



**The UNDG Haiti Reconstruction Fund
(UNDG HRF)**

**Terms of Reference
29 April 2010**

I. Introduction

1. The UNDG Haiti Reconstruction Fund (hereafter referred to the “UNDG HRF”) is an integral part of the Haiti Reconstruction Fund (HRF) established by the Government of Haiti (GoH) as a Financial Intermediary Fund to finance for priority projects and Programmes under the GoH’s Action Plan for National Recovery and Development of Haiti (hereafter referred to the “Recovery Plan”) dated March 2010. The Action Plan articulates the vision of the GoH and is supported by the GoH led Post-Disaster Needs Assessment (PDNA) of the earthquake of 12 January 2010, which was the most powerful earthquake to strike Haiti in 200 years. The PDNA was carried out with support from the European Commission (EC), the Inter-American Development Bank (IADB), the United Nations Development Group (UNDG), and the World Bank.

2. Donors will support the HRF by making contributions through the International Development Association (IDA) that has been selected by the GOH to serve a Trustee to the HRF (hereafter referred to as “Fiscal Agent”). Upon instruction from the HRF Steering Committee (described below), the Fiscal Agent will transfer approved funding to the HRF Partner Entities – the Inter-American Development Bank (IADB), the United Nations Development Group (UNDG) represented by the United Nations Development Programme (UNDP) Multi-Donor Trust Fund Office (MDTF Office) acting as the Administrative Agent on behalf of the Participating UN Organizations, and the IDA (hereinafter referred to collectively as “Partner Entities”)– that will administer and manage their separate trust funds in accordance with their respective policies and procedures to finance priority programmes¹ approved by the HRF Steering Committee.

3. All programmes funded by UNDG HRF will be in support of, and strictly aligned with the GoH Recovery Plan, thus ensuring full national ownership. They will complement other recovery, reconstruction and development activities funded by the GoH and its various development partners and bring strategic value in developing capacity and promoting sustainability.

¹ Programme is a generic term used for Programmes, Joint Programmes and Projects.

4. These Terms of Reference (TOR) establish the roles, responsibilities and functions of the Participating UN Organizations and the Administrative Agent of the UNDG HRF.

II. Purpose, Scope and Principles of the UNDG HRF

5. The key guiding principles of the UNDG HRF include: (i) Consistency with Aid Effectiveness Agenda of national ownership and alignment with the GoH Recovery Plan; increased coordination and harmonization and focus on results; (ii) speed and flexibility in delivering results; (iii) transparency and accountability in the utilization of the HRF's resources; and (iv) Focus on building the capacities of GoH and other national institutions aimed at developing sustainable local capacities for the long term.

6. The purpose of UNDG HRF is to support the GoH's recovery, reconstruction and development plans following the devastating earthquake of 12 January 2010, in accordance with GoH' national priorities articulated in its Recovery Plan dated March 2010.

7. The UNDG HRF will finance programmes in the following priority areas outlined in the Recovery Plan that will be endorsed by the UNDG HRF Management Committee and approved by the HRF Steering Committee for implementation by the Participating UN Organizations of the UNDG HRF:

A. TERRITORIAL REBUILDING

A.1. Reconstruction of devastated zones

A.2. National transport network

A.3. Preparation for the hurricane season and disaster risk management

A.4. Regional development centers and urban renovation

A.5. National planning and local development

A.6. Watershed management

B. ECONOMIC REBUILDING

- B.1. Agricultural production
- B.2. Investment and access to credit
- B.3. Private sector
- B.4. Access to electricity
- B.5. The role of the Haitian Diaspora

C. SOCIAL REBUILDING

- C.1. Housing for the population: temporary and permanent
- C.2. Creation of high-intensity labour jobs
- C.3. Social protection
- C.4. Education: Returning to school and school construction
- C.5. Healthcare, food security and nutrition, water and sanitation

D. INSTITUTIONAL REBUILDING

- D.1. Democratic institutions
- D.2. Relaunching central administrations: salaries, relocation, equipment
- D.3. Justice and security

III. Description of the UNDG HRF

A) Administration of the UNDG HRF

8. The Participating UN Organizations of the UNDG HRF have appointed UNDP, through its MDTF Office, to serve as the Administrative Agent (AA) for UNDG HRF in accordance with the terms and conditions set out in this TOR and further specified in the UNDG HRF Memorandum of Understanding (MOU) entered between the AA and the Participating UN Organizations. The AA accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the AA. This appointment will continue until it expires, or is terminated in accordance with the UNDG HRF MOU.

9. The UNDG HRF Management Committee and/or the HRF Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the HRF or the UNDG HRF not related to the AA functions and subject to

the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the Steering Committee and charged to UNDG HRF as direct costs.

B) Contributions to the UNDG HRF

10. The HRF Steering Committee approved allocations to the UNDG HRF will be accepted through the Fiscal Agent of the HRF in fully convertible currency or in any other currency that can be readily utilized. Such allocations will be deposited into bank account designated by UNDP. The value of a contribution-payment, if made in other than U.S. dollars, will be determined by applying the UN operational rate of exchange in effect on the date of payment.

11. The Administrative Agent will sign a Transfer Agreement with the Fiscal Agent for receipt of HRF Steering Committee approved allocations for transfer to the UNDG HRF for implementation by the Participating UN Organizations. The Transfer Agreement will set out the terms and conditions governing the receipt and administration of the UNDG HRF allocations.

C) Eligibility for UNDG HRF funding

12. Participating UN Organizations will sign a standardized Memorandum of Understanding (MOU) with the AA, setting out the terms and conditions under which UNDP acts as Administrative Agent and the Participating UN Organizations are eligible to receive funds from the UNDG HRF Account following approval by the HRF Steering Committee of the programmes they have submitted.

13. Non-UN entities that are members of the UN Country Team (UNCT), such as the IOM, and have international character, financial rules and regulations that are comparable to the UN may also become Participating Organizations by concluding a separate MOU with the AA.

14. NGO partners and other entities will have access to UNDG HRF through the

Participating UN Organizations, in which case the latter will utilise their standard NGO cooperation modalities for this purpose.

15. Because of the premium on quick responses to urgent needs pertinent to the disaster recovery process, the UNDG HRF Management Committee, in consultation with the HRF Steering Committee, may approve streamlined programme documents that focus on the main purposes, expected outputs and outcomes, and an indicative budget. The programme should also allow for easy adjustment in response to changing circumstances, especially as regards implementation modalities.

16. In accordance with guidelines and procedures to be issued by the UNDG HRF Management Committee, Participating UN organizations will work together in “Programme Groups” (aligned with priority areas outlined in the Recovery Plan) to develop and submit programme proposals through the Office of the Deputy Special Representative of the Secretary-General and the Resident Coordinator (hereafter referred to as DSRSG/RC) for UNDG HRF Management Committee endorsement. Such programme proposals should be based on a request from Government counterpart Ministries or institutions, for Participating UN Organizations to develop concrete programmes to meet specific needs. Following the UNDG HRF Management Committee review and endorsement, the DSRSG/RC will submit the programme proposals, through the HRF Technical Secretariat, to the HRF Steering Committee for final approval.

17. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the AA from the UNDG HRF Account. Each Participating UN Organization will assume full programmatic and financial accountability for the funds disbursed to it by the AA. Programme level management, procurement and expenditures will be governed by the regulations, rules and directives of the respective Participating UN Organizations.

18. As an exceptional measure, particularly during the start up phase of the UNDG HRF, subject to conformity with their financial regulations, rules and directives, Participating UN Organizations may elect to start implementation of programmatic activities in advance of receipt of initial or subsequent transfers from the UNDG HRF Account by using their own resources. Such advance activities will be undertaken in agreement with the Steering Committee on the basis of funds it has or will allocate or approve for implementation by the particular Participating UN Organization and following receipt by the Administrative Agent of an official commitment form signed by the Fiscal Agent. Participating UN Organizations will be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth above.

D) Utilization of the UNDG HRF

19. The UNDG HRF will be utilized for the purpose of meeting the costs of activities approved by the HRF Steering Committee, managed by Participating UN Organizations and carried out with Implementing Partners in accordance with this TOR, the UNDG HRF MOU, and the relevant programme documents of the Participating UN Organizations.

20. The indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%, in accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery). All other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under UNDG HRF will be recovered as direct costs.

21. The Administrative Agent is entitled to allocate an administrative fee of one percent (1 %). The fee will be deducted from the allocations transferred by the Fiscal Agent to the UNDG HRF at the time they are deposited.

22. The UNDG HRF Management Committee and/or HRF Steering Committee may

request any of the Participating UN Organizations, to perform additional tasks in support of UNDG HRF Management Committee and/or Steering Committee not related to the AA functions and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the HRF Steering Committee be charged to UNDG HRF as direct costs.

IV. Governance and other Arrangements

23. The HRF governance arrangement, under which the UNDG HRF operates, is described below and is shown in Annex 1:

A) HRF Steering Committee

24. The overall management of the HRF activities is led by a Steering Committee, under the chairmanship of the GoH. It comprises GoH representatives, key donor partners, representatives of Partner Entities (IADB, UNDG and World Bank), representatives of civil society and the private sector. The DSRS/RC will represent the UNDG Organizations in the HRF Steering Committee.

25. The HRF Steering Committee will be responsible for:

- Providing oversight and exercising accountability of the HRF;
- Approving the HRF strategy and key policies and providing strategic guidance;
- Approving or endorsing specific HRF programmes or projects and funding allocations proposed by the Partner Entities or designating the Partner Entities that will be responsible for administering specific HRF activities;
- Reviewing overall progress of HRF operations including periodic progress and financial reports of the Partner Entities; and
- Ensuring coherence and synergy between the activities of the Partner Entities.

B) *The UNDG HRF Management Committee*

26. The UNDG HRF Management Committee which will be chaired by the DSRSG/RC and comprises of heads of UNDG HRF Participating UN Organizations, will be responsible for:

- Reviewing and endorsing programme proposals and funding requests submitted by Participating UN Organizations that have been vetted by Programme Groups;
- Ensuring conformity of UN operations with GoH's Recovery Plan and priorities set by the HRF Steering Committee;
- Confirming UN proposals have been requested by the relevant GoH counterpart Ministries or institutions;
- Reviewing funding requirements of UN programmes and submitting to the HRF Steering Committee fund allocation requests of the UNDG HRF;
- Ensuring UN wide consistency and quality control of programmes submitted for funding to the HRF Steering Committee;
- Reviewing UN programme/project management, monitoring and evaluation, impact assessment, and implementation modalities.
- Ensuring coordination and avoiding overlap of UNDG HRF activities with programmes of HRF Partner Entities and other HRF stakeholders; and
- Reviewing and approving the UNDG HRF consolidated annual and other progress reports submitted by the AA.

C) *Programme Groups*

27. The Programme Groups are responsible for reviewing the respective UN programme proposals prior to their submission to the UNDG HRF Management Committee for endorsement and onward submission to the HRF Steering Committee. The Programme Groups ensure programmes' alignment with the GoH Recovery Plan and the reconstruction priorities identified by the Steering Committee. They vet the technical quality of the proposals and review compliance with established criteria.

28. The Chairs of Programme Groups will be nominated by the UNCT to the DSRSG/RC. They will be composed of experts in the relevant priority area, including from appropriate GoH entities as well as NGOs and Civil Society organizations, as appropriate and feasible; and have a flexible design, to incorporate inputs from other stakeholders.

D) The Administrative Agent (AA)

29. On behalf of the Participating UN Organizations, the AA is responsible for providing the following services:

- Signing on behalf of the Participating UN Organizations, as Partner Entity of the HRF, a Transfer Agreement with the HRF Fiscal Agent;
- Receiving, through the Fiscal Agent, allocations from the HRF to the UNDG HRF for utilization by the UNDG HRF Participating Organizations;
- Administering such funds received, in accordance with the UNDG HRF MOU including the provisions relating to winding up UNDG HRF Account and related matters;
- Subject to availability of funds, disbursing such funds to each of the Participating UN Organizations in accordance with programmes endorsed by the UNDG HRF Management Committee and subsequently approved by the HRF Steering Committee taking into account the budget set out in the approved programmatic document, as amended in writing from time to time by the HRF Steering Committee;
- Consolidating statements and reports, based on submissions provided to the AA by the relevant Programme Groups composed of Participating UN Organizations, and providing these to the UNDG HRF Management Committee for endorsement, and the DSRSG/RC for submission to the HRF Steering Committee and donors that have contributed to the HRF;

- Providing final reporting, including notification that UNDG HRF has been fully expended or has been wound up in accordance with these TOR;
- Disbursing funds to any Participating UN Organization, to perform additional tasks in support of the HRF Steering Committee and/or the UNDG HRF Management Committee not related to the Administrative Agent functions detailed in Paragraph 29 and subject to the availability of funds, as agreed with the UNDG HRF Management Committee, in consultation with the HRF Steering Committee.

30. In accordance with the UNDG AA Protocol, the AA will maintain a clear delineation, including distinct reporting lines and an accountability framework, between its functions as an Administrative Agent and its functions as a Participating UN Organization.

V. Monitoring and Evaluation

31. Programmes funded by the UNDG HRF will include a Monitoring and Evaluation (M&E) component that will be consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

32. The GoH, Donors, Partner Entities, the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the UNDG HRF.

33. In addition, the UNDG HRF Management Committee, in consultation with the HRF Steering Committee, may commission a regular, independent lessons-learned and review exercise relating to the operations and management of the UNDG HRF.

VI. Audit

34. The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and in accordance with the

Framework for Auditing Multi-Donor Trust Funds which has been agreed to by the Internal Audit Services of Participating UN Organizations and endorsed by the UNDG in September 2007.

VII. Reporting

36. For each Programme approved for funding by the Steering Committee, each Participating UN Organization will provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the TOR. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from UNDG HRF Account, to be provided no later than four months (30 April) after the end of the calendar year;
- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
- (d) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.

37. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 above and will

provide (a) and (b) by 31 May and (c) and (d) by 31 July to the UNDG HRF Management Committee for endorsement, and submission to the HRF Steering Committee and to Donors that have contributed to the HRF.

38. The Administrative Agent will also provide the UNDG HRF Management Committee, the Steering Committee, the Participating UN Organizations and the Fiscal Agent with the following statements on its activities as Administrative Agent:

- (a) Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
- (b) Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

39. Consolidated reports and related documents will be posted on the websites of the UN in Haiti and the Administrative Agent (<http://mdtf.undp.org>).

VIII. Public Disclosure

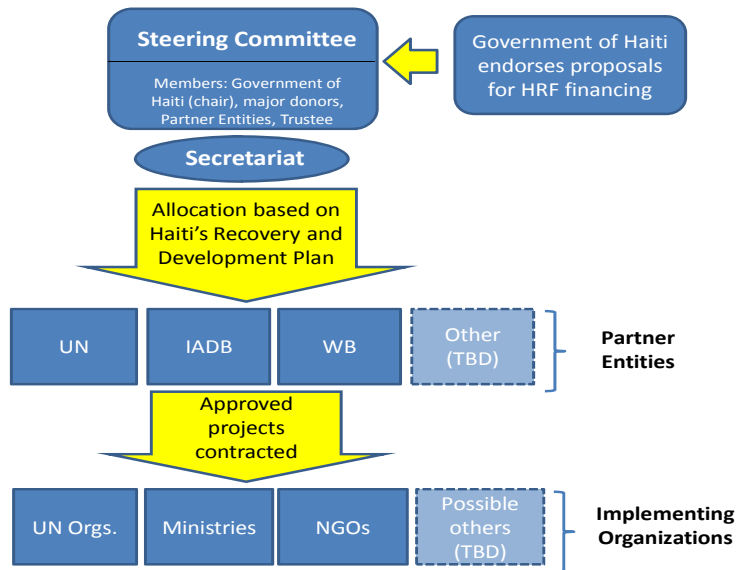
40. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of UNDG HRF as well as periodic reports on the progress of implementation of the Fund, associated external evaluation are posted for public information on the websites of the UN in Haiti and the Administrative Agent (<http://mdtf.undp.org>). Such reports and documents may include HRF Steering Committee approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

IX. Termination of the UNDG HRF

41. UNDG HRF will be established following the signature of the MOU and will become operational following the signing of the first Transfer Agreement between the Administrative Agent and the Fiscal Agent. The current closing date for the HRF is June 30, 2017. The UNDG HRF will terminate upon completion of all Programmes funded through the UNDG HRF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the Programmes financed from the UNDG HRF, any unutilized balances will continue to be held in the UNDG HRF 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 UNDG HRF Account or in the individual Participating UN Organizations' separate ledger accounts upon winding up of the UNDG HRF will be used for a purpose mutually agreed upon with the UNDG HRF Management Committee and the Steering Committee or returned to the Fiscal Agent as agreed upon between the UNDG HRF Management Committee and the HRF Steering Committee.

Annex 1 Proposed HRF Governance Structure (within which the UNDG HRF operates)

HRF Governance Structure



Annex 2 HRF Flow of Funds