

# POOLED FUND RDC



## **Revised Terms of Reference of the Democratic Republic of Congo Pooled Fund**

### I -General

1. The multi-donor humanitarian fund in the Democratic Republic of Congo, DRC, (hereinafter referred to as the “DRC Pooled Fund”) under the authority of the United Nations Humanitarian Coordinator aims to strengthen coordination and increase the extent to which funding is allocated to priority humanitarian needs. The Pooled Fund was established upon signing of the Memorandum of Understanding between the Humanitarian Coordinator, OCHA, Participating UN Organizations and UNDP as the Administrative Agent and the first Standard Administrative Arrangement for the DRC Pooled Fund. The Pooled Fund is consistent with the principles of the Good Humanitarian Donorship (GHD) initiative. The main purpose of the Pooled Fund is to improve humanitarian response in the DRC as part of the wider reforms of humanitarian architecture.

The Pooled Fund enhances the ability of the United Nations Humanitarian Coordinator to direct funds to strategic humanitarian priorities. Participating UN Organizations and the International Organisation for Migration (IOM) can receive financing from the Pooled Fund. Non-governmental organization (NGO) partners involved in the Humanitarian Action Plan have access to the Pooled Fund through UNDP performing an additional oversight function, the Managing Agent function.

Since 2006, the United Nations has taken a coordinated approach to the delivery of humanitarian aid in DR Congo. This has been reflected in a Humanitarian Action Plan (HAP) that encompasses UN Agencies and many NGOs which have participated in a process of nationwide coordination among ten clusters covering the entire country. The HAP outlines strategic programmatic and operational plans for providing humanitarian and emergency assistance in the DRC, and has been developed in consultation with national, provincial and local authorities. The Action Plan consists of clusters plans based on specific objectives, priorities, strategies, programme activities and sector indicators to monitor progress of implementation.

2. Given the existence of this comprehensive HAP, a number of donors and the UN have agreed to establish a common fund mechanism, the DRC Pooled Fund, for channelling donor contributions to the HAP.
3. Donor contributions to the DRC Pooled Fund are utilized to finance projects (“the Projects”) carried out by Participating UN Organizations and NGOs (“the Implementing Partners”) within the framework of the HAP.
4. The Projects and the operations of the DRC Pooled Fund are designed and carried out in accordance with these Terms of Reference, and under the overall oversight and coordination of the UN Humanitarian Coordinator for the DRC (“the Humanitarian Coordinator”).

5. UNDP serves as Administrative Agent (“the Administrative Agent”) of the Pooled Fund, on behalf of the Participating UN Organisations. The Administrative Agent functions to be performed by UNDP are specified in Section III, paragraph 7 of these TOR. UNDP will administer the DRC Pooled Fund in accordance with its financial regulations and rules. The Administrative Agent disburses the funds upon the decision of the Humanitarian Coordinator to the respective Participating UN Organisations and the International Organization for Migration (IOM). Each Participating UN Organization and IOM assumes full financial and programmatic accountability for the funds received and administers them in accordance with its financial regulations and rules, as further set forth in these Terms of Reference.
6. The Pooled Fund aims to give the Humanitarian Coordinator greater ability to target funds at the most critical needs, encourage early donor contributions and allow rapid response to unforeseen needs.
7. The HAP and the DRC Pooled Fund contributes to advance reforms of humanitarian aid proposed in the UN Secretary-General’s 2005 Report “In Larger Freedom” and endorsed by UN bodies. These include:
  - A strengthened response capacity, including clearer sectoral responsibility and accountability through the Clusters;
  - More predictable and timely funding of operational UN agencies and implementing partners in undertaking emergency activities;
  - Strengthened coordination both at the field and national levels.

Similarly, several donors have endorsed the principles of Good Humanitarian Donorship (GHD) which include a needs-based approach and flexible, timely, predictable and adequate funding.

## II - Purpose and Principles

1. The objective of the DRC Pooled Fund is to support the timely allocation and disbursement of donor resources to the most critical humanitarian needs of DRC under the direction of the Humanitarian Coordinator. The DRC Pooled Fund is used only for projects meeting the criteria defined by the clusters within the HAP.
2. The Pooled Fund is intended to improve humanitarian response by: providing committed funds earlier than under other modalities of funding the humanitarian actions; strengthening the planning and coordination process; tying the funding allocation to the HAP; broadening participation in the Action Plan; channelling funds towards the most urgent needs; and by ensuring that funds are available for rapid responses to unforeseen circumstances. In order to achieve these objectives the Pooled Fund has been designed to accommodate the following principles:
  - The Pooled Fund should focus on strengthening the humanitarian response in DRC;

- Donors should make un-earmarked commitments and honour them as early as possible;
  - The Pooled Fund should use the HAP as its primary allocation framework;
  - Funds should be allocated to the highest humanitarian priorities as determined by the Humanitarian Coordinator, in consultation with the Pooled Fund Board and the existing coordination mechanisms.
  - The Humanitarian Coordinator should make use of existing experience, knowledge, network and competencies of UN agencies and NGO partners;
  - Funds allocation should be relevant, rapid, transparent and consultative
  - The Pooled Fund commits to close collaboration and coordination with other donors and/or other sources of humanitarian funding outside the mechanism to ensure maximum coherence of funding decisions to humanitarian programmes in DRC.
  - Reporting should be simple, efficient, specific and linked to the HAP
  - The Pooled Fund should maintain a reserve for rapid response to unforeseen circumstances;
  - The operation of the Pooled Fund should meet acceptable fiduciary standards
  - It should strengthen the HAP process.
3. The objectives of the activities financed by the Pooled Fund are encompassed within the HAP.

### III - Governance Arrangements

1. The Projects and the operations of the DRC Pooled Fund are designed and carried out under the overall oversight and coordination of the Humanitarian Coordinator. In carrying out his/her function, the Humanitarian Coordinator is supported by a Pooled Fund Board. The Pool Fund Board is chaired by the Humanitarian Coordinator and includes Donors, Participating UN Organizations (cluster lead agencies), OCHA and NGO representatives.
2. *The Humanitarian Coordinator*
- The overall management of the DRC Pooled Fund operation is led and coordinated by the Humanitarian Coordinator, supported by the Joint Pooled Fund Unit. The Humanitarian Coordinator is responsible for:
- mobilizing resources;
  - defining the amounts of the standard allocation and the reserve
  - allocating Pooled Fund resources according to agreed procedures;
  - approving allocations and disbursements
  - supervising the process of monitoring and evaluation related to the Pooled Fund operation.
  - chairing the Pooled Fund Board;
  - reporting to donors on Pooled Fund operation on an annual basis
  - supervising the management of the Joint Pooled fund Unit.
3. In his/her role, the Humanitarian Coordinator is supported by a UNDP-OCHA Joint Pooled Fund Unit specifically set up for this purpose. The Joint Pooled Fund Unit is

funded under projects submitted to the Pooled Fund and approved by the Humanitarian Coordinator in accordance with established Pooled Fund approval procedures.

4. The Pooled Fund Board

The Pooled Fund Board (PFB) is formed to support and advise the Humanitarian Coordinator (HC) throughout the entire process of fund allocation and fund management, as more fully described in the Terms of Reference of the DRC Pooled Fund Board (Annex A).

The Pooled Fund Board consists of the following members:

- The Humanitarian Coordinator (as Chair);
- Four (4) representatives of contributing donors to the Pooled Fund, as determined by the donors;
- Six (6) representatives of the Participating UN Organizations (cluster lead agencies);
- Four (4) representatives of the NGO community;
- Representative of OCHA
- Two (2) humanitarian donors (not contributing to the Pooled Fund) as observers.

Observers of the Pooled Fund Board are:

- all representatives of contributing donors (beyond the official members);
- representatives of non contributing donors (e.g. ECHO, OFDA);

The Administrative Agent serves as the *ex-officio member* to the Pooled Fund Board.

The Joint Pooled Fund Unit ensures the overall secretariat, technical and facilitation support functions. The Chair can invite additional donors, NGO members and any other person deemed necessary for improving discussion and recommendations by the Pooled Fund Board.

5. Role and responsibilities of the Pooled Fund Board are detailed in Annex A: “Terms of Reference of the Pooled Fund Board.”

6. The Strategic Committee

The Strategic Committee is composed by six members selected by the Humanitarian Coordinator in consultation with the Board. Members have to represent all the components of the Pooled Fund Board: donors (2), cluster lead agencies (2), NGOs (2). The Joint Pooled Fund Unit serves as secretariat of the Strategic Committee.

The Strategic Committee proposes to the HC the distribution of funds of the standard allocation as detailed in the technical guidelines of the allocation.

The members of the Strategic Committee may invite additional persons to better inform their decisions (e.g.: OCHA, donors, cluster expert).

7. *The Administrative Agent (UNDP)*

UNDP's responsibilities as Administrative Agent executed by the Multi-Donor Trust Fund Office (MDTF Office), with some functions delegated to the UNDP DRC Country Office, include the following:

- Concluding the Memorandum of Understanding with the Participating UN Organizations, and Standard Administrative Arrangements (SAAs) with donors;
- Receipt, administration and management of contributions received from Donors;
- Disbursement of funds to the Participating UN Organisations and IOM in accordance with the decisions of the Humanitarian Coordinator within 3-5 business days;
- Provision of periodic (annual and final) financial reports on the Pooled Fund Account to the Humanitarian Coordinator, contributing donors and the Pooled Fund Board, in accordance with the MOU (Section IV, §2) and the SAA (Section V, §2);
- Provide the Humanitarian Coordinator, the Pooled Fund Board and Participating UN Organizations with the statements of donor commitments, deposits and transfers to Participating UN Organizations and other financial information related to the Pooled Fund, available directly from the publicly accessible MDTF Office GATEWAY (<http://mdtf.undp.org/factsheet/fund/HCG10>).

8. *The Joint Pooled Fund Unit*

The Joint Pooled Fund Unit, headed by OCHA, remains under the overall supervision of the Humanitarian Coordinator and aims at ensuring adequate and efficient management of the pooled fund mechanism in DRC.

9. In support to the Humanitarian Coordinator and the Pooled Fund Board the Joint Unit ensures the following tasks:

- Support Pooled Fund project cycle from the launch of the allocation, to the disbursement of funds, ensuring advisory functions, oversight, technical reviews etc;
- Provide technical advices on the allocation process, project management and monitoring to the Board;
- Lead the Technical Review of the selected projects
- Facilitate timely and efficient management, monitoring and reporting of Pooled Fund-resourced projects;
- Ensure enhanced coordination among donors contributing to humanitarian programmes in DRC outside the Pooled Fund mechanism promoting strategic and operational adjustments where necessary and providing a sound basis for further resource allocation decisions as required;
- Provide communication on Pooled Fund related issues and ensure information sharing with all stakeholders at different levels;
- Develop and maintain the Pooled Fund website and other web-based services including access to project documents.

- Manage the technical review process and ensure coordination and information sharing with relevant stakeholders (HC, Pooled Fund Board, cluster leads, co-facilitator, partner organisations);
- Provide technical support for the finalisation of project documents to NGO and UN agencies as required.
- Develop and manage the reporting system on Pooled Fund funded projects on behalf of the Humanitarian Coordinator;
- Manage monitoring and evaluation activities in the field in accordance to the legal framework of the fund and the specific provisions of the present ToRs.
- Acts as secretariat for the Pooled Fund Board;
- Advice and support recipient organisations promoting monitoring and evaluation activities within the framework of the HAP;
- Compile the consolidated annual report of Pooled Fund operations.

10. *OCHA responsibilities within the Joint Pooled Fund Unit*

OCHA specific responsibilities within the Joint Unit are the following:

- Lead and ensure the overall coordination of the Joint Unit on behalf of the Humanitarian Coordinator.
- Advise the HC and the Board on Pooled Fund allocation strategies;
- Develop guidelines on procedures and criteria as defined by the HC and the Pooled Fund Board ensuring their dissemination to stakeholders;
- Look after the coherence of projects selected with HAP objectives.
- Ensure dissemination of allocation procedures providing specific support to CPIAs and clusters.
- Organize specific trainings and information sessions to Pooled Fund recipient organisations;
- Ensure communications and information sharing with all stakeholders (CPIAs and national and provincial Clusters in particular);
- Support coordination structures (CPIA, clusters, inter-clusters) throughout the allocation process;
- Facilitate the process of project selection under the standard allocation for final submission to the Humanitarian Coordinator and the Pooled Fund Board.
- Facilitate the process of project selection under the reserve in accordance with HC decisions;
- Provide advice to the HC and the Pooled Fund Board on recommended projects;
- Gather and compile information on outcomes and results achieved through the Pooled Fund projects implemented by Participating UN Organizations and IOM.
- Lead the technical review process of UN projects;
- Analyse humanitarian funding trends to ensure complementarities with the Pooled Fund;
- Provide inputs to the mid-year review of the HAP;
- Manage the Emergency Response Fund under the overall supervision of the Humanitarian Coordinator and the OCHA head of Office.

11. *UNDP responsibilities within the Joint Pooled Fund Unit as Managing Agent*

UNDP's responsibilities as the Managing Agent is executed by the UNDP Country Office which operates separately from UNDP's role as the Administrative Agent in accordance with UNDP's policy of maintaining clear separation of the dual functions as Administrative Agent and Participating UN Organization under MDTFs and Joint Programmes.

UNDP, on the basis of the instructions received from the Humanitarian Coordinator and funding received from the Administrative Agent, ensures access to the Pooled Fund for NGOs. In this regard UNDP performs additional oversight functions as Managing Agent.

UNDP ensures project implementation in accordance with regulations, rules, directives and procedures applicable to it and it is responsible for discharging all commitments and obligations with NGOs.

UNDP will use its simplified standard NGO execution modality for this purpose and will charge the corresponding indirect and direct costs for these projects.

The Humanitarian Coordinator retains the responsibility for the allocation of funds to NGOs projects in line with the HAP, selected through the allocation process as defined in this ToR. Partners funded through the Pooled Fund have to implement projects abiding to UNDP rules and regulations.

On the basis of the HC decision UNDP responsibilities as Management Agent are the following:

- Service the project cycle for NGOs projects resourced under the Pooled Fund (signature of the standard cooperation agreements with NGOs, project documents etc.);
- Ensure capacity assessment of NGOs identified by cluster coordinators. The assessment is based on standard procedures and guidelines in accordance with UNDP rules and regulation and in consultation with the Humanitarian Coordinator;
- Define risk rating for all NGO partners in line with the HACT (Harmonized Approach to Cash Transfers) provisions;
- Ensure and facilitate the entire process of technical review for NGOs projects;
- Ensure timely disbursements of funds in accordance to the decisions of the Humanitarian Coordinator under the standard allocation and the Reserve;
- Undertake programmatic and financial accountability for funds received from the Administrative Agent;
- Ensure programmatic and financial follow up, including projects monitoring and evaluation and audits of NGO projects;
- Promote technical standards implementation in accordance with clusters provisions;
- Receive the narrative and financial reports from NGOs for funded projects;
- Provide financial expenditure to the Administrative Agent in accordance with the timetable indicated in the MOU;
- Provide adequate inputs for the Annual Report of the Pooled Fund operation, based on the information received from the NGOs;
- Compile lessons learnt;

- Ensure partners' support, orientation and training with regard to the administrative, programmatic and financial procedures applicable to the Pooled Fund; and
- Liaise with the clusters as necessary.
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#### IV - Operational modalities

1. Consistent with the above principles and objectives, the Pooled Fund is a mechanism whereby donors can fund Projects within an agreed structure for joint co-ordination, monitoring and evaluation and under the overall authority of the Humanitarian Coordinator supported by the Joint Pooled Fund Unit.
2. UNDP serves as the Administrative Agent on behalf of the Participating UN Organizations.
3. The Participating UN Organizations implement projects in accordance with their financial regulations and rules.
4. The allocation of funds under the DR Congo Pooled Fund occurs under the responsibility of the Humanitarian Coordinator. There are two mechanisms for allocation:
  - **A standard allocation mechanism** is used for allocating the bulk of the Pooled Fund resources and ensuring funding for projects in line with the provisions of the HAP. Two allocations per year are ensured under this facility.
  - **A rapid onset mechanism, called Reserve**, is designed for the rapid and flexible allocation of funds in the event of unforeseen circumstances, emergencies, or strategic needs. This facility could provide support to the DRC Emergency Response Fund.
5. The allocation process is detailed in the allocation guidelines attached as Annex B. These procedures can be revised by the Humanitarian Coordinator in consultation with the Pooled Fund Board. The application of these procedures permits some discretion by the Humanitarian Coordinator in order to retain the flexibility required by the humanitarian and emergency response.
6. The Humanitarian Coordinator launches the standard allocation process twice a year requesting coordination structures (CPIA or National Inter-Cluster) to define a strategy for the allocation of funds. The Strategic Committee (two donors, two cluster lead agencies representative, and two NGOs) proposes to the Humanitarian Coordinator the distribution of funds by geographical areas and clusters.
7. On the basis of these recommendations the HC decides the allocation of funds. Participating UN Organizations and NGOs as Implementing Partners apply directly to the Pooled Fund.
8. The national Cluster coordinators, in consultation with the national co-facilitator recommend a list of projects for funding. The Provincial Inter-agency Standing

Committees (CPIA) and the national Inter-cluster are consulted on the list of recommended projects. The Joint Pooled Fund Unit compiles all the information received from clusters coordinators CPIAs and the national Inter-cluster, and provides an analysis to the Pooled Fund Board for final recommendation to the Humanitarian Coordinator (see Annex B).

The Humanitarian Coordinator approves the funding for projects, following positive technical review managed by the Joint Pooled Fund Unit.

9. Participating UN Organizations and NGO Implementing Partners can access the Reserve at any given time, directly addressing their request to the Humanitarian Coordinator via the Joint Pooled Fund Unit.

In line with the purpose of the Reserve as defined in section IV, §3 (e.g.: rapid and flexible allocation of funds in the event of unforeseen circumstances, emergencies, or strategic needs) the Humanitarian Coordinator could directly authorize disbursements to projects under the Reserve and subsequently inform the Pooled Fund Board.

10. Once allocations from the Pooled Fund are decided upon by the Humanitarian Coordinator, disbursements occur as follows:

- Project Financing Agreement is signed by the Humanitarian Coordinator and the Participating UN Organisations and IOM, indicating acceptance of the approved projects.
- The Administrative Agent makes then payments to the Participating UN Organizations within three to five business days of receipt of the appropriate documentation, including projects documents, signed by both the Humanitarian Coordinator and the Participating UN Organization concerned.
- Disbursements to approved NGOs projects involved in the HAP are channelled through UNDP performing the Managing Agent functions described in Section III, §10.

## V - Reporting

### 1. *NGOs implementing partners*

NGO Partners shall provide the Managing Agent with the following reports for each project:

- (a) Progress table reports whose periodicity depends on the risk level (e.g.: high and significant risk: quarterly; moderate risk: mid term; low risk: not applicable);
- (b) Final narrative report;
- (c) Quarterly financial reporting (this includes: face, financial report and forecast of expenditures).

For each project funded NGO Implementing Partners shall also provide the Humanitarian Coordinator, via the Joint Pooled Fund Unit, the following:

- (a) Project results sheet (see Annex C) reporting on consolidated results achieved by the project during the previous calendar, no later than the 1<sup>st</sup> of February;
- (b) Final project result sheet, no later than one month after the end of the project, reporting on consolidated results achieved by the project since its beginning.

## 2. *Participating UN Organisation and the IOM*

Participating UN Organisation/IOM shall provide the Humanitarian Coordinator, via the Joint Pooled Fund Unit, with the following reports for each project:

- (a) Project results sheet reporting on consolidated results achieved by the project during the previous calendar, no later than the 1<sup>st</sup> of February;
- (b) Final project result sheet, no later than one month after the end of the project, reporting on consolidated results achieved by the project since its beginning.
- (c) Final narrative report, no later than one month after the end of the project. When Participating UN Organisation/IOM have received multiple funding from the Pooled Fund for the same project, they are allowed to submit, in consultation with the Joint Pooled Fund Unit, consolidated narrative report covering the various funding received.

Participating UN Organisation/IOM shall provide the Humanitarian Coordinator and the Administrative Agent, the following with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to them:

- (a) Annual financial statements and reports as of 31 December with respect to the funds disbursed from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
- (b) 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.

## 3. *The Humanitarian Coordinator*

The Humanitarian Coordinator, supported by the Joint Pooled Fund Unit will provide to donors that have contributed to the Pooled Fund the annual report of the Fund no later than **31 May** of the following year as detailed in the MOU (Section IV §3) and the SAA (Section V § 1).

- 4. Consolidated reports and related documents will be posted on the official DRC Pooled Fund website (<http://www.rdc-humanitaire.net/>) and the Administrative Agent website (<http://mdtf.undp.org/factsheet/fund/HCG10>).

## VI- Monitoring and Evaluation

The Humanitarian Coordinator has the overall responsibility to ensure that adequate monitoring and evaluation of the Pooled Fund operations is conducted through the Joint Pooled Fund Unit. The Humanitarian Coordinator will draw upon on monitoring activities over NGOs, Participating UN Organisations and IOM projects resourced through the Pooled Fund as follows:

1. *NGOs Implementing Partners*

UNDP, as Managing Agent, is in charge of the monitoring and evaluation of NGOs implemented projects.

NGOs, in accordance to UNDP rules and regulations under the NGO execution modalities submit regular narrative and financial reports to UNDP according to their risk level. Field monitoring visits are regularly organized, scheduled according to the risk rating of each partner.

Within the framework the HACT (Harmonized Approach for cash Transfer) a dedicated Assurance Plan has been developed for the purpose of improving management consisting of the following activities:

- Periodic spot-checks;
- Programmatic monitoring and evaluation (as described above Section V, §1);
- Partner-based audits (see Section VII)

2. *Participating UN Organisation and the IOM*

While the Humanitarian Coordinator will not systematically monitor projects, s/he may monitor and evaluate individual projects or program as necessary. These exercises will be decided in consultation with the Pooled Fund Board and in coordination with the implementing Participating UN Organisation/IOM. The relevant cluster lead agency may be involved in the exercise.

The HC, through OCHA, will develop a monitoring and evaluation system of HAP outcomes to which the Pooled Fund will adhere. As a consequence Participating UN Organisation/IOM projects funded through the Pooled Fund will contribute to the exercise.

It will be incumbent upon the Humanitarian Coordinator, through the Joint Pooled Fund Unit, in coordination with the relevant Participating UN Organizations/IOM to establish an action plan to implement pertinent and crucial recommendations issued by M&E initiatives.

3. The HC may initiate independent lessons learnt and reviews of the operations of the Fund and of individual projects.

## VII - Audit

1. Project-level auditing shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the respective Participating UN Organisations. The activities of the Administrative Agent shall be

subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP. The activities of the Humanitarian Coordinator shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the UN.

2. NGOs partners will be audited in accordance with UNDP rules and regulations in the framework of the HACT with the view to minimizing transaction costs to partners and improving the quality of audits.