

RECONCILIATION

RESILIENCE



STABILISATION

2018

# South Sudan Reconciliation, Stabilization, and Resilience Trust Fund

ANNUAL REPORT 2018

MAY 2019

## CONTENTS

Introduction

### PART I: NARRATIVE REPORT

RSRTF Rationale

Development of RSRTF Concept and Terms of Reference

Establishment of the RSRTF

RSRTF strategic framework

RSRTF Approach

The RSRTF Governance Structure

### PART II: FINANCIAL REPORT

Sources and uses of funds

Partner contributions

Interest earned

Transfer of funds

Expenditure and financial delivery rates

Cost recovery

Accountability and Transparency

## INTRODUCTION:

This report provides an overview of the South Sudan Reconciliation, Stabilization, and Resilience (South Sudan RSRTF) Multi-Partner Trust Fund which was set up at the end of 2018 with the objective to provide strategic financing to integrated programmes that together lessen the destructive drivers of conflict and develop more peaceful and, ultimately, self-reliant communities.

The Report is divided in two parts. The first part is the Consolidated Annual Narrative Report, which has been developed by the RSRTF Secretariat. The second part is the Consolidated Annual Financial Report, which has been consolidated by the UNDP MPTF Office, as Administrative Agent of the Fund.

## PART I: NARRATIVE REPORT

### RSRTF RATIONALE:

At the outset of 2018, background studies were undertaken, and a preliminary research document was developed making a strong case for the establishment of a multi-partner trust fund (MPTF) in South Sudan. The essential requirement was to establish a mechanism that would bring partners together and enable joined up peacebuilding and development actions that together would have greater impact in addressing the structural causes of the crisis and build the foundations to reduce fragility and vulnerability in the long term. The research document was informed by an initial brainstorming session across UN and NGO partners to obtain inputs on the preliminary document and to undertake further assessment on the need for a MPTF in the Country.

In February 2018, discussions were held between the SRSRG and the Multi-Partner Trust Fund Office (MPTFO) in New York to present the preliminary document and obtain the inputs of the MPTFO on the Fund rationale and its further development. Subsequently, a more elaborative briefing document was compiled to concretise the basic Fund outline, its broad programmatic scope, and the Fund rationale.

In March 2018, the DSRSG-RC-HC met with key donors in Brussels and London to engage on the Fund rationale and its alignment with donor priorities in South Sudan. Further consultations were held within the forum of the UNCT and with individual UN Agencies and NGOs in Juba setting the stage for the development of a comprehensive Fund Concept.

*Background: Five years on from the 2013 outbreak of violence, the 2018 humanitarian response plan still identified 7 million people in need of assistance and protection. The compounding effects of widespread violence and sustained economic decline over the years had served to further diminish the capacity of people to face threats to their health, safety, food security and livelihoods.*

*The cost of consecutive humanitarian and regional refugee response appeals between 2014 and 2018 amounted to 13.2 billion dollars. While international donor response had been strong, the gap between needs and resources continued to widen. Additionally, by 2015, close to 80% of all international assistance to South Sudan was for life saving humanitarian programmes only. Humanitarian aid was meeting the urgent needs of populations. However, the root causes of vulnerability and critically the drivers of localized conflict and competition for resources at the community level remained unaddressed and therefore continued to exacerbate the humanitarian crisis.*

## DEVELOPMENT OF RSRTF CONCEPT AND TERMS OF REFERENCE:

In April 2018, the drafting and review process of the RSRTF Concept commenced in coordination with and through a consultative process across UN and NGO partners. This was followed by a visit by the MPTFO to South Sudan from 28 May to 1 June. The MPTFO visit was targeted to provide key support in the early development stage of the Fund, including engagement with the SRSR and DSRSR-RC-HC to ensure the Fund's alignment with the UN leadership's vision and strategic priorities in South Sudan and to engage UNCT members and donors; namely Germany, the Netherlands and Norway.

A draft Terms of Reference (TORs) for the Trust Fund was endorsed by the UNCT and the Mission following the MPTFO visit. A process of revision and refinement of the Fund Concept was undertaken from June to August 2018, including the consolidation of comments from all stakeholders and broader donor consultations expanding to Sweden, DFID, Canada and the US. In September 2018, the final Fund Concept and draft Terms of Reference were circulated to relevant stakeholders.

## ESTABLISHMENT OF THE RSRTF:

On 12 September 2018, the MPTFO PAC convened a meeting in New York during which members in principle agreed on the Fund's establishment and provided additional recommendations on the Fund's Terms of Reference. On 13 October, the DSRSR-RC-HC issued a letter to the MPTFO, together with the finalised Terms of Reference, calling for the official establishment of the RSRTF and requesting that the MPTFO Office in New York serve as its managing agent.

In November and December 2018, the Fund Terms of Reference were officially issued, and UN Agencies; namely UN Women, UNHCR, UNDP, FAO, WFP, IOM, UNHABITAT and UNESCO, each concluded a memorandum of understanding with the RSRTF. This enabled each UN Participating Organisation to engage in and to receive financing through the RSRTF. Further consultations were held with key stakeholders including a broader NGO pool and the heads of the ten UNMISS Field Offices across South Sudan to provide presentation and guidance on the Fund Allocation Process. In parallel, steps were undertaken to establish the Fund Secretariat Framework through the administrative support of the UN Mission.

On 4 December 2018, Ambassador Jürgen Schulz, Deputy Permanent Representative of Germany to the United Nations concluded a Standard Administrative Arrangement with the RSRTF committing payment of the first donor contribution of five million Euro to the Fund.

## RSRTF STRATEGIC FRAMEWORK:

The programmatic framework of the Fund is anchored in the United Nations Cooperation Framework (UNCF), and reflects the Mandate of the UN Mission in South Sudan (UNMISS) as well as building upon expanding efforts of Civil Society, the NGO and donor community to empower communities and build longer-term resilience to prevent further deterioration of the crisis while reducing dependency on humanitarian assistance.

Contributing to the overall aim of the UNCF, activities supported by the fund will support stabilization and reconciliation efforts that prepare the way for building resilience of women, girls, men, boys and communities to better withstand the shocks and stresses they face as a result of the current crises. The Results Framework of the Fund is aligned to the four priority areas of the UNCF, Building peace and strengthening governance; Improving food security and recovering local economies; Strengthening social services; Empowering women and youth.

RSRTF ACTIVITIES  
CONTRIBUTE TO  
ACHIEVING SEVEN  
**SUSTAINABLE  
DEVELOPMENT  
GOALS (SDGS)**



## RSRTF APPROACH:

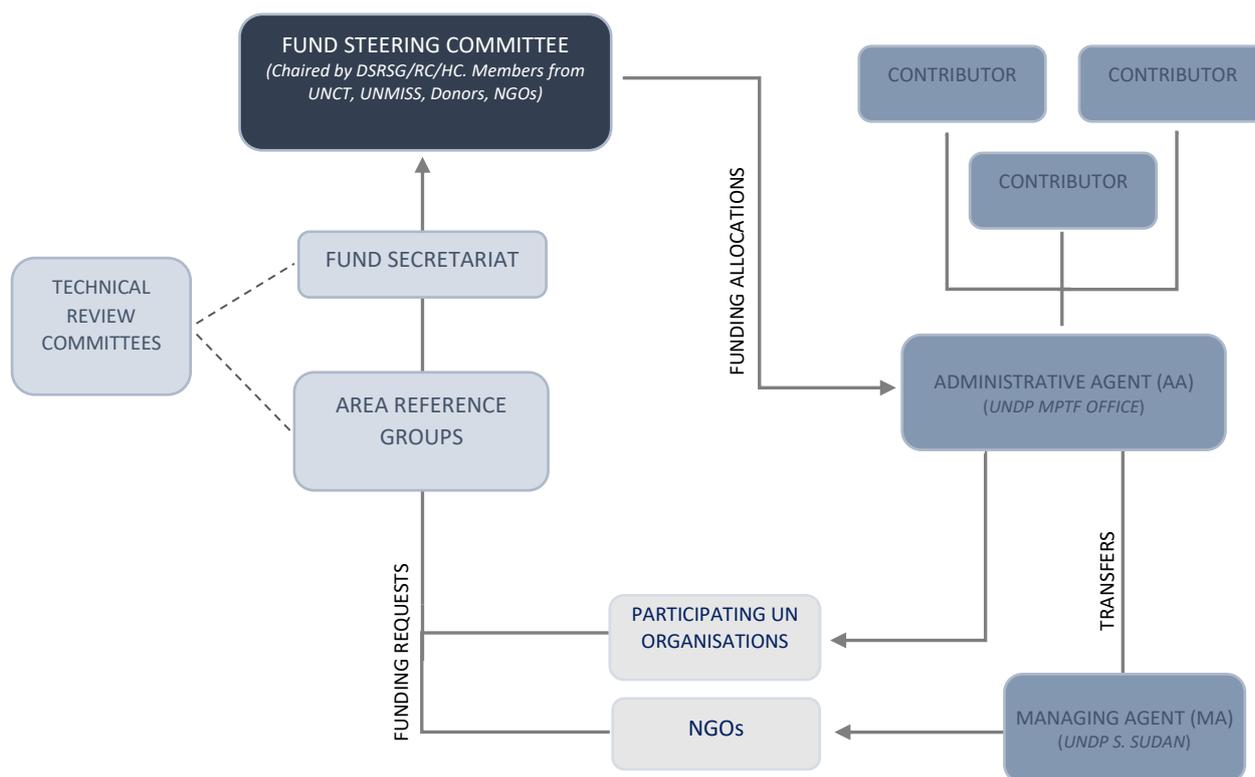
The Trust Fund recognises that development, peace and security, are interlinked and mutually reinforcing. The Fund pioneers an innovative whole of system approach on the understanding that complementary reconciliation, stabilization and resilience efforts will together build and sustain conditions of peace and stability and support communities to realize the economic and livelihood gains of sustained peace.

The Fund embraces the vision of the Secretary-General, to promote more coordinated, coherent and integrated peacebuilding efforts among the United Nations mission and the United Nations country team. The Fund will also strengthen partnerships with non-United Nations development actors, to pool resources, and increase cooperation and coordination to better build peace and resilience.

Critically, the funding will aim to bridge silos and underpin a ‘whole of system’ approach that combines the strengths and added value of humanitarian, development and peacekeeping operations to realize common aims. The approach of the Fund is, therefore, closely aligned with the principles of the New Way of Working, supporting the realization of collective outcomes that reduce risk, vulnerability and overall levels of humanitarian need over time. The approach will similarly look to reinforce more sustainable and inclusive, community driven programming that strengthens existing capacities at national and local levels.

## THE RSRTF GOVERNANCE STRUCTURE

The Fund is governed by a Steering Committee which functions as the key decision-making body. It is chaired by the Deputy Special Representative to the Secretary-General (DSRSG), UN Humanitarian and Resident Coordinator (HC/RC). As DSRSG/RC/HC responsible for both humanitarian and development coordination the triple function enables the Chair to embody the integrated character of the Fund and the bridge between peacekeeping and security, humanitarian, and longer-term recovery and development efforts. The membership of the Steering Committee will embody the spirit of the partnership including representation from the UNCT, UNMISS, donors and NGOs.



## PART II: FINANCIAL REPORT

This chapter presents financial data and analysis of the **South Sudan RSRTF Fund** using the pass-through funding modality as of 31 December **2018**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/SSR00>.

### 1. SOURCES AND USES OF FUNDS

As of 31 December **2018**, 1 contributor deposited US\$ **5,683,000** in contributions and US\$ **7,646** was earned in interest.

The cumulative source of funds was US\$ **5,690,646** (see respectively Table 2 and 3).

No transfer to Participating Organizations was made by the Administrative Agent by 31 December 2018.. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **56,830**. Table 1 provides an overview of the overall sources, uses, and balance of the **South Sudan RSRTF Fund** as of 31 December 2018.

**Table 1. Financial Overview, as of 31 December 2018 (in US Dollars)**

	Annual 2017	Annual 2018	Cumulative
<b>Sources of Funds</b>			
Contributions from donors		5,683,000	5,683,000
Fund Earned Interest and Investment Income		7,646	7,646
Interest Income received from Participating Organizations		-	-
Refunds by Administrative Agent to Contributors		-	-
Fund balance transferred to another MDTF		-	-
Other Income		-	-
<b>Total: Sources of Funds</b>		<b>5,690,646</b>	<b>5,690,646</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations		-	-
Refunds received from Participating Organizations		-	-
<b>Net Funded Amount</b>		<b>-</b>	<b>-</b>
Administrative Agent Fees		56,830	56,830
Direct Costs: (Steering Committee, Secretariat...etc.)		-	-
Bank Charges		1	1
Other Expenditures		-	-
<b>Total: Uses of Funds</b>		<b>56,831</b>	<b>56,831</b>
<b>Change in Fund cash balance with Administrative Agent</b>		<b>5,633,815</b>	<b>5,633,815</b>
Opening Fund balance (1 January)		-	-
<b>Closing Fund balance (31 December)</b>		<b>5,633,815</b>	<b>5,633,815</b>
Net Funded Amount (Includes Direct Cost)		-	-
Participating Organizations' Expenditure (Includes Direct Cost)		-	-
<b>Balance of Funds with Participating Organizations</b>			<b>-</b>

## 2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December **2018**.

The **South Sudan RSRTF Fund** is currently being financed by **1** contributor, as listed in the table below.

The table below includes commitments made up to 31 December **2018** through signed Standard Administrative Agreements, and deposits made through **2018**. It does not include commitments that were made to the fund beyond **2018**.

**Table 2. Contributors' Commitments and Deposits, as of 31 December 2018 (in US Dollars)**

Contributors	Total Commitments	Prior Years as of 31-Dec-2017 Deposits	Current Year Jan-Dec-2018 Deposits	Total Deposits
GERMANY, Government of	5,683,000	-	5,683,000	5,683,000
<b>Grand Total</b>	<b>5,683,000</b>	<b>-</b>	<b>5,683,000</b>	<b>5,683,000</b>

### 3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent (Fund earned interest), and 2) on the balance of funds held by the Participating Organizations (Agency earned interest) where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December **2018**, Fund earned interest amounts to US\$ **7,646**.

Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2018 (in US Dollars)**

Interest Earned	Prior Years as of 31-Dec-2017	Current Year Jan-Dec-2018	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income		7,646	7,646
<b>Total: Fund Earned Interest</b>		<b>7,646</b>	<b>7,646</b>
<b>Participating Organization</b>			
<b>Total: Agency earned interest</b>			
<b>Grand Total</b>		<b>7,646</b>	<b>7,646</b>

### 4. TRANSFER OF FUNDS

No allocation to Participating Organizations were approved by the Steering Committee and disbursed by the Administrative Agent as of 31 December **2018**.

### 5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2018** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The **2018** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/SSR00>.

In **2018**, as no funds were transferred, no expenditure was reported by the Participating Organizations.

## 6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December **2018**, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ **56,830** was deducted in AA-fees. Cumulatively, as of 31 December **2018**, US\$ **56,830** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period, as no expenditure were made, no indirect costs were charged by Participating Organizations. Cumulatively, indirect costs amount to US\$ 0.00 as of 31 December **2018**.

## 7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.