

**UN Sustainable Development Framework Fund (UNSDF Fund) for Pakistan (2018-2022)**  
**Terms of Reference**

**I. Introduction**

1. The 2030 Agenda for Sustainable Development calls for a paradigm shift that helps put the world on a path of sustainable development by 2030. Reaching the Agenda's 17 Sustainable Development Goals (SDGs) will require collective efforts from all actors in society to help attain global prosperity and sustained peace by 2030. The goals respect planetary boundaries and ensure that all people can enjoy the benefits of sustained progress in an equitable manner while living in peaceful, just and inclusive societies.
2. In Pakistan, the UNSDF/OP III provides the broader framework for UN support for the Government's pursuit of the SDGs. Leveraging its key roles – as a convenor of diverse stakeholders, an advisor on development, a promoter of international best practice, and an advocate for leaving no one behind – the UN system in Pakistan will work to influence change and partner with a range of stakeholders. By 'Delivering as One', UN agencies in Pakistan will seek to strengthen national and sub-national capacities; provide high-quality policy advice and technical assistance; support the collection and analysis of disaggregated data; and focus on overcoming bottlenecks and barriers to ensure that development reaches key populations.
3. The UN System in Pakistan has a long history of pioneering coordinated programming through the implementation of General Assembly resolutions on strengthening coordination and collaboration at the country level, including through pooled funding instruments.<sup>1</sup> This Terms of Reference (ToR) initiates a new phase of the UNSDF Fund (the UNSDF Fund) to support the 2018-22 UNDAF, hereby referred to as UN Sustainable Development Framework UNSDF/OPIII. The Fund promotes coherence and integration and aligns with the Secretary-General's call to increase joint activities through pooled funds.
4. The One UN Initiative in Pakistan is being implemented in a collaborative manner under the leadership of the Government of Pakistan, notably the Economic Affairs Division of the Ministry of Finance.
5. The UNSDF/OPIII is aligned with the 2030 Agenda on Sustainable Development, Sustainable Development Goals, and the Government's Vision 2025. The UNSDF/OPIII reflects the support of the UN to the Government of Pakistan towards achieving both, the SDGs and the Vision 2025 Agenda. Pakistan was one of the early adopters of SDGs.
6. The UNSDF Fund for Pakistan is a common fund mechanism to mobilize and allocate additional resources at the country level in a simplified, coherent manner consistent with the overall purpose of the One UN Initiative, and to fund activities under the UNSDF/OPIII. This arrangement in Pakistan is

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<sup>1</sup> Pakistan became a DaO pilot in December 2006. It was in part 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 and also as a follow up to the recommendations of the SG's High-Level Panel for system wide reforms and UN coherence (2006). A One UN Fund was established in 2008 to support the One UN Programme I (2009-2012) and also to support the One UN Programme III (2013-17).

subscribed to by all members of the UN Country team (hereafter referred to as the Participating UN Organisations). Other UN Organisations may wish to join this funding arrangement in the future.

7. The UNSDF Fund for Pakistan will also be a common fund mechanism to mobilise and allocate additional resources for projects and programmes that support humanitarian-development nexus and the New Way of Working such as the FATA Transition Framework. The RC will have delegated authority to establish the necessary coordination structures to oversee its implementation; with progress shared with the Oversight Committee.

## **II. Purpose of the UNSDF Fund**

8. The objective of the UNSDF Fund is to support investment in SDG acceleration and transformative change with joint resource mobilization, allocation and disbursement of donor resources to the UNSDF/OPIII under the direction of the UN Resident Coordinator (hereinafter referred to as Resident Coordinator). The fund is expected to reduce fragmentation, reduce transaction costs, address unproductive competition, facilitate scale and partnerships and provide incentives for pursuing system-wide priorities, strategic positioning and coherence to achieve national SDG commitments.
9. The UNSDF Fund is one of the proposed vehicles for new resources pooled by donors to support the unfunded portions of the UNSDF/OPIII. The UNSDF Fund will complement the parallel resource base (core and non-core funds of individual agencies) of UNSDF/OPIII. The Fund, under the guidance of the Oversight Committee and the leadership of the Resident Coordinator, is intended to facilitate the realization of the UNSDF/OPIII outcomes by strengthening the planning and coordination process, and channelling consistent and predictable joint funds towards the highest priority needs.

## **III. Description of the UNSDF Fund**

10. The UNSDF Fund is anchored in theory of change that supports the OP III which is elaborated in the UNSDF/OPIII<sup>2</sup>. The OP III focuses on supporting Pakistan's strong potential for inclusive socio-economic development while addressing gaps, surmounting challenges and fostering greater social justice. By 2022, it envisions that the country will have commenced on the path for progression towards the SDGs. Its ten key outcomes reflect a range of priority development areas with strategic potential – areas in which the UN can work with Pakistan's federal and provincial governments, alongside other jointly identified key partners, in support of sustainable development.
11. Planned results are 'national' in scope at the 'outcome level', in order to capture prominent trends and priority areas across the country. Essentially, the OP III's outcomes and their expected results serve as a framework for taking stock of the progress, and the effectiveness, of collaborative work carried out by the UN and the Government of Pakistan.
12. The OP III encompasses ten outcome areas around which the UN system will develop its Joint Work Plans for the 2018-2022 period. Each outcome reflects priorities jointly identified by the UN and the

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<sup>2</sup> <http://mptf.undp.org/factsheet/fund/PK100>

Government of Pakistan, based on areas in which the UN has a strong comparative advantage. These are areas in which it can leverage its expertise, resources and global experience in support of national and provincial stakeholders. Each outcome is closely aligned with Pakistan's Vision 2025 and the SDGs, placing a particular emphasis on improving the lives of the poorest and those most vulnerable.

13. The ten outcomes are the foundation of the UNSDF are as follows:

- **Economic Growth (Outcome 1):** By 2022, the people in Pakistan, especially key populations, including those who are unskilled, benefit from improved inclusive and sustainable economic growth, progress towards full access to energy, and fair-trade practices.
- **Decent Work (Outcome 2):** By 2022, the people in Pakistan, especially women and youth, have improved access to productive livelihoods, income opportunities and decent work.
- **Health and WASH (Outcome 3):** By 2022, the people in Pakistan, especially the most vulnerable and marginalized, have access to, and benefit from, improved universal health coverage, including sexual and reproductive health, and equitable WASH services.
- **Nutrition (Outcome 4):** By 2022, children, adolescent girls and boys, pregnant and lactating women, the elderly and persons with disabilities have improved dietary intake, feeding and care practices, resulting in improved nutritional status, while reducing stunting and other forms of undernutrition.
- **Food Security and Sustainable Agriculture (Outcome 5):** By 2022, the people of Pakistan, especially the most vulnerable and marginalized populations, have improved availability of, access to, and consumption of safe, nutritious and sufficient food, while promoting sustainable agriculture to achieve zero hunger.
- **Resilience (Outcome 6):** By 2022, the resilience of the people in Pakistan, especially key populations, is increased by addressing natural and other disasters, including climate change adaptation measures and the sustainable management of cultural and natural resources
- **Education and Learning (Outcome 7):** By 2022, children and youth will have enhanced, equitable and inclusive access to, and benefit from, quality learning opportunities.
- **Gender, Equality and Dignity (Outcome 8):** By 2022, government institutions will have increased accountability towards gender equality commitments and social, economic, cultural and political rights.
- **Governance (Outcome 9):** By 2022, the people in Pakistan will have increased knowledge of their rights and improved access to more accountable, transparent and effective governance mechanisms and rule of law institutions.
- **Social Protection (Outcome 10):** By 2022, improved and effective social protection systems will be available for all, particularly for the most vulnerable and marginalized populations.

14. Alongside these ten key outcome areas, a number of cross-cutting issues underpin the OP III. These include the United Nations' key normative programming principles, alongside key issues of particular relevance for Pakistan – such as youth/adolescents, population trends, volunteerism, migrations, urbanization, culture and data.

#### **Administration of the UNSDF Fund**

15. The UNSDF Fund shall be administered by UNDP through its Multi- Partner Trust Fund 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, and a Memorandum of Understanding among the Participating Organizations.
16. The Oversight Committee may also deem it useful to establish additional windows in the UNSDF Fund. These windows will retain the objective of strengthening the planning and coordination process and channelling consistent and predictable funds towards the highest priority needs. Each window will have its Terms of Reference approved by the Oversight Committee prior to establishment.

#### **Contributions to the UNSDF Fund**

17. Contributions to the UNSDF Fund may be accepted from governments of Member States of the United Nations or from intergovernmental or non-governmental organisations, or from private sources or from the Government of Pakistan. 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](#) ).
18. In support of the overarching aim of the UN Reforms and the One UN Fund mechanism, and to ensure maximum flexibility and alignment to national priorities, a guiding principle for resource mobilization would be that the donors would be encouraged to contribute with multi-year unearmarked resources. However, if this is not possible, earmarking will be allowed at the UNSDF/OPIII outcome level.
19. Contributions to the UNSDF 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 UNSDF Fund**

20. The UNSDF Fund will be utilized to fund joint initiatives, including new initiatives responding to emerging needs, under the UNSDF/OPIII. All Participating UN Organizations that have signed the MoU are eligible to receive funds under the UNSDF Fund.
21. The UNSDF/OPIII is the programmatic documents that will serve as the basis for funding requests and allocations.
22. Implementing Partners such as NGOs involved in the UNSDF/OPIII will have access to the UNSDF 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 UNSDF Fund on the basis of its financial regulations and rules.

23. In conformity with the UN Development Group (UNDG) Guidance Note on Establishing, Managing and Closing Multi-Donor Trust Funds, indirect costs of the Participating Organizations will be 7% of programme costs. The Administrative Agent's administrative fee will be 1% of contributions. The fee will be deducted from the contributions to the UNSDF Fund at the time they are deposited.

#### **IV. Governance Arrangements**

##### **The Oversight Committee**

24. The Oversight Committee (OC) in Pakistan comprises of the Secretary Economic Affairs Division (representing the Government of Pakistan) and the UN Resident Coordinator. The Oversight Committee provides the overall strategic direction to the implementation of the UNSDF/OPIII in Pakistan.
25. The OC will provide national level oversight for the UN's work under the framework of the UNSDF/OP III and will be co-chaired by the Secretary of the Economic Affairs Division (EAD) – the Government's coordinating entity – and the UN Resident Coordinator (UNRC). The Oversight Committee will review and endorse the UNCT allocation recommendations for 'unearmarked funds' on the basis of the alignment to national priorities. In the absence of the Secretary, the Additional Secretary EAD (or any other representative) and the UNRC will co-chair the OC to facilitate prompt decision making. This will include electronic approvals with no objections after five (5) days.
26. For earmarked funds provided by the donors, the secretariat will simply notify the Oversight Committee about the donor earmarked funding.
27. Other stakeholders such as the civil society and donors may be invited on a needs-led and ad-hoc basis for advisory support.
28. The Oversight Committee will be responsible for joint resource mobilisation.

##### **The Resident Coordinator**

29. The overall management of the UNSDF Fund will be led and coordinated by the Resident Coordinator in consultation with the Participating UN Organisations. In line with the overall objective of the One UN in Pakistan to deliver more effectively at the country level, the Resident Coordinator will be responsible for:
  - Strategic leadership of the UNSDF Fund based on the UNSDF/OPIII (2018-22)
  - Mobilizing resources for the UNSDF Fund in collaboration with Participating UN Organisations;
  - Leading the UNCT on consensus based decision-making on fund allocations for the UNSDF Fund in line with OPIII
  - Subject to fund availability, instructing the Administrative Agent to transfer the approved fund allocations to Participating UN Organisations

- Signing the Standard Administrative Agreement with donors and the Memorandum of Understanding with Participating UN Organisations as a witness.

### **The UN Country Team**

30. The UN Country Team will be responsible for prioritization and allocation recommendations of un-earmarked funds in the UNSDF Fund under the leadership of the UN Resident Coordinator, according to the agreed allocation criteria. In this prioritisation process, the Resident Coordinator and the UNCT can seek inputs from the Economic Affairs Division.
31. The UN Country Team will be responsible for developing a joint resource mobilisation strategy.
32. Decisions of the UNCT are made by consensus. If no consensus is reached, the Resident Coordinator can make ultimate decisions on fund allocation (with documented process and rationale for these decisions), which is in accordance to the TOR of the UNRC. Programme implementation will be the responsibility of the Participating UN Organisations.

### **V. The Administrative Agent**

33. UNDP's responsibilities as Administrative Agent will include the following:
  - Signing the Standard Administrative Agreement with Donors, and the Memorandum of Understanding with Participating UN Organisations;
  - Receipt, administration and management of contributions from Donors;
  - Disbursement of such funds to the Participating UN Organisations in accordance to the instructions from the RC as Chair of the Oversight Committee
  - Disbursement of funds to the UNSDF Fund Secretariat for direct costs based on the decisions of the Oversight Committee. On an annual basis, the Administrative Agent will notify the Oversight Committee of the amounts used for such purposes.
  - Provide consolidated financial reports, in accordance with the MOU, on the UNSDF Fund Account to the Resident Coordinator based on reports of the Participating UN Organisations<sup>3</sup>.
  - Provide the consolidated narrative and financial report to each donor that has contributed to the Fund/Programme account;
  - Provide final reporting, including notification that the Fund/Programme has been operationally completed;

## **Support services provided by the Resident Coordinator's Office**

34. The Office of the Resident Coordinator is responsible for support to the strategic leadership role of the Resident Coordinator for the UNSDF Fund. It will provide support in all the designated tasks for the Resident Coordinator as listed in paragraph 29 above. Drawing on the proposals/review reports provided by the Outcome Groups or relevant participating agencies, the Office of the Resident Coordinator shall make recommendations to the UNCT, on initial prioritisation (based on the application of allocation criteria) and continued funding. The Office of the Resident Coordinator will provide strategic focus including analysis of progress and lessons to be learned for future programme implementation. It will share the finalised annual consolidated report on the UNSDF Fund to the Oversight Committee. It will ensure the monitoring of the operational risks and fund performance; facilitate collaboration and communication between Participating UN Organizations to ensure programmes are implemented effectively, and liaise with the Administrative Agent on fund administration issues, including issues related to project/ fund extensions and project/fund closure.

### **V. Activities of Participating UN Organizations**

35. The implementation of the Programme activities will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with applicable regulations, rules, directives and procedures. The UNSDF/OPIII will serve as the reference document for proposed strategic programmatic work.

36. The Participating UN Organizations will carry out the activities for which they are responsible, in line with the budget contained in the approved UNSDF/OPIII as amended from time to time in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.

37. In the event where a Participating UN Organization is unable to deliver as committed, any resources allocated should be reallocated to other agreed priorities, as approved by the Oversight Committee.

38. The participants recognise that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices.

### **VI. Monitoring and Evaluation**

39. Monitoring and Evaluation (M&E) of the projects/programmes shall be undertaken in by the RCO and the Planning, Monitoring and Evaluation Group (PMEG) to monitor and evaluate the UNSDF/OPIII implementation.

### **VII. Audit**

40. The AA and Participating UN Organizations 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

Activities which has been agreed to by the Internal Audit Services of Participating UN Organizations and endorsed by the UNDG in 2014.

### **VIII. Reporting**

41. Each Participating UN Organisation shall provide the Administrative Agent with the following statements and reports prepared in accordance with the MoU:

- a) Annual financial statements and reports as of 31 December with respect to the funds disbursed to the Participating UN Organisation from the Pakistan UNSDF Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
- b) 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 Programme;

They will provide the RCO with the following for consolidation.

- c) If there are specific project reports, these will be uploaded to the GATEWAY by the RCO as secretariat of the Oversight Fund. The UNSDF/OPIII annual progress reports which will include a section on the progress of the UNSDF Fund will serve as the narrative part of the UNSDF Fund report for both unearmarked and earmarked contributions, to be provided no later than 15 May of each year to the Administrative Agent.
  - d) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
  - e) Final narrative reports, after the completion of the outputs in the approved Programmatic document and including the final year of the activities in the UNSDF 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 against the outcomes of the UNSDF.
42. Consolidated UNSDF Fund reporting and documentation, including agreements, will be posted on the UN Pakistan web site ([www.un.org.pk](http://www.un.org.pk)) and the Multi-Partner Trust Fund webpage (<http://mptf.undp.org/factsheet/fund/PK100>)

### **IX. Joint Communication**

43. All stakeholders should take appropriate measures to promote the Fund. Information shared with the press regarding fund beneficiaries, official notices, reports and publications shall acknowledge the Fund role. More specifically, the Administrative Agent shall ensure that the role of the contributors and relevant stakeholders is fully acknowledged in all external communications related to the Fund.



## **X. Other Matters**

44. The UNSDF Fund will be established upon signing of the Memorandum of Understanding by the Participating UN Organisations and the Administrative Agent. The UNSDF Fund will terminate upon completion of all Projects/Programmes funded through the UNSDF Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the One UN Fund, any unutilized balances will continue to be held in the UNSDF 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 UNSDF Fund Account or in the individual Participating UN Organizations' accounts shall be used as decided by the Oversight Committee in consultation with the UNCT and contributing donors.

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