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| **Pakistan One Fund**  **Terms of Reference**  **2013 - 2017** |

1. **Introduction**
2. In 2008, Pakistan became one of eight pilot countries for One UN. The first One Programme (2008 – 2012) was signed in 2009.
3. A second generation One Programme II (2013 – 2017) continues the One UN reform process. The One Programme encompasses the developments strategies of all the UN agencies operating in Pakistan. Through an extensive prioritization and consultation process coupled with an analysis of the UN’s comparative advantage, six priority areas have been selected for the One Programme II. Through their implementation, the UN will contribute to the implementation of national development priorities and the Millennium Development Goals.
4. A key component required in support of the One UN and the implementation of the One Programme and its components is the One Fund. With leadership of the UN Resident Coordinator in consultation with the UN Country Team (UNCT), the Pakistan One Fund aims to provide a coherent and streamlined platform for resource mobilization, fund allocation and reporting on the One Programme and its components.
5. These Terms of Reference (TOR) are in line with the management structures of the One Programme II and its components, and are subject to periodic review in line with the dynamic nature of the One UN reform process in Pakistan.
6. **Purpose of the Pakistan One Fund**
7. The Pakistan One Fund will support resource mobilization and the allocation of resources to the One Programme and its components. It will also support the streamlining of substantive and financial monitoring.
8. **Description of the Pakistan One Fund**
9. **Administration**
10. The UNCT has appointed UNDP as the Administrative Agent of the Pakistan One Fund for the period of 2013 – 2017. UNDP will perform its functions of Administrative Agent (AA) in line with these TORs and in accordance with the UNDG-approved *“*[*Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN Funds*](http://www.undg.org/docs/9885/Protocol-on-the-role-of-the-AA,-10.30.2008.doc)*”.* UNDP’s Multi-Partner Trust Fund Office (MPTF Office), will perform the function of the AA.
11. **Contributions to the Pakistan One Fund**
12. Contributions to the One Fund may be accepted, among others, from governments of member states of the UN, intergovernmental and non-governmental organizations, international financial institutions, foundations or private sources. Acceptance of funds from the private sector will be guided by criteria stipulated by the UNCT, agency specific guidelines, and in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General’s guidelines <http://www.un.org/partners/business/otherpages/guide.htm>).
13. In line with the objectives of the Pakistan One Fund, and to ensure maximum programming efficiency, donors are strongly encouraged to contribute multi-year unearmarked resources to the One Fund. Hence, in line with UNDG guidance, resources channeled through One Fund should be un-earmarked or softly earmarked, with earmarking allowed at the sector/thematic level. Earmarking to a specific agency output is not permitted.
14. Contributions to the Pakistan One Fund will be accepted in fully convertible currencies. Such contributions shall be deposited in the bank accounts designated by the Administrative Agent. The value of the contribution, if made in any other currency except for the United States dollar, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.
15. **Eligibility for Funding from the Pakistan One Fund**
16. Current Participating UN Organizations in the One Fund for the One Programme I may continue participation in the Pakistan One Fund for the OP II by concluding an Addendum to the Memorandum of Understanding (MOU) which has already been signed with the Administrative Agent. New UN Organisations, wishing to participate, may do so by concluding the standard MOU with the AA.
17. **Utilisation of the Pakistan One Fund**
18. The Pakistan One Fund will be utilized to meet the unfunded priority results of the One Programme and its components, including any new initiatives required to respond to emerging needs. Details are presented in the One Programme document and the Operational Plan for the One Programme II.
19. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. All other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Pakistan One Fund will be recovered as direct costs.
20. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative Arrangement, to meet the Administrative Agent’s costs of performing the Administrative Agent’s functions.
21. **Governance Arrangements**
22. **High Level Committee and the Oversight Committee**
23. The High Level Committee (HLC) is responsible for the oversight of the One UN reform process in Pakistan.
24. The HLC has as its subsidiary body the Oversight Committee composed of the Secretary of the Economic Affairs Division (Co-Chair); the UN Resident Coordinator (Co-Chair); and a donor reprehensive. The Oversight Committee is responsible for the monitoring and review of OPII and will also be responsible for steering the Pakistan One Fund. In this respect, the Oversight Committee has the following responsibilities:

* Provide oversight to the management of the Pakistan One Fund
* Take stock of earmarked contributions received
* Review and endorse UNCT recommendations on the allocation of unearmarked contributions to the One Programme and its components

1. **UN Resident Coordinator and the UNCT**
2. Chaired by the UN Resident Coordinator, the UNCT is the primary UN forum for strategic programmatic guidance in relation to priority gaps, windows of opportunity to achieve programme results and mobilizing resources for the Pakistan One Fund.
3. After soliciting priority proposals from each SPA and based on the subsequent analysis provided by the Programme Management Team (PMT), the UNCT will make recommendations to the Oversight Committee on the allocation of unearmarked contributions from the Pakistan One Fund.
4. The overall management of the Pakistan One Fund will be led and coordinated by the UN Resident Coordinator, who, in consultation with the UNCT, will be responsible for:

* Co-chairing the HLC and the Oversight Committee for the allocation of funds for the One Programme and its components in line with the proposals of the UNCT
* Communicating with Participating UN Organisations on decisions of the HLC and the Oversight Committee, including approved resource allocations
* Subject to fund availability, instructing the Administrative Agent to transfer the approved fund allocations to Participating UN Organisations
* Sharing Annual Progress Reports prepared by the Administrative Agent and other relevant communications with the HLC, the Oversight Committee, donors and other partners

1. **Support Structures**
2. The PMT will support the identification of funding gaps within the One Programme II and its components by presenting the UNCT with an updated analysis[[1]](#footnote-1) of the priority outputs facing acute funding shortages. This will inform UNCT decision making when allocating unearmarked funding.
3. The Resident Coordinator’s Office will provide secretariat and other relevant support services to the management and coordination of the Pakistan One Fund, and as per the Pakistan One Fund MOU/SAA, with the approval of the UNCT, the costs of such support may be charged as direct costs to the Pakistan One Fund.
4. **Administrative Agent**
5. The responsibilities of the Administrative Agent will include the following:

* Receive financial contributions to the Pakistan One Fund;
* Administer such funds received, in accordance with the relevant MOU including the provisions relating to winding up the Pakistan One Fund and related matters;
* Subject to availability of funds, disburse such funds received to each of the Participating UN Organizations in accordance with instructions from the UN Resident Coordinator, on behalf of the Oversight Committee;
* Consolidate narrative reports and financial statements based on submissions provided to the AA by Participating UN Organization through the established One Programme monitoring and reporting arrangements under the overall guidance of the UN Resident Coordinator and the Country Team;
* Provide final reporting, including notification that the Fund has been operationally disbursed and utilized.

1. **Monitoring and Evaluation**
2. Monitoring and Evaluation (M & E) of the overall One Programme and its components shall be undertaken in accordance with the monitoring and evaluation framework detailed in the One Programme Operational Plan. Based on the submissions made through the established monitoring and reports arrangements of One Programme, Annual Progress Reports will be consolidated by the Administrative Agent in line with the agreed upon fund structure. In addition, the Oversight Committee will oversee an independent mid-term review and final evaluation.
3. The donor(s), the Resident Coordinator, the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the Pakistan One Fund.
4. In addition, the Resident Coordinator and the UNCT may commission a regular, independent lessons-learned and review exercise relating to the operations and management of the Pakistan One Fund.
5. **Audit**
6. The Administrative Agent and Participating UN Organisations will by audited in accordance with their own financial rules and regulations. The ‘[Framework for auditing Delivering as One Programmes’](http://mptf.undp.org/document/download/8164), provides the basis for a unified internal audit approach for auditing Delivering as One programmes at the country level jointly by the Internal Audit Services (IAS) of the Participating UN Organisations, in order to achieve more coherent governance, enhanced management and increased effectiveness of auditing Delivering as One Programmes. Where possible, auditing of the Pakistan One Fund will be conducted in line with this framework.
7. **Reporting**
8. Each Participating UN Organization will provide the Administrative Agent with the following financial statements and reports:
9. Annual financial statements and reports for the period up to 31 December with respect to the funds disbursed to the Participating UN Organization from the Pakistan One Fund Account. These reports are to be provided no later than four months (30 April) after the end of the calendar year.
10. Certified final financial statements and final financial reports from the Participating UN Organizations after the completion of the Programme and including the final year of the Programme, to be provided no later than six months (30 June) of the year following the financial closing of the Programme.
11. Each Participating UN Organisation will provide narrative reports – through established OP II operational arrangements, addressing progress made towards joint outputs. Under the oversight and guidance of the Programme Management Team (PMT) - facilitated by the SPA Convener Agency, the Monitoring & Reporting Committees (MRCs) will compile and submit to the AA:
12. Annual reports of the progress achieved towards joint outputs. These reports are to be provided no later than three months (31 March) after the end of the calendar year.
13. Final narrative reports at the joint output level, after the completion of the activities in the One Programme documents and the Operational Plan, to be provided no later than four months (30 April) of the year following the financial closing of the Programme. The final reports will include a summary of results and achievements against the outcomes of the One Programme and its components.
14. The Administrative Agent will prepare consolidated narrative and financial reports, based on the submissions referred to above. Annual financial and narrative progress reports will be finalized by 31 May and final financial and narrative reports will be finalized by 31 July. Consolidated reports will be sent to the UN Resident Coordinator for onward submission to the UNCT, High Level Committee, Oversight Committee and to each donor that has contributed to the Pakistan One Fund Account, in accordance with the timetable established in the Administrative Arrangement.
15. The Administrative Agent will also provide the Resident Coordinator for onwards submission to the UNCT, High Level Committee, Oversight Committee, donors and Participating UN Organizations with the following statements on its activities as Administrative Agent:
16. Certified annual financial statement (“Source and Use of Funds”) to be provided no later than five months (31 May) after the end of the calendar year; and
17. Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Pakistan One Fund.
18. Consolidated reports and related documents will be posted on the websites of the UNCT in Pakistan ([www.un.org.pk](http://www.un.org.pk)) and the Administrative Agent (<http://mptf.undp.org>).
19. **Public Disclosure**
20. The Resident Coordinator, the UNCT and Administrative Agent will ensure that decisions regarding the review and approval of One Programme II and its components funded under the Pakistan One Fund as well as periodic reports on the progress of implementation of the One Programme and associated external evaluation reports are posted for public information on the website of the UNCT in Pakistan ([www.un.org.pk](http://www.un.org.pk)), as well as on the Administrative Agent’s website (<http://mptf.undp.org>). Website postings may also include a record of decisions of the Oversight Committee and UNCT, summary sheets of approved OPII components, fund level financial and progress reports, and external Pakistan One Fund evaluation reports, as appropriate.
21. **Termination of the Pakistan One Fund**
22. Utilization of One Fund allocations for OPII to agencies will be time bound and limited to the utilization period specified in the project document and approved by the Oversight Committee. Any unutilized amount exceeding this period will have to be returned to Pakistan One Fund unless time extension is requested by the agency and approved by the Resident Coordinator & UN Country Team.
23. The Pakistan One Fund will terminate upon completion of the One Programme II and its components and after satisfaction of all commitments and liabilities.
24. Notwithstanding the completion of theinitiativesfinanced from the Pakistan One Fund, any unutilized balances will continue to be held in the Pakistan One Fund Account until all commitments and liabilities incurred in implementation of the One Programme and its components have been satisfied and programme activities have been brought to an orderly conclusion.
25. Any balance remaining in the Pakistan One Fund Account or in the individual Participating UN Organizations’ separate ledger accounts will be used for a purpose mutually agreed upon by the donors, the UNCT and the Steering Committee, or returned to the donor(s) in proportion to their contribution to the Pakistan One Fund.

UNCT Pakistan approval: **06 December 2012**

1. PMT will develop and present to UNCT for approval the standard set of criteria for updated prioritization analysis. [↑](#footnote-ref-1)