



Terms of Reference (ToRs) for the Uruguay One UN Coherence Fund for the One UN Programme 2007-2010 “Building capacities for development” within the framework of the reform pilot process “Delivering as One”

I.- For background information, please see part VI of the One UN Programme.

II.- ToRs for the Coherence Fund Steering Committee (CFSC) of the One UN Programme.

Members: The Coherence Fund Steering Committee will be integrated by the Director of the Planning and Budget Office (OPP, for its Spanish acronym), the Minister of Foreign Affairs, the Resident Coordinator and the Representatives or Directors of the signatory Agencies to the One UN Programme.

Likewise, the representatives of the Governments of Spain and Norway, in their capacity as donors to the Coherence Fund, are observing members of the CFSC.

The Director of the OPP, at his/her discretion may invite the authorities from other governmental organizations.

Presidency: The Coherence Fund Steering Committee will be co-chaired by the Director of the OPP and the Resident Coordinator. Before each session, the Director of the OPP and the Resident Coordinator will decide which one of them will assume the Presidency of the session.

Administrative and management matters requiring prompt resolutions can be presented by the Management Committees of the Joint Projects to the co-chairs for their consent. Upon acceptance of the resolutions, the co-chairs will dully inform the other members of the CFSC.

Competencies. Key tasks and Responsibilities:

- The Coherence Fund Steering Committee's competencies are identified in the One UN Programme document.
- It will establish the eligibility criteria for the projects.
- It will promote the necessary measures to achieve the common framework and procedures for execution by the Agencies and their national associates in the implementation.
- It will review and approve the Terms of Reference and Rules of Procedures, based on the generic Steering Committee Terms of References, and update and/or modify them, as necessary, in case of compelling requirements.
- For un-earmarked funds, (1) it will review and approve the criteria for the allocation of available MDTF resources; (2) it will allocate available resources to thematic projects, making sure that the allocations are aligned with the strategic development framework of the country and approved national priorities.
- It will review and approve proposals from Agencies for funding; ensure their conformity with the requirements of the Multi Donor Trust Fund (MDTF) agreements (MoUs, LoAs). To ensure the quality of proposals to receive funding from the MDTF.
- It will define Terms of Reference and composition for the Management Committees of the projects.
- It will ensure appropriate consultative processes take place with key stakeholders at the country level through the Coherence Fund Consultative Committee, so as to avoid duplication or overlap between the MDTF and other funding mechanisms.
- It will review and approve the periodic progress reports (programmatic and financial) consolidated by the Administrative Agent based on the progress reports submitted by the Participating Agencies. Consolidated annual reports should include a section on the activity of the Coherence Fund Steering Committee.
- It will review findings of the summary audit reports consolidated by the internal audit service of the Administrative Agent. It will highlight lessons learnt and periodically discuss follow up by Participating Agencies on recommended actions that have MDTF-wide impact.
- It will agree (in consultation with the HQ Fiduciary Management Oversight Group) on the scope and frequency of the independent commissions from the Coherence Fund Steering Committee that will draft the "lessons-learned and review" of the MDTF.
- It will review the draft/final reports on lessons learnt, ensure the implementation of recommendations and identify critical issues for consideration by the HQs Fiduciary Management Oversight Group (to be brought up to the Assistant Secretary-General Group, when necessary).

Sessions: The Coherence Fund Steering Committee will meet three times a year in regular sessions.

The Director of the OPP and the Resident Coordinator will hold regular meetings to track the progress of the "Delivering as One" pilot programme.

The projects will be developed by a Drafting Committee and will be submitted to the Coherence Fund Steering Committee jointly by the Director of the OPP and the Resident Coordinator.

Adoption of Resolutions: The resolutions by the Coherence Fund Steering Committee will be adopted by consensus. The Resident Coordinator is responsible for the final decision regarding the allocation of funds from the “Uruguay One UN Coherence Fund.” Decisions of the Coherence Fund Steering Committee shall be duly recorded.

Specific role of the Resident Coordinator as Co Chair of the Coherence Fund Steering Committee:

- Ensure that the decisions taken by the Coherence Fund Steering Committee are in accordance with the regulatory requirements and frameworks of the Participating Agencies and agreements with the programme country and donors.
- Ensure that the decisions taken by the Coherence Fund Steering Committee are duly recorded and promptly communicated to the members of the Coherence Fund Steering Committee, including Participating Agencies, the programme country, and donors, as appropriate.
- Monitor the implementation of the decisions of the Coherence Fund Steering Committee.
- Report to the MDTF Fiduciary Management Oversight Group on the evolving risks and to flag issues that may affect the implementation of the decisions of the Coherence Fund Steering Committee or otherwise impede the operations of the Fund.
- The Coherence Fund Steering Committee co-Chair that represents the United Nations is accountable to the Chair of the MDTF Fiduciary Management Oversight Group, representing the Committee, for the inter-agency fiduciary issues related to the Participating UN Agencies on issues related to funding through the UN for the MDTF activities.

Receipt of Reports: In accordance with paragraph 6.12 of the One UN Programme, the Resident Coordinator of the United Nations in Uruguay will receive copies of the narrative and financial reports that the Participating UN Agencies generate and transmit to their respective Headquarters, or to the Administrative Agent, in relation to the joint projects financed through the “Uruguay One UN Coherence Fund,” the funds received for their execution or the levels of spending. These reports will be shared by the Resident Coordinator with the Director of the OPP.

Secretariat: The Resident Coordinator’s Office (RCO) will perform the functions of secretariat for the Coherence Fund Steering Committee.

III.- ToRs for the Coherence Fund Consultative Committee of the One UN Programme (CFCC).

Background: In order to institutionalize a consultative mechanism for the Coherence Fund Steering Committee with the United Nations Country Team and the donors, in accordance with paragraph 6.10 of the One UN Programme, a Coherence Fund Consultative Committee is constituted.

Members: The Coherence Fund Consultative Committee will be integrated by the Director of the OPP, the Resident Coordinator, representatives from the Agencies of the UN System that are not part of the Coherence Fund Steering Committee, a representative from each donor country to the initiative “Delivering as One”, and representatives from civil society (National Association of Non-Governmental Organizations [ANONG, the Spanish acronym], Uruguayan Federation of Cooperatives [CUDECOOP, for its Spanish acronym], and the National Association of Micro and Small Businesses [ANMYPES, for its Spanish acronym]). Likewise, a representative appointed by the Consultative Committee of the joint project “Strengthening the capacities of the civil society organizations in Uruguay”, different from the already represented organizations, will also take part.

If the Government, through the OPP, should consider it advisable, the relevant Ministries will become part of the Coherence Fund Consultative Committee as permanent members or *ad hoc*.

The Coherence Fund Consultative Committee may invite other representatives from other sectors of society, such as academia, foundations, private sector, or trade unions.

Presidency: The Coherence Fund Consultative Committee will be co-chaired by the Director of OPP and the Resident Coordinator. Before each session, the Director of the OPP and the Resident Coordinator will decide which one of them will assume the Presidency of the session.

Competency: The Coherence Fund Consultative Committee is the body where opinions will be expressed and heard from its members with regard to the evolution and status of the projects financed through the Uruguay One UN Coherence Fund.

The Coherence Fund Consultative Committee will not make any decisions about the allocation of resources from the “Uruguay One UN Coherence Fund” – this competence belongs solely to the Coherence Fund Steering Committee – recommendations, however, may be made on such matters.

The Coherence Fund Consultative Committee will be informed by the Coherence Fund Steering Committee about the development of activities carried out under the framework of the One UN Programme.

Sessions: The Coherence Fund Consultative Committee will meet every six months.

Adoption of resolutions: The Coherence Fund Consultative Committee will issue its opinions or recommendations in the manner it considers appropriate.

Secretariat: The RCO will perform the functions of secretariat for the Coherence Fund Consultative Committee.

IV.- Criteria for the allocation of funds for the joint projects of the One UN Programme 2007/2010 “Building capacities for development”

Criteria for the allocation of resources of the joint projects to be developed with support from the “Uruguay One UN Coherence Fund” under the framework of the One UN Programme 2007/2010 in Uruguay:

1. The project should contribute to the achievement of at least one of the Millennium Development Goals in Uruguay, according to the established objectives for the country.
2. The project should be related with one of the “National Priorities” agreed between the Government and the United Nations System in Uruguay in the United Nations Development Assistance Framework (UNDAF) 2007/2010.
3. The project should contribute to the achievement of one of the four Direct Outcomes established in the UNDAF and in the One UN Programme.
4. The project should contribute to the achievement of one of the established outputs in the “Outputs and resource matrix” contained in the One UN Programme.
5. The project should have incorporated – from the perspective of rights – at least one of the three cross-cutting issues of the UNDAF: gender, human rights, and community development.
6. The project should also address one of the three cross-cutting strongholds of the Government, “strategies for development and democratic transformation of the State”, “decentralization and citizen participation”, and “overcoming poverty, inequalities and inequities.”
7. The project should also apply one of the three complementary “intervention modalities” established in the One UN Programme:
 - a. Support for the design, execution and evaluation of public policies,
 - b. Support for capacity building, and
 - c. Implementation of “pilot” experiences in the territory.

Criteria for disbursements

1. As established in paragraph 6.7 of the One UN Programme 2007-2010 *Building capacities for development* between the Government of Uruguay and the United Nations System in Uruguay, “the use of the Uruguay One UN Coherence fund will be determined by a Steering Committee composed by the Resident Coordinator, participating Agencies and the Government (through OPP). The committee will be co-chaired by the Resident Coordinator and the Director of the OPP.” The approval of joint projects, their consecutive “Annual Work Plans” and, in consequence, the allocation of funds from the Uruguay One UN Coherence Fund to the participating agencies for the development of activities prescribed in them, will be conducted by the Coherence Fund Steering Committee.
2. The initial disbursement from the “Uruguay One UN Coherence fund” to the Agencies that execute activities within a joint project (along with the “national associates in the implementation”) and the subsequent disbursements will be released on a project basis and at six-month intervals so as to favour the monitoring and spending of funds as well as the achievement of the joint programme’s outputs through the planned activities in the Annual Work Plan.

3. Subsequent disbursements, to the initial disbursement, will abide to an evaluation by the Coherence Fund Steering Committee on the level of advancement of the joint project. Such evaluation will be conducted employing the established programmatic and financial criteria.

- **Programmatic Criteria**

4. To receive the subsequent disbursements, following requirements shall be met:

| Programmatic levels for the Joint Project | Criteria |
|---|--|
| Outcomes and Outputs | Using a five-level ordinal scale (“very high”, “high”, “medium”, “low”, and “very low”), the Management Committee of each joint project (with the support from OPP and the RCO ¹) will evaluate the degree of advancement of the expected “outcomes” and “outputs” for the semester for which the disbursement was allocated in the “Annual Work Plan.” A minimum qualification of “high” shall be required, relating to the achievement of “outcomes” and “outputs” to receive the second disbursement. |
| Activities | Using a scale, similar to the one above, the Management Committee for the joint project, with the support from OPP and RCO, will review the achievement in the execution of activities. A minimum qualification of “high” shall be required to receive the second disbursement. |

The Management Committee of each joint project shall approve a monitoring and evaluation system that specifies indicators for activities, outputs, and results that will be the basis to determine the degree of advancement in each joint project. Based on the degree of advancement, the Coherence Fund Steering Committee will determine the criteria for the respective disbursements.

5. The programmatic evaluation will be conducted in base of the “Project Monitoring Framework” included in Section 9 “Monitoring, evaluation and reporting”. The monitoring and evaluation framework shows the indicators and the goals to achieve for each of the expected “outcomes” and “outputs”. The framework may be adjusted or updated by the Management Committee of each joint project to ensure that it incorporates any potential changes made to the “outcomes”, “outputs”, or “activities”.
6. The OPP and RCO will propose management indicators for each of the joint projects, to be considered for approval by the Management Committee of each joint project, in order to generate a programmatic evaluation of each joint project. The management indicators will be used, consequently, along with the indicators detailed in the monitoring and evaluation framework.

¹ See: Paragraph 7.1, One UN Programme 2007-2010 *Building capacities for development* between the Government of Uruguay and the United Nations System in Uruguay.

7. The evaluation will seek to determine the level of advancement in the achievement of the “outcomes” and “outputs”. For the “activities”, the review will seek to determine if these have been executed according to the established chronogram and within the assigned budget. When the execution of the “activities” has deviated on any of these two aspects, as described in the joint project document, the Management Committee responsible for the joint project shall explain to the co-Chairs of the Coherence Fund Steering Committee the reasons that generated the deviation.

- **Financial Criteria**

8. For each of the joint projects being financed through the Uruguay One UN Coherence Fund, the project as a whole shall have spent and/or committed (exclusively understanding by “commitment” those funds associated with signed contracts), by the end of six months that followed the initial disbursement, at least 70% (seventy percent) of the transferred funds.
9. Considering the Project as a whole aims at motivating the commitment of all the participants with the project’s execution – Executing Agencies, Associates and National Implementing Partners – and not only with the execution of the activities that each participant contributes individually. Likewise, the aim is to achieve greater internal coherence in the development of the Project.
10. From the second disbursement, and for subsequent disbursements, it will be necessary to have executed and/or committed at least 70% (seventy percent) of the funds received in the immediately preceding disbursement, and to have executed 100% (a hundred percent) of all other previous disbursements.
11. The percentages of commitment and/or execution established on paragraphs 8 and 10 will be calculated over the disbursements received for the execution of each project, excluding from the calculation the funds transferred to Executing Agencies for “administrative cost recovery” (7%).
12. If the execution goals established in the paragraphs above are met, the Management Committee of the project may establish, within the month prior to the end of the semester being executed, the date in which the Executing Agencies may jointly request the new disbursement from the Administrative Agent. This disbursement will be transferred, in full, as long as there are available funds in the “Uruguay One UN Coherence Fund” by the date of the request. When one or more disbursement requests are received that exceed the available funds in the Uruguay One UN Coherence Fund, the amount(s) to disburse will be proportional to the available funds, among the projects and, within them, among the Executing Agencies^{2 3}. When additional funds are deposited into the Uruguay One UN

² For example, if at the time of receiving one or more requests for funds the resources available for the AA in the “Coherence Fund” represent 0.5 (50%) of the total funds requested, then, the project will receive funds equivalent to 50% of the requested resources, and the Agencies will receive funds in proportion to what would correspond to them from the total amount.

³ During the period of execution of the One UN Programme and the UNDAF, 2007-2010, there will be a reserve of US\$ 100,000.00 in the “Uruguay One UN Coherence Fund” to address unforeseen circumstances that may require a special allocation of funds to a project in order to guarantee its execution. The allocation of these funds will be determined by the Coherence Fund Steering Committee. If these reserve funds have not been utilized by July 30, 2010, they will be executed during the last semester of the One UN Programme and the UNDAF. Except as stated in the previous sentence, this reserve

Coherence Fund and there continue to be disbursement requests that have not been fully awarded, the newly available funds will be distributed proportionally to all pending requests.

13. Notwithstanding the financial criteria established above, the Management Committee may establish the date to request the new disbursement to be no earlier than 6 months from the most recent request for funds for the project. Furthermore, the Management Committee may not establish a date to request the new disbursement that is 6 months beyond the effective receipt of funds by the Executing Agency which properly received funds for the project's disbursement that is being evaluated.
14. If after the first disbursement the 70% minimum threshold is not met, the Agency (along with the "national associates in the implementation") shall have one or, at a maximum, two "grace periods" to achieve the established level of spending or commitment according to the different hypotheses presented in the chart below. Under no circumstances will the grace periods exceed more than 11 months, counting from the date of initial disbursement, to reach the 70% threshold of spending or commitment.
15. If the 70% minimum threshold of spending or commitment is not met by the project by the end of the semester following the initial disbursement, the Resident Coordinator and the Agencies that received the funds and have the least degree of execution shall explore, with the approval of the Management Committee of the joint project in question, the possibility of gathering support from the other Agency(ies) to ensure the achievement of the required level of spending or commitment within the allowed "grace periods".
16. If the 70% minimum threshold according to the different hypotheses presented in the chart below is not met, then the Agency that received the funds will be requested to return to the Uruguay One UN Coherence Fund, through the Administrative Agent, the funds which have not been committed to date. Those funds will be reallocated by the Coherence Fund Steering Committee⁴, aiming at completing the activities that have been under-executed while maintaining the internal coherence of the joint project to which they belong. If it is agreed that those funds should not be used for funding the under-executed activities, the funds will then be redistributed to the other joint projects being financed through the Uruguay One UN Coherence Fund or other programmatic activities of the "One UN Programme 2007-2010 *Building capacities for development*".
17. The Agencies that are in the situation described in the paragraph above will be requested as well to reimburse the corresponding funds received for administrative cost recovery (7%), according to the following rule: funds received for administrative cost recovery multiplied by the proportion of the unspent or un-committed funds over the total amount of funds received by the Agency for the development of activities ("Total activities without administrative cost recovery").⁵

will not be included in the available resources of the "One UN Coherence Fund" when approving disbursement requests by the Agencies.

⁴ Paragraph 6.9 of the "One UN Programme: *Building capacities for development*" states: "The RC is responsible for the strategic leadership and the ultimate allocation decisions of the One UN Coherence Fund."

⁵ If an agency received US\$ 100,000 to execute activities in a semester and US\$ 7,000 for administrative cost recovery, and at the end of the "grace period" has been able to spend or commit less than 50% of the funds received to develop the activities, it will then be requested to return US\$ 50,000 of the funds received for spending and USD 3.500 of the funds received to recover "management fees".

18. If the project is able to spend or commit, during the first or second “grace periods”, a minimum of 70% of the funds assigned, then it will be able to request the total second disbursement, applying the conditions established above.
19. Grace periods shall only apply to the initial disbursement. From the second disbursement onwards, no “grace periods” will be approved; this means that to be able to request the third and following disbursements a minimum of 70% of the immediate previous disbursement and 100% of all other previous disbursements.⁶
20. Notwithstanding the prior statements, the Management Committee of a Project may authorize the request of “emergency funds” when: a) the activities developed by an Executing Agency, which has executed 100% of the funds according to the work plan, imperatively need access to additional resources, b) the lack of resources would considerably risk the continuity of the activities and the project as a whole, and c) the project as a whole cannot request a new disbursement due to not having met the execution goals or time frame described above. In this case, an advance of funds will be granted for the corresponding Executing Agency so as to meet the established needs.
21. The end date for the finalization of a project will be the date that results from adding a semester to the date on which the last disbursement for the project was realized prior to the end date established in the project document. If by that time, a Project a) has not concluded its activities, b) has a remnant of funds to execute them, c) has executed and/or committed at least 80% of the funds corresponding to the last disbursement d) has executed 100% of the funds corresponding to all other previous disbursements, then the Management Committee may request an extension of up to 6 months to the co–chairs of the One UN Coherence Fund. If the project has not reached the goal of 80% of execution and/or commitment of the last disbursement and the execution of 100% of the funds corresponding to all other previous disbursements, a Follow–up Committee will be created, co–chaired by the OPP and the RCO, to support the execution of the project, determining the necessary deadline for the conclusion of its activities and the achievement of its objectives. This deadline shall not exceed 6 months beyond the end date of finalization as established above.

In either case, once the extensions that may have been set expire, the remaining funds shall be returned to the One UN Coherence Fund.

Under no circumstances will the extension in time of the projects imply the approval of new financial resources.

⁶ This means that for an agency to be able to request the third disbursement, it has to fulfill the following two conditions: 1) have spent and/or committed at least 70% of the resources of the second disbursement by the end of a period of six months after disbursement; and 2) have spent, by the end of that same period, 100% of the resources corresponding to the initial disbursement (that is to say, the remnants of up to 30% of such disbursement). For an Agency to be able to request the fourth disbursement it will have to have spent and/or committed at least 70% of the third disbursement within the semester after the date of reception and have spent within that period 100% of the second disbursement. Finally, in order to request the fifth disbursement –only corresponding to some joint projects financed by the “Uruguay One UN Coherence Fund” – it will have to have spent and/or committed 70% of the fourth disbursement and have spent within that same period 100% of the third.

22. The criteria established in these ToR are in effect since August 12, 2009, for those projects currently financed through the Coherence Fund and for the ones approved from that day, notwithstanding the decisions and disbursements that up to that moment have been made in the framework of the different projects.

Conditions to request the 2nd disbursement for the Joint Projects financed through the “Uruguay One UN Coherence Fund”

