



A. GLOBAL CONTEXT

1. 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). Through the 2016 decision on the Quadrennial Comprehensive Policy Review (QCPR), Member States requested a United Nations Development System (UNDS) that is better positioned “to support countries in their efforts to implement the 2030 Agenda for Sustainable Development in a coherent and integrated manner” and emphasized the need for well-designed pooled funding mechanisms to support common, cross-cutting UN approaches at country level.
2. Within the broader context of the 2030 Agenda and the UNDS Reform¹, the UNDS has come together to develop the Joint SDG Fund for the 2030 Agenda, a new initiative that will support governments to achieve the SDGs. This global Joint SDG Fund will build on the UN’s ability to convene diverse stakeholders and help develop national capacity to work across policy domains and sectors in an integrated manner, in addition to the UN’s comparative advantage in providing normative support and stimulating an enabling environment for SDG investments.
3. Building on the interdependent nature of the SDGs, the Joint SDG Fund is designed to provide resources to the United Nations at country level for the required policy and programme investments that help countries identify and activate SDG “accelerators”. These should also serve to unblock major policy bottlenecks and facilitate SDG financing with both public and private sector partners to unlock SDG financing.
4. In Viet Nam, the One Plan Fund (OPF) concluded its programmatic activities in 2017. In replacement of the OPF, and in line with the above mentioned global efforts, the “UN Viet Nam SDG Fund” is being established as an independent fund, informed by UNDS Reform (including the Joint SDG Fund), international agreements on financing for development, as well as previous experiences in Viet Nam resulting from Delivering as One, including One Plan Funds.

B. NATIONAL CONTEXT

5. The UN Country Team (UNCT) and the Government of Viet Nam (GOVN), in consultation with Donors and the Multi-Partner Trust Fund Office (MPTF-O), agreed in 2017 on the need to establish a rebranded funding mechanism as the “UN Viet Nam SDG Fund”, in replacement of the OPF, aligned to the One Strategic Plan (OSP) 2017-2021 (referred to as the UN Development Assistance

¹ A/RES/72/279 <http://www.un.org/en/ga/72/resolutions.shtml>

Framework - UNDAF globally), Agenda 2030 and the Sustainable Development Goals, as well as national socio-economic development plans and strategies.

6. Within this context, the GOVN and the UNCT in Viet Nam are establishing the UN Viet Nam SDG Fund in close consultation with the UN Multi-Partner Trust Fund Office (MPTF-O) and the UN Development Operations Coordination Office (DOCO)². Informed by previous practice in Viet Nam through OPF I and II, this fund is aligned with the global Joint SDG Fund and will work closely with the Joint SDG Fund Secretariat to share knowledge and capitalize on best practices.
7. Accordingly, the UN Viet Nam SDG Fund is being developed in line with the programmatic objectives of the global Joint SDG Fund, also providing scope for enhanced resource mobilisation perspectives from the Joint SDG Fund, as well as other global and thematic funds. The UN Viet Nam SDG Fund, as the next generation One Plan Fund in Viet Nam will function as a pooled funding mechanism to mobilize and allocate resources at the country level in a simplified, coherent manner, consistent with the overall purpose of the Delivering as One (DaO) initiative, the global Joint SDG Fund, and UNDS Reform objectives.
8. In this context, this Terms of Reference (ToR) sets out the modus operandum and the responsibilities of related stakeholders with regards to UN Viet Nam SDG Fund implementation. It is developed based on the experiences gained through the OPF in Viet Nam in previous periods and informed by the draft ToR of the Joint SDG Fund for Agenda 2030. The ToR could therefore be subject to adjustment as deemed necessary.
9. Building upon experiences of OPF implementation, the UN Viet Nam SDG Fund will strengthen UN programmatic integration, combining the strength of the UN in Viet Nam towards the achievement of OSP results in close coordination with GOVN, development partners (DPs), and national stakeholders, under the umbrella of Agenda 2030. In addition, it will aim to ensure that Viet Nam remains at the forefront of the UNDS reform, building on its legacy and leadership as one of the original 8 pilot countries for the Delivering as One UN initiative since 2006.

C. FUNCTIONS OF THE UN VIET NAM SDG FUND

10. The UN Viet Nam SDG Fund will support integrated and coherent funding and financing as well as allocation and disbursement of resources to support the joint implementation of the OSP 2017-2021 and subsequent partnership frameworks with GOVN, as jointly agreed by the Participating UN Organisations (PUNOs)³.
11. The UN Viet Nam SDG Fund is a country-level pooled financing mechanism in support of the highest priorities of SDG acceleration and the achievement of Agenda 2030.
12. The Fund will enhance overview and management of UN resources and aim to reduce transaction costs for the UN, GOVN, DPs and other stakeholders in supporting Agenda 2030. The Fund will also support the streamlining of substantive and financial monitoring and reporting.

² As agreed at a meeting of the Executive Director of MPTF-O and the UN Resident Coordinator in Viet Nam in July 2018, the MPTF Office will waive the USD 5 million minimum threshold for the setting up of the UN Viet Nam SDG Fund as a stand-alone pooled fund mechanism seeing that the global level Joint SDG Fund is yet to be fully defined and launched.

³ Participating UN Organizations (PUNOs) refers to UN agencies that have signed the MOU with the MPTF Office for the UN Viet Nam SDG Fund.

D. PROGRAMMATIC SCOPE AND THEORY OF CHANGE

Problem Analysis

13. Globally the UN and DPs often support siloed policy development by sector, mandate, or area of specialization, and have lacked adequate incentives to incorporate interlinkages for sustainable policy solutions.⁴ Despite efforts at policy collaboration, country-level work is often affected by inadequate integration within complementary result areas. The need for more comprehensive policy interventions that ensure no one is left behind is particularly important considering the shared challenges of vulnerable populations. Sector policies aimed at the same population operating in relative isolation and lacking a cross sectoral approach may thus be an inefficient use of limited public resources.
14. Externally-supported sectoral based projects can result in fragmented policy, reducing their potential contribution to achieving national SDG targets. Unpredictable financing streams for country-level integrated policy support and leadership have also created a high degree of risk aversion among DPs and led to uncoordinated funding requests from UN agencies. This discourages support for innovative approaches to policymaking and limits policy support for siloed interventions that are often aligned with donor or agency mandates, technical specificity, and/ or individual ministry directives.
15. As a result, national policy environments often lack the rigor and consistency for short and long term capitalized investment. A unifying landscape which embraces the implementation of solid and coherent national policies across sectors is thus vital if policy environments are to be attractive for large scale investments for longer term development gains which will generate social and environmental impact across the SDGs.
16. It is noted that in the context of Viet Nam, strategically addressing the synergies and tensions between multiple goals is more important than prioritizing among goals due to the inter-related nature of the SDGs.⁵ This suggests that Viet Nam and its DPs will need to engage effectively with the levers and triggers of change, making the shift from vertical or thematic interventions to more complex and integrated efforts that enhance the synergies and mitigate the tensions between the dynamic relationships of the five 'Ps' – People, Prosperity, Planet, Peace and Partnerships. Such efforts will need to remain flexible in order to respond to changing development opportunities and emerging challenges.

Fund Theory of Change

17. The overarching Theory of Change of the UN Viet Nam SDG Fund, in line with the OSP Theory of Change, proposes that joint actions by UN agencies in Viet Nam for integrated policy and SDG financing, which are built on the three principles of inclusion, equity and sustainability, will produce systematic change toward achieving national development prioritized goals and the SDGs.
18. This theory of change is consistent with the theory of change of the Joint SDG Fund⁶ at the global level, which proposes that enabling country-led SDG action for integrated policy and SDG financing will produce systemic change towards the accelerated achievement of the SDGs. In line with this theory of change, the UN Viet Nam SDG Fund will enable integrated actions by facilitating sustainable development and providing a channel for increased financing through demand-driven, context-specific and OSP-based joint programmes, designed and delivered by the UN in Viet Nam in close partnership with national and other stakeholders. It aims to **unblock the policy bottlenecks**

⁴ Draft ToR of the Joint SDG Fund, 2018

⁵ Country Common Analysis (UN Viet Nam, March 2016)

⁶ Ibid Note 4

and **unlock SDG financing** to mainstream human rights, gender and youth, and incorporate the principle of Leaving No One Behind.

19. The key assumptions of the UN Viet Nam SDG Fund will ensure the continued relevance and validity of the above Theory of Change, including: i) UNCT readiness; ii) that the actions implemented are designed for partnerships with GOVN and various stakeholders; and iii) actions implemented are OSP-based (demand-driven, measured against the 2030 Agenda, and have a demonstrable impact).
20. The UN Viet Nam SDG Fund will support country-led SDG actions that are the result of the joint effort of two or more UN entities, working in close coordination with national stakeholders across sectors, industries, and policy issues. These actions ensure the integration of economic, social and environmental pillars or, more broadly, of the 5 P's of sustainable development. Such an integrated approach aims to increase the cohesion of policy results, to prevent a siloed and fragmented approach and to accelerate progress towards the SDGs.
21. Initiatives implemented by the UN Viet Nam SDG Fund could fall under three pathways of change as below:
 - (1) **“Incubating and Innovating”**: Testing novel policy and financing ideas, frameworks, models, and initiatives. This pathway would be supported, as applicable, by other initiatives and approaches of the UNDS.
 - (2) **“Making solutions work”**: Implementing those policy and financing innovations which have proven to be successful in pathway 1 or other solution-oriented initiatives.
 - (3) **“Leverage across contexts”**: Applying policy and financing solutions to new contexts. This can be applied when a successful solution at one or a few selected locations is multiplied and replicated in other locations or at the national level.

The UN Viet Nam SDG Fund’s overarching objective is to contribute to the accelerated achievement of the SDGs in Viet Nam, and therefore, to contribute to SDG achievement at the global level. Such impacts should be measurable (based on robust SDG data), catalytic (producing a “chain-reaction” in development and financial terms), and sustainable (ensuring the preconditions for continued change).

22. Under the **“unblocking policy bottlenecks”** domain of change, the UN Viet Nam SDG Fund prioritizes interventions⁷ that:
 - Are multi-year and encourage continued and deeper policy engagement with the government, enabling policy support along multiple steps of the policy cycle.
 - Contribute to the achievement of key national development outcomes and the SDGs as jointly agreed in the OSP, where outcomes and result areas are underpinned by a clear theory of change, results framework, and work plan.
 - Encourage innovation and strengthen capacities to enable governments to test new approaches to policy making, policy implementation, and to financing the SDGs.
 - Are consistent with the principle of Leaving No One Behind, focusing on: specific disadvantaged groups of the population, including women; area-based programmes; or interventions addressing issues of inequality, discrimination, fragility or vulnerability.
 - Recognize the inter-sectionality of poverty, gender-inequality, social exclusion, and disability, encouraging the development of inclusive policies that cater to the needs of diverse populations.
 - Are integrated and multi-sectoral, utilizing a diverse partnership approach enabling governments to access world-class expertise that is available from first-rate global, regional, and national implementation partners.

⁷ These can be tested in a phased and selective manner as required.

- Complement other funding available to UN agencies and help leverage other funds mobilized by the UNCT for their implementation.
23. Under the “**unblocking SDGs financing**” domain of change, the UN Viet Nam SDG Fund prioritizes funding for activities⁸ that:
- Complement agency-specific initiatives through convening stakeholders across sectors, catalyse sectors and market opportunities, and deploy capital to reduce risk and mobilize additional investment and support market assessments to understand the opportunities and challenges for SDG oriented investment.
 - Remove policy bottlenecks for SDG investment through policy focused interventions that bring the ‘unlocking financing’ together with the ‘policy bottleneck’ domain.
 - Develop capacity to ensure that the GOVN, the UNCT, and other relevant stakeholders are familiar with the latest thinking on SDG financing and stand ready to benefit from the opportunities.
 - Develop partnerships that build on comparative advantages to achieve scale.
 - Reduce financial risk by developing and supporting risk-sharing instruments (e.g. guarantees, first loss) and smart incentives.
 - Build and scale SDG oriented investments that build on the steps noted above to facilitate investment at scale.
 - Commit to leveraging diverse types of resources for the SDGs, including public investment (central and local governments), community savings (particularly in community-led interventions for basic services), and private capital (small scale entrepreneurs, large corporations, and institutional investors in domestic capital markets).
 - Efficiently align public investment toward the specific SDGs: encouraging sector ministries to use integrated approaches to orient public investments more effectively.
24. Priority areas of development to be supported by the UN Viet Nam SDG Fund under OSP 2017-2021⁹ are highlighted in the table below. In addition, the UN will be guided by the five critical cross-cutting issues identified in the Common Country Assessment, namely human rights, gender equality, public participation, data for development and partnership, and innovation.

FOCUS AREAS (FA) AS SDG ACCELERATORS	OUTCOMES
<p>FA1: INVESTING IN PEOPLE <i>Inclusive and equitable quality social services and social protection systems are in place for people living in Viet Nam to be healthy, educated and free of poverty, and to be empowered to reach their full potential.</i></p> <p>SDGs SDG 1: No Poverty SDG 2: Zero Hunger SDG 3: Good Health and Well-being SDG 4: Quality Education SDG 5: Gender Equality SDG 6: Clean Water and Sanitation</p>	<p>Outcome 1.1: Poverty and Vulnerability Reduction By 2021, all people benefit from inclusive and equitable social protection systems and poverty reduction services, which will reduce multidimensional poverty and vulnerabilities.</p> <p>Outcome 1.2: Equity in Health By 2021, all people, particularly the most vulnerable, benefit from inclusive and equitable health systems, services and the promotion of healthy environments.</p> <p>Outcome 1.3: Equity in Quality Education and Learning By 2021, all people, particularly the most vulnerable, benefit from inclusive and equitable quality education systems, services and expanded life-long learning opportunities.</p>

⁸ Ibid. Note 7

⁹ This part of the ToR will be updated based on changes to OSP 2017-2021 and subsequent OSPs that follows within the time frame of UN Viet Nam SDG Fund.

<p>VSDGs¹⁰ VSDG1: End all forms of poverty everywhere VSDG2: Eliminate hunger, ensure food security, improve nutrition and promote sustainable agricultural development VSDG3: Ensure a healthy life and enhance welfare for all citizens in all age groups VSDG4: Ensure a quality, equitable, and inclusive education and promote life-long learning opportunities for all VSDG5: Achieve gender equality; empower and create enabling opportunities for women and girls VSDG6: Ensure availability and sustainable management of water and sanitation for all</p>	
<p>FA 2: ENSURING CLIMATE RESILIENCE AND ENVIRONMENTAL SUSTAINABILITY <i>Viet Nam effectively responds to climate change and natural disasters and sustainably manages its natural resources and environment.</i></p> <p>SDGs SDG 2: Zero Hunger SDG 5: Gender Equality SDG 6: Clean Water and Sanitation SDG 7: Affordable and Clean Energy SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 12: Responsible Production and Consumption SDG 13: Climate Action SDG 14: Life Below Water SDG 15: Life on Land</p> <p>VSDGs VSDG2, VSDG5, VSDG6: please refer to relevant VSDGs in FA1 VSDG7: Ensure access to sustainable, reliable and affordable energy sources for all citizens VSDG9: Develop a highly resilient infrastructure; promote inclusive and sustainable industrialization; and promote renovation VSDG 11: Promote sustainable, resilient urban and rural development; ensure safe living and working environments; ensure a reasonable distribution of population and workforce by region VSDG 12: Ensure sustainable production and consumption VSDG 13: Respond in a timely and effective manner to climate change and natural disasters VSDG 14: Sustainably conserve and utilize the ocean, the sea and marine resources for sustainable development VSDG 15: Sustainably protect and develop forests; conserve biodiversity; develop eco-system services; combat desertification; prevent the degradation of and rehabilitate soil resources</p>	<p>Outcome 2.1: Low-carbon, climate and disaster resilient development By 2021, Viet Nam has accelerated its transition to low-carbon and green development and enhanced its adaptation and resilience to climate change and natural disasters, with a focus on empowering the poor and vulnerable groups.</p> <p>Outcome 2.2: Sustainable management of natural resources and environment By 2021, Viet Nam has enhanced sustainable management of natural capital, biodiversity and ecosystem services and improved the quality of the environment, while contributing to the implementation of multilateral environmental agreements.</p>

¹⁰ Viet Nam Sustainable Development Goals (VSDGs) from the National Action Plan for the Implementation of the 2030 Sustainable Development Agenda, issued by Prime Minister on 10 May 2017 (Decision No.622/QĐ-TTg)

<p>FOCUS AREA 3: FOSTERING PROSPERITY & PARTNERSHIP <i>Viet Nam shifts to an inclusive, green and productivity-led growth model, and a fairer, more efficient and inclusive labour market that ensures decent work and opportunities for all.</i></p> <p>SDGs SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG 10: Reduced Inequalities SDG 12: Responsible Consumption and Production SDG 17: Partnerships for the Goals</p> <p>VSDGs VSDG5, VSDG 9, VSDG 12: please refer to relevant VSDGs in FA1, FA2 VSDG 8: Ensure sustainable, comprehensive and continuous economic growth; and generate full, productive and decent employment for all citizens VSDG 10: Reduce social inequalities VSDG 17: Strengthen implementation modalities and promote global partnerships for sustainable development</p>	<p>Outcome 3.1: New economic growth model By 2021, Viet Nam’s growth policies and institutions support a new economic model, which is inclusive and more productivity-led, reaping gains from trade liberalization, international integration and migration.</p> <p>Outcome 3.2: Inclusive labour market and expansion of opportunities for all By 2021, a fairer, inclusive labour market ensures decent work and opportunities for all, particularly for excluded groups and disadvantaged geographic areas.</p>
<p>FOCUS AREA 4: PROMOTING JUSTICE, PEACE AND INCLUSIVE GOVERNANCE <i>Viet Nam has strengthened governance and adherence to the rule of law, ensuring respect for and protection of human rights and freedom from discrimination, towards a more just and inclusive society.</i></p> <p>SDGs SDG 5: Gender Equality SDG 10: Reduced Inequalities SDG 16: Peace, Justice and Strong Institutions</p> <p>VSDGs VSDG5, VSDG 10: please refer to relevant VSDGs in FA1, FA2, FA3 VSDG 16: Promote a peaceful, democratic, just, equitable and civilized society for sustainable development; ensure access to justice for all citizens; develop effective, accountable and participatory institutions at all levels</p>	<p>Outcome 4.1: Participatory decision-making and responsive institutions By 2021, participatory and transparent decision-making processes and accountable institutions are strengthened, with policies and implementation mechanisms that are responsive to all people, particularly vulnerable groups, women, youth and children.</p> <p>Outcome 4.2: Human rights protection, rule of law and access to justice By 2021, protection of human rights is strengthened with improvements to the justice system, greater adherence to the rule of law, increased gender equality and effective prevention of all forms of discrimination and violence.</p>

25. The fund’s outcomes and indicators are therefore in line with the OSP 2017-2021 as well as selected SDG targets. In line with the recently adopted UN data standard on SDGs¹¹, joint programmes funded through the UN Viet Nam SDG Fund are to be linked to at least one and possibly up to ten SDG targets. Refer to Annex 2 of the TOR for the full results matrix of OSP 2017-2021, including linkages with the SDGs.

¹¹ See more of Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development at <https://unstats.un.org/sdgs/indicators/indicators-list/>

E. DESCRIPTION OF UN VIET NAM SDG FUND

26. The UN Viet Nam SDG Fund shall be administered by the MPTF Office, as Administrative Agent (AA), on behalf of the PUNOs¹² and the UNRC as agreed with the GOVN. MPTF will administer the fund in accordance with UNDP Regulations and Rules.

Contributions to the UN Viet Nam SDG Fund

27. Contributions to the UN Viet Nam SDG Fund may be accepted from governments of Member States of the UN or from intergovernmental or non-governmental organisations, or from private sources at global, regional and country levels. 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,¹³ as well as those of PUNOs as appropriate.
28. In support of the overarching aim of the UN Viet Nam SDG Fund, and in line with UNDS Reform, and in order to ensure maximum flexibility and adaptation to priorities, donors to the fund are encouraged to contribute with multi-year pooled/unearmarked resources. However, if this is not possible, earmarking at the joint programme level will be accepted.
29. Contributions to the UN Viet Nam SDG Fund may be accepted in fully convertible currencies. 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 UN operational rate of exchange in effect on the date of payment.

Utilization of the UN Viet Nam SDG Fund

30. The UN Viet Nam SDG Fund will be utilized to pursue priority activities as identified in the OSP (as listed under Annex 2) as well as in Section D (Programmatic Scope and Theory of Change) of this ToR.

F. GOVERNANCE ARRANGEMENTS

The Joint UN-Government Steering Committee for Delivering as One Initiative (JSC)

31. At the country level, the Joint UN-Government Steering Committee for the Delivering as One Initiative (JSC), which is co-chaired by the Vice Minister of Planning and Investment (VM of MPI) in Viet Nam and the UNRC, acts as the country-level governing body for the UN Viet Nam SDG Fund. The JSC has members from UNCT and GOVN agencies.
32. **The Ministry of Planning and Investment (MPI)**, as the focal point for government on ODA coordination and management, will conduct the internal consultations necessary with related ministries and agencies and provide the JSC with GOVN recommendations for decision-making related to UN Viet Nam SDG Fund. Final decisions are made by the Co-Chairs on behalf of Government and the UN as required.
33. The overall management of the UN Viet Nam SDG Fund will be led and coordinated by the UNRC in consultation with the PUNOs through the UNCT, in line with the strategic guidance of the Joint UN-Government Steering Committee for Delivering as One Initiative (JSC).

¹² Ibid Note 3 on PUNOs.

¹³ The UN Secretary General's guidelines can be accessed at:
http://www.un.org/ar/business/pdf/Guidelines_on_UN_Business_Cooperation.pdf

34. The JSC meets at least once a year with the participation of representatives from the Government Aid Coordination Agencies (GACA) and the UNCT to oversee the overall contribution of the UN towards the achievement of OSP results and the SDGs¹⁴. Other government agencies and DPs could participate where appropriate, depending on the JSC meeting's agenda.

35. The JSC will:

- Review and approve the ToR for UN Viet Nam SDG Fund, including its programmatic scope and governance arrangements;
- Provide strategic direction and general oversight of the Fund;
- Approve the UN VN SDG Fund's allocation criteria based on OSP programmatic priorities and provide guidance on the allocation of funds;
- Coordinate joint UN-Government M&E activities, including OSP reviews, periodic progress reports and independent lessons-learned and review exercises relating to the operations and management of the UN Viet Nam SDG Fund when appropriate and as needed;
- Review findings of the summary audit reports where applicable to agree on lessons learnt and/or recommended actions; and/or critical issues for consideration to enhance the effectiveness and efficiency of the UN Viet Nam SDG Fund, in the context of UNDS reform.

UN Resident Coordinator (UNRC)

36. In line with the role of the UNRC and the RC system to lead the UN to deliver more effectively at the country level in the context of UNDS reform, the UNRC will:

- Co-chair the JSC together with the VM of MPI to provide strategic guidance on the UN Viet Nam SDG Fund;
- Ensure that actions resulting from the UN Viet Nam SDG Fund are based on the current OSP and in line with the objectives of UNDS Reform;
- Sign the Memorandum of Understanding (MOU) with PUNOs and the Standard Administrative Arrangements (SAA) with Donors where applicable;
- Engage in joint resource mobilization efforts for the UN Viet Nam SDG Fund in close collaboration with PUNOs;
- Chair the PUNOs discussions related to allocations of the UN Viet Nam SDG Fund based on priorities identified within the OSP and the UN's comparative advantage, and as informed by the strategic guidance and allocation criteria provided by the JSC;
- Funding allocation decisions will be made by the UNRC with agreement of PUNOs through the UNCT, and in line with the approved allocation criteria set forth by the JSC.
- Support the resolution of disputes that may arise on allocation, utilization and management of funds from the UN Viet Nam SDG Fund (with documented process and rationale for these decisions);
- Hold the Head of PUNOs accountable for their agency/organization's components of the results of initiatives funded through the UN Viet Nam SDG Fund.
- Ensure agreement on and oversee the programme coordination support allocation;

¹⁴ As specified in the JSC TOR, the JSC core membership consists of three (03) Government representatives from Government Aid Coordination Agencies (GACA) at central level and three representatives (03) of the UN Country Team (through rotation on annual basis). GACA agencies includes Ministry of Planning and Investment (MPI), Office of the Government (OOG), Ministry of Foreign Affairs (MOFA) and Ministry of Finance (MOF)

- Ensure consolidated UN Viet Nam SDG Fund reporting, including to donors, based on reports from PUNOs and support from the AA (refer to the sections below).

United Nations Country Team (UNCT)

37. The UNCT, comprised of Participating UN Organisations (PUNOs)¹⁵ in Viet Nam, will be responsible for the development of resource mobilisation strategies for the Fund in close collaboration with the RCO.
38. The UNCT will recommend funding allocations in line with the approved allocation criteria set forth by the JSC.
39. Specifically, UNCT and with RCO support will:
 - Conduct annual reviews and other monitoring and evaluation activities as required, and defined in the OSP;
 - Submit the allocation criteria or prioritisation of the fund to JSC for strategic guidance based on OSP programmatic priorities and recommendations for the annual reviews;
 - Provide oversight of the management and operations of the UN Viet Nam SDG Fund and recommendations to strengthen the utilization and management of the fund.
40. The UNCT will be supported by the RCO, the Programme Management Team (PMT), the Operations Management Team (OMT), Results Groups (RGs) and Thematic Groups (TGs), as well as other inter-agency teams as defined in the UN delivery and coordination architecture.

Participating UN Organizations (PUNOs)

41. Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Such funds will be administered by each PUNO in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.
42. Indirect costs of the PUNOs recovered through programme support costs will be maximum of 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

The Administrative Agent (AA)

43. On behalf of the PUNOs, as per the MOU of the UN Viet Nam SDG Fund, the AA's responsibilities will be to:
 - Set-up and maintain the Fund account;
 - Conclude SAA with Donors that wish to provide financial support to or through UN Viet Nam SDG Fund;
 - Receive, administer and manage the contributions from Donors in accordance with the related SAA;
 - Conclude MOU with PUNOs that wish to participate in the UN Viet Nam SDG Fund;
 - Disburse funds to the PUNOs in accordance with instructions received from the UNRC (on behalf of the UNCT) and in accordance with the approved Annual Work Plans (AWPs). To

¹⁵ PUNOs are the UN Agencies who agreed to join the UN VN SDG fund and formally signed the MOU on this matter. See also note 3

enhance the efficiency of the Fund, there is a minimum threshold for transfers of USD100,000 per transfer per PUNO;

- Disburse funds to PUNOs for any additional funds that the UNRC/UNCT may decide to allocate;
- Provide consolidated narrative and financial reports on the UN Viet Nam SDG Fund account to the UNRC and Donors, based on progress reports received from PUNOs consolidated by the Secretariat, in accordance with the reporting schedule specified in the SSA.

44. In conformity with the UNDG Guidelines on Joint Programming, the AA and the PUNOs will be entitled to deduct their administrative agent fee and indirect costs respectively on contributions received. The fee will be deducted from the contributions to the UN Viet Nam SDG Fund at the time they are deposited. The AA's fee will be 1%. The costs of the PUNOs will be maximum 7%.

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

45. The Office of the UN Resident Coordinator (RCO) is responsible for support to the strategic leadership role of the UNRC for the UN Viet Nam SDG Fund. It will provide support in all the designated tasks for the UNRC.
46. Drawing on inputs provided by the PUNOs through the UN delivery and coordination architecture, and from AA, the RCO will, based on inter-agency deliberations, provide strategic analysis of resource requirements, funding gaps, resource mobilization efforts, consolidation, including progress and lessons to be learned for future programme implementation.
47. The RCO will support the consolidation and circulation of the finalized annual One UN Results report to the UNCT and MPI as the Government assigned focal point for consultation. In close collaboration with the AA, the RCO will ensure that these reports are distributed to all donors contributing to the UN Viet Nam SDG Fund and maintain an appropriate level of fund information on <http://www.un.org.vn> and <http://mptf.undp.org> to ensure transparency.
48. A focal point designated within the RCO will be dedicated to supporting the quality assurance of the UN Viet Nam SDG Fund. The costs of this support may be charged directly to the UN Viet Nam SDG Fund following allocation procedures determined in this ToR. In accordance with the MOU and the SAA, the UNRC, in close consultation with the PUNOs, may request additional support not related to the AA functions detailed above and subject to the availability of funds and human resources capacities. In this case, costs for such tasks will be decided in advance; and with the approval of PUNOs, those costs may be charged to the Fund as direct costs. Such tasks may also include support to UNDS Reform efforts provided by RCO as well as the work of the One UN Communications Team.

G. REPORTING

49. Reporting requirements for the UN Viet Nam SDG Fund leverage to the maximum extent on the existing reporting structures as part of the progress and annual reviews of the programmatic document.
50. Each PUNO shall provide the AA with the following financial statements and reports in accordance with harmonised accounting and reporting procedures applicable to the PUNOs concerned:

- Annual narrative progress reports through the One UN Annual Results Report, as per paragraph 52 below;
 - Annual financial statements/reports as of 31 December with respect to the funds disbursed to it from the UN Viet Nam SDG Fund Account, including the final year of the activities, to be provided no later than three months 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 three months of the year following the operational closing of the project activities of the programmatic document;
 - Certified final financial statements/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 five months of the year following the financial closing of the programmatic document.
51. The AA will also provide the UNRC with the following reports on its activities as AA for onward submission to Donors and PUNOs:
- An annual certified Financial Report (“Report on Sources and Uses of Funds”) no later than 31 May after the end of the calendar year;
 - A certified final financial report (“Sources and Use of Funds”) to be provided no later than 31 July of the year following the financial closing of the Programmatic Document and/or the financial closing of the Fund.
52. The Annual Progress Report on OSP implementation (One UN Results Report) will serve as the narrative part of the UN Viet Nam SDG Fund report and will be consolidated by RCO. It will also include the consolidated financial reports on the UN Viet Nam SDG Fund prepared by the AA and will be provided by the UNRC to Donors and the JSC no later than five months (31 May) after the end of the applicable reporting period.

H. MONITORING AND EVALUATION

53. Monitoring and evaluation of the activities of the AWP/ JWP/ Programmatic Documents funded under the UN Viet Nam SDG Fund will be undertaken in accordance with the provisions, consistent with the respective regulations, rules and procedures of the PUNOs, contained in the specific Programmes submitted by the concerned PUNOs and approved by the UNRC.
54. Monitoring and evaluation of the overall UN Viet Nam SDG Fund shall be undertaken in accordance with the OSP’s Results Matrix, following the UN Standard Monitoring and Evaluation procedures. In addition, the Vice-Minister MPI and the UNRC may commission a regular, independent lessons-learned and review exercises relating to the operations and management of the UN Viet Nam SDG Fund when appropriate and as needed.

I. AUDIT

55. The AA and PUNOs will be audited in accordance with their own Financial Regulations and Rules and in accordance with the Framework for Joint Internal Audits of UN Joint Activities¹⁶ which has been agreed to by the Internal Audit Services (IAS) of PUNOs and endorsed by the UNDS. Joint audits will be conducted, as appropriate.

¹⁶ “Framework for joint internal audits of United Nations joint activities” (UNDG, 2014), can be accessed at <https://undg.org/document/framework-for-joint-internal-audits-of-un-joint-activities/>. The document presents in a single framework, the basis for an internal audit approach for jointly providing audit coverage of the Joint Activities.

J. PUBLIC DISCLOSURE

56. The UNRC and the AA will ensure that (1) decisions regarding the review and approval of programmes/projects funded under the UN Viet Nam SDG Fund; (2) periodic reports on the progress of implementation of such programmes; (3) associated external evaluation reports, and; (4) other consolidated UN Viet Nam SDG Fund reporting and documentation, including agreements are posted, where appropriate, for public information on the websites of the UN in Viet Nam (www.un.org.vn); and the AA (<http://mptf.undp.org>).

K. OTHER MATTERS

57. The UN Viet Nam SDG Fund is established upon signing of the MOU amongst PUNOs, the UNRC and the AA following agreement between the Vice-Minister MPI and the UN Resident Coordinator on the Terms of Reference of the Fund and align with OSP 2017-2021. It may be extended based on approval of the JSC beyond 31 December 2021, after consultation with relevant actors.
58. The UN Viet Nam SDG Fund will terminate upon completion of all Projects funded through the UN Viet Nam SDG Fund and after satisfaction of all commitments and liabilities. Any unutilized balances of these specific projects will continue to be held in the UN Viet Nam SDG Fund account until all commitments and liabilities incurred in the implementation of the projects/programmes have been satisfied and project activities have been brought to an orderly conclusion.
59. The JSC, as the strategic governing body of UN Viet Nam SDG Fund, will decide on the use of any unutilized balance of the UN Viet Nam SDG Fund during its valid duration, based on agreement with the contributing Donor(s) in proportion to their contribution to the Projects/Programmes of UN Viet Nam SDG Fund and the PUNOs; and the extension or termination of the fund.

ANNEX 1 – Governance Architecture - UN Viet Nam SDG Fund 2018 - 2021

