



United Nations
PAPUA NEW GUINEA
Delivering as One

Papua New Guinea Country Fund

Terms of Reference

I – Introduction

1. The Delivery as One process in Papua New Guinea was initiated in early 2006. It was in part based on the General Assemblies' *"Triennial comprehensive policy review (TCPR) of operational activities for development of the United Nations system"*, A/RES/59/ 250 of 17 December 2004. This resolution "stresses that the purpose of reform is to make the United Nations development system more efficient and effective" and "requests the funds and programmes and specialized agencies" to implement "joint offices". *Twenty pilot countries have been identified for the ongoing TCPR joint offices initiative. Papua New Guinea is one of these Joint Office pilots.*

2. The Delivery as One initiative in PNG comprises the Five Ones, reflected in the Joint UN Country Strategy in PNG: One Programme¹, UN Country Fund, One UN Operations, One Haus and One Voice. The interdependence between the nexus of the Five Ones in PNG is subscribed to by FAO, IFAD, ILO, OCHA, OHCHR, UNAIDS, UNDP, UNESCO, UNFPA, UN HABITAT, UNHCR, UNICEF, UN WOMEN, and WHO (hereafter referred to as the Participating Organizations).

3. In accordance with the PNG Commitment on Aid Effectiveness, the Delivering as One Initiative in PNG is being implemented in a collaborative manner under the strong leadership of the Government of Papua New Guinea (GoPNG). The Minister of National Planning and Monitoring (DNPM) approved the Agreed Principles, Objectives and Instruments to achieve the One UN ("Delivering as One") in July 2007.

4. In the context of the global Delivering as One initiative, the undg ExCom Development Programmes and Funds agreed to strengthen the authority, responsibility and accountability of the Resident Coordinator (RC) function in relation to the One Programme, common operations and communications.

5. The Terms of Reference of the Papua New Guinea UN Country Fund will be revised to reflect the dynamic nature of the Delivering as One approach in PNG, particularly when new Agencies join the Five Ones in PNG (as referred to in para 2 above).

II. Purpose and Principles of the PNG UN Country Fund

6. The objective of the PNG UN Country Fund is to support the coherent resource mobilization, allocation and disbursement of donor resources to the Joint UN Country Strategy under the direction of

¹ In Papua New Guinea, the One Programme is formulated as the United Nations Development Assistance Framework 2012-2015 (UNDAF 2012-2015). See *Introduction, Paragraph 7*.

the RC. The result includes enhanced overview and management of UN development resources and reduced transaction costs for partners when supporting the UN.

7. The key driver of the UN Country Strategy is the One Programme formulated as the United Nations Development Assistance Framework 2012-2015 (referred to as UNDAF). The UNDAF drives the remaining four other elements of the Joint UN Country Strategy, referred to as "Strategic Support" which includes the PNG UN Country Fund, One UN Operations, UN Haus and UN Communications. Strategic support functions are defined as all non programmatic intervention aimed at delivering UN Programmes efficiently and effectively.

8. In line with the structure outlined under point 7, the UN Country Fund consists of two funding windows. Each window has detailed results matrices underpinning the anticipated results and resource requirements of the results areas of that window: **Window 1: Support to UNDAF 2012-2015** and **Window 2: Strategic Support**.

9. The PNG UN Country Fund conforms to the principles governing a pass-through arrangement as per the UNDG Joint Programme guidelines.

10. The PNG UN Country Fund is the proposed vehicle for further consolidation of country level funding mechanisms. All additional resources mobilized through the joint UN resource mobilization efforts and an increasing amount of agency non-core/other resources will be managed through the UN Country Fund. Agencies core/regular funds remain outside the UN Country Fund. In addition, the UN Country Fund will manage resources mobilized in support of new initiatives responding to emerging needs within the context of the Joint UN Country Strategy, as determined by the RC, Participating Organisations and GoPNG.

11. The PNG UN Country Fund will support partnership and communication between all stakeholders involved with Papua New Guinea development led by the GoPNG. Information given to the press, to the beneficiaries of the Joint UN Country Strategy, all related publicity material, official notices, reports and publications, shall acknowledge the role of the GoPNG, the UN and the donors.

III- Description of the PNG UN Country Fund

12. The PNG UN Country Fund shall be administered by the United Nations Development Programme (UNDP), through its Multi-Partner Trust Fund Office (MPTF Office), as Administrative Agent, on behalf of the Participating Organizations with the GoPNG. The MPTF Office will administer the PNG UN Country Fund in accordance with its Regulations and Rules. It will perform the full range of Administrative Agent functions as per Memorandum of Understanding (MOU) signed with Participating Organizations and Standardized Administrative Arrangement (SAA) signed with the donors, and will do so in accordance with the UNDG-agreed "Protocol on the Administrative Agent for Multi-Donor Trust Funds, Joint Programmes and UN Country Funds".

Life Cycle of the PNG UN Country Fund

13. The PNG UN Country Fund corresponds to the UNDAF 2012-2015 programme cycle.

Contributions to the PNG UN Country Fund

14. Contributions to the PNG UN Country Fund may be accepted from governments of Member States of the United Nations or from intergovernmental or non-governmental organisations, or from private sources. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines for cooperation between the UN and the Business Community (the UN Secretary General's guidelines <http://www.un.org/partners/business/otherpages/guide.htm>).

15. In support of the overarching aim of the PNG UN Country Fund, and to ensure maximum flexibility and adaptation to national priorities, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled/unearmarked resources. Earmarking is generally discouraged and donors are asked to contribute un-earmarked funds to the degree possible.

16. Contributions to the PNG UN Country Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by the MPTF Office. The value of a contribution, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date contributions are received.

17. As the Administrator of the PNG UN Country Fund, the MPTF Office will be responsible for receiving all donor contributions in the PNG UN Country Fund Account established for this purpose, and in turn, will make transfers to the respective Participating Organizations if funds are available, within 3-5 business days upon receiving the completed fund transfer request from the RC.

18. The Participating Organizations will sign a standardized amendment to the MoU (which was signed in June 2009) with the MPTF Office (attached as Annex 2) under the new UN Country Fund 2012-2015. The MOU sets out the terms and conditions under which the MPTF Office would work as Administrative Agent; the Participating Organizations would receive and use funds from the Fund account, as well as the functions and responsibilities of the Joint Programme Steering Committee and the RC (please see *IV Governance Arrangements*).

19. Each donor will sign a SAA with the MPTF Office as Administrative Agent (attached as Annex 3), setting out the terms and conditions governing receipt and administration of the contributions. Each donor needs to clearly identify in its contribution whether the contribution is in support of the first window of the PNG UN Country Fund (the UNDAF) or the second window (Strategic Support).

Eligibility for funding from the PNG UN Country Fund

20. It is possible that any new UN Organization establishing a presence in Papua New Guinea or any new or existing Non-Resident Agency participating in the One UNDAF prefers not to join or join the PNG UN Country Fund at a later stage. However, these agencies can only decide to join once a year, after the annual progress review.

21. Only Participating Organizations that have signed the MOU with the MPTF Office can receive funds from the PNG UN Country Fund. Implementing Partners will have access to resources from the PNG UN Country Fund through the Participating Organizations.

22. NGO partners involved in the UNDAF will have access to the PNG UN Country Fund through the Participating Organizations. The Participating Organization will utilise their standard NGO cooperation modalities for this purpose.

Utilization of the PNG UN Country Fund

23. The PNG UN Country Fund will be utilized for the purpose of meeting the un(der)funded costs of initiatives, including new initiatives responding to emerging needs, under the Joint UN Country Strategy. Details of such initiatives, including the respective budgets and implementation partners, will be set out in the results matrices underpinning the UNDAF and the relevant joint Annual Work Plans, programme or project documents.

IV- Governance Arrangements

24. The governance of the "PNG UN Country Fund" at the country level includes the GoPNG and the Participating Organizations.

25. The overall management of the PNG UN Country Fund will be with the Joint Programme Steering Committee, under the leadership of the RC.

The Resident Coordinator (RC)

26. The RC will be responsible for:

- Strategic leadership of the PNG UN Country Fund on the basis of the UNDAF 2012-2015 and the results framework of the other four Delivery as One elements (UN Country Fund, UN Operations, UN Haus and UN Communications);
- Engaging in Joint Resource Mobilization for the PNG UN Country Fund in collaboration with Participating Organizations;
- (S)he will be responsible for ensuring the documentation of the allocation process including the rationale for these decisions. Implementation of activities funded by the resources of the UN Country Fund will be the responsibility of the Head of Participating Organizations. The RC will hold the Head of Participating Organizations accountable for their agency/organization's components of the results of initiatives funded through the UN Country Fund;
- Ensuring consolidated PNG UN Country Fund level reporting, including to donors, based on reports from Participating Organizations and support from the Administrative Agent (ref below) and the Resident Coordinators Office (RCO).

27. Work plan implementation will be the responsibility of the Head of Participating Organizations. The RC will hold Head of Participating Organizations accountable for their agency components of the results of initiatives funded through the PNG UN Country Fund.

The Joint Programme Steering Committee

28. The Joint Programme Steering Committee consists of the GoPNG (Department of National Planning and Monitoring and the relevant line ministries) and the Heads of Participating Organizations. The

Committee is jointly chaired by the RC and the Minister of the Department of National Planning and Monitoring.²

29. Governance arrangements for UN Country Fund:

- The Joint Programme Steering Committee sets the high level priority thematic areas at the yearly meetings and has oversight of the PNG UN Country Fund.
- Resources are allocated under the leadership of the RC on behalf of the Joint Programme Steering Committee based on recommendations from the Inter-Agency Task Teams and Heads of Participating Organizations.
- The *Administrative Agent* will transfer resources after receiving explicit instructions from the RC through a completed and signed transfer request form, Annual Work Plans or other supporting documentation.

30. The Joint Programme Steering Committee shall be kept abreast of the allocation process, which follows the allocation criteria set forth in the Budgetary Framework. In support of the allocation process, the Joint Programme Steering Committee may seek inputs from Inter-Agency Task Teams, and/or establish ad hoc sub-committees to deal with emerging issues, as appropriate.

The Administrative Agent

31. The MPTF Office's responsibilities as Administrative Agent will include the following:

- Receipt, administration and management of contributions from Donors;
- Disbursement of funds to Participating Organizations, in accordance with instructions of the RC, on behalf of the Joint Programme Steering Committee and in accordance with the approved Annual Work Plans;
- Provision of consolidated narrative and financial reports on the PNG UN Country Fund Account to the RC, Joint Programme Steering Committee and Donors, based on progress reports received from Participating Organizations, in accordance with the reporting schedule specified in Annex VII.

In line with the MOU between Participating Organizations and the Administrative Agent, a clear delineation, including distinct reporting lines and an accountability framework, has been established and will be maintained within UNDP between its functions as an Administrative Agent, exercised by the MPTF Office and its functions as a Participating Organization, exercised by the UNDP PNG Country Office.

32. In conformity with the UNDG Guidelines on Joint Programming, the Administrative Agent and the Participating Organizations will be entitled to deduct their administrative agent fee and indirect costs respectively on contributions received. The Administrative Agent's fee will be 1%. The fee will be deducted from the contributions to the PNG UN Country Fund at the time they are deposited. The indirect costs of the Participating Organizations will be maximum 7%.

² In the absence of the Minister, the Secretary of the Department of National Planning and Monitor shall assume this function.

Support services provided by the RCO³

33. The RCO is responsible for support to the strategic leadership role of the RC for the PNG UN Country Fund. It will provide support in all the designated tasks for the RC. Drawing on the consolidated reports from the Administrative Agent, the RCO will provide strategic focus by providing analysis of resource requirements, funding gaps, resource mobilization efforts, consolidation of the annual progress reports, advice on resource allocations and analysis of progress and lessons to be learned for future programme implementation to the RC and Joint Programme Steering Committee. It will circulate the finalised annual consolidated report on the PNG UN Country Fund to the Joint Programme Steering Committee for consultation. The RCO will ensure that these reports are distributed to all donors contributing to the Fund and maintain an appropriate level of fund information to ensure transparency.

34. A focal point designated within the RCO will be dedicated to supporting the quality assurance of the PNG UN Country Fund. The costs of this support will be charged directly to the PNG UN Country Fund Account, in accordance with the provisions of the MOU and SAA.

V – Decision Making / Contribution Allocation

35. The PNG UN Country Fund, under the strategic leadership of the RC, is intended to facilitate the realization of Inter-Agency outcomes by strengthening the planning and coordination process, tying the funding allocation to the UNDAF 2012-2015 and channeling funds towards priority needs. The PNG UN Country Fund is focused on ensuring funds are available for the Participating Organizations to respond, inter alia, to emerging and unforeseen circumstances thereby enhancing the flexibility and responsiveness of the UN system.

36. To document the specific allocation criteria and process, the Budgetary Framework has been established.⁴

VI – Monitoring and Evaluation

37. Monitoring and Evaluation of the initiatives funded under the PNG UN Country Fund will follow Standard Monitoring and Evaluation procedures described in the UNDAF 2012-2015.

38. Donors, the RC, the Administrative Agent and the Participating Organizations will hold annual consultations, as appropriate, to review the status of the PNG UN Country Fund. These reviews will be part of the Annual Progress Reviews of the UNDAF.

39. In addition, the Joint Programme Steering Committee may commission a regular, independent lessons learned and review exercise relating to the PNG UN Country Fund.

40. At the project/programme level, Participating Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent and undertake M&E in accordance with their own regulations, rules, directives and procedures.

³ Arrangements listed below are considered a minimum standard necessary for the RC to effectively carry out his/her responsibilities in the context of the One UN Country Fund. Additional staff may be required to maintain UNCO's service delivery levels

⁴ Ref section 8, "PNG_UN Budgetary Framework".

VII – Audit

41. Agency-specific auditing will be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the respective Participating Organizations.

42. The activities of the Administrative Agent will be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

VIII- Reporting

43. Reporting requirements leverage to the maximum extent existing reporting structures in place as part of the progress and annual reviews of the UNDAF.

44. Each Participating Organization shall provide the Administrative Agent with the following statements and reports prepared in accordance with a harmonised accounting and reporting procedures applicable to the Participating Organization concerned:

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the PNG UN Country Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
- (c) Final narrative reports, after the completion of the activities in the Joint UN Country Strategy and including the final year of the activities in the Joint UN Country Strategy, to be provided no later than four months (30 April) of the year following the financial closing of the Joint UN Country Strategy. The final report will give a summary of results and achievements compared to the goals and objectives of the Joint UN Country Strategy; and
- (d) Certified final financial statements and final financial reports after the completion of the activities in the Joint UN Country Strategy and including the final year of the activities in the Joint UN Country Strategy, to be provided no later than six months (30 June) of the year following the financial closing of the Joint UN Country Strategy.

In line with Papua New Guinea's Commitment on Aid Effectiveness, until such a time that a harmonised reporting format and procedure is mutually agreed and accepted by the Joint Programme Steering Committee, the Participating Organizations will utilise for financial reporting the categories agreed by UNDG.

45. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph above and will provide (a) and (b) by 31 May and (c) and (d) by 31 July to the Joint Programme Steering Committee and to each Donor that has contributed to the PNG UN Country Fund, in accordance with the timetable established in the Standard Administrative Arrangement.

46. The Administrative Agent will also provide the Joint Programme Steering Committee and Donors with the following statements on its activities as Administrative Agent:

- a. 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
- b. 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 PNG UN Country Fund.

47. Consolidated PNG UN Country Fund reporting and documentation, including agreements, will be posted on www.oneun.pg.org, as well as on the on the GATEWAY of the Administrative Agent (<http://mptf.undp.org>).

IV – Public Disclosure

48. The RC and the Administrative Agent will ensure that decisions regarding the review and approval of programmes funded under the PNG UN Country Fund, as well as periodic reports on the progress of implementation of such programmes and associated external evaluation reports, are posted for public information on www.un.org.pg, as well as on the on the GATEWAY of the Administrative Agent (<http://mptf.undp.org>). Website postings may also include a record of decisions of the Joint Programme Steering Committee, as appropriate, summary sheets of approved programmes and projects, fund level financial and progress reports, and external evaluation reports, including relevant information on the operations of the PNG UN Country Fund.

X – Termination of the PNG UN Country Fund

49. The PNG UN Country Fund follows on from the first PNG UN Country Fund established in 2009. The PNG UN Country Fund will terminate upon completion of all programmes funded through the PNG UN Country Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the PNG UN Country Fund, any unutilized balances will continue to be held in the PNG UN Country Fund Account until all commitments and liabilities incurred in implementation of the programmes have been satisfied and programme activities have been brought to an orderly conclusion.

50. Any balance remaining in the PNG UN Country Fund Account or in the individual Participating Organizations' separate ledger accounts will be used for a purpose mutually agreed upon by the Donors, the Participating Organizations and the Administrative Agent.

ANNEX B: SCHEDULE OF PAYMENTS

Payment schedule: Upon signature.

Funding support to One UN Fund 2012 – 2013

Sector	2012/2013
Outcome 5 Gender Equality and Women's Empowerment: Hamamas Familis study (Family & Sexual Violence (FSV) Prevalence Study)	\$2,500,000
Outcome 1 Governance: Provincial Capacity Enhancement Program	\$1,000,000
Outcome 10 Environment, Climate Change and Disaster Risk Management (Disaster Risk Management)	\$250,000
Outcome 10 Environment, Climate Change and Disaster Risk Management (Climate Change)	\$500,000
Total	\$4,250,000

Future funding for financial years (2013/14 - 2014/15) onwards are subject to AusAID's annual budget allocations/availability.

