



Papua New Guinea Country Fund

Terms of Reference

Version 2 (2026)

I – Introduction

The 'Delivering as One' process in Papua New Guinea (PNG) was initiated in early 2006. It was in part based on the General Assembly's *"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. PNG is one of these Joint Office pilots, and is a self-starter.*

The 'Delivering as One' initiative in PNG comprises of a UN Country Strategic Framework, PNG UN Country Fund, One Operations, UN Haus and One Communications. The interdependence between the nexus of these One UN reform mechanisms in PNG are subscribed to by FAO, IFAD, ILO, IOM, OHCHR, UNAIDS, UNCDF, UNCITRAL, UNDP, UNEP, UNESCO, UNFPA, UN HABITAT, UNHCR, UNICEF, UNOPS, UN WOMEN, WFP and WHO (hereafter referred to as the Participating Organizations).

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 PNG. The Minister of National Planning and Monitoring approved the Agreed Principles, Objectives and Instruments to achieve the One UN ('Delivering as One') in July 2007.

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, One Operations and One Communications.

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

II. Purpose and Principles of the PNG UN Country Fund

The objective of the PNG UN Country Fund is to support the coherent resource mobilization, allocation and disbursement of donor resources for the outcomes of the UN Country Strategic Framework under the direction of the RC. The result includes enhanced overview and management of UN development resources and reduced transaction costs for partners when supporting the UN.

The UN Strategic Framework in PNG was the [United Nations Development Assistance Framework 2018-2022](#) (referred to as UNDAF), which was extended by one year to 2023, and succeeded by the [United Nations Sustainable Development Cooperation Framework 2024-2028](#) (referred to as UNSDCF). Both frameworks articulate the collective efforts of the United Nations System in Papua New Guinea to support the country in achieving the 2030 Agenda for Sustainable Development, over the course of the

frameworks' respective cycles.

In line with the structures outlined under point 7, the PNG UN Country Fund consists of two funding windows: **Window 1: Support to UNDAF 2018-2022** and **Window 2: Strategic Support**. Window 2 (Strategic Support) is extended to proposed programmes under the PNG UNSDCF 2024-2028 which remain relevant to and are in line with UNDAF Outcomes.

The PNG UN Country Fund conforms to the principles governing a pass-through arrangement as per the [UNDG Guidance on Establishing, Managing and Closing MDTFs](#).

The PNG UN Country Fund is the proposed vehicle for further consolidation of country level funding mechanisms. All additional resources mobilized through 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 PNG UN Country Fund will manage resources mobilized in support of new initiatives responding to emerging needs within the context of the UN strategic frameworks, as determined by the RC, Participating Organisations and Government of PNG.

The PNG UN Country Fund will support partnership and communication between all stakeholders involved with PNG development led by the Government of PNG. Information given to the press, to the beneficiaries of the UN strategic frameworks, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Government of PNG, the UN and the donors.

III- Description of the PNG UN Country Fund

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 Government of PNG. 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 the Memorandum of Understanding (MOU) signed with Participating Organizations and Standardized Administrative Arrangement 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

The PNG UN Country Fund corresponds to the UNDAF 2018-2022 and the UNSDCF 2024-2028 cycles and covers programmes from 2018 to 2028.

Contributions to the PNG UN Country Fund

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>).

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. However, if this is not possible, earmarking at the window and outcome level may be accepted.

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.

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

Eligibility for funding from the PNG UN Country Fund

It is possible that any new UN Organization establishing a presence in PNG or any new or existing Non-Resident Agency 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.

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.

Non-Governmental Organisation partners will have access to the PNG UN Country Fund through the Participating Organizations. The Participating Organization will utilise their standard Non-Governmental Organisation cooperation modalities for this purpose.

Utilization of the PNG UN Country Fund

The PNG UN Country Fund will be utilized for meeting un(der)funded costs of initiatives, including new initiatives responding to emerging needs, under the UN strategic frameworks. Details of such initiatives, including the respective budgets and implementation partners, will be set out in the results matrices underpinning the UN strategic frameworks and the relevant joint Annual Work Plans, programme or project documents. Window 2 (Strategic Support) may finance initiatives responding to emerging needs, with the approval of the Fund's Steering Committee.

IV- Governance and Administrative Arrangements

The Fund Steering Committee

The Fund Steering Committee is the body in charge of strategic guidance and general supervision of the Fund. The Steering Committee consists of the Government of PNG (Department of National Planning and Monitoring), the top contributor to the Fund, and the Heads of Participating Organizations. The Committee is jointly chaired by the RC and the Department of National Planning and Monitoring, represented by the Secretary. The Administrative Agent and Fund's technical Secretariat are ex-officio members and observer members along with the Participating UN Organizations.

The Steering Committee meets when deemed necessary and is responsible for the following:

- Review and endorse the strategic directions of the Fund, and approve the Fund's extensions;
- Review Fund status and oversee overall progress against planned programmatic and operational results;

- Ensure conformity of the Fund's operations with requirements of the ToR and Fund's legal agreements;
- Review and approve proposals from Implementing UN agencies, and decision-making on the allocation of funds;
- Identify critical issues for consideration by the UNSDG Fiduciary Management Oversight Group;

The Steering Committee meets virtually or in-person and conducts decision-making by consensus. It has quorum when two-thirds of its membership is present and decisions may also be made electronically on a no-objection basis. In the absence of consensus, co-chairs will decide, based on consultation with members. In line with the Mutual Accountability Framework, if no consensus can be found within the UNCT regarding the strategic objectives or related allocation of UNCT-wide pooled funding, then the RC will take the final decision.

The Resident Coordinator

As Co-chair of the Steering Committee, the Resident Coordinator will be responsible for:

- Strategic leadership of the PNG Country Fund on the basis of the UNDAF 2018-2022 and the UNSDCF 2022-2024, national development priorities, and Agenda 2030 for Sustainable Development in coordination with the Government of PNG Co-Chair and other UNCT members;
- Engaging in Joint Resource Mobilization for the PNG UN Country Fund in collaboration with Participating UN Organizations;
- Oversee management of the Fund, including funding allocations, with support from the Fund's Secretariat hosted by the RCO;
- Approve all Fund Transfer Requests and other documents addressed to the Fund's Administrative Agent on behalf of the Fund and on the basis of the Steering Committee's decisions;

The Administrative Agent

The MPTFO's responsibilities as Administrative Agent will include the following:

- Support to the Fund's design (ToR) and development of agreements (including the Memorandum of Understanding with Participating Organizations, Standard Administrative Agreements with donors);
- 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 Steering Committee, and in accordance with the approved Annual Work Plans;
- Ensure consolidation of financial reports and statements submitted by the Participating Organizations, as set forth in ToR and MoU (the narrative report is consolidated by the Fund Secretariat);
- Disseminate consolidated narrative and financial reports on the PNG UN Country Fund to the RC, Steering Committee, Participating Organizations, and Donors based on progress reports received from Participating Organizations, in accordance with the reporting schedule specified in the Standard Administrative Arrangement;
- Notify donors when the Fund has been financially closed.

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.

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.

Support services provided by the RCO as the Fund Secretariat

The Fund's Technical Secretariat hosted within the RCO is responsible for the day-to-day operations of the Fund and provides technical and management support to the Steering Committee. The Secretariat's main functions are:

- Advise the RC as Steering Committee Co-chair on strategic priorities, and programmatic and financial allocations;
- Organize calls for proposals and support appraisal processes to ensure proposed projects/programmes are in line with the Fund's programmatic and budget principles;
- Facilitate collaboration and communication between Participating organizations to ensure effective and coherent implementation of projects/programmes;
- Ensure the monitoring of operational risks and Fund performance;
- Consolidate and submit Annual and Final narrative reports of programmes provided by participating organizations to the Steering Committee and to the Administrative Agent by 30 April;
- Monitor financial closure of projects/programmes;
- Coordinate with the Administrative Agent for the operational and financial closure of the Fund.

The costs of this support may be charged directly to the PNG UN Country Fund Account, in accordance with the provisions of the MOU and Standardized Administrative Arrangement.

Participating Organizations

Organizations implementing programmes under the Fund sign an MoU with the MPTFO as Administrative Agent. Each Participating Organization assumes full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Funds will be administered by each Participating Organization in accordance with its own regulations, rules, directives and procedures, and will establish a separate ledger of account for the receipt and administration of the funds disbursed by the Administrative Agent. The indirect costs for Participating Organizations shall not exceed 7% of the total programme expenditure.

Each Participating Organization will:

- Provide programme narrative and financial reports to the Administrative Agent through the Secretariat;
- Guarantee risk management of their projects/programmes supported by the Fund;
- Ensure programmatic safeguards in the design and implementation of activities in line with shared values, norms and standards of the UN Development System;
- Advise the Secretariat and the Administrative Agent of operational completion of all activities and ensure financial closure of projects/programmes within 12 months from operational closure;
- Ensure visibility of the Fund and partners, and give due credit to the relevant work of other

- Participating Organizations in joint-programmes;
- Perform additional tasks to support the Fund's operations, as requested by the Steering Committee.

V – Decision Making / Contribution Allocation

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 UN Strategic Frameworks and channeling funds towards priority needs. The PNG UN Country Fund is focused on ensuring contributions 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.

VI – Monitoring and Evaluation

The Monitoring and Evaluation (M&E) of the Fund will be carried out in accordance with the UN Strategic Frameworks and the Fund's Operational Requirements as set out in the ToR. The M&E system of the Fund is comprised of: 1) M&E of the Fund's Programme Portfolio Performance; and 2) M&E of the Fund's Operational Performance.

M&E of Projects/Programmes will be conducted by the Participating Organizations, in coordination with the Fund Secretariat. The Fund's Portfolio and Operational Performance will be monitored by the Secretariat through the Project/Programme Outcome Indicator Reporting of Participating Organizations, and the Fund's Operational Performance Indicators established by the Secretariat.

At the request of the Fund's Steering Committee, periodic review of portfolio performance may be conducted under the coordination of the Secretariat and involving Participating Organizations.

VII – Audit

The Administrative Agent and Participating Organizations will be audited according to their respective financial rules and regulations, and in line with the Framework for Joint Internal Audits of UN Joint Activities, which has been agreed to by the Internal Audit Services of Participating Organizations, and endorsed by the UNDG in 2014. Details on auditing are included in the Fund MoU.

VIII- Reporting

Project/Programme Reports

Each Participating Organization shall provide the Administrative Agent with the following statements and reports prepared in accordance with harmonised accounting and reporting procedures applicable to the Participating Organization¹ concerned:

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;

¹ Financial Reporting of projects/programmes will apply the 2012 UN Sustainable Development Group's revised Harmonized Categories of Expenses

- (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 activities and including the final year of the activities in the PNG Country Fund, to be provided no later than four months (30 April) of the year following the financial closing of the PNG Country Fund. 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 PNG Country Fund and including the final year of the activities in the PNG Country Fund, to be provided no later than six months (30 June) of the year following the financial closing of the PNG Country Fund.

Narrative reports will be provided through Fund Secretariat.

The Fund's Consolidated Annual Reports

- A. The Consolidated Annual Narrative and Financial Reports: Reports will be disseminated by the Administrative Agent to Steering Committee members no more than five months (31 May) after the end of the calendar year;
- B. The Consolidated Final Narrative and Financial Reports: Reports will be disseminated by the Administrative Agent after the completion of activities of programmes supported under the Fund, and no later than six months (31 July) after the end of the calendar year of the Fund's operational closure.

The Administrative Agent will also provide the 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.

IV – Public Disclosure

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 the [GATEWAY](#) of the Administrative Agent. Website postings may also include a record of decisions of the 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

The PNG UN Country Fund will terminate upon completion of all programmes funded through 31 December 2028 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.

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.