



**UNITED NATIONS  
PACIFIC**



## **United Nations Pacific Strategy (UNPS) Fund**

### **Terms of Reference (TOR)**

**6 May 2020**

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## I. Introduction and context

### The United Nations Pacific Strategy (2018-2022)

The UN Sustainable Development Cooperation Framework (previously the UN Development Assistance Framework), guides the planning, implementation, monitoring, reporting and evaluation of collective UN support to the 2030 Agenda implementation. The Cooperation Framework has primacy in driving major UN development system contributions at the country level. In the Pacific context the current document is called the United Nations Pacific Strategy (UNPS) 2018-2022. This five-year strategic framework outlines the collective response of the UN system to the development priorities in 14 Pacific Island Countries and Territories (PICTs – Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Nauru, Niue, Palau, Republic of Marshall Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu). The UNPS responds to the Pacific Leaders’ call to the United Nations system to “align its work programmes and operations to support internationally agreed outcomes, including the Small Islands Developing States (SIDS) Accelerated Modalities of Action (SAMOA) Pathway, the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development, in the Pacific region” (2015 GA res. 69/318). The UNPS embodies a people-centred, human rights-based approach to development in the Pacific that seeks to “leave no one behind”.

The six outcomes address strategic priorities that promote mutual accountability for development results in the Pacific, further Pacific-to-Pacific cooperation, and enable the targeting of valuable UN resources to areas where they are most needed. These outcome areas are: (1) Climate change, disaster resilience, and environmental protection; (2) Gender equality; (3) Sustainable and inclusive economic empowerment; (4) Equitable basic services; (5) Governance and community engagement; and (6) Human rights.

The UNPS aims to complement the work of regional organizations, in particular the Council of Regional Organisations in the Pacific (CROP), comprising, among others, the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC), Secretariat of the Regional Environment Programme (SPREP), the Forum Fisheries Agency (FFA), the University of the South Pacific (USP), in line with the regional priorities as outlined in the Framework for Pacific Regionalism.<sup>1</sup>

Any decision of donors to contribute to this Fund does not preclude other direct support to specific UN agency programmes in the Pacific through direct support to that agency or through other contribution mechanisms. The UNPSF provides another funding mechanism, not a replacement.

### The UN Pacific Strategy Fund

The UN Pacific Strategy Fund (UNPSF, also referred to as The Fund) is a collaboration between the United Nations working in the Pacific led by the UN Resident Coordinators from the Fiji and Samoa Multi-Country Offices (MCOs), contributors and the Participating UN Organizations<sup>2</sup> The UNPSF provides funds to deliver the UN Pacific Strategy and support achievement of the Sustainable Development Goals and the 2030

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<sup>1</sup> <https://www.forumsec.org/pacific-regionalism/>

<sup>2</sup> Additional UN Organizations may be added should the Steering Committee so decide.

Agenda. The Fund is intended to complement other financial resources available to Pacific countries and supports activities agreed by the respective Governments and the UN as outlined in the UNPS.

The Fund contributes to the implementation of UN resolution 72/279 on the UN Development System Reform (as mandated by the UN General Assembly) and is intended to enhance coordination and coherence within the UN system and to facilitate new partnerships.

The intention is for the Fund through the UNPS to become a mechanism for donors to invest effectively and efficiently in delivering development results for the Pacific.

## II. Functions of the UN Pacific Strategy Fund

1. The *Fund* aims to ensure:
  - a) **Development impact:** to facilitate investment in priority development needs, as agreed with Pacific governments, and to enable demonstrable development impact.
  - b) **Coherence:** to support coherent implementation of the UNPS, ensuring alignment with Delivering as One standards.
  - c) **Cooperation:** to enhance cooperation and collaboration among internal and external stakeholders (including Pacific Regional organizations) and to maximise complementary expertise and mandates to deliver the UNPS, including leveraging of resources.
  - d) **Cost and risk reduction:** to enhance efficiency and reduce transaction costs, including information, coordination and administrative costs, through joint activities, partnerships and resource mobilisation.

## III. Programmatic Scope and Theory of Change

The Fund is established to support the implementation of the UN Pacific Strategy For the period 2018-22 the Pacific Strategy is focused on six outcome areas which address strategic priorities that promote mutual accountability for development results in the Pacific, further Pacific-to-Pacific cooperation, and enable the targeting of valuable UN resources to areas where they are most needed. The outcome areas and intended results are:

<p><b><u>Outcome 1:</u> Climate Change, Disaster Resilience, and Environmental Protection</b></p>	<p>By 2022, people and ecosystems in the Pacific are more resilient to the impacts of climate change, climate variability and disasters; and environmental protection is strengthened.</p>
<p><b><u>Outcome 2:</u> Gender Equality</b></p>	<p>By 2022, gender equality is advanced in the Pacific, where more women and girls are empowered and enjoy equal opportunities and rights in social, economic, and political spheres, contribute to and benefit from national development, and live a life free from violence and discrimination.</p>

<b>Outcome 3: Sustainable and Inclusive Economic Empowerment</b>	By 2022, people in the Pacific, in particular youth, women, and vulnerable groups, benefit from inclusive and sustainable economic development that creates decent jobs, reduces multi-dimensional poverty and inequalities, and promotes economic empowerment.
<b>Outcome 4: Equitable Basic Services</b>	By 2022, more people in the Pacific, particularly the most vulnerable, have increased equitable access to and utilization of inclusive, resilient, and quality basic services.
<b>Outcome 5: Governance and Community Engagement</b>	By 2022, people and communities in the Pacific will contribute to and benefit from inclusive, informed, and transparent decision-making processes; accountable and responsive institutions; and improved access to justice.
<b>Outcome 6: Human Rights</b>	By 2022, people in the Pacific effectively enjoy a strengthened legal framework and institutions that deliver human rights protection in accordance with international commitments under relevant treaties, and the Universal Periodic Review.

A results matrix specific to the Fund, mapped to SDG targets, will be developed within the first year of the fund.

## IV. Governance and Management Arrangements

### 1. Governance

#### UN Pacific Strategy Fund (UNPSF) Steering Committee

The UNPSF Steering Committee provides overall strategic direction to the Fund. The Steering Committee (SC) is co-chaired by the Resident Coordinators’ (RCs) of Samoa and Fiji Multi-Country Offices (MCOs). In addition to the RCs, the SC is comprised of fund contributors, Participating UN Organizations (currently four<sup>3</sup>) referred to as PUNOs. The MPTF Office/Administrative Agent and the Fund Secretariat are ex-officio members. The UNPSF SC maintains links to the broader UN Pacific governance architecture as mapped in the diagrams in the Annex to this TOR. This is an important and efficient means by which the UNPSF SC can remain abreast of wider developments and can consider how these relate to the Fund.

The UNPSF SC members are guided by a set of partnership principles which may be periodically revisited. The Partnership Principles are included as an annex to this TOR.

The main functions of the UNPSF Steering Committee are to:

- a. Provide a platform for partnership and coordination;
- b. Review UN Pacific Strategy implementation and discuss challenges, to enable the Fund to collectively address critical gaps in the UNPS;
- c. To oversee fund implementation and performance;

<sup>3</sup> UNDP, UNICEF, UN Women and UNFPA

- d. Approve the allocation of available funds according to UNPS priority areas, agreed criteria, criteria of the contributing entity, and based on the programme documentation submitted;
- e. Monitor utilisation of funds and approve, as required, re-allocation of funds to programmes based on revised and/or jointly agreed priorities in the UNPS;
- f. Review and endorse the annual Fund reports;
- g. Review and endorse reporting, communication and evaluation templates;
- h. Review and take decisions on any programme revisions that significantly change the scope, objectives, strategy or priorities of the agreed programmatic document based on information provided by the Participating UN Organizations;
- i. Review and approve periodic progress reports submitted by the Participating UN Organizations on implementation of the agreed work programme, consolidated by the Administrative Agent and the Secretariat (see below);
- j. Commission a review by an independent evaluator on the performance of the Fund, with findings to be available in early 2022;
- k. Ensure lessons learned are distilled and fed into relevant wider policy discussions, including in relation to the UN Pacific Strategy;
- l. Approve extensions to the UNPS Fund, as required; and
- m. Update the UNPS Fund TOR as required.

The Steering Committee meets regularly every six months (virtually) and annually (face-to-face) and makes funding and programming decisions by consensus. In the case of non-consensus, the SC co-chairs will decide, based on consultation with SC members. The SC has a quorum when the co-chairs and 50% of participating organizations and donors are present.

### **Proposed criteria for allocation of funds by the UNPSF Steering Committee**

The UNPSF Steering Committee will take decisions as to the criteria which will be applied to UNPS Fund and these will be documented in meeting minutes and conveyed transparently to relevant parties.

These may include:

- i. Alignment with the UN Pacific Strategy Fund: proposed programme activities must clearly align with the UNPS, and UNPS Fund Theory of Change and contribute to the intended results agreed by Pacific governments;
- ii. UN Coherence: a key principle of the UNPS Fund is promoting coherence of the UN system in the Pacific. Proposed programme activities must therefore be developed, implemented and monitored with active consideration of this principle, including scope for joint programming;
- iii. Justification and results: Programme documents (such as concept notes) should utilize the template agreed by the Steering Committee which will include the outcomes, outputs, beneficiaries, programme countries and output level budgets for participating agencies;
- iv. Alignment with Participating UN Organization Multi-Country Programme Documents;
- v. Leveraging: Where possible, the work programme should leverage additional resources and align with existing resources to facilitate progress for other interventions;
- vi. Sustainability: To the extent possible, outline exit strategies and likelihood of the sustainability of efforts;
- vii. Coordination/collaboration with regional partners: Programme documents indicate if/how CROP agencies will be considered in the design/implementation of the programme;

- viii. Contributors' priorities: This may include aid programme policies and priorities, as well as specific Ministerial directives (as advised by the contributing member(s) of the SC).

## 2. Management

### Secretariat

The Secretariat ensures proper coordination and functioning of the UNPSF, and serves as the central point connecting the partners (contributors, Participating UN Organizations, and MPTF Office). The Multi-Country Resident Coordinator's Offices (MCOs) will serve as Secretariat of the Fund. The Fund should operate through a dedicated management unit or Secretariat. It is important that the Steering Committee ensure that sufficient resources are made available for effective and efficient fund operations and should consider a specific project for this function. As per the UNPSF MOU/SAA (Standard Administrative Agreement), the costs of such support may be charged as direct costs. The cost of the RCOs support services is agreed during the programme development process and is incorporated as direct cost in the overall programme budget administrative cost (as a separate direct cost project) and would normally not exceed 3%.

The Secretariat is responsible for:

- a. Providing operational and administrative support to the Fund Steering Committee;
- b. Managing internal processes, tools and procedures to ensure the operationalisation of the Fund, including maintaining a risk log and monitoring and evaluation plan;
- c. Providing information to the Steering Committee on strategic priorities, programmatic and financial allocations, as needed (based on UNPS monitoring, agreed programme documents, including the results table, inputs from inter-agency working groups and the Administrative Agent, if applicable);
- d. Facilitating collaboration and communication among Participating UN organizations to foster greater UN coherence, in line with the UN reform agenda, and ensure programmes are implemented effectively;
- e. Fostering effective engagement between UN organizations and CROP agencies;
- f. Collation and consolidation of participating agency progress reports into a coherent narrative report, focused on the achievement of results (including the UNPSF key indicators and the "how/process" indicators intended to measure the approach being taken, as well as lessons learned);
- g. Liaising with donors and mobilising additional resources for the UNPS which can be channeled through the Fund mechanism;
- h. Developing any communication tools on the UNPSF;
- i. Liaise with the Administrative Agent on fund administration issues, including reporting, fund disbursements, programme/fund extensions, and programme/fund closure.

### The Administrative Agent

The Administrative Agent (AA) of the UNPSF will be the Multi-Partner Trust Fund Office (MPTFO). As per UNDG "Protocol on the Administrative Agent for Multi-Donor Trust Funds and Joint Programmes, and One

UN Funds” the AA will be entitled to allocate an administrative fee of one percent (1%) of contributions, to meet the costs of performing the AA’s standard functions as described in the MOU.

The functions of the AA include:

- a. **Fund design:** Support for developing the Fund concept note and the TOR. This includes notably support for the design of the fund architecture, the preparation of the legal instruments based on standard legal agreements, and the development of a logical framework.
- b. **Fund administration:** The Administrative Agent will conclude a Memorandum of Understanding (MOU) with the Participating UN Organizations and Standard Administrative Arrangement (SAA) with donors. Receipt, administration, and disbursement of funds to the participating organizations in line with the Steering Committee approved programme documents and budgets.
- c. **Fund reporting:** Based on the narrative reports submitted by the Participating UN Organizations, and consolidated by the Secretariat, and financial reports provided by PUNOS, provide annual and final consolidated narrative and financial reports and financial statements to the Resident Coordinators for onward submission to donors and the Steering Committee.

## The Participating UN Organizations

The Participating UN Organizations (PUNOs) will be responsible for the implementation of the specific joint projects and programmes. They will assume full programmatic and financial accountability for the funds transferred to them by the Administrative Agent, in accordance with its regulations, rules, policies and procedures, including fiduciary standards.

The PUNOs will work with the Secretariat and Administrative Agent to prepare the narrative annual and final reports (and any other reports requested by the Steering Committee) within the agreed timeframe and in line with the programme documentation, including the MERL components.

For Joint Programmes, the lead agency will coordinate activities related to the Joint Programme. The lead agency consolidates the annual narrative reports, with inputs from all participating UN agencies, in accordance to the MPTF guidelines and templates. The reports are consolidated into a fund level report by the Secretariat and MPTF Office. The financial reporting is done by the UN organizations’ HQ’s directly to the MPTF Office.

Indirect costs of the PUNOs recovered through programme support costs will be 7%. All other costs incurred by each Participating Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

The minimum size of individual transfers from the AA to the PUNOs during the implementation phase should be at least \$100,000 per PUNO per transfer to reduce transaction costs. Transfers can be smaller during the last year of the programmatic framework, when the final round of allocations is made. Unless otherwise determined by the SC, in consultation with the MPTFO, payments will be made annually.

In line with the UN Pacific Strategy agreements, all programme activities will be developed, implemented and monitored with the active involvement of relevant line ministries and other relevant partners, including civil society.

## **V. Fund Implementation**

### **Contributions to the UNPS Fund**

In support of the overarching aim of the Fund, and to ensure maximum flexibility and adaptation to national priorities, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled/unearmarked resources. Earmarking is generally discouraged and donors are asked to contribute unearmarked funds to the degree possible. However, if this is not possible, earmarking at the outcome level may be accepted.

Donors are encouraged to contribute with multi-year, unearmarked resources for pooling in the UNPS Fund. Funds should be provided in fully convertible currency and shall be deposited in the bank accounts designated by the MPTF Office as Administrative Agent. 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.

Alternative funding arrangements will be considered by the Steering Committee, in consultation with the MPTF Office, on a case by case basis.

Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General's guidelines: <http://www.un.org/partners/business/otherpages/guide.htm>) as well as other partner guidelines (such as donor's). Funds from the private sector will be decided by the Steering Committee on a case by case basis.

### **Fund implementation**

Work programmes will be implemented by the Participating UN Organizations as per documents submitted to and agreed by the UNPSF Steering Committee. The proposed programmes will first be agreed by the national governments prior to submission to the UNPSF Steering Committee. An Operations Manual drafted by the Secretariat and the MPTF Office will provide information on programmatic templates and Steering Committee decision templates.

Resources from the UNPSF will be utilised to meet the direct and indirect costs of projects selected for funding and managed by the Participating UN Organizations. Details of such projects, including respective budgets and implementation partners (national entities, NGOs, civil society organizations, non-state actors and inter-governmental organizations) will be set out in the relevant programmatic documents.

Programme approval entails signing the programmatic document and budget by the Participating UN Organizations and the Steering Committee chairs, on behalf of the Steering Committee.

### **Risk management**

Risk identification and management is reflected in the UNPS Fund programme documents. Participating UN Organizations and their implementing partners will comply with the policies, procedures and practices of the United Nations Security Management System and will undertake all reasonable efforts to ensure that any management or mitigation plan complies with such standards. The PUNOs will engage in a constructive

and timely manner to address any concerns and complaints raised through an accountability mechanism which is specified in the legal instruments governing the Fund (MOU and SAA).

Risks related to the implementation of the UN Pacific Strategy are broadly considered to include those listed in the table below.

RISK	IMPACT/ PROBABILITY
Political instability	Medium
Changing policy priorities	Medium
Outward migration	Low
Economic decline	Medium
Extreme weather events and natural disasters	Medium
Global Health Pandemics – COVID -19	Medium - High

The Secretariat will develop a risk management plan, approved and monitored by stakeholders

**VI. Reporting**

Participating UN Organizations will provide the Secretariat and the Administrative Agent with annual and final narrative reports and financial statements prepared in accordance to UNDG harmonized reporting standards and according to the timing indicated in the MOU/SAA.

The annual and final reports will be results-oriented and evidence-based, in line with the agreed MERL documents. Both programmatic and financial performance will be monitored at the level agreed by the UNPS Fund Steering Committee and will be based on a desire to focus on strategic governance of the Fund – moving from transactional project monitoring to more transformational monitoring of programme results and addressing bottlenecks collectively.

The primary responsibility for collecting data lies with the PUNOs and this should be discussed amongst partners prior to the submission of reports to the MPTF Office in order to foster co-ownership of the work programme and results. The Resident Coordinators and UNPSF Secretariat will be responsible for convening programme discussions and ensuring the proper use of the reporting format.

The final report structure will be agreed with the UNPS Fund Steering Committee and will include key indicator reporting, development outcome reporting (in relation to the UNPS) and, for the UNPSF, it will also include reporting against the “how/process” indicators that seek to monitor the approach being taken.

The Resident Coordinators/Secretariat will disseminate reports to all members of the Steering Committee, within the specified timeframe.

The results of the UNPSF as well as any other pooled fund/joint programme that contributes to the UNPS should be referenced in the annual reporting of the UNPS.

**VII. Monitoring and Evaluation**

Programmes supported by the UNPSF will be subject to monitoring and evaluation as agreed in the 2018-2022 UN Pacific Strategy and as requested by the Steering Committee.

Evaluation will follow the UN Evaluation Group norms and standards and will be carried out in line with the System Wide Evaluation Policy. The evaluation of the Fund will be included into the scope of the Cooperation Framework (CF) evaluation for coherence and efficiency. The Steering Committee will issue the management response to the CF evaluation on recommendations specific to the Fund. The Fund will contribute to the costs of the Cooperation Framework evaluation, so that that evaluation can also cover the evaluation of the Fund

UNPSF monitoring systems should be aligned, to the extent possible, to the systems established for monitoring the UN Pacific Strategy. This includes utilising the UN Outcome Groups and the UN Pacific Strategy Steering Committee. The participation of non-UN members of the UNPSF Steering Committee as observers or ex-officio members of these monitoring mechanisms may be considered on a case by case basis, particularly when this would be beneficial to increasing broader understanding of issues related to the UN Pacific Strategy so as to assist the strategic governance of the UNPSF.

In addition, the Steering Committee will discuss any substantive revisions to the Fund, and promptly inform each other about any significant circumstances and major risks.

## **VIII. Audit**

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.

## **IX. Public Disclosure**

Subject to the regulations, rules, policies and procedures of the Participating UN Organization, information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will highlight the results achieved and acknowledge the role of the Host Governments, contributors, the Participating UN Organizations, the Administrative Agent and any other relevant entities.

The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund are posted, where appropriate, for public information on the websites of the UN in website <http://md.one.un.org/> and the Administrative Agent website <http://mptf.undp.org/>.

## **X. Communications**

A Communications Plan for the UNPSF is essential to ensure that the UNPSF is visible as a key UNPS fundraising mechanism and that its value for worthwhile investments and partnerships is recognized.

A Communications Plan for the UNPSF will focus on designing and delivering activities that aim to strengthen the reputation of the UN Country Teams (Fiji and Samoa MCOs) as trusted development partners; and promote the results of UNPS jointly delivered programmes with lifechanging impacts on the people that the UN serves.

The 'UNPS Fund' Communications Plans will be developed alongside programme documents, and it will include a Branding Guideline to support integration into programme communications and visibility aspects.

Upon establishment of the Fund, the Resident Coordinators/Secretariat will coordinate the development of a UNPSF communications protocol.

## **XI. Modification and Expiration of the UNPSF**

The last date to transfer funds to Participating Organizations will be 31 December of the penultimate year of the programmatic cycle (i.e., 31 December 2021 for the cycle that concludes at the end of 2022). Completion of all operational activities will be 31 December of the end year of the programme (i.e., 31 December 2022). The fund will be extended to cover the subsequent programming cycle, unless there is an objection from any of the partners. The dissemination of the final narrative report will be 30 June of the year following the operational closure of the programme.

The Administrative Agent will notify contributors when it has received notice from all Participating UN Organizations that the activities for which they are responsible under the approved programmatic document have been completed and the Fund is operationally closed.

This Arrangement may be modified only by written agreement between the Participants to the UNPSF.

This Arrangement may be terminated by either Participant on thirty (30) days written notice to the other Participant, subject to the continuance in force as noted in the MoU and SAA.

# Annexes

## UN Pacific Strategy Governance Structure

