the paragraph 15 of this terms of reference;
- f) providing strategic focus to the consolidated reports prepared under Article V of each MOU and LOA, including analysis of progress and lessons to be learned for future programme implementation;
- g) providing relevant reports and statements defined under Article V of each of MOU and LOA to the Participating UN Organizations and donors;
- h) ensuring the effective communication on developments and progresses of One UN Funds and One UN Programme to the Participating UN Organizations and effective participation of all Participating UN organizations;
- i) holding Country Directors/Representatives/Heads of the Participating UN Organizations accountable for programme implementation, utilization of the funds allocated from the One UN Fund and their organization's components of the results achieved;
- j) being accountable for the overall management of the One UN Fund and the utilization of the funds in the One UN Fund Account.
- k) signing the Letters of Agreement with Donors and UNDP and the Memorandum of Understanding with the Participating UN Organizations and UNDP; and
- l) maintaining standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement.

Representatives/Country Directors/Heads of the Participating UN Organizations

23. The Representatives/Country Directors/Heads of the Participating UN Organizations will be responsible for:

- a) programme implementation, utilization of the funds allocated from the One UN Fund and their organization's components of the results achieved;
- b) providing relevant reports and statements defined under Article V of each of MOU and LOA to respective Managing Agents and Administrative Agent;
- c) signing the Memorandum of Understanding with the Resident Coordinator, the Participating UN Organizations and UNDP; and
- d) maintaining standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of

contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement.

The Administrative Agent

24. UNDP as Administrative Agent will be responsible for:
- a) receiving contributions from donors that wish to contribute to the One UN Fund;
 - b) administering such funds received in accordance with the MOU, including the provisions relating to winding up the One UN Fund and related matters;
 - c) subject to availability of funds, disbursing such funds to each of the Managing Agents in accordance with instructions from the Resident Coordinator based on the fund allocation decisions of the Joint Steering Committee, taking into account the provisions of the applicable LOA and the MOU and the budget set out in the specific Annual Work Plan (hereinafter referred to as the “AWP”)/Joint Programme Work Plan (hereinafter referred to as the JPWP)/Programmatic Document of the Participating UN Organizations in line with the budget set out in the One UN Programme Document;
 - d) subject to availability of funds, disbursing such funds to the respective Participating UN Organizations in accordance with instructions from the respective Managing Agent once the Resident Coordinator has informed the fund allocation decisions of the Joint Steering Committee to the Administrative Agent and the respective Management Agent, taking into account the provisions of the applicable LOA and the MOU and the budget set out in the specific AWP/JPWP/Programmatic Document of the Participating UN Organizations in line with the budget set out in the One UN Programme Document;
 - e) compiling financial and narrative reports produced by each of the Managing Agents into a consolidated report, and submit such reports to the Resident Coordinator;
 - f) providing final reporting, including notification that the activities funded from the One UN Fund have been operationally and financially completed, in accordance with Article V of the MOU, based on reports received from the Managing Agents;
 - g) providing the delegated signature authority to the UNDP Country Director for the signature, as Administrative Agent, of Letters of Agreement with Donors and the Resident Coordinator and the MOU with Participating UN Organizations and the Resident Coordinator;
 - h) maintaining standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement; and
 - i) performing such other activities as the Participating UN Organizations, the Resident Coordinator, the Managing Agents and the Administrative Agent may agree in writing.
25. The Managing Agents will be responsible for:

- a) receiving funds from the Administrative Agent;
- b) disbursing funds in accordance with its financial rules and regulations, to the national and sub-national partners through the Treasury of the Government for the purpose of the Joint Programme where possible and procure goods and services for the respective Joint Programme through the Government systems where possible;
- c) instructing the Administrative Agent to disburse funds to the Participating UN Organizations once the Resident Coordinator instructs the Administrative Agent the fund allocation decision by the Joint Steering Committee;
- d) coordinating technical inputs by all Participating UN Organizations;
- e) following-up with the national and sub-national partners on implementation;
- f) providing narrative and financial reports, including financial statements of the Joint Programme certified by the competent financial management authority of the Managing Agent, in accordance with Article V of the MOU to the Joint Steering Committee;
- g) maintaining standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including those regarding procurement; and
- j) performing such other activities as the Participating UN Organizations and the Managing Agents may agree in writing.

Support services provided by the Resident Coordinator's Office

26. The Office of the Resident Coordinator is responsible for support to the strategic leadership role of the Resident Coordinator for the One UN Fund. It will provide support in all the designated tasks for the Resident Coordinator under paragraph 22 above. It will circulate the finalized annual consolidated report on the One UN Fund to the Joint Steering Committee for consultation. The Office of the Resident Coordinator will ensure that these reports are distributed to all donors contributing to the One UN Fund and maintain an appropriate level of fund information on the websites of the UN Tanzania (www.untanzania.org) to ensure transparency.

27. Focal point designated within the Office of the Resident Coordinator will be dedicated to supporting the quality assurance of the One UN Fund and the One UN Programme.

V. Reporting

28. The Resident Coordinator, each Participating UN Organization, Managing Agent and Administrative Agent shall provide the reports and statements as provided in Article V of each of MOU and LOA.

29. In line with the Joint Assistance Strategy for Tanzania, until such time that a harmonised reporting format and procedure is mutually agreed and accepted by Government,

the Resident Coordinator, each of the Managing Agents and each of the Participating UN Organizations, the financial reports referred to above shall be prepared using the UNDG agreed categories and the narrative reports referred to above shall be prepared using the UNDG results based Progress Reporting Guidelines².

30. The Resident Coordinator will provide strategic focus to the consolidated reports prepared under Article V of each of MOU and LOA, including analysis of progress and lessons to be learned for future programme implementation, and subsequently will submit such consolidated reports to donors no later than six months after the applicable reporting period.

31. Consolidated One UN Fund reporting and related documents, including One UN Fund agreements will be posted on the websites of the UN Tanzania (www.untanzania.org) and that of the Administrative Agent (www.undp.org/mdtf).

VI. Monitoring and Evaluation

32. Monitoring and evaluation of the activities of the AWP/JPWP/Programmatic Documents funded under the One UN Fund shall be undertaken in accordance with the provisions contained in the specific the AWP/JPWP/Programmatic Documents approved by the Joint Steering Committee, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

33. Under the direction of the Resident Coordinator, a Joint Monitoring and Evaluation system will be developed to monitor and evaluate the One UN Programme joint outputs (process, impact and effectiveness) including those achieved with funding provided through the One UN Fund and those indicators to measure the UN's progress in regards to the Paris Indicators. Participating UN Organizations shall also explore thematic or functional clustering of monitoring and evaluation activities.

In addition, the Resident Coordinator in consultation with the Joint Steering Committee may commission a periodic, independent lessons-learned and review exercise relating to the programmatic aspects of the One UN Fund in accordance with agreed Evaluation Guidelines and to the extent possible aligned to existing national processes. The details of this review exercise are to be defined by the Joint Steering Committee.

VII. Audit Arrangement

34. The Administrative Agent, Managing Agent, and the Participating UN organizations will be audited in accordance with their own Financial Rules and Regulations. The Internal Audit Services of all UN organizations will prepare summaries of their internal audit reports and share those with the Heads of Agencies, Administrative Agent and Management Agents”.

VIII. Joint Communication

² “Harmonized Financial Reporting to Donors in Joint Programmes – Explanatory Note, September 2006” by the UNDG Working Group on Financial Policies and “Standard Progress Report” referred in the UNDG “Guidance Note on Joint Programming”, 19 December 2003

35. In line with the approved One UN Communication Strategy dated March 29 2007, Participating UN Organizations shall take appropriate measures to promote the One UN Programme and the One UN Fund, and to give due credit to the role of the Government, the donors, the Participating UN Organizations and national partners. Information given to the press, to the beneficiaries of the One UN Programme and the One UN Fund, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Government, the donors, the Participating UN Organizations, national partners, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of the Government, the donors, the Participating UN Organizations, national partners, and the UN in all external communications relating to the One UN Fund. Nothing in this Article implies a license to use the logo of any donor, Party, or national partner without its consent.

IX. Other Matters

36. The One UN Fund will be established upon signing of the Memorandum of Understanding between the Resident Coordinator, Participating UN Organizations and the Administrative Agent and the first Letter of Agreement between a donor, the Resident Coordinator and the Administrative Agent.

37. The One UN Fund will terminate upon the completion of all projects/programmes funded through the One UN Fund and when all commitments and liabilities under the projects/programmes have been satisfied. Notwithstanding the completion of the initiatives financed from the One UN Fund, any unutilized balances will continue to be held in the Tanzania One UN Fund Account until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion. Any balance remaining in the Tanzania One UN Fund Account or in the individual separate ledger accounts of the Managing Agents and Participating UN Organizations, shall be used as decided by the Joint Steering Committee in consultation with the contributing donors and Participating UN Organizations.

38. This Terms of Reference may be modified from time to time upon the written agreement among the Resident Coordinator, Participating UN Organizations and Joint Steering Committee.

List of Annexes

- Annex A: The UN Working Together in Tanzania – One UN Programme (2007 – 2008)
- Annex B: Memorandum of Understanding
- Annex C: Standard Letter of Agreement
- Annex D: The Members of the Joint Steering Committee
- Annex E: The Members of the Joint Task Force

Annex A. The UN Working Together in Tanzania – One UN Programme (2007 – 2008)

Attached separately.

Annex B. Memorandum of Understanding

Attached separately.

Annex C. Standard Letter of Agreement

Attached separately.

Annex D. The Members of the Government and UN Joint Steering Committee

Co-chairs:

Permanent Secretary of Ministry of Finance
The United Nations Resident Coordinator

Members:

Government:

Mr. G. Mgonja, PS, Ministry of Finance
Dr. E. Bukuku, PS, Ministry of Infrastructure
Ambassador C. Mutalemwa, PS, Ministry of Planning, Economy and Empowerment
Ambassador Patrick Mombo, PS, Ministry of Foreign Affairs and International Cooperation
Ms. Salome Sijaona, PS, Ministry of Lands and Human Settlement
Mr. P. Lyimo, PS, Ministry of Agriculture, Food Security and Cooperatives
Ms. M.K. Tarishi, PS, Ministry of Regional Administration & Local Government
Mr. W. Nyachia, PS, Ministry of Industry, Trade and Marketing
Mr. Wilson Mukama, PS, Ministry of Health and Social Welfare
Mr. Ladislaus Komba, PS, Ministry of Labour, Employment & Youth Development
Mr. Hamis Musa Omari, PS, Ministry of Finance and Economic Affairs in Zanzibar
Dr. Mohammed Salehe Jiddawi, PS, Ministry of Social Welfare in Zanzibar

Government co-chairs of the Joint Task Force:

Mr. Ramadhani Khijjah, Deputy PS, Ministry of Finance
Ms. Joyce Mapunjo, Deputy PS, Ministry of Planning, Economy and Empowerment

UN:

Mr. Oscar Fernandez-Taranco, UN Resident Coordinator
Ms. Nicola Jones, UNFPA Representative
Mr. Heimo Laakkonen, UNICEF Representative
Mr. Jürgen Schwettmann, ILO Director
Mrs. Louise Setshwaelo, FAO Representative

Development Partner:

H.E. Jon Lomoy, Ambassador of Norway

Annex E: The Members of the Joint Task Force

To be completed.

Government Co-chairs:

Mr. Ramadhani Khijjah, Deputy PS, Ministry of Finance
Ms. Joyce Mapunjo, Deputy PS, Ministry of Planning, Economy and Empowerment

Members:

Government:

To be filled in

UN:

IAPC Chair
OMT Chair
RCO Senior Advisor