

MULTI-DONOR TRUST FUND OFFICE

Efficiency | Transparency | Accountability

Quarterly Newsletter

October – December 2009, Issue 4



UNITED NATIONS
DEVELOPMENT GROUP



Key Figures

- 32 MDTFs and 23 JPs
- Operating in 74 Countries
- US\$4.5 billion total commitments
- US\$4.2 billion total deposits
- US\$3.0 billion transferred to Participating Organizations
- 54 Donors/Partners
- 42 Participating Organizations

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MDTF Office Mission

To provide transparent and accountable fund management services to the United Nations system to enhance its coherence, effectiveness and efficiency.

Dear Reader

Wishing you Happy New Year, the MDTF Office starts the new decade of 2010 with increased commitments to match and hopefully exceed the fund administration services it provided to its partners – the UN system and donors - in 2009.

The various UN MDTFs and Joint Programmes (JPs) under implementation continue to assist the UN system's efforts, at the country level, to provide coherent and effective support to nationally determined priorities. 2009 was one of the most demanding and rewarding years for the MDTF Office.

Some 2009 highlights include:

- Over \$1.2 billion in new donor contributions were deposited bringing the total MDTF Office deposits of MDTFs and JPs to \$4.2 billion;
- \$803 million in donor receipts were transferred to 36 Participating UN Organizations;
- 8 new MDTFs and 9 new JPs were added to the portfolio bring the total to 32 MDTFs and 23 JPs;
- To further strengthen the accountability of the MDTF Office, as the Administrative Agent of the UN System, a new separate general ledger business unit – MDTF1 GLBU – for the receipt and administration of MDTFs and JPs was established; and,
- A new MDTF Office Service Portal was finalized, which will further increase operational transparency and will permit for simplified and streamlined programme and financial reporting.

In May 2009, the Office, either directly or through delegation to UNDP Country Offices and Resident Coordinator Offices, consolidated and disseminated Annual MDTF Reports to over 50 donors, based on the receipt of 886 individual agency financial project reports for total expenditures of \$500 million.

In response to the growing demand for MDTF Office services, with the support of the UNDP Management Consulting Team, we undertook a thorough review of the MDTF Office's business processes. As a result, a series of business improvements are being implemented to enhance organizational effectiveness and standardize business practices across MDTFs and JPs. These business processes and systems improvements will assist the MDTF Office to remain responsive and sustain the quality of services it provides as its portfolio grows and diversifies.

Considerable energy was invested throughout 2009 to test and refine the new MDTF Service Portal, maximize its full capacity and its integration with the MDTF Office website. For the 2010 annual reporting, we will expand the Service Portal's online reporting features to include narrative reporting.

I would like to thank our partners throughout the UN System and the many member states that are providing funding to the MDTFs and JPs we administer, for the exemplary collaboration we had throughout 2009. We look forward to our continued close partnership in 2010!

**Bisrat Aklilu, Executive Coordinator,
MDTF Office, BOM, UNDP**

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New Multi Donor Trust Funds (MDTFs)

Stabilization and Recovery Funding Facility in Eastern DRC (SRFF)

The SRFF was launched in November 2009 by the Prime Minister of Democratic Republic of Congo (DRC), the UN Special Representative of the Secretary General and head of the UN Mission to support stabilization and recovery activities in the Eastern provinces of the DRC. The SRFF was defined on the basis of the Stabilization and Re-construction Plan for War-Affected Areas and the Stabilization Strategy, and focuses on four areas: improving security, restoration of state authority, return and reintegration of internally-displaced persons and refugees and community recovery, and addressing sexual violence. Already at the launch, the SRFF received a US\$20 million contribution from the Peacebuilding Fund (PBF) to support the implementation of the DRC Peacebuilding Priority Plan and US\$ 2.6 million from the Netherlands and US\$ 15 million from Belgium.

The establishment of the SRFF responds to several key objectives: (i) providing a coherent strategic and collective international framework for supporting the Government efforts to stabilize Eastern DRC; (ii) ensuring that the international community is able to respond quickly to changes on the ground and address new priorities as they emerge; and (iii) strengthening the overall impact and effectiveness of international support by ensuring a collective approach and preventing duplication and fragmentation of efforts.

Kyrgyzstan One Fund

In a continued effort to improve aid effectiveness and timely support to the Government of Kyrgyzstan, the UN system in Kyrgyzstan has designed a One UN Programme 2010–2011. The One Programme is based on the current United Nations Development Assistance Framework (UNDAF) 2005–2011. In the framework of the One UN Programme, the One Fund was established in December 2009. It will support the new or expanded initiatives in response to emerging national needs and address the effects of energy and food insecurity and the global economic crisis. Resources for the

One Fund will be mobilized by the UNCT through various sources, including the UNDG Expanded Delivering as One Funding Window (EFW).

New Joint Programmes (JPs)

Local Governance and Community Development in Nepal (LGCDP)

The LGCDP brings together the activities of five UN Organizations – UNDP, UNICEF, UNFPA, UNV and UNCDF. The JP is fully aligned with the overall framework provided by the national Government of Nepal “Local Governance and Community Development Programme” and contributes to poverty reduction in Nepal through improved and more inclusive local governance and service delivery. More specifically, the JP builds on the experiences of different UN agencies in the areas of decentralization, local governance and community-led development and support the implementation of a range of activities.

The JP is supported by DFID and Denmark, with contributions of US\$10.8 million and US\$2.5 million, respectively.

Joint Integrated Local Development in Moldova

Drawing upon Moldovan and global expertise in facilitating local self-governance and community-led development, UNDP and UNIFEM developed an Integrated Local Development Programme (ILDLP), which will be supported by Sweden (Swedish Kronor 45 million), that provides knowledge-based policy advice at central and regional levels coupled with a scaled up community-level intervention that aims to integrate local authorities into regional and community level development processes. The ILDP will deepen engagement with communities and local authorities, and will lay a foundation for regional and community-led development.

Gender Equality in Uganda

The JP on Gender Equality in Uganda was concluded in December 2009 and involves participation of 11 UN Agencies.

Gender equality and women’s empowerment are embedded in the Millennium Declaration and are imperative for



achievement of seven Millennium Development Goals. The JP focuses on enhancing progress in the attainment of those MDGs that hinge on women's empowerment. Activities include: advocacy, capacity building and support for policy formulation and implementation.

The JP will be supported by DFID with approximately US\$ 21.5 million over the next 4.5 years.

Other MDTF Updates

NEW - UNDG Guidance Note on Establishing MDTFs

In 2009, the MDTF Office collaborated with the UNDG and DOCO to prepare practical guidance on establishing Multi-donor Trust Funds (MDTFs). The decision to develop the 'UNDG Guidance Note on Establishing Multi-Donor Trust Funds' was in response to the increasing use of MDTFs to address humanitarian, recovery, transition and development challenges and is based on experiences gained in the establishment of existing MDTFs.

The guidance note applies to the establishment of all MDTFs at the country-level, including 'Delivering as One: One UN Funds', for which the standard UNDG MOU and SAAs apply. It provides useful information on the steps for establishing an MDTF, governance arrangements, role of the Administrative Agent, as well as useful links to reference documents. The Guidance Note is available on both the [UNDG](#) and [MDTF Office](#) websites.

UPDATE on the CFIA

The Central Fund for Influenza Action (CFIA) was established in 2007 to provide funding for urgent unfunded and under-funded priority actions of the UN System Consolidated Action Plan for Avian and Human Influenza (UNCA-PAHI). With support from the CFIA, the Participating Organizations have worked effectively over the past 2.5 years to build capacity for pandemic readiness by providing an effective base for communication, contingency planning and operational continuity that applies to the current H1N1 pandemic and will apply to future public health emergencies that reach into refugee and migrant communities, and safe-guards essential food supplies.

The Management Committee governing the CFIA is chaired by Dr. David Nabarro, Senior UN System Coordinator on Avian and Pandemic Influenza, and comprises 13 Participating Organizations and four donors. As of 31 December 2009, the total portfolio was over US\$ 33.3 million funded by US-AID (US\$27 million), Norway (US\$5 million), Spain (US\$0.6 million) and DFID (US\$0.7 million). In December 2009 the CFIA Management Committee held its 7th meeting and approved 11 project proposals totaling around US\$ 7.3 million to support capacity building for pandemic readiness. For more information, please visit the [CFIA website](#).

ANNUAL Progress Report Deadlines

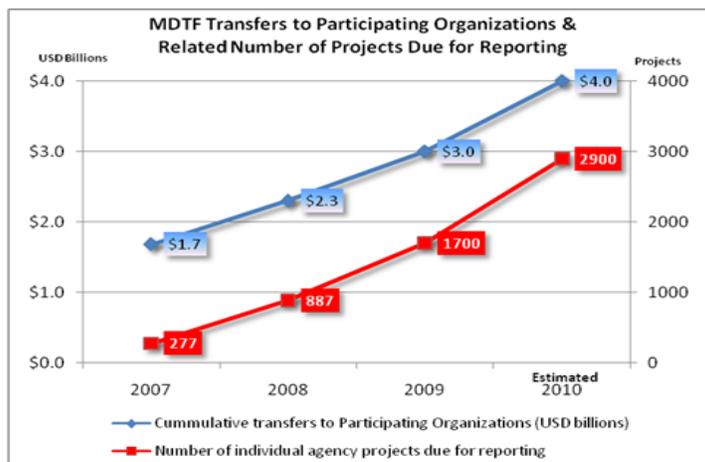
The Annual Progress Report timeline for reporting for all UN MDTFs administered by the UNDP MDTF Office, for the period 1 January – 31 December 2009, is highlighted below. In accordance with the UNDG Memorandum of Understanding (MOU) each programme approved and funded by the MDTFs as of 31 December 2009 are required to provide annual narrative and financial progress reports, in accordance with the following submission timeline:

- Narrative Progress Reports by the Participating Organizations to the MDTF Office by 31 March 2010. For Joint Programmes, only ONE narrative progress report to be submitted for each Joint Programme, by the lead agency or the relevant Resident Coordinator;
- Financial Reports by the Participating Organizations to the MDTF Office by 30 April 2010;
- Consolidated Narrative and Financial Progress Report by Fund from the MDTF Office to Donors and other stakeholders by 31 May 2010.

The reports will be used by the MDTF Office, UNDP Country and UN Resident Coordinators Offices with delegated Administrative Agent authority, to prepare a Consolidated Annual Progress Report for each Fund which will be submitted to the Funds' Donors, Steering Committees and other stakeholders. Formal announcements with templates and guidance will be officially issued by the MDTF Office to partners in January 2010.



MDTF Office Prepares for the Annual Reporting Cycle



With the 31 May 2010 deadline for submission of over 29 consolidated annual MDTF reports to over 50 donors, the MDTF Office began preparations before the New Year.

The Office estimates that it will receive 1700 individual financial project and joint programme reports for the 2009 annual reporting cycle. This is a significant increase from the 2008 reporting cycle where 887 project reports were due covering total expenditures of \$500 million.

Considering the growth of the portfolio and the number of MDTFs, the reporting workload is significant for both the Participating Organizations and the MDTF Office. In response to the steep increase in project and JP reporting, and the associated complexity, the MDTF Office has introduced several business process improvements in 2009 to simplify and streamline the reporting process and increase outreach, transparency and accountability.

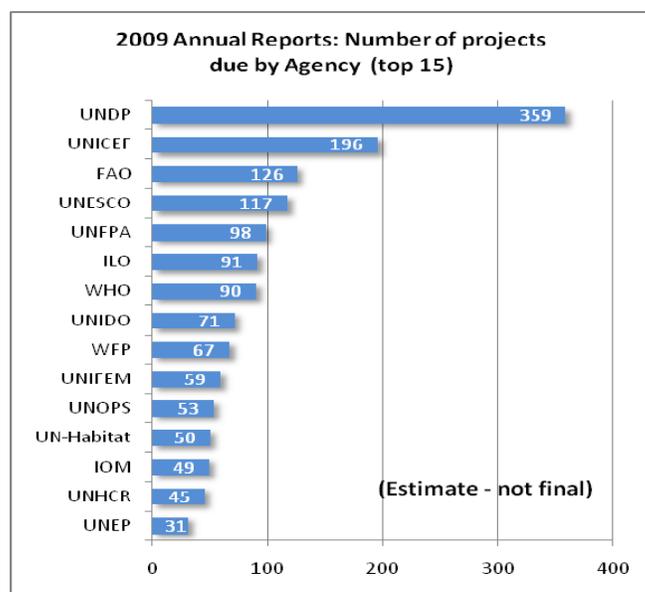
Close collaboration with other units in UNDP Bureau of Management, notably OIST and OFA, was essential to bring these change initiatives to a successful completion.

As a first step, a separate MDTF General Ledger Business Unit on the Atlas ERP system was introduced. Combined with new separate MDTF bank account, the separate Business Unit has reinforced the UNDP MDTF Office's accountability as Administrative Agent for all "pass-through" funds.

Secondly, UNEX, a financial data upload facility to receive financial reports, was also launched to receive the annual

financial reports. The system allows Participating Organizations to automate reporting of financial data to the MDTF Office by extracting data from their respective accounting systems for uploading via the UNEX web-interface in one single excel spreadsheet.

The new system has reduced the reporting workload on Participating Organizations by reducing the number of individual financial reports submitted and the number of signatures required. In the new system, only one excel spreadsheet is submitted per Participating Organization and the annual statements (known as Schedule A) are automatically generated by UNEX.



Thirdly, in 2010, the new Service Portal will be open to the all stakeholders, partners and public to increase transparency and access to data and information, including:

- Interactive tools such as maps, timelines, charts, figures;
- Data generated from MDTF Office's "open books" using ATLAS, UNDP's corporate ERP System;
- Programme level information and documents;
- Ability for donors and Participating Organizations to track deposits and transfers including details on funds, dates, locations.

Please take a look at the new site (mdtf.undp.org) and send your feedback to: executivecoordinator@undp.org.



The Next Generation of Peacebuilding Funding: Fast, Relevant and Catalytic

As 2009 drew to a close, the Peacebuilding Fund (PBF) launched new guidelines positioning it as a global, fast, relevant and catalytic funding tool supporting peacebuilding initiatives that make a difference in countries emerging from conflict.

The PBF was launched in 2006 to help national governments build a lasting peace through strategic funding of peacebuilding needs. By the end of 2009, the PBF had proven itself as a global fund by supporting more than one hundred peacebuilding initiatives in Burundi, Central African Republic, Guinea-Bissau, Sierra Leone, Comoros, Côte d'Ivoire, Guinea, Liberia, Nepal, Democratic Republic of Congo, Haiti, Timor-Leste, Kenya, Comoros and Somalia.

Four countries (Burundi, Guinea-Bissau, Sierra Leone and the Central African Republic) are on the agenda of the Peacebuilding Commission, an intergovernmental body comprised of 31 members, which focuses international attention and resources on countries to prevent a relapse into violence. The remaining countries received funding after submitting suitable proposals through the senior UN representative in the country.

In 2010 the PBF will support peacebuilding efforts based on the revised guidelines adopted by the UN General Assembly in July 2008. Under the leadership of Judy Cheng-Hopkins who joined in September as the new Assistant-Secretary General for Peacebuilding Support and to whom the Secretary-General has delegated overall Fund responsibility, the PBF will assess funding for peacebuilding projects that fall within one of the below four priorities:

- Respond to imminent threats to the peace process and support peace agreements and political dialogue
- Build or strengthen national capacities to promote coexistence and peaceful resolution of conflict
- Stimulate economic revitalization to generate peace dividends
- Re-establish essential administrative services

Any of the four priorities can be applied for within two different funding facilities: the Immediate Response Facility



ASG Judy-Cheng Hopkins in Côte d'Ivoire with the Special Representative of the Secretary-General to Côte d'Ivoire Mr. Y.J. Choi

(IRF) and the Peacebuilding and Recovery Facility (PRF). The IRF is designed to jumpstart peacebuilding and recovery needs in post conflict countries. It is a flexible and fast funding tool for single or multiple projects of up to one year in duration. Proposals submitted by the senior UN representative in country that meet the PBF's criteria, can receive funding within three weeks.

The PRF is designed to support a more structured peacebuilding process, driven by national actors based on a joint analysis of needs with the international community. The PBSO establishes a country allocation based on the approved Priority Plan and delegates project approval authority to a country level Joint Steering Committee co-chaired by the national Government and the UN.

Funding for eligible countries is channeled through UN funds, agencies and programmes that have signed the MOU with the MDTF Office as the PBF Administrative Agent.

Of particular interest in 2010 are "catalytic" projects that can be "scaled up" into longer-term peacebuilding initiatives with either bilateral, multilateral or funds from international financial institutions such as the World Bank. The PBF will seek to measure this in the coming 12 months to learn how it can further consolidate its role in providing funding that makes a difference to long-term peacebuilding.

For more information on the PBC, the PBF and the PBSO, please see www.un.org/peace/peacebuilding.



Delivery as One in Papua New Guinea



In Papua New Guinea (PNG), the Delivery as One agenda has taken shape within the Joint UN Country Strategy. The country strategy makes it much easier for the government and the donors to see what the UN is actually doing in PNG, both from a programme and an operational angle. It's an "All in One Strategy Guide to the UN in PNG". The UN country strategy has five elements generally referred as the "Five Ones":

- One Programme (approved 2008)
- UN Budgetary Framework including One Fund and Joint Resource Mobilization (approved 2009)
- UN Operation (approved 2008)
- UN House (approved 2008)
- UN Advocacy and Communication (approved 2009)

The good thing about this framework is that it has allowed professionalization in the way the UN does business: each of these 'Ones' has its own clearly identified and measurable

results and resources. Everyone is involved in what we are trying to achieve over this five year period. This alone has ensured more effective management of our programmes and operations. The fact that we have one report to provide to government and donors rather than 14 individual re-

ports, further contributes to simplification. Due to of these advantages, we have generated critical buy-in and support from both the government and development partners.

Of the "Ones", the best known are the 'One Programme' and the 'One Fund'. The 'One Fund' is a critical component creating a single financing mechanism for all our programmatic priorities. Both have received strong support from government and donors, as they cut their transaction costs in working with the UN, and create a transparent and coordinated environment for everyone to work within. The PNG One Fund will likely channel up to 80 percent of the UNs development resources through this single mechanism. That's a tremendous step towards harmonization and simplification as there were previously more than 30 different channels through which the UNCT received funding.



UN Volunteers Field Trip, PNG

One of the great things that changed the way the UN works in PNG, whether programmes or operations, is the concept of our Task Teams, which are pools of staff from different UN Organizations with a similar knowledge and experience base. The Task Teams are responsible for the planning and realization of the results in our Joint UN Country Strategy, whether they are programme, operational or communication results. In order to plan together, teams need to listen, discuss and agree on common results and how each UN Or-



ganization will contribute to support the national development priorities. But it is an awareness process as well, and it forces alignment between our different programmes. In the end, we all contribute to the same goal - each agency in its own way.

Each Task Team contributes to the implementation of the annual work by overseeing one or more intermediate outcomes of the UN Country Programme (UNCP) Action Plan such as Parliament and Legislative Processes,



World Aids Day, PNG

MDGs and Aid Effectiveness, Provincial Planning and Management, Human Rights, Nation Building, Disaster Management, Health, Education, Child Protection, Sustainable Livelihoods, Population, Gender and HIV/AIDS.

Facilitating change is another key component of the 'Delivering as One' agenda in PNG. In 2010 the capacity of the UN in PNG will be assessed taking into account how government, UN partners and UN staff perceive the UN, what we do and how we do it - particularly our capacity to deliver against planned results.

Of course there are challenges with the 'All in One' strategy and UN integration. The main challenge is change - both for the UN System and our counterparts in government and development partners. Everyone needs to think differently - letting go of their agency mentality to allow for a deeper understanding of each sister agency's interests and goals. The Task Team structure has also facilitated change. Additionally, as a result of the change process, staff report to their Head of Agency and to the Task Team leader, in that order.

People now need to use the new integrated system, and not hang on to the agency based system. If we hang on to our agency based system, you end up increasingly doing double work as the new integrated system still will require us to do things the new way. And talking about double work - until HQ allows us to use the single report as our main reporting tool, we continue doing double reporting, which is a lot of extra work.

Whether the new Delivering as One approach will work, depends upon the people involved. If you have a good Resident Coordinator, a strong UN Country Team - good staff and good management - change becomes much easier.

In PNG we have improved our collaboration to the vision of our senior management, the support of government and our partners as well as the determination of our staff. We are more aware of our sister agencies, what they do and we use this awareness to enhance our planning, monitoring, implementation and reporting processes, while reducing our transaction costs for government and our partners.

As a result of the UN improved coordination, it makes it easier for us to engage with other partners and the government, while contributing to a more effective aid environment. We expect that next year's Mid-Term Review will demonstrate that our contributions increased development results in PNG. Let's hope it does.....

Prepared by the PNG UNCT

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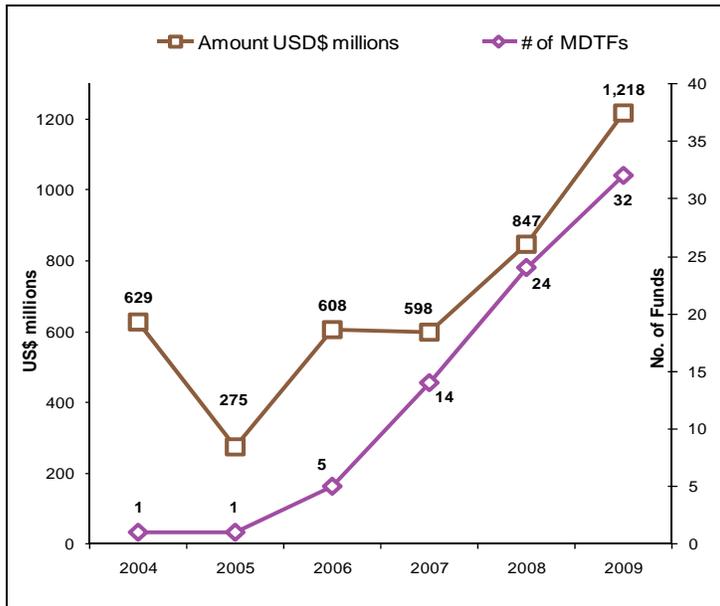


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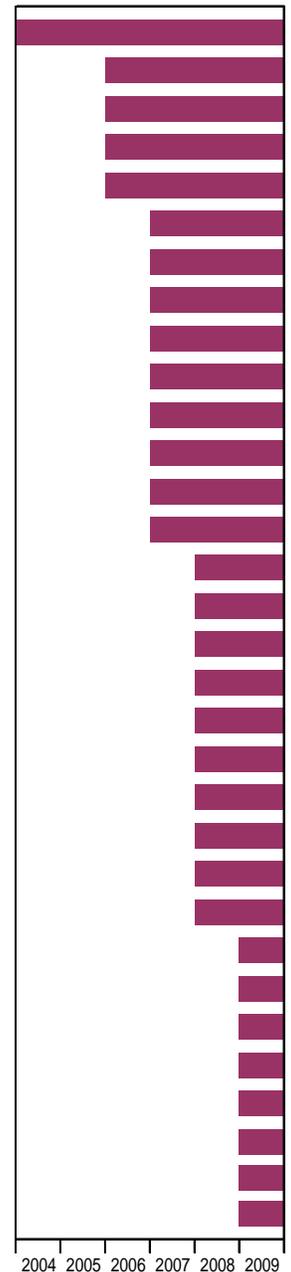
MDTF Office Portfolio at A Glance

Annual Donor Contributions, as of 31 Dec 2009



Portfolio by Fund and Year

- UNDG Iraq Trust Fund
- Sudan Common Humanitarian Fund
- Peacebuilding Fund
- Lebanon Recovery Fund
- Democratic Republic of the Congo Pooled Fund
- Viet Nam One Plan Fund
- Uruguay One UN Coherence Fund
- UNDP/Spain MDG Achievement Fund
- UN Peace Fund for Nepal
- UN Central Fund for Influenza Action
- Tanzania One UN Fund
- Rwanda One UN Fund
- Darfur Community Peace and Stability Fund
- Albania One UN Coherence Fund
- Viet Nam One Plan 2 Fund
- UN-REDD Programme
- UN Trust Fund for Human Security (JPs)
- UN Action Against Sexual Violence Fund
- Sudan Recovery Fund — Southern Sudan
- Pakistan One Fund
- Mozambique One UN Fund
- Delivering as One Malawi One UN Fund
- Central African Republic Emergency Recovery Fund/CHF
- Cape Verde Transition Fund
- UN Bhutan Country Fund
- Kiribati One UN Fund
- Papua New Guinea UN Country Fund
- Sierra Leone MDTF
- Community Based Adaptation Fund
- Expanded Funding Window Fund
- Stabilization/Recovery Funding Facility Eastern DRC
- UN Fund in Kyrgyzstan



Portfolio by Fund, as of 31 December 2009

