

LIBERIA MULTI-PARTNER TRUST FUND

Sustaining Peace through the SDGs

Terms of Reference

20 October 2018

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1. Introduction

Despite the successful process of transition from war to peace, Liberia's current development trajectory is taking place against a background of structural fragility¹. Protecting the gains of the past 14 years will be critical to ensuring peace is consolidated and advanced following the departure of the UN peacekeeping mission (UNMIL) in 2018.

The Liberia Peacebuilding Plan (2017), requested by the UN Security Council and jointly developed by the Government and UNMIL, outlines the current context of fragility by demonstrating the extent to which the root causes of the country's 14-year civil war remain unaddressed. Notwithstanding the many gains, public institutional reforms are urgently required, with an emphasis on the effective implementation of the national legislative agenda. Recent assessments show that land disputes, corruption, boundary disputes and concession-related tensions continue to be the main triggers of violence.

Incremental progress over the past decade in human development measures has been insufficient to reverse poverty and social inequalities, with Liberia's development remaining below the average for countries in sub-Saharan Africa². Despite modest advances in life expectancy, literacy and per capita income, the country failed to achieve any Millennium Development Goal targets. Liberia's potential lost human development due to gender inequality is above average for least developed countries, according to the Gender Inequality Index. The lives of many women are particularly insecure owing to societal inequality and sexual and gender-based violence, further weakening social cohesion in communities. Low commodity prices for primary exports and the outbreak of the Ebola virus disease have limited economic growth, undermining high expectations for a speedy post-war recovery and the delivery of peace dividends.

These challenges are compounded by limited capacities in the security and rule of law sectors, slow progress in national reconciliation and limited progress in implementing critical government reforms. Relations between the executive branch of the government and society have improved, but remain strained, owing to the absence of meaningful national reconciliation and a low level of public confidence in justice and security institutions, whose presence remains limited outside of Monrovia. Social sectors such as health and education are not adequate and require significant investment in infrastructure, human resource and quality of services.

Hence sustaining peace in Liberia requires a longer-term investment in national institutions that are catalytic, inclusive, accountable and responsive, with a government that is committed to providing opportunities and services to all Liberians. In this context the national development process will require specific attention to ensure that the weight of fragility does not derail the gains in peace and security. The purpose will be to ensure that the national development process can holistically domesticate the Sustainable Development Goals (SDGs) and ensure continued progress in peace consolidation which embraces inclusive development, while moving Liberia away from aid dependency.

Elections in October 2017 and implications

Peaceful post war elections (2005, 2011, 2014 and 2017) have been a characteristic of Liberia's recovery. The elections in 2017 were the first since the end of the war where election security was under the full control of the government, following the transfer of security responsibilities from UNMIL to national

¹ In 2018, Liberia was the 30th fragile country (out of 178) according to the Fragile State Index (<http://fundforpeace.org/fsi/>).

² In 2018, Liberia was ranked at 181th (out of 189 countries) by the UNDP Human Development Index.

authorities in June 2016. Although Liberia is Africa's oldest republic, the 2017 elections marked the first time in the country's history that a democratic handover of political and administrative power from one elected administration to another took place after competitive multiparty elections.

The UN system provided substantive support to the peaceful electoral process during the first and second rounds of voting in October and December 2017, and the electoral process led to President George Weah taking office in January 2018. President Weah has since articulated a national development agenda, titled "Pro-poor Agenda for Prosperity and Development (PAPD)," which echoes the priorities of the UN and development partners in Liberia for reaching the SDGs. The PAPD is comprised of four pillars:

1. **Power to the People** – To empower Liberians with the tools to gain control of their lives through more equitable provision of opportunities in education, health, youth development, and social protection
2. **The Economy and Jobs** – Economic stability and job creation through effective resource mobilization and prudent management of economic inclusion
3. **Sustaining the Peace** – Promoting a cohesive society for sustainable development
4. **Governance and Transparency** – An inclusive and accountable public sector for shared prosperity and sustainable development

UNMIL's departure and the stabilizing role of the Strengthened Resident Coordinator Office and UN presence after March 2018

Recent studies have shown that UNMIL's departure will potentially exacerbate fragility in the country. On one hand, the Liberia Social Cohesion and Reconciliation Index (SCORE)³ for 2017 shows that most Liberians do not feel prepared for UNMIL's withdrawal, with only 30% of people indicating that the time is right for UNMIL to depart and showing faith in Liberian institutions to guarantee peace and security. A major concern is the fear of possible instability, which is rooted in insecurities and past traumas, underpinned by the perception that UNMIL plays a stabilizing role. On the other hand, UNMIL's departure will mean the loss of extensive UN technical capacity in the areas of peace, security and rule of law, as military and civilian components of the mission are withdrawn. A conservative estimate provided by the UN capacity assessment team in May 2017⁴ indicates that the withdrawal of UNMIL's civilian workforce with direct and indirect contributions to peace, security and rule of law will result in the loss of expertise amounting to 239 positions (131 International and 108 National). The significant decline in the UN's technical capacity needs to be offset by measures which allow for a softer landing for a much reduced UN Liberia presence. There is consensus that the UNCT must invest in securing capacity in areas for which UNMIL technical capacity served as the principle lead.

This is underscored by the fact that the United Nations Development Assistance Framework (UNDAF) serves as a roadmap for the UN presence in Liberia in the post-UNMIL era. Given that the intrinsic challenges that Liberia is facing remain same, it was decided that the current UNDAF, whose four pillars are still well aligned to the four pillars of the PAPD as well as the Liberia Peacebuilding Plan (endorsed by the UN Security Council in 2017), will be extended until the end of 2019. This will ensure that the sustaining peace through the implementation of the SDGs is high on the agenda of government, the UN

³ <http://www.scoreforpeace.org/>

⁴ Mapping UNCT Technical and Operational Capacities to Support the UN Commitments in the Liberian Peacebuilding Plan, 11 May 2017

system, and donors. These obligations require extensive technical capacity and strong coordination in the areas that require UN's continuous support since UNMIL's departure.

In this same context, the UN's engagement with national stakeholders in the post-UNMIL period will require ongoing high-level good offices. The Strengthened Resident Coordinators Office (SRCO) will be essential to enable the Resident Coordinator to sustain his good offices' role, maintaining contacts with political and civil society networks, as well as maintaining communication with senior officials in government and the international community. In addition, by adding a development focus, this office will be able to secure continuation on conflict analysis and conflict sensitivity and can use that role to support the identification of priorities for government and the UNCT as well as support the formulation of the new PAPD and the new UNDAF. The Strengthened RCO will help the stance of "one UN team" which will be crucial to retain the confidence of the international community. The decision to use an MPTF modality to support the transition from the UNMIL to the one UN Country Team as well as to establish and deliver the PAPD and the current UNDAF and is expected mitigate the risk of a fragmented system both from the UN and the government.

Why pooled funds?

A trajectory which takes the LMPTF from supporting peace consolidation to underpinning long-term sustainable development under a SDG framework speaks directly to the emphasis being placed on pooled funding to support the implementation of the 2030 Agenda. The strategy captures a continuum which has the realization of the SDGs as the ultimate objective, underpinned by ever closer financing coherence and cooperation between donors and the government. This vision of pooled funding is exemplified by General Assembly resolution 71/243 (2016) which "urges Member States and other contributors providing non-core contributions" to "give priority to pooled, thematic and joint funding mechanisms applied at all levels and limit earmarking to broader, sector-specific activities in accordance with the national priorities of programme countries". The approach is further advanced by the Secretary-General's report to the Economic and Social Council (30 June 2017) entitled *Repositioning the UN development system to deliver the 2030 agenda – Ensuring a Better Future for All*. The report addresses "funding fragmentation", by stating, "At the centre of our efforts will be the need to rebuild confidence and support to the core budgets of UN development entities, while identifying mechanisms – pooled funds or other innovative funding sources – that could help ensure that the non-core component is less tightly earmarked and contributes to country-led SDG results".

The LMPTF will establish a predictable funding-coherent programming nexus to align financing streams with programme and policy objectives embedded in the Liberia peacebuilding plan and future development cooperation frameworks which the UN system concludes with the government of Liberia. It will bring together contributions from traditional and non-traditional donors, private sector, foundations and other sources to support an integrated and effective implementation of the current UNDAF and the PAPD.

The Fund will complement and build on existing funding sources and UN agency-based funding mechanisms. Channeling a critical mass of resources would enable the fund to act as a center of gravity to improve aid effectiveness, increase alignment among stakeholders and reduce transaction costs for donors and implementing partners. The Fund governance mechanisms will allow a wide range of partners to collectively agree on priorities and strategies, creating synergies and complementarities with parallel funded interventions. Partners will also benefit from harmonized approval, disbursement, and monitoring and reporting processes. The LMPTF will improve development cooperation and programme effectiveness by delivering on the following goals.

2. Functions of the Fund

The Liberia MPTF: Scope, Coverage and Structure

The Liberia Multi-Partner Trust Fund (LMPTF) serves as the centrepiece for the Government, international community, the UN system, and relevant stakeholders to sustain peace and implement the Sustainable Development Goals (SDGs) in Liberia. It functions as both a coordination framework and a financing platform to support the implementation of the Government's national development plan, the Pro-Poor Agenda for Prosperity and Development (PAPD), informed by the priorities of the Liberia Peacebuilding Plan.⁵

The architecture of the LMPTF is designed to support and accelerate the implementation of the PAPD. The UN Window initially supports delivery of the current UNDAF⁶ and subsequently the PAPD. The National Window is directly linked to supporting the implementation of the PAPD. The LMPTF projects and programmes will be formulated through the lens of local SDG priority areas throughout the four PAPD and UNDAF pillars (See table 1).

The LMPTF brings together two windows under common governance arrangement to promote: 1) coordination across activities and instrument; 2) alignment with national priorities; and 3) reduced transaction costs for the government and development partners alike. The Windows are administrated by UN Multi-Partner Trust Fund Office (MPTFO), based on specific legal frameworks set up for each Window.

In addition to channelling funds for programmatic activities, the LMPTF will also promote coordination across different financing instruments. In that regard, the LMPTF will foster the inclusion of such activities under one reporting. The UN will strive to align the governance of its existing programmes to the LMPTF governance, to the extent possible, and aim to increasingly channel more resources under the goal of predictable 'One Fund'.

The comparative advantage of the LMPTF includes its continuous engagement and strengthened coordination on the areas that aim to tackle root causes of conflicts, its capacity for immediate delivery (rapid cycle), strategic allocation of resources by leveraging comparative advantages of participating UN agencies and the national entities, reduced transaction costs, enhanced transparency and most importantly, strong ownership by the Government and the UN's focused support to the Government to deliver the PAPD.

Contributions to the funds can be made by bilateral and multilateral development partners, private sector, foundations, and non-governmental organizations. Contributions to the two windows are governed by the Standard Administrative Arrangement by the UN MPTFO.

⁵ "Sustaining Peace and Securing Development" (document S/2017/282), endorsed by the UN Security Council.

⁶ The LMPTF will be linked to the next generation of the UNDAF which is expected to launch in Jan 2020.

Table 1. The LMPTF Results Areas

UNDAF Pillar	UNDAF Outcome		Contributing SDGs	PAPD Pillar
I. Peace, Security and Rule of Law	1.1	Rule of Law: Liberia has an improved, inclusive Rule of Law Framework for effective administration of and equitable access to justice in compliance with International Human Rights Standards	SDG 16: Peace, Justice and Strong Institutions	III. Sustaining the Peace Goal: promoting a cohesive society for sustainable development
	1.2	Peace and Reconciliation: Liberia has an improved, coherent and inclusive mechanism for national reconciliation operationalized at national, regional country and local levels.		
	1.3	Security: Liberia has a more efficient, effective, accountable and responsive security institutions at the national, regional, county and local levels		
II. Sustainable Economic Transformation	2.1	Natural Resources and Food Security: Improved sustainable natural resource utilization and food security	SDG 1: No Poverty SDG 2: Zero Hunger SDG 7: Affordable and Clean Energy SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure	II. The Economy and Jobs Goal: Economic stability and job creation through effective resource mobilization and prudent management of economic inclusion
	2.2	Private Sector Development: Improved sustainable livelihood opportunities in an innovative and competitive private sector for rural and urban areas.		
	2.3	Basic Infrastructure and Energy: Improved access to sustainable basic infrastructure.		
	2.4	Macro-economic Policy Environment: Improved evidence-based policies to maintain a stable and inclusive macro-economic environment		
III. Human Development	3.1	Health and Nutrition: The population has increased access to and utilization of equitable affordable, and quality health and nutrition services	SDG 1: No Poverty SDG 2: Zero Hunger SDG 3: Good Health and Well-being SDG 4: Quality Education SDG 6: Clean Water and Sanitation SDG 10: Reduced inequality	I. Power to the People Goal: Reducing developmental inequality to enable the people to prosper
	3.2	Education: School-aged girls and boys and youth have increased access to quality inclusive ECD, basic, post-basic and alternative basic education, especially in counties with education indicator below the national average		
	3.3	Social Welfare: Social welfare systems and services are improved and utilized, especially to the most vulnerable groups and individuals		
	3.4	Social Protection: Vulnerable households and group s benefit from appropriate social protection services and systems		
	3.5	Water, Sanitation and Hygiene: Population has increased utilization of safe water and practice safe sanitation in underserved areas		
	3.6	HIV/AIDS: Scaled up access to and utilization of HIV Prevention, treatment, care and support services		

IV. Inclusive Governance and Public Institutions	4.1	Strengthening Government Institutions: Liberia has governance institutions equipped with inclusive systems to perform effectively	SDG 10: Reduced inequality	IV. Governance and Transparency Goal: An inclusive and accountable public sector for shared prosperity and sustainable development
	4.2	Constitutional and Legal Reform: A review of the Constitution is completed with a framework that guarantees democratic governance and equal rights for all citizens	SDG 16: Peace, Justice and Strong Institutions	
	4.3	Natural Resources Management: An effective, efficient natural resources management framework enabling transparent, accountable and equitable distribution of economic benefits and protection of rights of all		
	4.4	Public Sector Institutions and Civil Service Reform: Liberia has an improved and decentralized public sector and civil service providing fair and accountable services to people.		

Fund's Cross-Cutting Approaches

In line with the PAPD and the UNDAF results frameworks, the following thematic areas will be addressed through cross-cutting approaches:

- Empowering women and young people
- Climate change and environment
- ICT

The LMPTF would also finance a series of operational cross-cutting activities to advance the overall coherence of interventions in support of the Fund strategy, both at the project and the fund levels:

- Monitoring and Evaluation
- Risk Management

Implementation Strategy

The Fund will cover, through direct costs, the support to the Fund Secretariat Office and the required structures to perform the joint tasks, including monitoring and evaluation of results, the development and implementation of a fund raising and communication strategy (including a visibility strategy for donors), and the risk management strategy.

All programmes and activities funded through the Liberia MPTF will balance the need for rapid response with the priority of government ownership. In situation of capacity constraints, operational flexibilities of UN Agencies on behalf of and at the government’s request may be well placed to implement priority activities. As the government strengthens its capacity, government execution will be promoted and increased over time. Alongside the establishment of the Liberia MPTF, the UN will work with the Government to establish a process and benchmarks to foster progressively the broader use of full national systems to channel and manage programmes.

The fund will be also informed by the Multi-Year Social Cohesion and Reconciliation Index (SCORE) for two parallel purposes: 1) to help design evidenced-based policy and programmes for sustaining peace through the LMPTF and the Liberia Peacebuilding Plan and 2) assess the impact of these efforts. SCORE results will help optimize resource allocation through the LMPTF by designing well-targeted multi-year interventions that hold the greatest potential for delivering impact, and allow those interventions to be

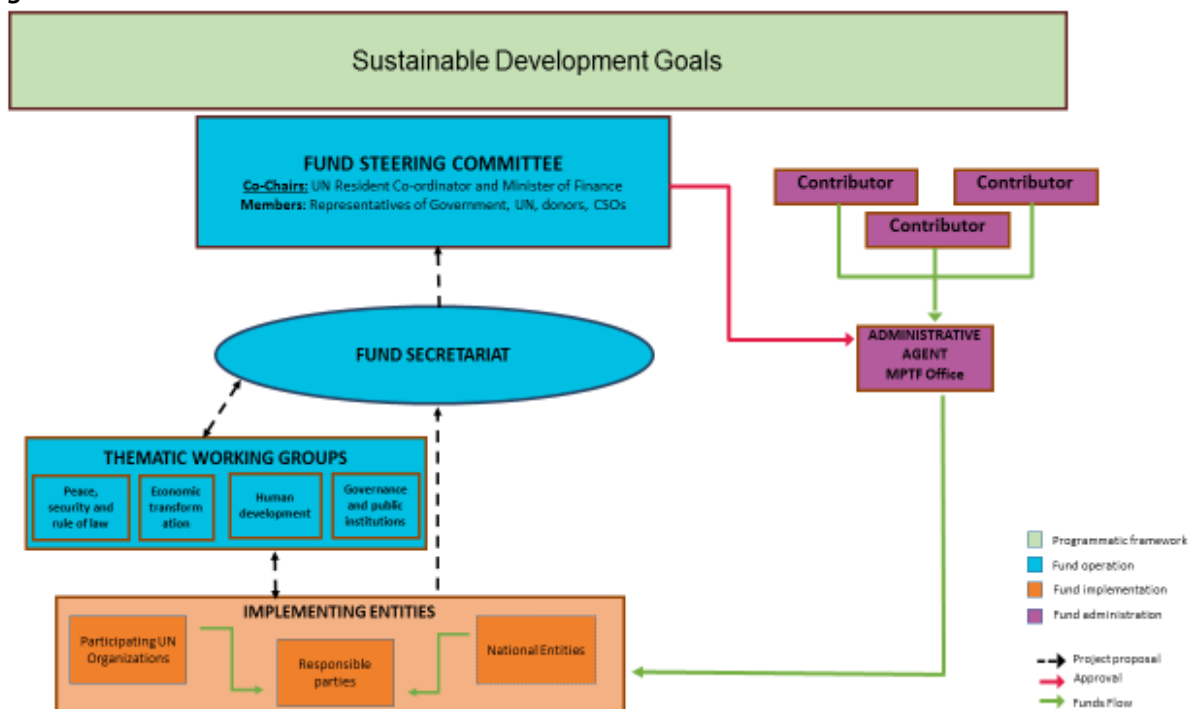
monitored and evaluated through a robust evidence-based instrument. SCORE will help to establish a common set of peace and security benchmarks for the government, the United Nations system and donors, providing the evidence-base for a coherent and unified approach to measuring the impact of programmes which sustain peace. The multi-year SCORE programme will implement two consecutive SCORE processes for 2018-2019 and 2019-2020, which support the coherence of programme design and measuring results, and seek the following:

- a) Unified monitoring and assessment of the implementation of the Liberia Peacebuilding Plan, Liberia Multi-Partner Trust Fund and Reconciliation Roadmap;
- b) Evidence-based and targeted design of UN agency and government peace building and conflict prevention programmes;
- c) In-depth analysis of causal factors and root causes of conflict and social fragmentation;
- d) Precision tracking of priority social cohesion indicators;
- e) Identification of conflict formation dynamics through the lens of early warning assessments.

3. Fund Governance Structure

The Fund's governance involves three levels: operations (Steering Committee and Secretariat of the Fund), design and administration (MPTFO) and implementation (implementing entities).

Figure 1: Fund Governance Structure



Fund Steering Committee

The Steering Committee is the body in charge of the strategic guiding and general supervision of the Fund. It is co-chaired by the Minister of Finance and Development Planning and the UN Resident Coordinator. In addition to the Co-chairs, the Steering Committee comprises:

- Two representatives from the Government, in rotation
- Two representatives of the UN Agencies, in rotation
- Two representatives of the donors, in rotation
- One civil society representative without the right to vote
- One World Bank representative, one European Union representative and one African Development Bank representative, as observers, without the right to vote
- The MPTFO as the Fund administrator and ex officio member without the right to vote

The Steering Committee makes its decisions by consensus. Decisions can only be taken when a quorum of the two co-Chairs, two government representatives, two UN agency representatives and one donor representative is present. Both co-chairs must agree for any decision to be passed by the Steering Committee.

The Steering Committee meets biannually at the minimum. However, it could also convene extraordinary meetings if deemed necessary. It is responsible for the following tasks:

- Approve the Fund's strategic guidelines and the global results framework
- Approve the Fund's risk management strategy
- Approve projects to be financed by the Fund
- Allocate funding
- Supervise the progress of the Fund's results framework based on report updating (program-related and financial), prepared by the Secretariat and the MPTFO
- Review the risk monitoring matrix regularly updated by the Secretariat
- Request two evaluations (mid-term and final) about the overall fund's performance through the Secretariat
- Approve Fund's direct costs, specifically those related to the Secretariat support operations, evaluations and audits
- Approve and update the Fund's Terms of Reference, as required
- Approve extensions of the Fund's duration, as required

Fund Secretariat

The Secretariat is the entity responsible for the operational functioning of the Fund and provides technical and management support to the Steering Committee. The Secretariat is embedded within the UNCT structures and consists of:

- Head of Secretariat (P5/P4)
- Strategic Planning Specialist (P4/P3)
- Fund Officer/M & E Officer (P3)
- Communication Officer (P3)
- 2 Operations and Finance Assistants (NOB)

The Secretariat structure can be reviewed and adjusted by the Steering Committee as per needs and budget availability. The Secretariat will:

- Advise the Steering Committee on strategic priorities, programmatic and financial allocations (based on the inputs from the PPDU/RCO and the Thematic Working Groups)
- Provide logistical and operational support to the Steering Committee
- With the support of the AA, draft the Fund TOR and the Fund Operational Manual, including a Fund Risk Management Strategy
- Organise calls for proposals and appraisal processes

- Ensure monitoring and evaluation of operational risks and project performance
- Ensure knowledge management
- Consolidate annual and final narrative reports provided by the Participating UN Organisations and the Participating National Entities and share with the Steering Committee for review as well as with Administrative Agent for preparation of consolidated narrative and financial reports
- Liaise with the Administrative Agent on fund administration issues, including on specific project funding and extensions
- Formulate and implement a communication strategy/SOPs that includes visibility of donors

The cost of the Secretariat can be met through the Liberia MPTF, as well as through other channels. The budget for the Secretariat will be submitted to the Steering Committee and will include clear costs incurred for the management support to Fund operations. The costs of the Secretariat will be charged to the Fund as direct costs. The Secretariat budget will be annually agreed upon and approved by the Steering Committee (it is recommended that such costs do not exceed 3% of the Fund's annual budget). UNDP will conduct contracting procedures related to the Technical Secretariat staff.

Thematic Working Groups

The Thematic Working Groups will be in charge of reviewing projects or programmes submitted to the Fund, which will be submitted for approval by the Steering Committee. These groups are formed on the basis of the policy areas identified in the Agenda for Transformation and UNDAF and subsequently the PAPD.

1. Peace, security and rule of law
2. Economic transformation
3. Human development (includes cross cutting issues in the peacebuilding plan: human rights, gender, youth and environment)
4. Governance and public institutions

The Thematic Working Groups meet as required and they are responsible for the following tasks:

- Review projects to ensure technical quality and relevancy
- Ensure project quality through technical specialized review per sector or field
- Recommend projects to the Steering Committee to approve support by the Fund
- Make recommendations to the Secretariat and the MPTFO regarding Fund's report presentation, monitoring and evaluation

The Thematic Working Groups ensure that projects are (i) aligned to Government priorities and these Terms of Reference; (ii) coordinated with existing and foreseen activities within the sector and (iii) developed in consultation with the relevant national institutions, prior to project approval by the Steering Committee.

The Thematic Working Groups consists of representatives of Government, donor representatives, United Nations System (UNS) representatives and a Fund's Secretariat representative. Depending on the project's subject matter, representatives from all these entities with relevant knowledge could be invited. If technical assistance is required to help ensure project technical quality, the UNS agencies will put subject matter experts at the service of the technical committees. During the project review, the implementing entities and/or executing partners may be invited to the committee meetings in order to receive technical recommendations regarding project and programme execution.

The Administrative Agent

The Liberia MPTF is administered by UN Multi-Partner Trust Fund Office (MPTF Office) which performs the Administrative Agent (AA) functions under the pass-through fund management modality. The Administrative Agent will coordinate this function with the Liberia Fund Secretariat, ensuring the most efficient delegation of responsibilities to the Secretariat as described above. The MPTF Office carries out fiduciary and financial management functions and will open a separate ledger account for the Fund. The AA will work in close collaboration with the Secretariat.

The Fund's administration services, whose costs are 1% of received contributions, include:

- Fund set-up: support to the Fund's design (Terms of Reference and Operation Manual), and development of legal instruments;
- Fund administration: receipt, administration and release of funds to implementing entities in accordance with decisions from the Steering Committee, and financial report consolidation.

The Administrative Agent is responsible for the following functions:

- Provide support to the design of the Fund;
- Sign a Memorandum of Understanding (MOU) with UNS implementing entities;
- Sign a Memorandum of Agreement with the Government Coordinating Entity;
- Sign Standard Administrative Agreements with donors that wish to contribute financially to the Fund;
- Receive and manage funds including those of the Fund's closure;
- Invest and reinvest Fund's resources according to investment policies, practices and procedures. Any profits will be added to the Fund's resources and will not be credited to the contributions of a particular donor.
- Provide updated information to the Steering Committee regarding the regular resource availability;
- Subject to the availability of resources, transfer funds to implementing entities in accordance with the Steering Committee decisions;
- Consolidate the narrative annual and final reports submitted by implementing entities and present the consolidated report to the Steering Committee for approval; and to each of the Fund's contributors.
- Provide a Fund's final financial report which included a notice of the Fund's closure;
- Release funds as direct costs for the running of the Secretariat, based on the Steering Committee decisions. The Administrative Agent will annually notify the Steering Committee about the amounts used to that end.
- Release funds for additional expenses that the Steering Committee decide to allocate;
- Provide tools for fund management to ensure transparency and accountability.

Implementing Entities

Upon the establishment of the LMPTF UN Window, resources will be allocated to Participating UN Organizations, i.e. the UN Specialized Agencies, Funds and Programmes that have signed the Memorandum of Understanding with the Administrative Agent. Each Participating UN Organization will assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Such funds will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, and indirect costs of the Participating UN Organizations recovered through programme support costs will be harmonized at 7%. Implementing Partners, consisting

of Government institutions and NGOs, will receive funding from the Fund through Participating UN Organizations.

A Memorandum of Agreement for the establishment of a LMPTF National Window was signed between the National Government and the Administrative Agent in May 2018. This National Window will allow National Entities (i.e. pre-qualified government institutions) to receive direct fund allocations from the LMPTF to strengthen the Liberian Government's ownership and its active involvement in programme implementation. The Fund Secretariat will develop a procedure to identify qualified national entities. The Steering Committee will approve the procedure, and national entities found eligible to be part of the National Window will be confirmed by the Steering Committee, following a report submitted by the Fund Secretariat.

4. Contributions

Contributions to the LMPTF UN Window and National Window may be accepted from governments, inter-governmental or non-governmental organizations, the private sector, and philanthropic organizations. The steering Committee will explore options for leveraging national resources for the Fund, with an expectation that over time the level of Government financial support to the Fund will increase. Contributors are encouraged to provide un-earmarked contributions. However, in case of specific requirements, earmarking is permitted to a specific Window and/or at the Pillar/Outcome levels. The earmarking will be reflected in the contribution agreement. Public reporting on the Fund and its results will recognize the level of contributions received from specific donors. Contributions may be accepted in fully convertible currency or in any other currency that can be readily utilized. Such contributions will be deposited into the bank account designated by the MPTF Office. The value of a contribution payment, if made in other currencies than US dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges will be recorded in the UN MPTF account established by the Administrative Agent.

5. Projects Approval Process

Two types of program and project approval are proposed:

- 1) Regular cycle: includes phases of project identification, presentation, review and approval.
- 2) Rapid cycle: the approval phases are shorter (total duration of maximum a week), to prioritize the approval of critical initiatives of short term implementation.

The Steering Committee will identify funding priorities at the pillar level taking into consideration the orientations defined in the PAPD and the UNDAF, the Social Cohesion and Reconciliation index (SCORE), as well as the analysis provided by the Secretariat, the Thematic Working Group, and the Politics, Peace, and Development Unit (PPDU) of the RC Office. Allocations to projects will then be made on the basis of the identified priorities, and contingent on the availability of funds.

Design and Submission of Projects Proposals

Two project submission processes are foreseen:

- 1) Calls for proposals: The Secretariat, based on Steering Committee's decisions, will request Participating UN Organizations and National Entities to submit project proposals. The call will specify the requirements for submitting a proposal. The calls for proposal can be for all or specific outcomes or geographical areas.
- 2) Direct submission of projects: Following discussion and based on a strategic consensus and justified rationale, the Steering Committee may solicit a proposal from Implementing Agencies directly.

Most projects will be solicited through Calls for Proposals (CfP) at periodic intervals. Based on decisions of the Steering Committee, each CfP will be designed and disseminated by the Fund Secretariat, and will specify the programme focus, expected results, scope of work, funds available and submission deadlines. Each CfP will request interested Participating UN Organizations and National Entities to present a concept note to the Thematic Working Groups for validation according to the priorities and funds availability. Concept notes which meet a minimum standard will be approved for further development as a project proposal. The minimum requirement for concept notes will be key expected results and indicators, activities, indicative budget, a risk analysis, proposed implementing partners and responsible parties and geographical scope.

Project Assessment

The Fund Secretariat with the support of relevant sector specialists will conduct a substantive, systematic, rigorous and detailed assessment of the project proposals. The criteria for the evaluation will be provided to prospective implementing entities in the relevant submission form. While each project will have its own set of context-specific criteria, all programmes will be guided by the following overarching principles:

- a) Projects will support inclusive national ownership, and implementation modalities will be rooted in extensive consultation with the Government of Liberia, political parties and civil society;
- b) The results of funded projects must contribute to consolidating national capacities in critical areas;
- c) The design of projects must embed a consensus-based approach to conflict sensitivity and be based on human rights principles;
- d) Projects will be results-driven and integrate robust monitoring and evaluation mechanisms which enshrine the commitment of the Government of Liberia, the UNCT and donors to ensure the transparent, timely and predictable use of aid through information-sharing and regular and honest policy dialogue;
- e) The design of projects will be the responsibility of the implementing entities, and will be consistent with the Peacebuilding Plan;
- f) Preference will be given to joint programmes which bring together multiple implementing entities, including UN organizations, NGOs and government departments, with a target for 75% of funds being allocated to joint initiatives. Joint programmes must demonstrate a genuine partnership between participating organisations, a coordinated management structure, and joint responsibility for results and cost effectiveness;
- g) Existing Joint Programmes (EJPs) will be considered for funding by the Steering Committee, if proposals meet the assessment standards and are consistent with the policy objectives of the Fund. Assessing the viability of consolidating EJPs with current Fund priorities will be a critical factor in determining the merit of financing EJPs from the LMPTF in the future;
- h) Communicating project and programme results will be a key responsibility for all implementing partners, and all projects will integrate a robust approach to strategic communications; and

- i) Wherever possible, projects will seek to accommodate technical assistance from South-South Cooperation.

The assessment of projects is divided in 2 reviews:

- a) The Fund Secretariat receives the Proposals submitted by the participating UN Organisations and/or National Entities and conducts an administrative review. This review will ensure the administrative completeness of the submission and will be done within three days of the receipt of the proposal. The administrative review includes: (i) format, (ii) supporting documents, (iii) budget, and general value for money assessment.
- b) The relevant Thematic Working Groups receive the proposals from the Secretariat and conduct a technical assessment. This involves program-related quality control of the proposal and ensures alignment, coordination and prioritization of the intervention in the relevant Pillar. The review ensures that programs that are subject to the approval of the Steering Committee, are aligned to strategic priorities, coordinated with existing and envisaged activities, and developed in consultation with relevant actors. The Thematic Working Groups' review uses a set of agreed scoring system for evaluating each proposal and only proposals which attain a minimum 70% score will be eligible for funding.
- c) To avoid the conflict of interests, any Organization submitting a proposal will be excluded from providing assessment of their own Organization's proposal.

Project Approval and Funds Transfer

- a) Completed reviews are returned to the Fund Secretariat for processing, whereupon the Secretariat sends the consolidated package of all submitted proposals to the Steering Committee for final endorsement 10 days prior to the date of the scheduled meeting.
- b) The Steering Committee will take into account all the proposals and will select them based on their alignment with the Peacebuilding Plan, programme priorities in the Terms of Reference, SCORE results and analysis, available funding, complementarity of the intervention with other ongoing or foreseen actions and level of involvement of concerned actors. The Fund Cross-cutting criteria will also be taken into account.
- c) The Steering Committee makes its decisions by consensus. Decisions can only be taken when a quorum of the two co-Chairs, two government representatives, two UN agency representatives and one donor representative is present. Both co-chairs must agree for any decision to be passed by the Steering Committee.
- d) The Steering Committee decisions are recorded in the meeting minutes and consolidated by the Secretary in a fund allocation matrix. The Secretariat will electronically share the minutes of the Steering Committee meeting and approved allocations.
- e) The Secretariat shall prepare a fund transfer⁷ request for each joint program or project and budget allocation approved by the Steering Committee and submit this to the Administrative Agent (MPTFO). The MPTFO will carry out transfers approved by the Steering Committee to implementing entities no later than five (5) working days after the request submittal. Upon completion of the transfer, the representative of the receiving organization and the Secretariat will be notified through electronic mail.

6. Risk management

⁷ Details available in the Operational Guideline.

The governance structure, which brings together all stakeholders, including financial contributors, offers an opportunity to develop a common understanding of the risk context and the possible mitigation measures. An assessment of risk and the use of joint mechanisms to reduce and better manage risks can result in more informed strategic choices.

Risks will be monitored and managed at the project and programme level, but also at the fund level. A fund risk management strategy will be developed as part of the Operations Manual. A Fund Risk Management Strategy should accelerate delivery and increase fund impact, ensure that fund operations 'do no harm' and verify that funds are used for their intended purpose and improve risk management capacity of national institutions. The Fund risk management strategy is not a replacement for project risk evaluation/management.

A risk management strategy will:

- Develop shared understanding of risks faced by the Fund
- Define risk appetite or tolerance
- Identify known risk and risk-holders
- Establish the Fund's policies regarding identified risks
- Determine risk treatment through measures of mitigation or adaptation
- Establish information strategies and common messages about the risks
- The Steering Committee shall regularly assess risks and mitigation measures against the developed risk strategy and update it accordingly

7. Monitoring, reporting and evaluation

Both programmatic and financial performance indicators will be monitored at the outcome and output level (fund and project level). Every project would monitor the key outcome indicators of the UNDAF to which it must contribute in accordance with the Fund Result Matrix. The output indicators would be specific to each project. The SCORE index will be used to monitor outcome level measures of progress. The Secretariat will be responsible for consolidating the data reported by the implementing organisations together with the financial reported expenditure into a single M&E scorecard. This tool will be used by the Steering Committee to review the overall progress against expected results and assess the achievement of performance targets defined in the agreements for funding.

Reporting

The responsibilities related to reporting are gathered and detailed in the Memorandum of Understanding (MOU), section IV and Standard Administrative Agreements (SAA), section V. All the implementing entities will carry out annual and final reports on activities and expenditures according to a common format designed for the Fund. The prime responsibility for collecting data lies with the implementing organizations. The Secretariat will be responsible for coordinating the data collection and ensuring the proper use of the reporting format.

Narrative reporting

The implementing entities will present the following reports to the Secretariat for consolidation and further transmission the Administrative Agent:

1. Annual narrative reports to be provided no more than three months (March 31st) after the end of the calendar year; and
2. Final narrative reports after the end of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than four months (April 30th) in the following year after the financial closure of the project.

The annual and final reports will be results-oriented and evidence-based. The reports will give a summary of results and achievements compared to the expected result in the programme document. Both programmatic and financial performance indicators will be monitored at the Outcome and Output level. The final report will also contain an analysis of how the outcomes and outputs have contributed to the overall impact.

Financial Reporting

The implementing entities will present the following financial statements and reports to the Administrative Agent:

1. Annual financial statements and reports to December 31st, regarding released resources by the Fund to them; these shall be provided no more than four months (April 30th) after the ending of the calendar year;
2. Final certified financial statements and financial reports after the completion of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than five months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the time period specified in the financial regulations and rules of the Participating UN Organization, whichever is earlier.

The Administrative Agent will submit the consolidated narrative and financial reports to each of the Fund's Contributors and to the Steering Committee as per the schedule established in the MOU and SAAs.

Evaluation

The Steering Committee will commission two independent reviews/evaluations on the overall performance of the Fund. The aim of these evaluations, to be spelled out in further detail in the TORs for the evaluations, will be to study the various performance measurements of the Fund, to confirm or to annul them, and to test the Theory of Change described in the Result Fund Matrix. The mid-term evaluation will consist of specific recommendations to the Steering Committee for the review of the Fund Result Matrix and its underlying theories of change, if necessary. The effectiveness of the fund in comparison with parallel funding should be part of the assessment as well as the success of the fund in generating, attracting and scaling up private sector and philanthropy investments, beyond traditional donor contributions.

8. Accountability and Transparency

The UN Agencies will provide implementation services in accordance with its own financial regulations, rules and policies. For each project or program approved for funding, each implementing entity will provide the Secretariat and the MPTFO annual and final reports and financial statements prepared in accordance with their accounting system and reporting procedures, as stated in the legal agreements

signed with the Administrative Agent. In line with the audit provisions in the standard legal agreements, as well as 2014 Framework for Joint Internal Audit of UN Joint Activities, the AA, the participating UN Organizations, and implementing entities will be audited according to their own rules and financial regulations, and in line with this framework for joint audit. The Government Coordinating Entities and the National Entities receiving funding through the National Window will be audited according to their own financial rules and regulations. In addition, external audits will be conducted on all National Entities projects and programs funded by the National Window at least once during their life cycle and depending on assessed risks and internal audit results, may be conducted more frequently.

Transparency

The MPTFO website, Gateway (<http://mptf.undp.org>), is a web-based service portal that provides real-time financial data issued directly from the UNDP accounting system. Once established, the Fund will have a separate page in the Gateway portal which will allow partners and the public at large to follow-up on the Fund contributions, transfers and expenses, and access key documents and reports.

The Secretariat and the MPTFO will ensure that the Fund's operations are posted on the Gateway portal. From its side, each implementing entity will take appropriate measures to promote the Fund. Information shared with the media regarding beneficiaries of funding, official press releases, reports and publications will acknowledge the role of the Fund

9. Operational Manual

The Terms of Reference and operating details will be developed in depth by the MPTFO and the Fund's Secretariat through an Operations Manual and be approved by the Steering Committee during its first meeting. Any significant revision to the operational manual will be approved by the Steering Committee.

10. Modification and expiration

The Liberia MPTF has been established for three years with an end date of 31 December 2020. It may be extended or reviewed based on approval by the Steering Committee. The Fund will terminate upon completion of all programmes funded through the Liberia MPTF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the Liberia MPTF, any unutilised balances will continue to be held in the Fund Account until all commitments and liabilities incurred in implementation of the programmes have been satisfied and programme activities have been brought to an orderly conclusion. Any balance remaining in the Fund Account or in the individual Participating UN Organisations' separate ledger accounts will be used for a purpose mutually agreed upon by the Donors, the UNCT and the AA.