

SDGs Acceleration Fund for Albania

Terms of Reference

I. Introduction

The 2030 Agenda calls for integrated approaches across multiple sectors and goals, as well as collective action at all levels in order to achieve the Sustainable Development Goals (SDGs). In response to this request, the “SDG Acceleration Fund”, a joint Government of Albania and United Nations development cooperation funding mechanism, will be established to support integrated and multidimensional sustainable development activities for Albania’s achievement of Sustainable Development Goals as part of ‘Agenda 2030 for Sustainable Development.’

These Terms of Reference for the SDG Acceleration Fund set out the modus operandum and the responsibilities of the Government of Albania, United Nations Albania as well as the contributing Development Partners towards the Fund’s implementation. They are developed based on the ToRs for the One UN Coherence Fund 2007-2016, a funding mechanism approved by the Prime Minister in October 2007 under the One UN /Delivering as One initiative in Albania and based on the General Assembly’s: *“Triennial comprehensive policy review (TCPR) of operational activities for development of the United Nations system”*, A/RES/59/ 250 of 17 December 2004, which *“stresses that the purpose of reform is to make the United Nations development system more efficient and effective”*.

Albania has been a Delivering as One country since its pilot phase started in 2007 and has completed two One Programmes during 2007-2016. The current Programme of Cooperation for Sustainable Development 2017-2021, signed by the government in October 2016, is under implementation in support of Albania’s development and EU integration goals and achievement of the Agenda2030.

The SDG Acceleration Fund aims to advance the 2030 Agenda by contributing to accelerated progress in achieving national sustainable development goals through providing catalytic support to priority areas of SDG achievement in the framework of the National Strategy for Development and Integration 2015-2020 and the PoCSD 2017-2021 as well as supporting processes around SDGs (monitoring, reporting).

Actions financed by the **Albania SDG Acceleration Fund** will (a) result in an evidence-based understanding – by the Government and the general public - of Albania's progress towards achieving the SDGs through its national strategies and the EU integration process and (b) accelerate the rate of achievement of SDGs so that all are attained by 2030.

The SDG Acceleration Fund is one of the Government’s preferred funding modalities for achievement of SDGs in the country, to attract funding with all stakeholders acting in partnership that will serve to the intended impact of this fund. For more information on the vision, objectives, and capitalization- see attached the SDG Acceleration Fund leaflet.

II. Purpose of the SDG Acceleration Fund

1. The objective of the SDG Acceleration Fund is to support integrated and coherent resource mobilization, allocation and disbursement of government and donor resources to promote development and implementation of integrated activities to meet the SDGs.

The Co-Chairs of the One UN Joint Executive Committee¹ will have the authority to approve and allocate funds from the SDG Acceleration Fund based on priorities identified by the GoA-UN Joint Executive Committee in line with the National Strategy for Development and Integration 2015-2020, EU Country Strategy 2015-2020, and agreed in the PoCSD 2017-2021 in support of the SDG achievement in the country and other planning documents that may be produced in regards to SDGs, such as for example nationalized targets or an SDG Roadmap or Action Plan.

When planning and implementing the Fund’s resources, the One UN Joint Executive Committee will pay particular attention to interlinkages between SDGs and integrated actions that can serve as “ accelerators” of SDG achievement. This includes following recommendations from the Mainstreaming, Acceleration and

¹ See section IV

Policy Support (MAPS) Mission Report, undertaken in April, 2018, as well as guidance from the Inter-Ministerial Committee on SDGs.

2. Allocation decisions will be based on the relevant priority activities, including respective budgets and implementation partners, set out in the PoCSD 2017-2021 outcome level bi-annual Joint Work Plans. The SDG Acceleration Fund will complement UN agencies core funding resources that are committed to the implementation of the PoCSD 2017-2021.

Priority areas of development to be supported by the SDG Acceleration Fund include from below:

Pillars/Outcomes	
NSDI 2015-2020	PoCSD 2017-2021
<p>Priority 1: EU Membership</p> <ul style="list-style-type: none"> o public administration reform, stable institutions and a modern, professional and depoliticized civil service; o strengthening the independence, efficiency and accountability of judicial institutions; o increasing the fight against corruption; o increasing the fight against organised crime; and o ensuring the protection of human rights (including property rights). <p>Priority 2: Consolidating good governance, democracy and the rule of law.</p> <ul style="list-style-type: none"> o a fully functional and open judicial system with equal access for all; o stronger and more effective legislative and electoral processes; o consolidated and integrated border management that ensures open and safe borders; o the creation of an Albanian society free from organized crime and terrorism; o an effective and broadened system of public order; o the establishment, respect and safeguards for human rights and guarantees; o a reformed public administration and modern, professional civil service; o a more integrated and concerted approach in the fight against corruption; o decentralized government services and empowered local government; o the provision of quality and comparable statistical information; o a strengthened and active Foreign Service; o enhanced national defence of Albania through a more professional Armed Force; and o better cooperation and partnership between government and civil society, including the existence of a free and independent media. <p>Priority 3: Ensuring growth through macroeconomic and fiscal stability</p> <ul style="list-style-type: none"> o a reduction in the national debt to 60% of GDP by 2020 and putting public finances on a sustainable footing; and o a reduction in the annual deficit to 56.7% of GDP by 2020, and efficient execution of the state budget. <p>Priority 4: Ensuring growth through increased competitiveness and innovation</p> <ul style="list-style-type: none"> o a guarantee to property rights; o the promotion of business and foreign direct investment; o research and innovation capable of dealing successfully with future challenges; o a society based on knowledge and information; o consumer safety and honest, safe and competitive market; and o the protection of competition and a transparent system for state aid control. <p>Priority 5: Investing in people and social cohesion</p> <ul style="list-style-type: none"> o a modern educational system that has students' needs and interests at its core; o a universal and quality health care system accessible to all resident Albanians; o expanded employment opportunities for all women and men in Albania; o a financial sustainability social security system; o a stronger social protection system; o social inclusion where society enables all Albanians equal access; o gender equality and equality of opportunity; o a vibrant arts and cultural heritage; and o greater access to and involvement in sports. <p>Priority 6: Ensuring growth through connectivity and the sustainable use of resources</p> <ul style="list-style-type: none"> o a cost-effective and sustainable energy system based on market principles; o a national and integrated transport system; o a more diversified agricultural and agro-food sector; o dynamic and balanced regional development; o a healthy and sustainable environment; o a sustainable and diversified mining industry; o a recognized and attractive tourism industry; o expanded and improved water supply and waste management systems; and o strengthened territorial, spatial, urban and housing planning. 	<p>Outcome 1—Governance and Rule of Law</p> <ul style="list-style-type: none"> o Output 1.1 Human Rights - Constitutional, ministerial and independent mechanisms are reinforced to identify and report human rights violations and enable evidence based policy making and response. o Output 1.2 Anti-corruption and Rule of Law - National public administration has greater capacity to improve access to information, address corruption and organized crime, and engage CSOs and media in efforts to strengthen monitoring of reform efforts. o Output 1.3 Local Governance - Local Government Units (LGUs) are able to deliver equitable, quality services and strengthen influence of citizens in decision-making. o Output 1.4 Access to Justice - Children and vulnerable adults/groups have equitable access to a friendlier justice system, and juvenile justice is administered per the international standards o Output 1.5 Mainstreaming Gender and GRB - State institutions have capacities and mechanisms to mainstream gender in policy-making and planning processes. o Output 1.6 Migration and Asylum - Government authorities have strengthened capacities to enhance effective migration and asylum management. <p>Outcome 2— Social cohesion: Health, education, social protection, child protection and gender-based violence</p> <ul style="list-style-type: none"> o Output 2.1 Health - There is increased access to quality, inclusive, equitable, and affordable health care services and community demand is increased. o Output 2.2 Education - Education policies, mechanisms, community partnerships and actions are strengthened for quality, inclusive education o Output 2.3 Social Inclusion & Social Protection - Social protection measures and mechanisms at national and local levels are strengthened with budgets and clear targets that reflect equity and social inclusion standards o Output 2.4 Child Protection - Child protection systems are strengthened to prevent and respond to cases of violence, abuse, exploitation and neglect of children, with a particular focus on vulnerable children and families. o Output 2.5 Gender-based Violence - Capacity of institutions and service providers to implement legislation and normative standards on Elimination of Violence against Women (EVAW) and other forms of discrimination is strengthened. <p>Outcome 3— Outcome 3 - Economic Growth, Labour and Agriculture</p> <ul style="list-style-type: none"> o Output 3.1 Economic Development - Central and local governments are able to deliver effective economic support services and implement urban development policies that promote gender equality, the green economy and inclusive and sustainable industrial development. o Output 3.2 Labour - Labour market governance, tripartite dialogue, and collective bargaining are strengthened and reduce informal employment, improve occupational health and safety and enhance the employability of youth, women and other vulnerable groups. o Output 3.3 Agriculture and Rural Development - There is increased capacity to design and implement policies and strategies for sustainable rural development and modernization of the agricultural sector that are gender sensitive and empower rural women. o Output 3.4 Culture - State institutions have inclusive policies to foster cultural and creative industries, improve access to cultural markets, protect cultural diversity, and improve the management of cultural heritage as drivers and enablers for sustainable development. <p>Outcome 4 – Environment and Climate Change</p> <ul style="list-style-type: none"> o Output 4.1 DRR and Climate Change - Scaled up action on DRR and climate change 2 mitigation and adaptation across sectors o Output 4.2 Natural Resources - Central and local institutions and communities are strengthened to ensure the conservation and sustainable use of natural resources

3. The results supported by the SDG Acceleration Fund are also in line with the key priorities of Government of Albania 2017-2020 in the areas of public administration, justice, employment, water, innovation and competitiveness and health. The results can be used for evidence based discussions in the

² As defined under the UNFCCC.

Integrated Policy Management Groups/ and or Sector Working Groups and decision making in the intergovernmental Ministerial Committee for the Achievement of the SDGs, the Strategic Planning Committee and/or other Government structures.

4. The SDG Acceleration Fund will support partnership and communication between all stakeholders involved with Albanian development led by the Government of Albania. Information given to the press, to the beneficiaries of the Programme of Cooperation for Sustainable Development 2017-2021, all related publicity material, official notices, reports and publications, shall acknowledge the role of Government of Albania, the UN and the contributors to the SDG Acceleration fund.

III. Description of the SDG Acceleration Fund

5. The SDG Acceleration Fund shall be administered by UNDP, represented by its Multi-Partner Trust Fund Office (MPTF office), as Administrative Agent, on behalf of the Participating UN Organisations and the Resident Coordinator as agreed with the Government. UNDP will administer the fund in accordance with its Regulations and Rules.

Contributions to the SDG Acceleration Fund

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

7. In support of the overarching aim of the SDG Acceleration Fund, and to ensure maximum flexibility and adaptation to national priorities, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled/ un-earmarked resources. However, if this is not possible, earmarking at the level of outcome in the Programme of Cooperation for Sustainable Development 2017-2021 will be accepted.

8. Contributions to the SDG Acceleration Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by UNDP. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

Utilization of the SDG Acceleration Fund

9. The SDG Acceleration Fund will be utilized to pursue priority activities as identified in the Outcome workplans of the Programme of Cooperation for Sustainable Development. Details of such initiatives, including the respective budgets and implementation partners, will be set out in the relevant Participating UN Agencies' JWPs, programme or project documents.

10. It is envisioned that resources from the Fund will be allocated at least once a year, but may be adjusted based on the specific agreements with donors to the SDG Acceleration Fund. Final allocation decisions should be consensual but if necessary will be taken by the Co-Chairs of the One UN Joint Executive Committee, and as follows: (i) For earmarked resources, based on a signed project document between the contributing partner and UN agencies, the JEC will provide no-objection on funds' allocation to relevant UN agencies by endorsing the relevant JEC minutes; (ii) for un-earmarked resources, the JEC will be responsible for prioritising and endorsing the allocation of funds from the SDG Acceleration Fund, based on performance-based allocation criteria and guided principally by Outcome workplans associated with the PoCSD 2017 -2021, but also key documents related to performance of agencies/partners and assessments of likely achievement / risk analysis of the sector in question. In case that agreement is not reached by the JEC on the allocation of financial resources available in the SDG Acceleration Fund, the matter will be referred to the RC for ultimate decision with documented process and rationale for the decisions. As per the above, the SDG Acceleration Fund reinforces the importance of country-level decisions and enables quick and flexible funding in response to changing priorities. To make final decisions the SDG Acceleration Fund will make use of three categories of criteria: eligibility, performance and exceptional priority.

A.1. Eligibility

In general, all participating agencies that contribute towards the achievement of result areas in the integrated results framework of the PoCSD are eligible to receive funds. However, three specific elements will additionally be taken into account:

- ***Contribution to the results in the PoCSD 2017-2021***

The Request for Funds is based on a signed bi/annual joint work plans and specifies the exact output to which the activities envisaged to be funded by the SDG Acceleration Fund, will be contributing.

- ***Demonstrated capacity***

Participating agencies receiving funds under any outcome of the PoCSD 2017-2021 document, must be able to demonstrate sufficient capacity to deliver results in the given time period. In this context, capacity includes technical capacity (staff, network and expertise) as well financial resources (other sources of funds that complement the resources requested from the SDG Acceleration Fund).

- ***Delivering as One and aid effectiveness***

Agencies must be able to demonstrate their contribution to the overall UN Reform targets (e.g. actively promoting, and contributing to joint management arrangements) when designing, implementing and monitoring this programme together and take the larger aid effectiveness agenda as a starting point for these endeavours.

A.2. Performance

Upon establishing the eligibility the assessment reviews the past performance to justify additional allocations to a particular programme. This means that criteria have been designed in order to provide the JEC with important information on the status of indicators, the annual targets, the implementation rate (activities and resources) and national ownership.

A.3. Exceptional Priority

A last area to reflect upon before consensual decisions are being taken on the final allocation will be the setting of priorities. This category reflects on evolving contexts, including evolving national priorities, and the time sensitivity of certain activities. This category is meant for exceptional situations only, meaning that in practice, requests will mostly not be scoring points in this category.

11. NGO partners involved in the PoCSD will have access to the SDG Acceleration Fund through the Participating UN Organizations. The Participating UN Organisations will utilise their standard NGO cooperation modalities for this purpose and charge the corresponding direct and indirect costs to the SDG Acceleration Fund on the basis of its financial regulations and rules.

12. In conformity with the UNDG Guidelines on Joint Programming, the Administrative Agent and the Participating UN Organisations will be entitled to deduct their indirect costs on contributions received. The Administrative Agent's administrative fee will be 1%. The fee will be deducted from the contributions to the SDG Acceleration Fund at the time they are deposited. The indirect costs of the Participating UN Organisations will be 7%.

IV. Governance Arrangements

The Resident Coordinator

13. The overall management of the SDG Acceleration Fund from the UN, will be led and coordinated by the Resident Coordinator in consultation with the Participating UN Organisations. In line with the strengthened authority of the Resident Coordinator to lead the UN to deliver more effectively at the country level, the Resident Coordinator will be responsible for:

- Strategic leadership of the SDG Acceleration Fund on the basis of the PoCSD;
- Mobilizing resources for the SDG Acceleration Fund in collaboration with Participating UN Organisations;
- Signing the Standard Administrative Arrangements with Donors and the Memorandum of Understanding with Participating UN Organisations;

- Overseeing the programme coordination support allocation; and
- Co-chairing the One UN Joint Executive Committee together with the Deputy Prime Minister (minimum once a year).

The One UN Joint Executive Committee

14. The One UN Joint Executive Committee is co-chaired by the Deputy Prime Minister and the UN Resident Coordinator. The JEC meets at least once a year with the participation of Ministers, Prime Minister's Office and UN Country Team members and reports to the GoA Strategic Planning Committee.

The One UN Joint Executive Committee is responsible for:

- Assessing overall progress against planned outcomes and their contribution to NSDI II priorities and related SDGs;
- Ensuring alignment and coordination between PoCSD 2017-2021 results and strategies and those of the NSDI II including sector programmes;
- Conducting an annual PoCSD review and proposing and endorsing modifications;
- Advise and assist the Outcome (results) groups and output working groups, as required;
- Allocate financial resources of the SDG Acceleration Fund, based on performance-based allocation criteria.

15. In this process, the Resident Coordinator and the One UN Joint Executive Committee can seek inputs from the Government Strategic Planning Committee, Government-led Sector Working Groups, the Integrated Policy Management Groups, the Outcome Groups (OGs), and Output Working Groups and/or establish ad hoc sub-working 'task' groups to tackle specific issues, as appropriate.

16. The Administrative Agent participates as ex-officio member. Programme implementation will be the responsibility of the Representatives/Country Directors/Heads of Participating UN Organisations. The UNRC will hold the Representatives/Country Directors/Head of Participating UN Organisations accountable for their agency/organization's components of the results of initiatives funded through the SDG Acceleration Fund.

The Administrative Agent

17. On behalf of the Participating UN Organizations, as per the Memorandum of Understanding, UNDP's responsibilities as Administrative Agent will include the following:

- Receive contributions from donors that wish to provide financial support to the Fund;
- Administer such funds received, in accordance with this Memorandum of Understanding and the Administrative Arrangement (as defined below in paragraph 5 of this Section) including the provisions relating to winding up the Fund Account and related matters;
- Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with decisions from the Steering Committee, taking into account the budget set out in the approved programmatic document³.
- Consolidate financial statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR; and submit the consolidated financial statements and reports and the consolidated narrative progress reports provided by the Resident Coordinator's Office to each donor that has contributed to the Fund Account, and to the Steering Committee;
- Provide final reporting, including notification that the Fund has been operationally completed;
- Disburse funds to any Participating UN Organization for any additional costs of the tasks that the Steering Committee may decide to allocate in accordance with this TOR.

Support services provided by the Resident Coordinator's Office and the One UN Communications Team

³ As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Steering Committee for fund allocation purposes.

18. The Office of the Resident Coordinator is responsible for support to the strategic leadership role of the Resident Coordinator for the SDG Acceleration Fund. It will provide support in all the designated tasks for the Resident Coordinator as listed in paragraph 17 above. The Office of the Resident Coordinator will, based on the inter-agency deliberations, provide strategic focus including analysis of progress and lessons to be learned for future programme implementation. It will circulate the finalised annual consolidated report on the SDG Acceleration Fund to the JEC and or /Government for consultation. The Office of the Resident Coordinator will ensure that these reports are distributed to all development partners contributing to the Fund and maintain an appropriate level of fund information on <http://www.un.org.al> and <http://mptf.undp.org> to ensure transparency.

19. In accordance with the Memorandum of Understanding and the Standard Administrative Arrangements, the Resident Coordinator may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed in Section I, Paragraph 4 of the Memorandum of Understanding and subject to the availability of funds. In this case, costs for such tasks will be decided in advance and with the approval of the Joint Executive Committee be charged to the Fund as direct costs. Such tasks may also include support to the Delivering as One provided by the Resident Coordinator's Office and the One UN Communications Team.

V. Monitoring and Evaluation

20. Monitoring and evaluation of the of the activities of the Joint Work Plans/Programmatic Documents funded under the SDG Acceleration Fund will be undertaken in accordance with the provisions contained in the specific Programmes submitted by the concerned Participating UN Organization and approved by the Resident Coordinator, which are consistent with the respective regulations, rules and procedures of the Participating UN Organisations.

21. Fiduciary monitoring of the SDG Acceleration Fund will follow the UN Standard Monitoring and Evaluation procedures.

VI. Audit

22. Auditing shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the respective Participating UN Organisations.

23. The activities of the Administrative Agent and the Resident Coordinator shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

VII. Reporting

24. Each participating UN Organisation shall provide the Administrative Agent with the following statements and reports prepared in accordance with harmonised accounting and reporting procedures applicable to the participating UN Organisation concerned:

- Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
- Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
- 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.

25. The Annual Progress Report on One UN Programme implementation will serve as the narrative part of the SDG Acceleration Fund report for both un-earmarked and earmarked contributions, to be provided no later than five months (31 May) after the end of the applicable reporting period.

26. The Administrative Agent shall also provide to the Resident Coordinator for submission to donors and participating UN Organizations, an annual certified Financial Report on its activities as Administrative Agent (“Report on Sources and Uses of Funds”) as well as a final Financial Report and certified Financial Statement no later than 30 June of the year following the financial closing of the SDG Acceleration Fund.

27. The Office of the Resident Coordinator shall, in close consultation with the relevant inter-agency working group tasked with consolidating the annual narrative reports, provide such reports to the Resident Coordinator no later than four months after the applicable reporting period, and provide the final narrative report no later than 30 June of the year following the closure of the One UN Programme.

28. Consolidated SDG Acceleration Fund reporting and documentation, including agreements, will be posted on the websites of the UN Albania <http://www.un.org.al> and the Administrative Agent <http://mptf.undp.org>.

VIII. Public Disclosure

29. The Resident Coordinator and the Administrative Agent will ensure that decisions regarding the review and approval of programmes funded under the SDG Acceleration Fund, as well as periodic reports on the progress of implementation of such programmes and associated external evaluation reports are posted for public information on the websites of the UN Albania <http://www.un.org.al> and the Administrative Agent <http://mptf.undp.org>.

IX. Other Matters

30. The SDG Acceleration Fund was established upon signing of the Memorandum of Understanding amongst Participating UN Organisations, Resident Coordinator and the Administrative Agent. The SDG Acceleration Fund will terminate upon completion of all Projects funded through the SDG Acceleration Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the SDG Acceleration Fund, any unutilized balances will continue to be held in the SDG Acceleration 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 SDG Acceleration Fund Account or in the individual participating UN Agencies’ accounts shall be used as decided jointly by the Resident Coordinator and the Director of the DDFFA in consultation with the Joint Executive Committee, the contributing donors and participating UN Organisations on the priorities established by the Joint Executive Committee.