



# **UN Somalia Joint Fund**

*consisting of*

## **the United Nations Multi-Partner Trust Fund for Somalia (UN Stream)**

**Start: 1 January 2014**

**End: 31 December 2030**

**Terms of Reference**

The present Terms of Reference (ToR) define the administration, governance, and role of the UN Somalia Joint Fund (formerly known as the Somalia Multi-Partner Trust Fund).

## **I. Partnership in Somalia**

1. From 2013-2017, the Somali Compact served as a framework for the provision of international support to Somalia, based on the global model of a New Deal for Engagement in Fragile States. The Somali Compact's aim was to galvanize the partnership between Somalia and its donor partners by focusing efforts on a Somali-led process of peacebuilding and state-building, creating the basis for long term stability, rule of law, and sustainable economic and social development.

2. The London Somalia Conference on 11 May 2017 demonstrated renewed determination to address Somalia's protracted challenges and accelerate progress towards long-term recovery and stability. Key outcomes of the conference included the adoption of the New Partnership for Somalia (NPS) in support of Somalia's first National Development Plan (NDP) in 30 years, as well as the Comprehensive Approach to Security (CAS). The underlying principles and priorities of Somalia's partnership with the international community were reaffirmed in subsequent high-level conferences in Brussels (2018) and Mogadishu (2019 and 2020).

3. In 2021, the new UN Sustainable Development Cooperation Framework (UNCF) signed between the UN and the Federal Government of Somalia came into effect. The UNCF encapsulates the UN's collective contribution to the implementation of the NDP and from which all UN support to Somalia is derived.

## **II. Scope and Strategic Intent**

4. The UN SJF was established on 1 January 2014 (known as the Somalia UN MPTF from 2014 through 2021) for an implementation period of ten years (until 31 December 2024). To align with the current and next UNCF cycles, the ended NDP and current NTP, the 2030 Agenda, and the SJF's Investment and Resource Mobilisation Strategy (2022-2030), the SJF's end date is extended until 31 December 2030. The NDP-9 has finished the end of 2024 and the new National Transformation Plan (NTP 2025-2029) was developed in the better part of 2024 and officially launched on March 17, 2025. , hence, the government priorities might change and based on those priorities the SJF should be adjusted accordingly. Further

extension of the SJF's end date can be agreed upon between the UN as fund administrator, the Government of Somalia, and contributing donors.

5. The SJF's mission is to provide an impactful and collectively owned contribution to Somalia's recovery and development by investing in clear UN strategic priorities aligned with FGS national priorities from the National Transformation Plan (2025-2029) and based on the UN's distinct comparative advantages in the country. The SJF will serve as a platform for joint policy and strategic dialogue that is both translated into and informed by high quality and flexible programming. The SJF will integrate the humanitarian-development-peace nexus across its portfolio to create synergies, leverage complementary expertise, and maximize collective impact through joint programmes and strategic partnerships.

6. The programmatic portfolio for the SJF is derived from the UNCF, which is fully aligned with Somalia's NTP national priorities and strategic objectives. . All investments by the SJF be informed by the SJF's Investment and Resource Mobilization Strategy, which is an integral part of the Terms of Reference for the SJF.

7. Seven funding windows that correspond with key national priorities define the focus of the SJF:

- I. Inclusive Politics
- II. Rule of Law
- III. Human Rights and Gender
- IV. Climate and Resilience
- V. Community Recovery and Local Governance
- VI. Economic Development
- VII. Social Development

8. Investment criteria under each funding window shall be set out in Strategy Notes that inform call for proposals. Strategy Notes are developed in a process facilitated by the SJF Secretariat and involving the UN in Somalia, as well as the SJF Partner Forum and SJF Management Group.

9. Funding windows can be opened or closed by decision of the SJF Management Group and in consultation with the SJF Partner Forum, informed by *inter alia* identified strategic opportunities, funding situation, programme pipeline, etc.
10. Additionally, six cross-cutting programmatic themes shall guide all investments by the SJF:
  - a) Gender equality, women empowerment, and youth
  - b) Leave no one behind
  - c) Social contract and legitimacy
  - d) Capacity sharing and exit strategies
  - e) Anti-corruption
  - f) Environment and climate security
11. All SJF investments shall incorporate the following programming standards:
  - a) **Strategic joint programming:** The SJF seeks to support coherence and complementarity among UN agencies and build on comparative advantages of UN agencies and UNTMIS. It therefore supports the development of joint programmes (two recipient agencies or more). Investments must however provide a clear, evidence and context-based rationale for joint programming, with considerations of comparative advantages, transaction costs, and synergies between participating UN entities through a common Theory of Change explicitly presented. Single recipient agency programmes are allowed if designed and implemented in close collaboration with UNTMIS (or another entity).
  - b) **Data, evidence and communication:** Investments demonstrate a strong evidence base for programming choices and a clearly articulated Theory of Change; they include on-going data collection as a core activity throughout implementation, and they communicate such evidence with SJF partners particularly FGS MoPIED through regular monitoring, reporting, engagement in knowledge management initiatives, and other communication products managed by the SJF Secretariat.
  - c) **Joint risk management:** With continued support from the RMU, the SJF follows an adaptive fund-level risk management strategy and investments maintain robust risk management systems with

the dual aim of supporting adaptive programme management in Somalia's fluid environment and protecting donor resources. Risk related considerations are explicitly reflected in reporting and they form part of the SJF learning ambitions. Joint risk management will focus on both financial and programmatic risks.

- d) **Coordination and synergies:** Programme development is undertaken in a coordinated manner. Under the guidance of UN senior leadership in Somalia and with facilitation from the SJF Secretariat, programmes will be consulted through internal coordination fora such as the UN Results Group, UNTMIS pillars, thematic working groups, and the Global Focal Point. In the implementation phase, each investment is committed to regular, open and responsive communication with regards to operational, programmatic or strategic developments (*successes and failures*) to ensure this can inform strategic and policy dialogue through the SJF's governance structure to leverage partnerships with SJF stakeholders especially MoPIED M&E.
- e) **Programme management capacity:** Each programme is equipped with the right management capacities, regardless of the size of the investment, and informed by the portfolio approach to ensure shared capacities between investments where possible. With support from the SJF Secretariat, programmes conduct consultations that are well planned and regularly scheduled, ensure responsive management and commit to improved and timely reporting (see section on reporting).

### III. Coordination

12. The SJF shall engage with the government-led aid architecture under the pinnacle of the Humanitarian, Development and Peace Nexus Forum to promote dialogue, coordination, and information-sharing related to the SJF.

13. Coordination through the structures of the government-led architecture shall focus on:

- a) Monitoring of implementation of the SJF portfolio to ensure NTP alignment and complementarity with national, bilateral, and multilateral partners
- b) Policy dialogue and periodic review of SJF performance and results, based on progress updates and reports (programmatic and financial) prepared by the fund administrator
- c) Information-sharing platform for the SJF

14. The SJF shall pursue collaboration with other funding instruments in Somalia, notably the trust funds managed by the World Bank and the African Development Bank as envisioned at their inception, as well as the UN-administered Peacebuilding Fund and the Somalia Humanitarian Fund, and the bilaterally funded Somalia Stability Fund, specifically related to investments across the humanitarian-development-peace nexus.

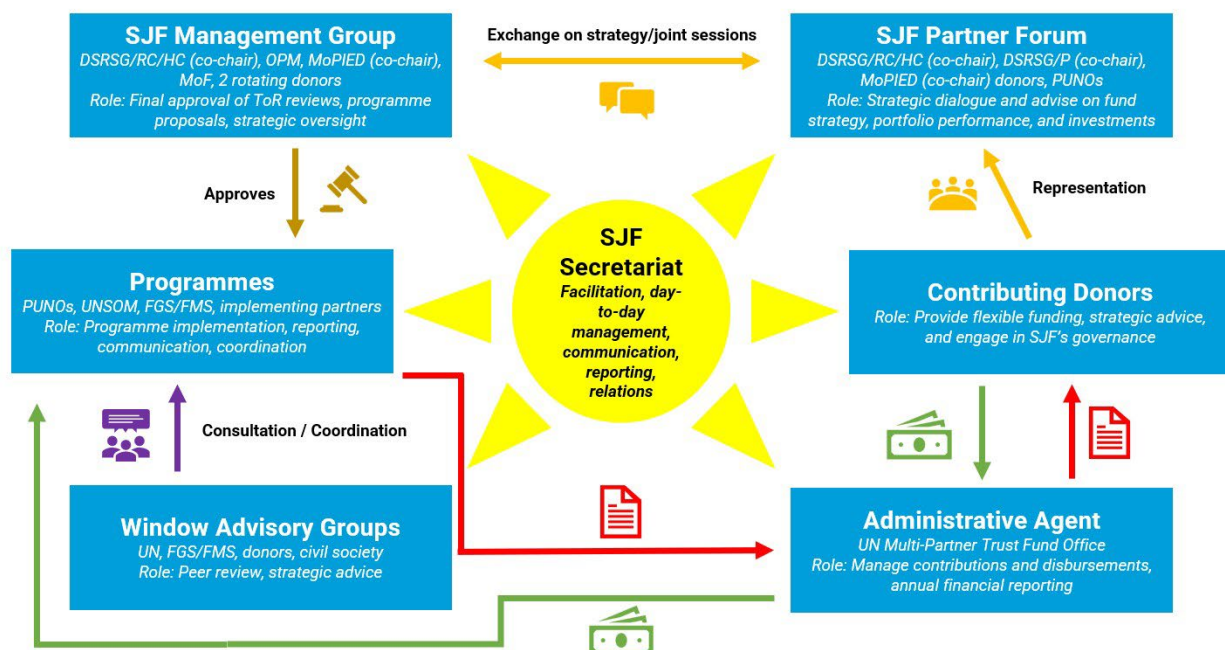
#### IV. Entities eligible for funding from the SJF

15. The SJF is a trust fund model with a single UN Funding Stream. The National Funding Stream established under the previous Terms of Reference is discontinued.

16. Participating UN organizations (PUNOs) are eligible to receive funding from the SJF by concluding a Memorandum of Understanding (MOU) with the Administrative Agent (the UNDP Multi-Partner Trust Fund Office based in New York). Financing may also be provided to national and sub-national institutions and NGOs through a PUNO through sub-contracting or pass-through arrangements. Use of funds, reporting obligations, liability, audit, and other matters relating to the management of the funds provided, and the activities shall be addressed in such project agreements in the manner that is customary for the concerned PUNO. The PUNO passing on funding to national, sub-national and NGOs remains accountable for the delivery of project objectives as well as the handling of financial resources.

17. The Ministries of Finance and Planning of the Federal Government of Somalia has the mandate to promote Government-wide participation in using country systems and ensure the exercise of alignment, oversight, accountability, and transparency in relation to the portfolio implemented. Bi-annually the Ministry of Finance will incorporate the projected SJF's resources and the financial support to the FGS ministries, departments, and agencies under the UN Funding Stream as part of the National Government Budget (with the objective to be on plan; on budget; on parliament; on treasury; on procurement; on accounting; on audit; and on report).

## V. Governance



18. The governance of the SJF balances the UN's commitment to agreed partnership principles for coordination of international support and support to national priorities, with the need for decisions to be made in an informed, efficient, timely, and inclusive manner.

19. The two-tiered governance of the SJF features a consultative and advisory Partner Forum for strategic dialogue and exchange on overarching fund priorities and a Management Group for decision on programme approval.

### **SJF Partner Forum**

20. The SJF Partner Forum is co-chaired by the DSRSG/RC/HC, the DSRSG/P, and the Minister of Planning, Investment and Economic Development, and comprises contributing donors. The DSRSG/RC/HC can invite non-contributing donor countries, UN entities, government representatives, and civil society to participate as observers. It is responsible for:

- a) Monitoring implementation of the SJF Investment and Resource Mobilization Strategy

- b) Informing revisions to the Terms of Reference of the SJF
- c) Providing strategic advice for the allocation and re-allocation of unearmarked and window-level earmarked funding
- d) Advising on strategy and policy related to the SJF's portfolio of investments and pipeline of programmes
- e) Reviewing the accountability measures of the SJF, including risk management strategy
- f) Agreeing on rotating donor representation in the SJF Management Group
- g) Reviewing periodic progress reports (programmatic and financial) consolidated by the Administrative Agent, based on the progress reports submitted by the Participating UN Organisations
- h) Recommending reviews and "lessons learned" reports on the performance of the SJF, and discussing follow-ups with Participating UN Organisations on recommended actions that have SJF wide impact
- i) Approve budget and structure of the SJF Secretariat

21. The SJF Partner Forum shall convene quarterly. Ad hoc meetings can be convened by at the request by one of the co-chairs or a member.

#### **SJF Management Group**

22. The SJF Management Group is co-chaired by the DSRSG/RC/HC and the Minister of Planning, Investment and Economic Development, and comprises of the Ministry of Finance, the Office of Prime Minister, and two donor representatives nominated by the SJF Partner Forum on a one-year rotating basis. The SJF Secretariat and MPTF Office are ex officio members. Informed by the SJF Partner Forum the SJF Management Group is responsible for:

- a) Approval of revisions to the Terms of Reference
- b) Review and approval of all investments by the SJF
- c) Review of the SJF progress, including programme implementation and financial status based on the period reports produced by the Administrative Agent



23. The SJF Management Group shall be convened by the DSRSG/RC/HC and the FGS Minister of Planning, Investment, and Economic Development in consultation with each other at minimum twice on an annual basis. Additional meetings can be convened by the Management Group and shall be taken in consensus and can be facilitated through a virtual approval process.

#### **SJF Secretariat**

24. The SJF Secretariat, housed by the Integrated Office of the DSRSG/RC/HC, and Ministry of Planning, Investment and Economic Development manages the day-to-day operations of the SJF and supports the different SJF stakeholders and constituencies . Its responsibilities include: 1) representation of the SJF vis-à-vis national and international stakeholders; 2) support to portfolio-level coherence; 3) support to programme development; 4) reporting and communication; 5) administration and operational support; and 6) liaison with the Multi-Partner Trust Fund Office for reporting and administrative purposes 7) secretariat functions for the SJF Partner Forum and SJF Management Group, including preparation of recommendations for endorsement and decision in consultation with the DSRSG/RC/HC, DSRSG/P and other senior representatives of the UN in Somalia, and presenting information on the status of the SJF, including its portfolio and finances.

#### **Administrative Agent**

25. The SJF is administered by the UNDP Multi-Partner Trust Fund Office (MPTF Office) in its capacity as Administrative Agent.

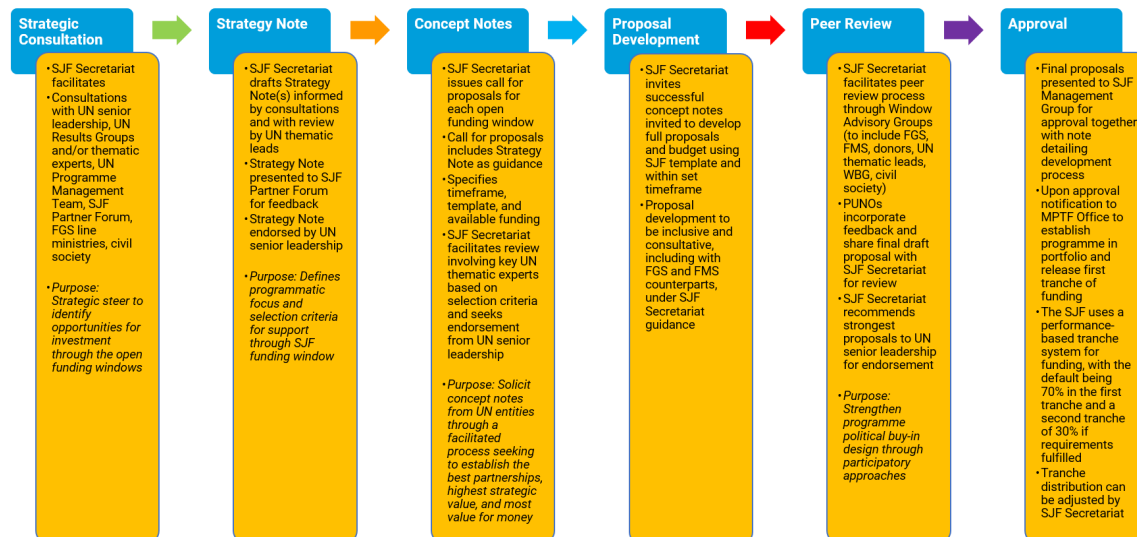
### **VI. Guidelines for programme approval and allocation of funds**

26. All programmes financed by the SJF undergo several consultative steps designed to improve coordination and communication between government authorities and development partners in Somalia, with the SJF Secretariat facilitating the process from inception to approval.

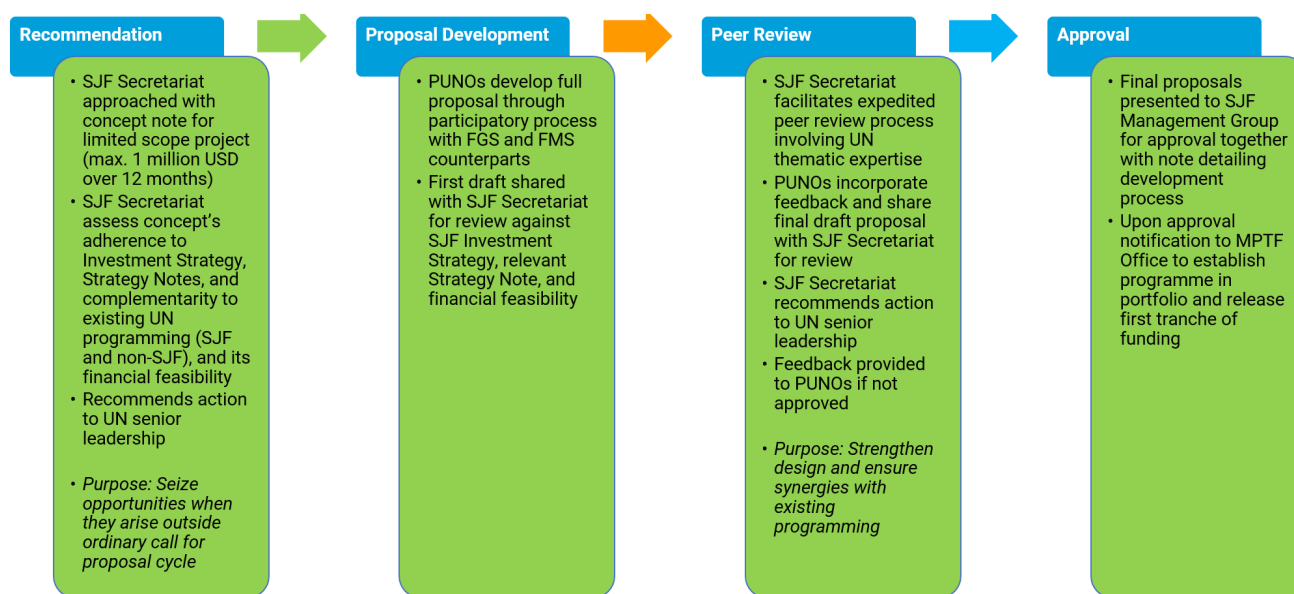
27. Each investment must be designed in a manner that is realistic and, to the extent possible, both anticipatory and responsive to conditions on the ground. To this effect, the SJF is strengthening existing measures and introducing new features, as follows:

- a) Inclusion of a peer review step in programme design phase prior to finalization, facilitated by the SJF Secretariat and with involvement by government line ministries at federal and state levels, UN thematic experts, civil society, donors, and others, in line with emerging UN practices globally.
- b) Creation of a Rapid Response Mechanism for limited scope projects of up to one million USD and twelve months implementation period approved through an expedited process.
- c) Use of performance-based tranche system for funding. <sup>Default</sup> arrangement is annual tranches against approved workplans, contingent on programme performance, results, continued relevance, adherence to reporting requirements, and the financial situation of the SJF. The tranche arrangement can be adjusted by the SJF Secretariat depending on the needs of the programme, the size of the programme budget, the risk, and the financial situation of the SJF.
- d) Programmes funded through the SJF Rapid Response Mechanism shall be fully funded through one tranche.

28. Under the standard funding mechanism, the process follows six steps:



29. The rapid response mechanism uses an expedited process of four steps to fund limited-scope projects outside the standard funding cycle:



30. The SJF Secretariat facilitates the process on the UN side under both funding mechanisms. It will inform the Ministry of Planning, Investment and Economic Development of concepts and programmes under development and ensures that UN entities design programmes in a participatory manner in close partnership with their government counterparts, that potential synergies with other parts of the portfolio are reflected in programme design, and that the SJF Programme Operations and Quality Assurance Checklist is followed. The SJF Secretariat may seek advice and feedback from other experts within the UN (in Somalia and at Headquarters), in coordination with the requesting UN entities. The DSRSG/RC/HC (together with DSRSG/P) may also consult with the SJF Partner Forum prior to approval through the SJF Management Group.

31. The Ministry of Planning, Investment and Economic Development's Aid Coordination Office will on the government-side provide facilitatory and support functions to line ministries involved in programme design for the SJF, in coordination with the SJF Secretariat.

32. To ensure that the SJF performs efficiently amid a challenging operational and logistical environment and that it responds flexibly to urgent needs, alternate processing procedures can be used. Alternate processing can be applied, as required, to all review stages. The DSRSG/RC/HC can on exceptional basis,

and in consultation with UNTMIS senior leadership and MoPIED, when the ordinary procedures are unable to produce a decision within a timely manner, approve new programmes.

33. The DSRSG/RC/HC has sole authority to approve allocation of resources to support the management and coordination of the SJF not exceeding approved budget for the SJF Secretariat (maximum 5 percent per annual contributions in line with global standards for pooled fund secretariats).

34. All programmes funded by the SJF shall use the standardized project document, budget, and reporting template.

35. Programmes providing support at the FMS-level shall be signed by both the relevant FMS and FGS line ministries to ensure ownership.

36. For the allocation of SJF funds to approved programmes and within approved programme budgets, the SJF Secretariat must prepare a Fund Transfer Request based on approved programme document and budget (following UNDG budget categories) to be signed by the DSRSG/RC/HC. The MPTF Office transfers approved funding as per Fund Transfer Request to the participating organisation(s) within five business days upon receipt of complete documentation. The transfer is supplemented by email notification to the representative of the submitting participating entities and the DSRSG/RC/HC.

37. Adjustments to programmes after Management Group approval shall be taken by the programme board / steering committee in consultation with the SJF Secretariat and be approved by the DSRSG/RC/HC, the DSRSG/P (for programmes under the inclusive politics, rule of law and human rights funding windows), the Minister of Planning, Investment, and the government signatories to the programme document. Extensions are allowed for a maximum of six months. Costed extensions may not exceed a 20 percent increase of the originally approved budget and is subject to funding availability.

38. Programmes must comply with reporting and programme management requirements of the SJF. Non-compliance may result in withholding of subsequent funding tranches or reversal of funding.

39. The possibility to include a *force majeure* clause in high-risk programme documents and contracts enables quick reallocation and substantive review and reporting if a programme is non-compliant with SJF requirements or if it otherwise faces insurmountable obstacles to its timely implementation.

## VII. Fund Management and Operational Principles

40. PUNOs will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Funds will be administered by PUNO in accordance with its own regulations, rules, directives, and procedures.

41. Resources from the SJF will be utilized for the purpose of meeting the direct and indirect costs of projects managed by the PUNOs, as well as the management and coordination functions of the SJF. Details of programmes, including respective budgets and implementation partners, will be set out in the relevant programme documents.

42. The SJF will terminate upon completion of all programmes funded through the Fund and after satisfaction of all commitments and liabilities.

43. Any balance remaining in the SJF account or in the individual PUNOs separate ledger accounts upon completion of the SJF on 31 December 2030 will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the SJF Partner Forum.

## VIII. Contributions to the SJF

44. Contributions to the SJF may be accepted from governments, inter-governmental or non-governmental organisations, and private-sector organisations. The default modality for contributions to the SJF is unearmarked funding. The following policy applies:

- a) While there is a preference for unearmarked contributions, earmarking is allowed at SJF Funding Window level.
- b) Earmarking at the joint programme level is allowed through 2023 for programmes approved before 31 December 2021.
- c) Earmarking within a programme (e.g. to specific UN entities within a programme) is not allowed.

- d) Earmarking at the programme-level is discontinued for all programmes approved as of 1 January 2022.
- e) Existing standard administrative arrangements between the Administrative Agent and contributing donors as of 1 September 2022 remain valid, including eventual programme-level earmarking agreed therein.

45. The SJF will ensure the visibility of contributors of unearmarked or softly earmarked while emphasizing the “One UN” delivery in its communication efforts.

46. Contributions to the SJF 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 Administrative Agent. Each individual contribution should amount to the equivalent of at least US\$100,000.

47. 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 SJF account established by the Administrative Agent.

## IX. Cost Recovery

48. Resources from the SJF will be utilised for the purpose of meeting the direct and indirect costs of programmes and the SJF Secretariat approved by the SJF Partner Forum. Details of programmes/projects, including respective budgets and implementation partners (national entities, NGOs, CSOs, intergovernmental organisations and private sector) will be set out in the relevant programme documents.

49. The Administrative Agent will charge a one-time-fee of one percent (1%) for fund administration and fiduciary responsibilities, which will be deducted from the contributions to the SJF at the time they are deposited.

50. The indirect costs of the participating UN Organisations recovered through programme support costs will be seven percent (7%). All other costs, incurred by each participating UN organisation in carrying out the activities for which it is responsible under the SJF, will be recovered as direct costs.

## X. Risk Management

51. The SJF serves as a risk-sharing mechanism among all fund stakeholders, which enables monitoring and managing portfolio and project-level risks, which impact the fund and delivery of programmes. It enables a common understanding of risks and provides risk mitigation and adaptation measures more efficiently and strategically. Four types of risks – contextual, institutional, programmatic and operational – are considered and provisions for the identification, monitoring, tolerances, and risk responses are elaborated in the SJF Adaptive Risk Management Strategy.

52. This Adaptive Risk Management Strategy defines the key principles, approaches, and standards in managing risks, with clear definition of roles and responsibilities of fund stakeholders.

53. A series of structures and tools support risk analysis informed decision, including a well-structured and capacitated Risk Management Unit (RMU) in the Integrated Office of DSRS/RC/HC. A web-based platforms (Contractor Information Management System (CIMS) that is used to enhance inter-agency information sharing on partners and contractor and Capacity Injection Reporting Tool (CIRT) will enable risk related information-sharing between fund stakeholders with regard to capacity injection risks. The UN Risk Management, Accountability and Quality Assurance Group, the Inter-Agency Group on Harmonised Approach to Cash Transfer and the Capacity Injection Group support risk dialogue and common approaches in addressing challenges and opportunities.

54. The risk management approach is subject to review and updates based on the evolving situation on the ground and will capture the hierarchy of risks, particularly those risks most likely to impede success (critical and high risks) during the implementation of the approved programmes, as well as appropriate risk mitigation measures by the relevant risk owners. Such measures will also include due diligence protocols.

## XI. Reporting

55. For each programme approved for funding from the SJF, each PUNO shall provide the Administrative Agent with the statements and reports prepared in accordance with the accounting and reporting procedures prescribed by the MOU with the Administrative Agent.

56. The SJF Secretariat shall coordinate:

- a) Annual narrative progress reports (covering 1 January to 31 December) to be provided no later than three months (31 March) after the end of the calendar year and semi-annual narrative reports (1 January to 30 June) to be provided no later than 31 August. The reports are shared with fund stakeholders and made publicly available on the UN in Somalia website and the MPTF Gateway.
- b) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the programme. The final report will give a summary of results and achievements compared to the goals and objectives of the Strategy Note, NTP, UNCF, and other agreed frameworks guiding the SJF's investments.

57. All SJF investments shall report the required data to UN INFO, the UN data portal used by all Resident Coordinator Offices for consolidated planning, monitoring and reporting, and the Somalia Aid Information Management System to foster transparency across development partners.

58. The Administrative Agent will provide the Government, the UN Country Team, and all donors contributing to the SJF, with the following statements and reports, based on the reports provided to the Administrative Agent by each PUNO prepared in accordance with the accounting and reporting procedures applicable to it:

- a) Annual consolidated financial reports covering all activities funded by the SJF, to be provided no later than five months (31 May) after the end of the calendar year.
- b) Final consolidated financial report, based on certified final financial statements and final financial reports received from Participating UN Organizations and National Entities 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 seven months (31 July) of the year following the financial closing of the Somalia MPTF.



59. The Administrative Agent shall also provide to the Government, UN Country Team and donors an annual certified financial statement on its activities as Administrative Agent ('Report on Sources and Use of Funds') no later than five months (May 31) after the end of the calendar year, as well as a certified financial statement no later than seven months (July 31) of the year following the financial closing of the SJF, as applicable.

60. Consolidated reports and related documents will be posted on the websites of the UN in Somalia (<http://somalia.un.org>) and the Administrative Agent (<http://mptf.undp.org/factsheet/fund/4sO00>).

## **XII. Monitoring, Evaluation and Communication**

61. All programmes funded through the SJF will include a Monitoring and Evaluation (M&E) component consistent with Somalia's National M&E Policy and the OECD DAC Evaluation Criteria and Principles.

62. The SJF seeks to establish a portfolio-level M&E component and Third-Party Monitoring function for the fund portfolio in coordination with other instruments.

63. The SJF Secretariat will ensure systematic progress and results monitoring, as well as monitoring of operational performance. It may also commission independent lessons-learned studies and / or review exercises or audit relating to the operations and management of the SJF.

64. The SJF Secretariat shall coordinate portfolio-level communication on strategic collective results.

65. The SJF commits to using the Federal Government's MoPIED M&E policy framework, including:

- Requiring a robust M&E component for all programmes funded through the SJF to ensure accountability, effectiveness, and transparency in the utilization of resources. Using the government's M&E policy framework will ensure that all programmes are evaluated against internationally recognized standards, leading to more credible and reliable results.
- The SJF Secretariat will ensure that systematic progress and results monitoring and commission independent lessons-learned studies or review exercises will enable the government to learn from successes and failures and improve the effectiveness of future programmes and activities.

- Implementing the proposed Monitoring, Evaluation, and Communication component for all programmes funded through the SJF is essential for the government to achieve its development goals effectively.

### XIII. Transparency

66. A webpage for the SJF on the [MPTF Office Gateway](#) provides full financial information of the Fund. Real-time financial information on contribution agreements signed, contributions deposited, and money transferred to, and expenditures reported by Participating UN Organizations and National Entities is publicly available. The website contains key documents of the SJF, such as TOR of the Fund, MOA with the Government, MOU with the UN Agencies, approved project documents, progress reports, and others.