



Terms of Reference (ToRs) for the Uruguay Coherence Fund for the United Nations Development Assistance Framework (UNDAF) and its Action Plan (UNDAP)

Government of Uruguay
United Nations System in Uruguay

I.- For background information, please see the UNDAF 2011-2015 and its Action Plan (UNDAP).

Notwithstanding the authority granted to the Steering Committee of the UNDAF 2011-2015 and its Action Plan regarding the general monitoring of these programme documents, the requirements provided herewith refer to the Coherence Fund that has been extended from the previous time period (One UN Programme 2007-2010) in order to cover the funding gap presented in the programme documents as well as the joint projects and/or programmes to be developed within that framework.

II.- ToRs for the Coherence Fund Steering Committee (CFSC) of the UNDAF 2011-2015.

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 UNDAF 2011-2015.

Representatives from the Governments of donor countries to the Coherence Fund are also 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 UNDAF 2011-2015 and its Action Plan (UNDAP).
- It will oversee the fulfillment of the eligibility criteria for the joint projects and programmes established in these Terms of Reference.
- 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 joint projects and programmes, making sure that the allocations are aligned with the priority areas identified in the UNDAF 2011-2015 and the national priorities.
- It will review and approve proposals 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 joint projects and programmes.
- 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 at least two 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 UNDAF 2011-2015 and its Action Plan.

The joint projects and programmes 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 UNDAF 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 UNDAF, 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.
- 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: 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 and programmes 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. Likewise and notwithstanding the official financial information for the Coherence Fund that is publicly available at the MDTF's website (<http://mdtf.undp.org/>), the Resident Coordinator's Office will provide a report to the OPP on the estimated balance available for programming activities every six months.

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

Legal equivalency: The references in the Spanish legal documents that are made to the "Comité Directivo del Fondo de Coherencia del UNDAF 2011-2015" and equivalent formulations shall be understood to mean this Committee, and the references made to the "Fondo de Coherencia" refer to the "Coherence Fund" indicated in this document as well as the UNDAF and the UNDAF.

III.- ToRs for the Coherence Fund Consultative Committee of the UNDAF 2011-2015 (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 section 5 “Implementation” and 6 “Monitoring and Evaluation” of the UNDAF and section V “Management of the Programme and Responsibilities” of the UNDAP, 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, 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]).

If the Government, through the OPP, should consider it advisable, 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 joint projects and programmes 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 UNDAP.

Sessions: The Coherence Fund Consultative Committee will meet at least once a year.

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 and programmes of the UNDAF/UNDAP 2011-2015 financed through the Uruguay Coherence Fund.

IV.1.- Criteria for the approval of joint projects and programmes to be financed through the Uruguay Coherence Fund and their initial assignment of resources:

1. The joint project or programme 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 joint project or programme should be related with one of the Outcomes of the Priority Areas in the UNDAF 2011-2015.
3. The joint project or programme should identify and be integrated in the national policies and initiatives that it supports demonstrating its added value.
4. The joint project or programme should ensure the adequate participation of key stakeholders of the national counterparts and the UN System Agencies (at least two).
5. The joint project and programme will complement its activities and resources with other initiatives being implemented or to be implemented financed by the Government and/or other UN System Agencies.

IV.2.- Criteria for disbursements

1. As established in section V “Management of the Programme and Responsibilities” of the UNDAP between the Government of Uruguay and the United Nations System in Uruguay, “the use of the Uruguay 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 and programmes, their consecutive “Annual Work Plans” and, in consequence, the allocation of funds from the Uruguay Coherence Fund to the participating agencies for the development of activities prescribed in them, will be conducted by the Steering Committee.
2. The initial disbursement from the “Uruguay Coherence fund” to the Agencies that execute activities within a joint project or programme (along with the “national associates in the implementation”) and the subsequent disbursements will be released on a joint project or programme 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 or programme and at the expressed request by the Management Committee of the joint project or programme in question. Such evaluation will be conducted employing the established programmatic and financial criteria.

• Programmatic Criteria

The Management Committee of each joint project or programme shall approve a monitoring and evaluation framework 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.

4. The programmatic evaluation will be conducted by the Management Committee of each joint project or programme in base of the “Project Monitoring Framework” included in section titled “Monitoring, evaluation and reporting” of the joint project or programme. 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”.
5. 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 or programme shall explain to the co-Chairs of the Coherence Fund Steering Committee the reasons that generated the deviation.

- **Financial Criteria**

6. For each of the joint projects or programmes being financed through the Uruguay Coherence Fund, the joint project or programme 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.
7. Considering the joint project or programme as a whole aims at motivating the commitment of all the participants with the joint project’s or programme’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 joint project or programme.
8. 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.
9. 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 joint project or programme, excluding from the calculation the funds transferred to Executing Agencies for “administrative cost recovery” (7%).
10. 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 or programmes and, within them, among the Executing Agencies^{1 2}. When additional funds are deposited into the Uruguay One UN 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.

11. Notwithstanding the programmatic and 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.
12. 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.
13. 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".
14. 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 Committee³, 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

¹ 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.

² During the period of execution of the UNDAP 2011-2015, there will be a reserve of US\$ 40,000.00 in the Uruguay 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, 2015, they will be executed during the last semester of the UNDAP. Except as stated in the previous sentence, this reserve will not be included in the available resources of the One UN Coherence Fund when approving disbursement requests by the Agencies.

³ Section V "Management of the Programme and Responsibilities" of the UNDAP 2011-2015 states: "The RC is responsible for the strategic leadership and the ultimate allocation decisions of the One UN Coherence Fund."

through the Uruguay One UN Coherence Fund or other programmatic activities of the UNDAF/UNDAP 2011-2015.

15. 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”).⁴
16. 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.
17. 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.⁵
18. Notwithstanding the prior statements, the Management Committee of a joint project or programme 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.
19. The end date for the finalization of a joint project or programme 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 joint project or programme 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.

⁴ 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”.

⁵ 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.

During the extension period, the Executing Agencies will present monthly reports on the pending programmatic and financial execution to the OPP and to the RCO.

Once the extensions expire, or the joint project or programme is completed, the Executing Agencies will report the final expenditures and available balance to the OPP and the RCO within one month. The Executing Agencies will initiate the internal administrative procedures to reimburse the remaining funds to the Uruguay One UN Coherence Fund within that same timeframe.

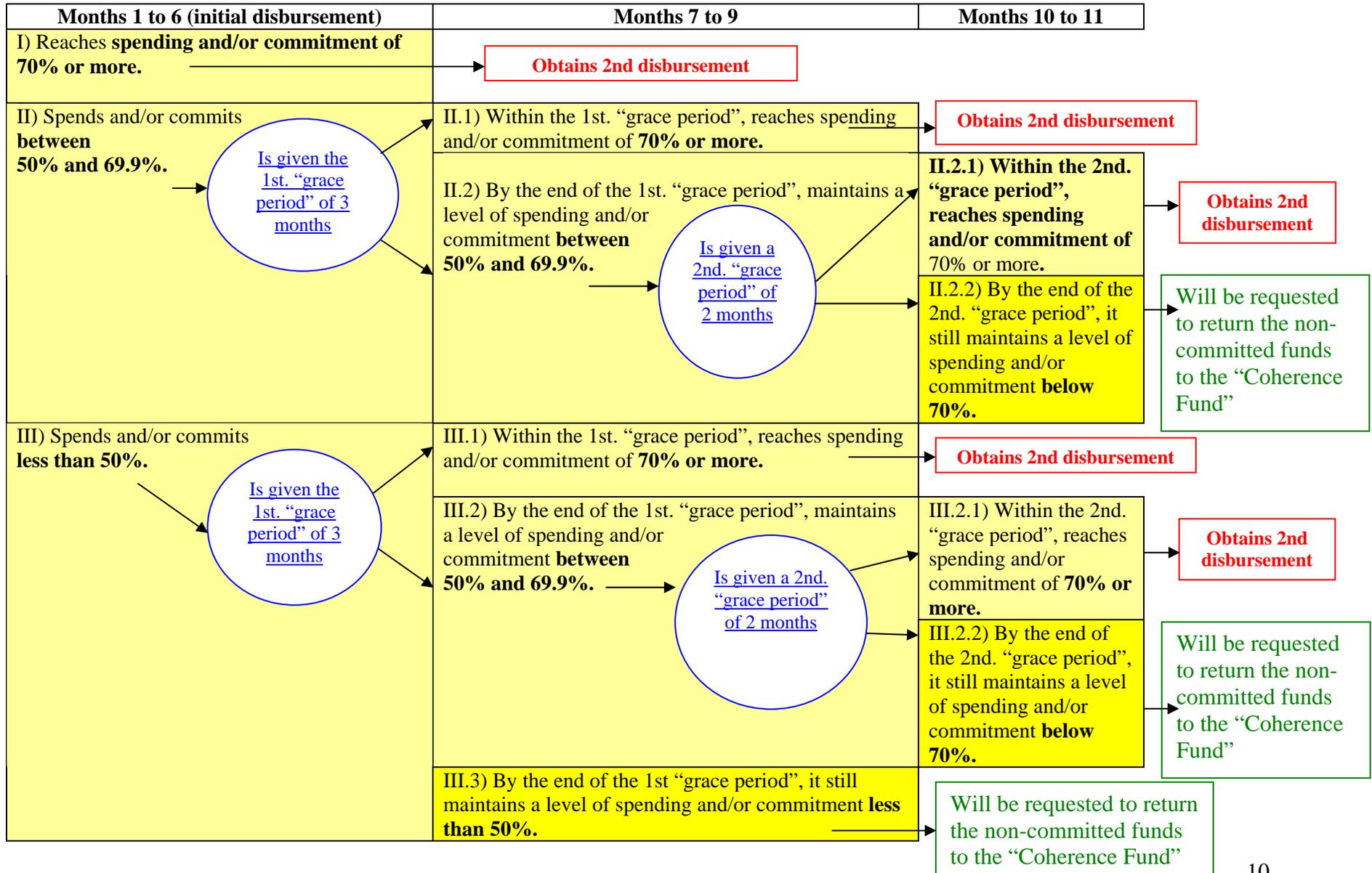
Under no circumstances will the extension in time of the projects imply the approval of new financial resources.

- **Effective Date**

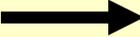
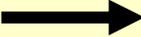
20. The Terms of Reference herewith will take effect on January 1, 2011.
21. The criteria established in these ToR are in effect for the joint projects or programmes currently financed through the Uruguay One UN Coherence Fund and for the ones approved from that day forward, notwithstanding the decisions and disbursements that up to that moment have been made in the framework of the different projects.
22. The decisions made within the 2007-2011 timeframe by the Steering Committee of the One UN Coherence Fund and the One UN Programme and by its co-presidents will continue to be in effect during the 2011-2015 timeframe until these are modified, repealed or substituted.

Montevideo, December 21, 2010

**Conditions to request the 2nd disbursement for the joint projects or programmes
financed through the “Uruguay One UN Coherence Fund”**



**Closing and/or extension conditions for the joint projects or programmes
financed by the One UN Coherence Fund**

5 months after the last programmed disbursement in the project or programmatic document	6 months after the last programmed disbursement in the project or programmatic document	7 months after the last programmed disbursement in the project or programmatic document (6 months plus 1 after closure)	End of the project or programme's extension (up to 12 months after the last programmed disbursement)	One month after the project or programme's extension
<p>I) The project or programme will finalize its programmed activities within the established timeframe and according to plan.</p> 	<p>-- Official end of the project or programme. -- Final report developed and submitted to the Steering Committee co-presidents.</p> 	<p>-- Final financial report submitted to the Resident Coordinator, identifying executed funds and remaining balance. -- Executing Agencies will initiate administrative processes to reimburse remaining funds.</p> 	<p>-- Not applicable --</p>	<p>-- Not applicable --</p>
<p>II) The project/programme meets the following conditions: 1. there are programmed activities still to conclude 2. have executed (spent) more than 100 % of the disbursement previous to the project's/programme's last disbursement 3. have spent or committed 80% of the last programmed disbursement.</p> 	<p>-- The Management Committee may request an extension of up to six additional months to the co-presidents of the One UN Coherence Fund (without additional funds).</p> 	<p>-- Not applicable --</p>	<p>-- Official end of the project or programme on the agreed date. -- Final report developed and submitted to the Steering Committee co-presidents.</p> 	<p>-- Final financial report submitted to the Resident Coordinator, identifying executed funds and remaining balance. -- Executing Agencies will initiate administrative processes to reimburse remaining funds.</p> 
<p>III) The project/programme has not spent or committed 80% of the last programmed disbursement.</p> 	<p>-- Official end of the project or programme. -- Final report developed and submitted to the Steering Committee co-presidents.</p> 	<p>-- Final financial report submitted to the Resident Coordinator, identifying executed funds and remaining balance. -- Executing Agencies will initiate administrative processes to reimburse remaining funds.</p> 	<p>-- Not applicable --</p>	<p>-- Not applicable --</p>