

Terms of Reference

Democratic Republic of the Congo
STABILIZATION COHERENCE FUND

Multi-Partner Trust Fund

November 2015

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Acronyms and Abbreviations

AA	Administrative Agent
DRC	Democratic Republic of the Congo
FB	Funding Board (national and provincial)
GoDRC	Government of the Democratic Republic of the Congo
INGO	International non-governmental organization
ISSSS	International Security and Stabilization Support Strategy
M&E	Monitoring & evaluation
MA	Managing Agent
MONUSCO	UN Stabilization Mission in the DRC
MoU	Memorandum of Understanding signed between the Participating United Nations Organizations and the Administrative Agent
MPFT-O	Multi Partner Trust Fund Office
NFB	National Funding Board
NGO	Non-governmental organizations
PFB	Provincial Funding Board
PNDDR III	Programme National de démobilisation, désarmement et réinsertion III
PNUNO	Participating non-UN Organization
PO	Participating Organization
PSCF	Peace, Security and Cooperation Framework
PUNO	Participating UN Organization
SAA	Standard Administrative Arrangement signed between the contributors and the Administrative Agent
SCF	Stabilization Coherence Fund
SPS and PAPS	Provincial Stabilization Strategies and Action Plans
STAREC	Stabilization and Reconstruction Programme for War-Affected Areas
ToR	Terms of Reference of the Stabilization Coherence Fund
TS	Technical Secretariat
UN	United Nations

Definitions

Fund Contributor	Governments, inter-governmental or non-governmental organizations financially contributing to the Stabilization Coherence Fund.
Participating Organization	Entity eligible for funding from the Stabilization Coherence Fund, which assumes the full programmatic responsibility for the funds allocated to it by the Funding Board. It includes United Nations agencies, funds and programmes, and other International Organizations with financial rules and regulations similar to the United Nations System, as well as international non-governmental organizations. Options for the direct participation of national non-governmental organizations are kept under review.
Participating UN Organization	Participating Organization member of the UN country team, i.e. a United Nations agency, fund or programme, or other International Organization with financial rules and regulations similar to the United Nations System.
Participating Non-UN Organization	Participating Organization which is not a member of the UN country team or other International Organizations with financial rules and regulations similar to the United Nations System. This does not include the Managing Agent.
STAREC/ISSSS zone	Localized symptom of a conflict system, resulting from the presence of one, or the interaction of several and mutually reinforcing, conflict dynamics with local, provincial and national (and even regional) dimensions, which has and continues to produce violence.
Technical Secretariat	Entity providing support to the overarching implementation of the National Programme of Reconstruction and Stabilization and the International Security and Stabilization Support Strategy, including to technical support to the management of the Stabilization Coherence Fund and to the Fund governance structures. It sits under the responsibility of the Stabilization Support Unit of the United Nations Stabilization Mission in the Democratic Republic of the Congo and National Secretariat and provincial coordination teams of the National Programme of Reconstruction and Stabilization.

I. Introduction

1. In early 2013, the regional states of the Great Lakes, including the Democratic Republic of the Congo (DRC), Rwanda, and Uganda, with support from the African Union, the South African Development Community, the United Nations (UN) and the international community, signed the Peace, Security and Cooperation Framework (PSCF). The international community considered this a window of opportunity for the consolidation of peace in eastern DRC. In order to support the implementation of this agreement, the UN appointed a Special Envoy and the United Nations Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) received a more robust mandate through the UN Security Council Resolution 2098, including the deployment of the first-ever UN offensive force, the Force Intervention Brigade. MONUSCO was also requested to support the Government of the Democratic Republic of the Congo (GoDRC) in developing a comprehensive Disarmament, Demobilization and Reintegration programme; giving a new impetus to Security Sector Reform; and supporting the National Reconstruction and Stabilization Plan (STAREC) through the revised International Security and Stabilization Support Strategy (ISSSS).

2. **The revised ISSSS amidst a changing political context.** Between 2008 and 2012, a total of 69 projects were implemented for a total of USD 367 million under the banner of ISSSS. Despite strong results in terms of outputs (infrastructure built, civil servants trained, etc.), eastern DRC remained unstable and insecure and these technical efforts seemed invisible. This prompted the UN Security Council to request MONUSCO, in May 2012, to undertake a strategic revision of the ISSSS. The participatory review process ended in December 2013 with a revised strategy that built on lessons learned and responded to weaknesses identified in the first phase.¹ The revised ISSSS supports the engagements under the PSCF, and other national frameworks contributing to stabilization (e.g. *Document de la Stratégie de Croissance et de Réduction de la Pauvreté* and its *Programme d'Actions Prioritaires*). It also draws on programmatic guidance from the National Strategy on Combating Gender Based Violence, the Government of the DRC Action Plan for the Implementation of the Security Council Resolution 1325. Crucially, the strategy revision recognized the changing political and strategic context and the uncertainties that remained, despite initial positive steps taken within DRC and the region – both through its “technical” response in, for example, reorienting the 5 pillars towards local community-based solutions and by focusing on a principled approach to implementation that was holistic, integrated and area-based. This has allowed the strategy and its approach to remain relevant, with strong donor support, despite the fading of certain opportunities, particularly at the national level, as the DRC moves towards electoral uncertainty.

3. **The Provincial Stabilization Strategies and Action Plans (SPS and PAPS).** Following the GoDRC’s decision of May 2014 to renew STAREC mandate for three years and expand its thematic and geographic coverage to the entire territory of the DRC, through the issuance of the Presidential Ordinance 14/014,

¹ See International Security and Stabilization Support Strategy 2013-2017, pp. 5-22.

the international stabilization partners and the GoDRC embarked on the development of joint planning frameworks for the three Provinces in which both STAREC and ISSSS are mandated, namely North-Kivu, South-Kivu and the Province Orientale now dismembered. The SPS and PAPS were drawn up in participation with a variety of actors at the provincial level on the basis of conflict system mapping and area prioritization, and initial conflict assessments undertaken by partners with strong experience of eastern DRC. The strategies and plans were validated by the *Comité de Suivi* of the STAREC Programme, a joint governance structure of STAREC/ISSSS at national level, on 8 April 2015. Since then, MONUSCO and the Provincial STAREC teams have been working on setting up provincial governance structures and strategic programme area-based design in order to translate the action plans into prioritized projects.

II. Stabilization Approach in eastern DRC

4. The ISSSS and the Provincial Stabilization Strategies define stabilization as:
(...) an integrated, holistic, but targeted process enabling the state and society to build mutual accountability and capacity to jointly address existing or emerging drivers of violence conflict. It is an intervention, which lies between emergencies and sustainable development.²

5. The revised stabilization approach is anchored in two complementary processes: (1) top-down – stabilization efforts seek to stimulate high level engagement for, and to support and inform, regional and national peace processes and structural reforms in domains relevant to stabilization, i.e. security sector, decentralization, public administration and civil service, land, mining and agricultural sectors; (2) bottom-up – stabilization interventions put the population directly affected by the conflict at the center of the search for solutions and build on and reinforce local peace initiatives which contribute to create the basis for stable institutions.

6. The Theory of Change at the heart of the SPS and PAPS is as follow:
If women, men, girls and boys directly affected by the conflict are put at the center of the search of solutions to the conflict through the establishment of a dialogue; state institutions respond to the concerns of women, men, girls and boys and integrate their recommendations within public policies through a political and technical support and civil society reinforcement; and the dialogue process is accompanied by measures enabling the building of trust on the process and mitigate external shocks that could destabilize the process, including by supporting the reintegration process ex-combatants and women, men, girls, and boys associated with armed groups, and the provision of sustainable solutions to displaced persons; then women, men, girls and boys and the state will have the mutual accountability and responsibility necessary to jointly address the main existing and emerging drivers of violent conflict.

² Provincial Stabilization Strategy and Action Plan for the North-Kivu Province, pp.65-66; Provincial Stabilization Strategy and Action Plan for Province Orientale, pp.73-74; Provincial Stabilization Strategy and Action Plan for the South-Kivu Province, pp.42-43.

III. Rationale, Scope and Principles of the Stabilization Coherence Fund

7. The Stabilization Coherence Fund (SCF or Fund) is being established based on the lessons learned from the first phase to support the implementation of the ISSSS and the Provincial Stabilization Strategies and Action Plans for North-Kivu, South-Kivu and Province Orientale now dismembered. The SCF has been identified by the GoDRC and members of the international community as a key requirement to promote a more coherent, efficient and effective approach to stabilization in eastern DRC.

8. It is anticipated that the Fund will create a “critical mass” of support – through its flexible funds and its integrated governance structure – that will help ensure that the principles outlined in the revised ISSSS can be respected, and a new and different approach can be tested. Realizing the full potential of the SCF will, however, depend on the extent to which funds provided through other channels can be aligned with the ISSSS approach. A set of criteria for alignment has been defined amongst the donors interested in supporting the stabilization approach³. It is hoped that an appraisal process that is harmonized with the governance structures of the fund will be reached within a 6-month period.

3.1. Fund Objectives

9. The Stabilization Coherence Fund, governance structure and operational arrangements have the following explicit objectives:

- (a) To facilitate the piloting of an area-based programming approach that could be used as a wider template for the implementation of ISSSS;
- (b) To provide predictable and flexible funding allocations that facilitate the implementation of ISSSS as foreseen in the revised strategy – a holistic, integrated and targeted (area-based) approach;
- (c) To provide funds in a manner that facilitates ownership of the stabilization approach by the GoDRC and lends legitimacy to a governance framework that maximizes effectiveness and coherence of international assistance to stabilization in eastern DRC;
- (d) To leverage additional (aligned) funding and resources (either through the fund or through other channels) for the implementation of the ISSSS and the Provincial Stabilization Strategies and Action Plans.

3.2. Fund Principles

10. The resources in the SCF will be used in accordance with the following principles:

- (a) A proposed programme must promote a holistic and integrated approach to addressing specific conflict dynamics, in prioritized areas, under the framework of the ISSSS and the SPS and PAPS;

³ Belgium, Germany, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, the United States of America, and the World Bank.

- (b) All proposed approaches must demonstrate that they are based on an understanding and appreciation for existing programmes and projects working in that area which could be assessed as aligned to ISSSS, in accordance with the criteria for alignment;
 - (c) Clear sequencing exists between interventions that support a democratic dialogue process or those that build trust around these processes, and other types of interventions;
 - (d) Demonstration that the proposed approach addresses the most salient conflict dynamics through a considered and justified combination of pillar⁴ responses;
 - (e) Prioritization of joint initiatives, alliances and consortiums where they clearly demonstrate how they will facilitate increased coordination, collaboration and comparative advantage, through implementation;
 - (f) Enable capacity building of national non-governmental organizations (NGO) and civil society organizations working on conflict transformation.
11. In addition, a minimum level of funding will be provided to ensure the Technical Secretariat (TS) has the capacity to carry out its support to the administration and functionality of the SCF.

IV. SCF Governance Structure

12. The governance arrangements proposed for the Fund are intended to enable rapid approval and disbursement of funds to Participating Organizations (PO), establish a harmonized reporting and monitoring system and respond to the objectives of the SPS and PAPS, and reinforce ownership by the Government of the DRC.

⁴ The five pillars of the revised ISSSS are: Democratic Dialogue, Security, Restoration of State Authority, Return, Reintegration and Socio-Economic Recovery, and Fight against Sexual Violence. For additional information on pillar strategies see revised ISSSS 2013-2017.

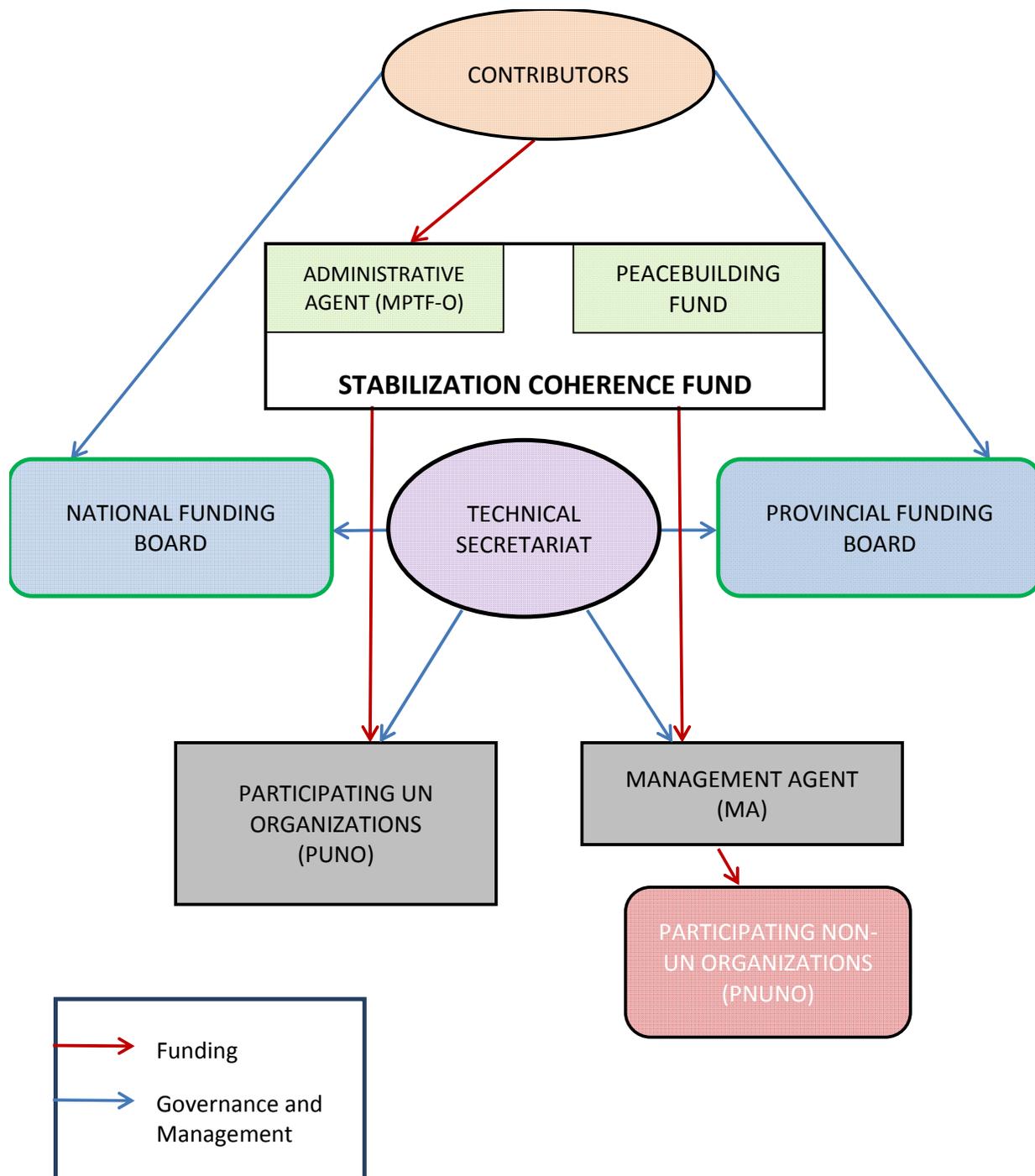


Fig. 1: Fund Governance Structure

4.1. SCF governance structures within the wider structures governing STAREC/ISSSS

13. The SCF governance structures are integrated under the framework of the broader governance structures of the STAREC/ISSSS set up by Presidential Ordinance 14/014 of 14 May 2014 to ensure

coherence between the strategic guidance and decision-making governing the approach to stabilization in the DRC, and the management and use of funds in support of its implementation.

14. The STAREC/ISSSS governance structures are responsible for providing overarching guidance on stabilization and reconstruction and they are considered to be an important part of ongoing government ownership. In theory, they are represented by three entities – the **Comité de Pilotage**, chaired by the Prime Minister, and **Comité de Suivi**, chaired by the Minister of Plan, at the national level and the **Comité Technique Conjoint**, chaired by the Governor, at the provincial level. In reality, the roles and responsibilities of these structures (particularly those at the national level) and their functionality are still being developed. The *Comité de Suivi*, for example, met for the first time in four years in April 2015. In principle, to ensure smoother and more rapid delivery, the national structures will provide strategic oversight and orientation to STAREC activities, coordinated between Ministries, and guidance on issues pertaining to the national level, such as reforms. The *Comités Techniques Conjointes* will provide strategic oversight of stabilization programming at the Provincial level and be responsible for decision-making on provincial priorities.

4.2. Funding Boards – National and Provincial⁵

4.2.1. National Funding Board

15. The SCF will be governed by an overarching national funding board (national FB or NFB) that will, among other responsibilities:

- (a) Provide oversight and exercise overall accountability for the SCF;
- (b) Adopt and periodically review the SCF Terms of Reference (ToRs) and manual of operations, and ensure decision-making is compliant with the SCF Terms of Reference, manual of operations and signed Memorandum of Understanding (MoU)⁶ and Standard Administrative Arrangements (SAA)⁷;
- (c) Approve the criteria by which the implementation and managerial capacities of potential participating organizations will be assessed;
- (d) Determine the allocation of available resources for each STAREC/ISSSS Province in line with the principles outlined in paragraph 10, and strategic direction set by the wider STAREC/ISSSS governance structures;
- (e) Approve the annual budget of the Technical Secretariat and any projects of support to the Technical Secretariat and instruct, through its chairs, the Administrative Agent (AA), to disburse the funds;
- (f) Inform the *Comité de Suivi* and the Provincial Funding Board(s) of the approved Technical Secretariat budget and any project of support to the Technical Secretariat;

⁵ The National and Provincial Funding Boards may also be used by other donors who cannot contribute to the SCF but subscribe in every other way to these ToRs. The National and Provincial Funding Boards may also be used to determine the alignment of programmes and projects funded through other channels.

⁶ See paragraph 35.

⁷ See paragraph 30.

- (g) Ensure coordination and coherence with stabilization interventions funded through other channels, as well as interventions under other relevant frameworks, including but not limited to the *Programme National de démobilisation, désarmement et réinsertion* III (PNDDR III);
- (h) Review and approve the periodic narrative and financial reports consolidated by the TS and AA based on the progress reports submitted by participating organizations and the Managing Agent (MA) and following their review;
- (i) Assess risks and related mitigating actions against the SCF's risk matrix in annex, and approve updates and make recommendations, where appropriate;
- (j) Oversee an annual review process of the SCF's status and its overall progress, both in regard to its performance against its own objectives, and its contribution to the overall STAREC/ISSSS implementation.

16. The members of the NFB are:⁸

- (a) The Minister of Plan (Chair);
- (b) The Deputy Special Representative of the Secretary General/Humanitarian Coordinator/Resident Coordinator (Co-chair);
- (c) SCF contributors;
- (d) The Administrative Agent;
- (e) The Managing Agent; and
- (f) The Technical Secretariat.⁹¹⁰

It is recommended that a minimum of 30% of the members are women.

17. The NFB may invite other stakeholders¹¹ to attend meetings as deemed appropriate and depending on the issues on the agenda. These stakeholders will attend in an advisory or information capacity only and will have no decision-making or voting powers.

4.2.2. Provincial Funding Board

18. The National Funding Board will be supported by up to six Provincial Funding Boards (provincial FB or PFB)¹² that take programme-level decisions based on criteria and funding envelopes determined by the NFB, and direct related fund transfers from the AA to Participating Organizations.

⁸ The membership could be opened to donors willing to use the Fund governance structures to determine the alignment of their programme and projects.

⁹ The Administrative Agent, Managing Agent and Technical Secretariat are ex-officio members and will not have any decision-making powers.

¹⁰ On the NFB, the Technical Secretariat is represented by the National Coordinator of the STAREC Programme and Team Leader of the Stabilization Support Unit of MONUSCO.

¹¹ Other stakeholders can be line ministries, provincial and local government representatives, MONUSCO sections, UN agencies, funds or programmes and other International Organizations with financial rules and regulations similar to the United Nations System, international and national NGOs, civil society organizations and any other actors whose expertise has been deemed relevant to the issue examined by the NFB.

¹² Provincial Funding Boards will be activated upon funding allocation by the NFB to one or more of the following Provinces: Bas-Uélé, Haut-Uélé, Ituri, North-Kivu, South-Kivu, and Tshopo.

19. The PFB will, among other responsibilities:
- (a) Review and validate the integrated programme and project proposals for each priority stabilization zone submitted for consideration and instruct, through its chairs, the AA to disburse the funds;
 - (b) Inform the *Comité Technique Conjoint* and the National Funding Board of approved programmes and/or projects;
 - (c) Review the narrative and non-certified financial reports consolidated by the TS based on the progress reports submitted by Participating Organizations and the MA and provide recommendations to the National FB for consideration in their assessment of the overall performance of the SCF;
 - (d) Ensure that SCF activities implemented within the Province are monitored and evaluated effectively and transparently;
 - (e) Alert the NFB of any issues with project implementation requiring their attention, in particular with regards to issues pertaining to the exclusive competency of the national level authorities;
 - (f) Facilitate coordination and coherence with other stabilization interventions funded by other channels and implemented in the Province, as well as interventions under other relevant frameworks, including but not limited to PNDDR III;
 - (g) Participate in the annual review process of the SCF's status and its overall progress, both in regard of itself and its performance against its own objectives, and its contribution to the overall STAREC/ISSSS implementation.
20. The PFB members are:¹³
- (a) The Governor (Chair);
 - (b) MONUSCO Head of Office (Co-chair);
 - (c) The provincial Minister of Plan;
 - (d) SCF contributors;
 - (e) The Managing Agent; and
 - (f) The Technical Secretariat.¹⁴¹⁵

It is recommended that a minimum of 30% of the members are women.

21. The PFB may invite other stakeholders (as previously defined for NFB) as deemed appropriate and depending on the issues on the agenda. These stakeholders will have no decision-making powers.

¹³ The membership could be opened to donors willing to use the SCF governance structures to determine the alignment of their programme and projects.

¹⁴ The Managing Agent and technical Secretariat are ex-officio members and will not have any decision-making powers.

¹⁵ On the PFB, the Technical Secretariat is represented by the STAREC Chargé(e) de mission and the Provincial Coordinator from the Stabilization Support Unit of MONUSCO.

4.2.3. Decision-making

22. Only members in the list at paragraph 16 from (a) to (c) inclusive and paragraph 20 from (a) to (d) inclusive are awarded decision-making powers. For SCF contributors, their decision-making powers are set under the following conditions: SCF contributors have decision-making powers for a period of one (1) year for each USD 1 million transferred to the SCF account administrated by the AA.¹⁶

23. Decision-making requires 75% of the members with decision-making powers to be present at the relevant structure and decisions should be taken by consensus of the members with decision-making power present. Members with voting rights not present will have the possibility to participate through videoconference or to delegate voting power to another member present.

4.3. Technical Secretariat

24. The Technical Secretariat provides support to the overarching implementation of STAREC Programme and ISSSS and sits under the responsibility of the Stabilization Support Unit of MONUSCO and National Secretariat and provincial coordination teams of the STAREC Programme.

25. In order to support the objectives of the SCF – particularly around the facilitation of a coherent and effective approach to stabilization – the responsibility for the technical aspects of SCF management, and support to the Fund governance structures, are embedded in the Technical Secretariat.¹⁷

26. The Technical Secretariat will support the national and provincial Funding Boards (FB), including the following key functions:

- (a) Develop the SCF manual of operations and periodically review, in consultation with the PFBS, POs, AA and MA, their adequacy and those of the SCF ToRs, and submit a report to the attention of the NFB;
- (b) Provide logistical arrangements required to facilitate the FB meetings, including the preparation of the agenda and minutes, and distribution of relevant documents etc.;
- (c) Advise the FBs on any compliance issues with the SCF guidance documents (ToRs and Manual of Operations) in accordance with the MoU and SAA;
- (d) Document, communicate and ensure follow up of FB decisions including the submission of allocation approvals to the AA;
- (e) Develop the overall guidelines for programme development and launch calls for proposals, where appropriate;
- (f) Facilitate project/programme review processes within clearly set deadlines, including ensuring that all submission requirements are met, principles and criteria for assessment have been set, providing technical recommendations to the relevant FB on each proposal,

¹⁶ Donors who cannot contribute to the SCF but subscribe in every other way to these ToRs will also be awarded decision-making powers.

¹⁷ Which also acts as the Secretariat for the UN Peacebuilding Fund support.

and where relevant supporting POs in the integration of recommendations provided by the FBs.

- (g) Ensure that the monitoring and evaluation of projects and programmes is sufficient to support an assessment of their performance in relation to the ISSSS objectives, and the quality of implementation by the POs;
- (h) Ensure that clear ways of working and accountability lines are agreed with the AA and MA in relation to meeting monitoring, reporting and transparency requirements.
- (i) Consolidate the SCF annual report (based on reporting received from POs and other sources, where relevant) which should provide an overview of the fund's performance in relation to its objectives;
- (j) Provide reporting to the national and provincial boards as outlined in section 7.2. of this document;
- (k) Ensure best practice and lessons learned are integrated into programme development and revision, and project review and selection, as well as where appropriate in call for proposals;
- (l) Facilitate the annual consultations to review the status of the SCF;
- (m) Develop and maintain a database of POs and to the extent possible, harmonize the database with that of the MA on fiduciary issues.

27. The TS will be established with adequate staff within the Stabilization Support Unit of MONUSCO and the STAREC National Secretariat and Provincial Coordination teams.

28. The cost of the TS can be met through the SCF, as well as through other channels.¹⁸ The budget for the TS will be submitted to the NFB, and will include clear costs incurred for the management support to the Fund operations and which will be covered by the SCF, as a minimum contribution to TS which will not exceed 3% of the contributions¹⁹. The annual budget for the TS should be agreed by the National Funding Board and reported against in that forum in line with reporting requirements outlined in section 7.2.

V. Fund Management

5.1. Manual of Operations

29. The Fund Manual of Operations will detail the SCF institutional and financial arrangements, roles and responsibilities of the different parties involved, the programme and/or project development and approval procedures, the provisions for monitoring & evaluation, reporting and verification, and fund allocation procedures.

¹⁸ The part of the TS constituted by the Stabilization Support Unit of MONUSCO can also be supported by MONUSCO assessed budget.

¹⁹ In case additional resources are needed for the TS, the NFB will take decisions based on specific demonstrated needs.

5.2. Fund Management Structure

5.2.1. Administrative agent

30. The Multi-Partner Trust Fund Office (MPTF-O) as the Administrative Agent, or trustee, provides the SCF contributors and Participating UN Organizations (PUNO) and Participating Non-UN organizations (PNUNO) through the Managing Agent, with fund administration and other support services, in accordance with Memoranda of Understanding signed with the PUNOs and SAA concluded with the SCF contributors.

31. The AA carries out the following functions, in close collaboration with the TS and MA:

- (a) Receive, administer and manage contributions from SCF contributors;
- (b) Subject to availability of funds, disburse such funds to Participating Organizations, including PNUNOs through the Managing Agent, as instructed by the relevant FB;
- (c) Conclude SAA, with fund contributors;
- (d) Report to the FBs and fund contributors on the sources and uses of donor contributions received;
- (e) Consolidate periodic financial progress reports from POs, including PNUNOs through the Managing Agent, for review and approval by FB and dissemination to Fund contributors, including through posting on the Fund's webpage on the MPTF-O Gateway;
- (f) Participate in the annual consultations between the FB, PUNO, PNUNO, AA, MA and TS to review the status of the SCF based on monitoring & evaluation (M&E) reports;
- (g) In collaboration with the TS, post the final list of approved proposals on Fund's webpage on the MPTF-O Gateway;
- (h) Provide final financial reporting, including notification that the Fund has been operationally completed;
- (i) Disburse funds to any Participating UN Organization or MA for any additional costs of the task that the FB may agree on.

5.2.2. Managing Agent (or pass-through)

32. The MA will assume full financial accountability for the funds disbursed to them by the AA and administer these funds, as set in the MoU, in accordance with its own regulations, rules, directives and procedures for working through international NGO (INGO) partners. Programme responsibilities and accountability will be agreed under the framework of a specific tripartite arrangement between the NFB, TS and the MA fully describing respective roles and responsibilities.

33. The MA undertake the following fiduciary functions:

- (a) Coordinate audit system of PNUNOs (micro-assessments, performance and portfolio analysis);
- (b) Coordinate the process of contracting PNUNOs based on allocations approved by the FB(s);
- (c) Ensure timely fund disbursement to PNUNOs on receipt of compliant documents;
- (d) Monitor PNUNOs financial reports against approved budget on a quarterly basis;

- (e) Provide financial reports on PNUNOs to the AA and the TS;
- (f) Coordinate final narrative report along with final financial report from the PNUNOs as per the timeline;
- (g) Maintain a database of PNUNOs, including fund disbursement status, allocated amount, contract status and fund utilization.
- (h) Share results of assessments of financial performance and audit findings, and any information which indicate a serious breach of contractual obligations or integrity of the PNUNO;
- (i) Participate in the annual consultations between the FB, PUNO, PNUNO, AA, MA and TS to review the status of the SCF based on M&E reports.

34. The choice of the UN agency, fund or programme acting as Managing Agent for INGOs will be determined through a competitive process issued by the contributors to the SCF ensuring the quality of oversight, timely process and its cost.

VI. Entities eligible for funding from the SCF – Participating Organizations

6.1. Participating UN Organizations²⁰

35. Participating UN Organizations, i.e. UN agencies, funds and programmes and other International Organizations with financial rules and regulations similar to the United Nations System– are eligible to receive funding from SCF by concluding a MoU with the Administrative Agent.

36. Each PUNO shall assume full programmatic and financial accountability for the funds disbursed to it by the AA.

37. Each PUNO shall carry out its activities in accordance with the regulations, rules, directives and procedures applicable to it, using its standard implementation modalities. This includes adherence to the principles and criteria for approval of programme or project proposals set by the FBs.

6.2. Participating non-UN Organizations

38. Participating Non-UN Organizations are INGOs with demonstrated operational capacities. Options for the direct participation of national NGOs will be kept under review and will be formally considered every 12 months.

39. Each PNUNO shall assume full programmatic accountability for the funds disbursed to it by the AA through the MA.

²⁰ This excludes the MA – it is a UN organization but is not considered a participating UN organization under this definition.

40. Each PNUNO shall carry out its activities in accordance with the regulations, rules, directives and procedures applicable to it, according to its agreement with the MA. This includes adherence to the principles and criteria for approval of programme or project proposals set by the FBs.

VII. Monitoring & Evaluation and Reporting

7.1. Monitoring & Evaluation

41. All programmes and projects funded through the SCF will include a monitoring and evaluation component that will be consistent with the respective regulations, rules and procedures of the participating organization and will be verified and quality assured by the Technical Secretariat.

42. The members of the NFB will hold annual consultations to review the status and performance of the SCF.

43. In addition, the NFB may commission and independent lessons learned and review exercise relating to the operations and management of the SCF.

7.2. Reporting

44. The **TS** will provide the national and provincial FBs with the following statements and reports, based on timely submission of reports, provided by each Participating Organization, as referred to in paragraph 46 (a) to (c) below:

- (a) Mid-year consolidated narrative progress reports, broken down by Province where appropriate, to be provided no later than 30 June;
- (b) Annual consolidated narrative progress reports to be provided no later than 15 December;
- (c) A final consolidated narrative report to be submitted within 6 months of the completion of the last programme/project supported by the SCF. The final consolidated narrative report will contain a summary of the results and achievements compared to the goals and objectives of the ISSSS logical framework, to the extent possible, and an assessment of performance against the established objectives of the Trust Fund.

45. The **AA** will prepare consolidated financial reports based on submissions provided by each PUNO and the MA referred to in paragraph 47 below and will provide these to the National Funding Board, as well as to each Fund contributor together with narrative reports consolidated by the TS:

- (a) Annual consolidated financial reports, as of 31 December with respect to the funds disbursed from the Fund Account, to be provided no later than five months (31 May) after the end of the calendar year;²¹

²¹ In MoU, these are referred to as “Certified annual financial statement (“Source and Use of Funds” as defined by United Nations Development Group guidelines)”.

- (b) Final consolidated financial report, based on certified final financial statements and final financial reports received from PUNO and MA 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 five months (31 May) after the end of the calendar year in which the financial closing of the Fund occurs..²²

46. For each project approved for funding, each Participating Organization will provide the TS with the following narrative reports:

- (a) Mid-year narrative progress reports, to be provided no later than 15 June and shall be accompanied by a non-certified financial report of the project expenditures;
- (b) Annual narrative progress reports, to be provided no later than 15 November and shall be accompanied by a non-certified financial report of the project expenditures;
- (c) Final narrative project reports are due no later than three (3) months following project completion.

47. PUNOs and the MA will also provide the AA with the following financial statements and reports prepared in accordance with the accounting and reporting procedures applicable to the concerned PUNO and MA:

- (a) Annual financial report as of 31 December with respect to the funds disbursed to it from the Fund Account no later than four (4) 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, including the final year of the activities in the approved programmatic document to be provided no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the time period specified in the financial regulations and rules of the Participating UN Organization and MA, whichever is earlier.

VIII. Contributions to the Fund

48. Contributions to the Fund may be accepted from governments, inter-governmental or non-governmental organizations (Fund or SCF contributors). Due to the specific programmatic arrangements of the projects intended to respond in a participatory, gender sensitive, comprehensive, integrated manner to a specific problematic in a given geographic area, there will not be any earmarking of funding.

49. Contributions to the Fund may be accepted in fully convertible currency or in any other currency that can be readily utilized. Such contributions will be deposited into the bank account designated by the AA.

²² In MoU, these are referred to as “Certified final financial statement (“Source and Use of Funds”)”.

50. The value of a contribution payment, if made in other than US dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges will be recorded in the Fund account established by the AA.

IX. Financial Audits

51. The AA, MA and PUNOs will be audited in accordance with their own Financial Regulations and Rules and, where appropriate, in accordance with the Framework for auditing Multi-Donor Trust Funds which has been agreed to by the Internal Audit Services of PUNO and endorsed by the United Nations Development Group in September 2007.

52. The PNUNOs will be audited in accordance with the financial regulations of the Managing Agent and the ~~tripartite arrangement with the NFB, TS and MA specific agreement signed with the FB and AA.~~

X. Cost recovery

53. Resources from the Fund will be utilized for the purpose of meeting the direct and indirect costs of programmes/projects approved by the FBs and managed by POs. Indirect costs of PO will be limited to 7% of total project costs.

54. The AA will charge a one-time fee of one per cent (1%) of each contribution to cover the costs of performing its functions.

55. The fee for the MA to cover both direct and indirect costs associated with the financial accountability will be determined by the NFB in accordance with the MoU and the tripartite arrangement.

56. As per paragraph 28, the cost of the TS will be submitted as direct cost not exceeding in principle 3% of contributions. The detailed budget will be approved on an annual basis by the NFB, and any additional allocations will also need to be approved by the NFB based on demonstrated needs.

XI. Public Dissemination

57. The FB and the AA ensure that the Fund's operations are disseminated on the Fund webpage on the MPTF-O Gateway (<http://mptf.undp.org>). Information posted on the webpage shall include: contributions received, FB decisions, funds transferred, annual certified expenditures, summaries of approved projects, progress reports, including information on resource mobilization and Fund operations, as well as external assessment reports.

58. Each PO will take appropriate measures to promote the Fund, and ensure the STAREC/ISSSS and the SCF visibility. Information shared with the press shall acknowledge the STAREC/ISSSS and SCF.

59. The AA shall ensure that the role of the contributors and Government is fully acknowledged in all external communications related to the Fund.

XII. Entry, Exit Strategy and Termination of the Fund

60. Notwithstanding the completion of the projects financed from the Fund, any unutilized balances shall continue to be held in the Fund Account until all commitments and liabilities incurred in the implementation of the projects have been satisfied and project activities have been brought to an orderly and responsible conclusion.

61. Unless otherwise agreed by the FB, the Fund shall terminate on 31 December 2022. Any balance remaining in the Fund account shall be used for Fund related purposes as decided by Contributors, or returned to Contributors in proportion to their overall contribution to the Fund.

62. The Signatories welcome support to the Stabilization Coherence Trust Fund by other contributors. By accepting these ToR as annex to the SAA, upon accessing the Trust Fund, the contributor will recognize any decisions taken by the Management Structures of the Trust Fund prior to its accession.

63. Each contributor may terminate its support for the Stabilization Coherence Trust Fund by giving the NFB a three (3) months' written notice. If a contributor intends to terminate its support, that contributor will call for a meeting of the NFB to inform the other members of its decision (and to consult with them about the consequences for Fund). Upon termination, the donor renounces its right to participate in decision making in the Fund governance structures, as well as its rights on pro-rata return of funds remaining in the Trust Fund.

XIII. Other Issues

64. Ownership of equipment and supplies procured, and intellectual property rights associated with works produced, with funds transferred to the Participating Organizations from the SCF Fund Account will be determined in accordance with MOU or arrangement in place with the AA, the contents of which will be approved by contributors.

65. Due to the complexity and fluidity of the current context in DRC, these ToRs may be reviewed once a year. During the first year of operations, these ToRs may be reviewed more than once.

Annex 1: SCF Risk Matrix

GOVERNANCE							
	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
1	Ineffectiveness of the Fund architecture	3	<ul style="list-style-type: none"> • Failure to approve projects; • Failure to agree on fund allocations; • Lack of consensus on fund strategy and objectives; • Slow disbursement • Relationship break-down between stakeholders due to self-interested agenda setting; • Loss of confidence in the Fund and its administration; • Failure to secure alignment and coherence with bilateral donors who want to support ISSSS and therefore a lack of coordination and coherence of efforts in the east; • Failure to secure additional funds for the Trust Fund. 	5	<ul style="list-style-type: none"> • FBs not meeting regularly; • Poor participation in FBs by members; • Poor working relationships between fund administrators, government, donors; • Bilateral/institutional agendas; • Weak consensus building; • Confusion of roles and responsibilities between TS, MA and AA; • Confusion of roles and responsibilities between the National Funding Board and Provincial Funding Boards; • Insufficient capacity within the Technical Secretariat. 	<ul style="list-style-type: none"> • In the short term, set clear priorities and & review them regularly; • Set clear deadlines for decision-making and determine key performance measures around decision-making and monitor performance; • Development and approval of Operations Manual; • Clear ToRs established for the governance fora outlined in the SCF TORs; • Clear roles and responsibilities and accountability lines established between the TS, MA and AA; • Development and approval of alignment criteria for projects financed outside of SCF with other donors and Government; • Determining capacity needs of the Technical Secretariat and ensuring a clear management strategy is in place in the short term whilst capacity is recruited into the team; • Annual review of effectiveness of SCF. 	<ul style="list-style-type: none"> • National Funding Board • Technical Secretariat

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
2	Poor coordination with bilateral support	4	<ul style="list-style-type: none"> • Failure to agree an aligned approach with bilateral donors in support of ISSSS and Provincial Stabilization strategies and action plans; • Failure to leverage aligned bilateral funding and resources for the implementation of the revised ISSSS; • Opportunity to secure funds in support of a coherent approach is lost and funds are not used in support of an ISSSS approach in eastern DRC; • Inefficient allocation of resources in the delivery of ISSSS and the Stabilization Provincial Strategies and Action Plans - e.g. duplication, lack of focus/prioritization, lack of coordination at partner level; • Reputational risks to fund administrators resulting in a loss of confidence from Donor/of Government in ISSSS. 	4	<ul style="list-style-type: none"> • Donors and agencies focused on internal performance pressures & disbursement pressure; • Polarization of opinion in approach to supporting stabilization in the east; • Lack of interest and/or capacity to co-ordinate with aid outside of SCF by key SCF stakeholders; • Lack of information from the integrated governance structure for ISSSS and the SCF from the Provinces; • Poor information from bilateral donors; • Dysfunctional coordination structures/complex procedures which lead to consequences highlighted against risk 1; • Self-interested/bilateral/institutional agendas or bureaucratic rules and regulations. 	<ul style="list-style-type: none"> • Annual review of effectiveness of the SCF; • Determine a clear strategy for working towards agreeing alignment criteria for aid delivered outside SCF; • Bilateral donors have seats on wider ISSSS governance architecture; • Dissemination of donor funding decisions to the ISSSS Technical Secretariat; • Ensure regular Donor Stabilization Forum meetings take place and the opportunity is used to provide updates and to seek buy-in and approval on the wider ISSSS agenda; • Regular updates to GCP on progress on ISSSS (including the SCF). 	<ul style="list-style-type: none"> • Fund Board • Technical Secretariat with support from donors

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
3	Disruptive spill-over from political processes in relation to I4S on Fund architecture	3	<ul style="list-style-type: none"> • Fund decision making processes slowed down; • Failure to approve projects due to strong attempt to influence selection process; • Inability to take decisions in Funding Boards; • Delay in fund disbursement; • Reputational damage to Fund Administrator and/or Government leading to realizing both risks (1) and (2) above; • Competition between Ministries and loss of Government buy-in to stabilization. 	5	<ul style="list-style-type: none"> • Poor relations among political leadership and/or frequent changes in administration; • Elections; • Ineffective state/capacity; • Self-interested/institutional agendas; • Decision-making at Provincial level is allowed to become vulnerable or dependent on decision-making at the national level; • The role and responsibilities of STAREC are co-opted. 	<ul style="list-style-type: none"> • Close coordination between development and diplomatic tracks and coherent messaging agreed between donors and embassies; political dialogue • Work with multiple levels of government; • Ensure capacity and engagement STAREC; • Revisions to decision making processes; • Last resort: Close Trust Fund. 	<ul style="list-style-type: none"> • Funding Board • Donors • Technical Secretariat

PROGRAMMATIC RISKS

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
4	Fund allocation not aligned to strategic objectives and/or poorly prioritized fund allocations	2	<ul style="list-style-type: none"> • Lack of impact of fund interventions relative to fund and ISSSS/SPS/PAPS objectives; • Funds spread too thinly to enable a sufficiently holistic and integrated approach, impact of funds is undermined and support reverts to the approach under Phase I ISSSS; • Reputational damage to Fund Administrator and STAREC/ISSSS governance structure which undermines ability to leverage aligned funding or additional money into the SCF; • Government or contributor disengagement; • Unable to achieve SCF objectives; • Exacerbations of socio-economic disparities and/or political grievances; contribution to conflict. 	4	<ul style="list-style-type: none"> • Lack of consensus amongst stakeholders on fund purpose; • Weak Capacity of TS; • Weak decision making capabilities of FBs; • Pressure to allocate funds to overly broad range of activities and/or in pursuit of self-interested/institutional agendas; • Disbursement pressure; • Outcomes of dialogue processes are not sufficiently integrated on an ongoing basis into the process for prioritizing programmes and approaches; • Risks 1 & 3 are realized. 	<ul style="list-style-type: none"> • Development of priority allocation strategy endorsed by FB which includes a mechanism for ensuring outcomes of dialogue process continue to be at the base of decision-making; • Regular consultations with stakeholders (within and beyond Fund) on fund policy/objectives; • Clear TORs for Funding Boards and their relationship vis-a-vis the strategic Government-led governance structures is clear; • Regular meetings of the Funding Boards and Comité Technique Conjoint at Provincial level; • Project selection criteria observe the principles of ISSSS; • Timely communication of forward spending projections by donors; • Development of Operations Manual. 	<ul style="list-style-type: none"> • Provincial Funding Boards • Technical Secretariat

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
5	Weak capacity and contribution from Government (including STAREC)	3	<ul style="list-style-type: none"> • Decline in donor allocations to the fund; • Reduced results/impact of the Fund and reputational damage to Fund Administration, ISSSS/stabilization approach and/or Government; • Interventions do harm - exacerbations of socio-economic disparities and/or political grievances; contribution to conflict; • Slow delivery of results and slow Fund delivery; • Inability to meet Trust Fund objectives of coherence and integration of approach. 	3	<ul style="list-style-type: none"> • Lack of understanding of roles and responsibilities between STAREC and other Ministries; • STAREC interprets its role as an implementing arm and competes with other Ministries for funds; • Lack of coordination and buy-in from other Ministries at national and provincial level; • Government contribution and decision-making is driven by self-interest. 	<ul style="list-style-type: none"> • Role of STAREC within the Technical Secretariat is defined; • Ensure transparency over the roles and responsibilities of STAREC and its budget/support with donor, implementing and government partners through the budget of support to the Technical Secretariat; • Determine capacity needs within STAREC; • Regular CTC meetings to ensure strong communications between STAREC and TS and Government Ministries; • Halting support to the Trust Fund, if necessary. 	<ul style="list-style-type: none"> • Stabilization Support Unit/ Technical Secretariat • Funding Boards (for approval and ensuring follow up)
6	Weak capacity of implementing partners	3	<ul style="list-style-type: none"> • Decline in donor allocations to the fund; • Reduced results/impact of the Fund and reputational damage to Fund Administration, ISSSS/stabilization approach and/or Government; • Interventions do harm - exacerbations of socio-economic disparities and/or political grievances; contribution to conflict; • Slow delivery of results and slow Fund delivery; • Inability to meet Trust Fund objectives of coherence and integration of approach. 	4	<ul style="list-style-type: none"> • Insufficiently rigorous project and programme selection; • Desire and/or need to spend or quantity dominates project selection and not quality; • Lack of donor or government engagement in funding boards where decisions are taken; • Insufficient monitoring of partner performance. 	<ul style="list-style-type: none"> • TS sets clear and strict criteria for project and programme selection for decision-making at board meetings; • Regular Fund Board meetings and strong attendance by key stakeholders and voting members; • Dialogue, special mechanisms for confidence-building; • Regular monitoring of activities on the ground; • Narrative reports are rigorously reviewed by the Technical Secretariat and issues raised with the Funding Boards. 	<ul style="list-style-type: none"> • Technical Secretariat

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
7	Risk preferences are not aligned with Fund objectives	2	<ul style="list-style-type: none"> • Slow decision-making and fund delivery; • Programme decision-making defaults to results-based and input focused approaches and undermines the ISSSS principles; • Limited strengthening of government and national NGO capacity and systems and undermines exit strategy for Fund; • Limited government ownership of Fund and risks (1), (2), (3) and (4) are realized; • Loss of opportunity due to a lack of/ divergent risk appetite. 	4	<ul style="list-style-type: none"> • Zero donor tolerance to fiduciary risk limits fund operational capability; • Divergent risk appetites amongst stakeholders; • Insufficient openness and honesty around the trial and error nature of the approach by the Technical Secretariat and implementing partners; • Significantly changing context - political and/or security. 	<ul style="list-style-type: none"> • Project design and selection criteria approved and reviewed regularly; • Development of Operations Manual; • Regular review of risk matrix; • Encouragement of an open dialogue with all partners and stakeholders through the integrated governance structure; • Clarity of roles and responsibilities between the TS, MA and AA. 	<ul style="list-style-type: none"> • Funding Boards • Technical Secretariat

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
8	Limited impact/results of fund interventions	3	<ul style="list-style-type: none"> • Decline in donor allocations to the Fund; • Decrease in government willingness to work on a stabilization approach that's in line with the revised ISSSS and/or decreased Government ownership; • Reputational damage to Fund Administration, Technical Secretariat and/or Government which undermines ability to leverage aligned funding or additional money into the SCF. 	4	<ul style="list-style-type: none"> • Poorly designed interventions based on a lack of context, conflict and impact analysis; • Poor implementation and insufficient flexibility built into approaches; • Poorly managed expectations of fund delivery relative to resources and innovative nature of the approach; • Insufficient resources in Fund; • Poor monitoring; • Lack of alignment by bilateral donors which undermines ability to build a more strongly integrated approach and therefore the results achieved through the Trust Fund; • Security and political context; • Increase in drivers of conflict outside of influencing scope of ISSSS; • Emphasis placed on quantity over quality by stakeholders; • Donors link fund contributions to issues outside scope of the fund. 	<ul style="list-style-type: none"> • Use of established quality assurance mechanisms; • Project design and selection criteria approved and reviewed regularly; • Lesson learning and application of best practice; • Ensure capacity in TS; • Biannual reporting of fund results and performance; • Strong monitoring and evaluation framework in place; • Management of expectations through governance structures and reporting on the innovative nature of the approach and the assumptions on which delivery is based; • Regular risk monitoring and analysis. 	<ul style="list-style-type: none"> • Technical Secretariat • Funding boards

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
9	Inability to monitor and verify development outcomes	2	<ul style="list-style-type: none"> • Misinformed fund allocations; • Inability to respond flexibly to the context by programme partners leading to realization of risk (6); • Decline in donor allocations to the fund; • Decrease in government willingness to work on a stabilization approach that's in line with the revised ISSSS and/or decreased Government ownership; • Reputational damage to Fund Administration, Technical Secretariat and/or Government which undermines ability to leverage aligned funding or additional money into the SCF. 	4	<ul style="list-style-type: none"> • Lack of access to operational environment; • Lack of commitment on the part of fund stakeholders to invest is sufficient M&E in programming; • Prohibitive costs of data collection; • Partner capacity; • Unclear roles and responsibilities between actors on monitoring and evaluation. 	<ul style="list-style-type: none"> • Inception phase for M&E Support Unit leading to clear roles and responsibilities for the unit vis-a-vis implementing partners and the Technical Secretariat; • Established frameworks against which individual projects report; • Biannual review / reporting of fund results and performance; • Project design and selection criteria include conditions on monitoring and evaluation. 	<ul style="list-style-type: none"> • Technical Secretariat • Provincial Funding Boards

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
10	Government failure to meet key political and international obligations	3	<ul style="list-style-type: none"> • Instability in eastern DRC increases; • Fund donors reduce their support to ISSSS and stabilization as an agenda and move back to humanitarian support; • Failure to secure alignment and coherence with bilateral donors who want to support ISSSS; • Failure to secure additional funds for the Trust Fund; • Reduced results/impact of the Fund and reputational damage to Fund Administrators and/or Government; • No sustainability of interventions. 	3	<ul style="list-style-type: none"> • Elections agenda drives decision-making; • Self-interest; • Increasing political instability or insecurity. 	<ul style="list-style-type: none"> • Develop strong linkages between STAREC/ISSSS structures and wider decision-making forums; • Priorities areas for common messaging and potential support linked to issues being identified at the local level; • Ensure strong dialogue and communication between the international community - particularly development and politics/diplomats to facilitate a twin-track approach to supporting stabilization - making use of DESS meetings with MONUSCO, GCP, Heads of Mission meetings in Kinshasa; • Strategic communications strategy within the SCF/Technical Secretariat to ensure messages are easily understood by other partners. 	<ul style="list-style-type: none"> • Technical Secretariat • Donors

FIDUCIARY / MANAGEMENT RISKS

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
11	Ineffective fund admin., capacity and operations	2	<ul style="list-style-type: none"> • Delays in disbursements; • Delays in reporting and financial accounting; • Delays in project/programme implementation; • Reputational damage to fund administration and donors which undermines ability to secure additional funds, or secure aligned funds; • Reduced government commitment to and ownership of the fund; • Fund strategic objectives not met/impaired. 	5	<ul style="list-style-type: none"> • Inexperienced or lack of staff; • Staff Attrition; • Cumbersome or inappropriate fund administrator procedures; • Lack of clarity on roles and responsibilities between TS, MA and AA; • Lack of clarity of roles and responsibilities of Funding Boards; • Lack of funding for staff in country; • Lack of cooperation or a break down in relations between SSU and STAREC as members of the TS. 	<ul style="list-style-type: none"> • Identify high priority positions/tasks and design a surge capacity mechanism to ensure that key posts are always filled; • Clarify roles and responsibilities and lines of accountability between TS, MA and AA; • Regular Fund Administrator / Secretariat meetings; • Biannual review / reporting of fund results and performance; • Determine performance targets for the Technical Secretariat and governance structures which are included in the results matrix for the TF and monitored over time. [Consider an external, independent, review of the structure if certain key performance targets aren't being met]; • Carry out capacity assessment of SSU and assist in organizational development of SSU, incl. TS; • Develop Manual of Operations. 	<ul style="list-style-type: none"> • Technical Secretariat • AA • Fund Contributors

	Identified risk	Probability (1 to 5)	Consequence of risk occurring	Impact (1 to 5)	Reason for Risk	Risk management strategy	Responsibility for mitigation
12	Escalation of violence/ Poor management of (security) risks	2	<ul style="list-style-type: none"> • Personnel exposed to undue personal risk; • Fund operations forced to cut back or terminate as a result of a security incident; • Security procedures hinders project implementation and monitoring. 	4	<ul style="list-style-type: none"> • Weak security analysis or unreliable information; • Unduly lax security procedures; • Overly restrictive security measures; • Excessive risk avoidance; • Pressure from donor / government to perform. 	<ul style="list-style-type: none"> • Robust security risk management procedures at project level, including scenario planning for potential draw down of activities in the case of escalating violence; • Ensure adequate resources for experienced, UNDSS/security and 'conflict familiar' staff; • Robust contingency planning; • Regular, strategic communication to public and relevant stakeholders on fund activities; • Clear, effective information sharing between security management system and fund administrators. 	<ul style="list-style-type: none"> • Technical Secretariat
13	Diversion of resources / fraud / corruption	3	<ul style="list-style-type: none"> • Misuse of project funds (bribery, corruption, fraud, diversion); • Duplication / Misappropriation of salary payments; • Reduced donor confidence and support to the fund; • Reduced results/impact of fund interventions; • Exacerbated political tensions; • Reputational risk for fund managers. 	4	<ul style="list-style-type: none"> • Lax Fund Administrator/ Recipient/IP risk management procedures and/or failure to adhere to procedures; • Non-standard accounting procedures; • Failure to observe the need for financial transparency /accountability; • Lack of transparency by implementing partners when incidences of fraud or corruption occur and poor investigation practices. 	<ul style="list-style-type: none"> • Working through UN agencies & using quality procedures for selection of partners; • Careful review of narrative and financial reports by the AA and Funding Boards and appropriate monitoring / spot checking; • Substitution of implementing partners; • Information sharing and recording of fraud cases Repayment (under clear conditions); • Immediate halt of projects in case of suspicion of fraud; • Dismissal & refund. 	<ul style="list-style-type: none"> • AA • Technical Secretariat • MA

Probability	Occurrence	Frequency
Very Likely	The event is expected to occur in most circumstances	Twice a month or more frequently
Likely	The event will probably occur in most circumstances	Once every two months or more frequently
Possible	The event might occur at some time	Once a year or more frequently
Unlikely	The event could occur at some time	Once every three years or more frequently
Rare	The event may occur in exceptional circumstances	Once every seven years or more frequently

Impact	Result
Extreme	An event leading to massive or irreparable damage or disruption
Major	An event leading to critical damage or disruption
Moderate	An event leading to serious damage or disruption
Minor	An event leading to some degree of damage or disruption
Insignificant	An event leading to limited damage or disruption

IMPACT					
Probability	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Very likely (5)	Medium (5)	High (10)	High (15)	Very High (20)	Very High (25)
Likely (4)	Medium (4)	Medium (8)	High (12)	High (16)	Very High (20)
Possible (3)	Low (3)	Medium (6)	High (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare (1)	Low (1)	Low (2)	Medium (3)	Medium (4)	High (5)