

# Terms of Reference

## Great Lakes Region Cross Border Fund

### October 2016

#### Background

The UN has a long peace and stability engagement in the Great Lakes region. The porous borders in the region have seen decades of political instability and armed conflicts, which caused large displacement of population and related humanitarian crisis. New hope and confidence in a more peaceful future arose when, in February 2013, an UN-brokered accord aimed at stabilizing the Democratic Republic of the Congo and the region was adopted by 12 African countries. The *Peace, Security and Cooperation Framework (PSC-F)* for the DRC and the region encompassing commitments at the national, regional and international levels to bring peace and stability to the eastern DRC and the region by addressing the root causes of conflict. But the PSC-F is only the beginning of a “comprehensive approach that will require sustained engagement,” in the words of Secretary-General Ban Ki-moon.

The *Regional UNDG and UNCT’s Great Lakes Regional Strategic Framework 2016-2017* was then developed and validated in 2015 under guidance of the Special Envoy of the Secretary General for the Great Lakes, the Chair of the Regional UNDG for Africa, five Resident Coordinators, the Regional UNDG and representatives of regional organizations. It outlines the UN’s development approach to PSC-F implementation and was launched by the Secretary General on March 21<sup>st</sup> 2016<sup>1</sup> and subsequently endorsed by the Security Council on March 31 2016<sup>2</sup>. To further support and in a strategic way finance the implementation of the UN Great Lakes Strategic Framework *The Great Lakes Region Cross Border Fund is being established*.

On the 27<sup>th</sup> of April 2016 the General Assembly and Security Council simultaneously adopted a resolution on peacebuilding and conflict prevention. The central recommendation of the resolutions was to look beyond post-conflict peacebuilding to embrace the concept of ‘sustaining peace’. They call for activities addressing all stages of the conflict cycle and to involve the whole UN system as is proposed by the GLR Cross Border Fund. Peacekeeping operations, special political missions and UN country teams must make peacebuilding an integral part of their work. It enables a paradigm shift from a short-term approach to a longer term comprehensive approach towards the implementation of durable solutions. The resolutions highlight the conclusion of the Advisory Group of Experts<sup>3</sup> that UN peacebuilding efforts overall are

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<sup>1</sup><http://www.un.org/press/en/2016/sgsm17619.doc.htm>

<sup>2</sup>Presidential Statement S/PRST/2016/2: <http://www.un.org/press/en/2016/sc12310.doc.htm>

<sup>3</sup><http://www.un.org/en/peacebuilding/pdf/150630%20Report%20of%20the%20AGE%20on%20the%202015%20Peacebuilding%20Review%20FINAL.pdf>

underfunded and under prioritized, and that funding for prevention and peacebuilding needs to be more sustained, adequate and predictable.

## GLR Context

The violence in the GLR is rooted in a long history of exploitative governance and competition for land and extraction of minerals. Economic competition between populations and local administrations within individual countries as well as competition among the countries has contributed to fueling cycles of violence and criminalization of community based self-defense armed groups. Taking advantage of the region's structural instability some of these Non State Armed Groups gradually expanded across the region. Taking advantage of the weak state security institutions in DRC, they have established strongholds from where they are trying to destabilize the governments of their countries of origin. The combination of low employment opportunities with weak civil administration and absence of harmonized taxation contributes to the attractiveness of alternative sources of income through criminal activities. The absence of judicial cooperation between the key countries has also fueled impunity.

Conflicts in the region feed off and reinforce each other – armed groups connected and gradually professionalized and specialized in the region. From self-defense, armed groups have gradually shifted to illegal trade. Conflict trends and patterns demonstrate the centrality of border areas as the main theaters where risk manifest and proliferate. But opportunities for peacebuilding also exist in these border areas. The conflicts are lodged along the eastern DRC border and it is vital to address the issues linked to this border. The peace process in the GLR has been slow and the concerns regarding increasing violence are many. Durable peace and security requires a comprehensive approach addressing the drivers of the conflicts. For example, youth in DRC are gradually rising, demanding more accountability from corrupted officials and standing up against forced recruitment into armed groups. Linking such local security initiatives to development activities to achieve sustained peace has better potential to change the dynamics.

## Challenges and opportunities

The Great Lakes Regional Strategic Framework builds on a regional conflict analysis. Together with a regional socio-economic situation analysis, several conflict drivers present in the different regional hot spots of conflict were identified:

- Competition for land and economic competition between local ethnic groups;
  - Low level of employment;
  - Poor access to effective and quality social services;
  - Armed groups, businessmen and politicians use ethnic grievances and economic competition to increase their control over illicit export of natural resources as well as roads and other physical networks;
  - Limited capacity of rule of law fostering the conditions for impunity;
  - Culture of violence spread throughout the region, which remains unchallenged;
  - Weak delivery capacity of local administrations and poor governance;
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- Multiple cycles of displacement in the DRC and the GL make households poorer.

Furthermore, shared cross-border opportunities/potential to tackle the conflict drivers were identified:

- There is a strong tie between some ethnic groups on each side of the borders in every hot spot. This poses an opportunity to build confidence between citizens and civil society in the GLR;
- The civil society is also deeply involved in the prevention of conflicts and there is a common base of response by the population in all the hot spots;
- Border communities are also best placed to spot and report illicit trade;
- Also, there are local initiatives to build effective governance and accountability;
- The role of women including those who have been displaced has been instrumental to promote peace.

These initiatives must be supported and scaled up to reach a critical mass that will help foster the changes required in the region.

## Great Lakes Regional Strategic Framework

To tackle the causes of conflict and address destabilizing factors in eastern DRC the UN has adopted a regional, cross border, multi-agency approach along the most conflict affected DRC border: the eastern border with Uganda, Rwanda, Burundi and Tanzania. Efforts to achieve peaceful development in the region are often made in individual countries and UNCTs traditionally act at national level, even though the underlying causes of conflicts are not contained within country borders. On the contrary, the border areas feed the drivers of conflict. But border areas are at the same time strategic locations which can be tapped to build confidence, create trust, and establish momentum for peaceful resolution of conflicts.

The Great Lakes Regional Strategic Framework's Results and Resources Framework (see annex 1) identifies six pillars or "building blocks" which all need to contribute to the long-term goal of peace and security in the region. The Results Framework also identifies the key outcomes for the Framework:

- **Sustainable land and natural resource management**  
Outcomes: 1. Sustainable use of natural resources will enrich the state, and will lead to tangible improved community livelihood (income); 2. People enjoy "land ownership" and property rights for all through inclusive and peaceful land management, especially for those previously and presently displaced by conflicts.
- **Economic integration, cross-border trade and food and nutrition security**  
Outcomes: 1. Increased trade among border communities  
2. Improved food and nutrition security in border communities
- **A comprehensive approach to border management and cross-border mobility**  
Outcome: Strengthen regional stability by taking a regional approach to understanding the cause of displacement
- **Youth and adolescents**  
Outcome: To trigger investment in the youth and adolescents as key to harnessing the demographic and peace dividend in the five core GLR Countries
- **Gender and SGBV**

Outcome: A peaceful and stable region free from Sexual and Gender Based Violence (SGBV) in which women and girls are empowered to participate in peace building, economic growth and enjoy equitable access to benefits of sustainable development

- **Justice and conflict prevention**

Outcome: An increased focus on accountability and strengthened infrastructures for peace and human rights across the region

Projects funded through the GLR Cross Border fund have to fall under one of the six pillar outcomes and focus on one of the three cross border types of interventions identified in the Framework. Interventions should also abide by the guiding principles identified in the Framework.

## Functions of the fund

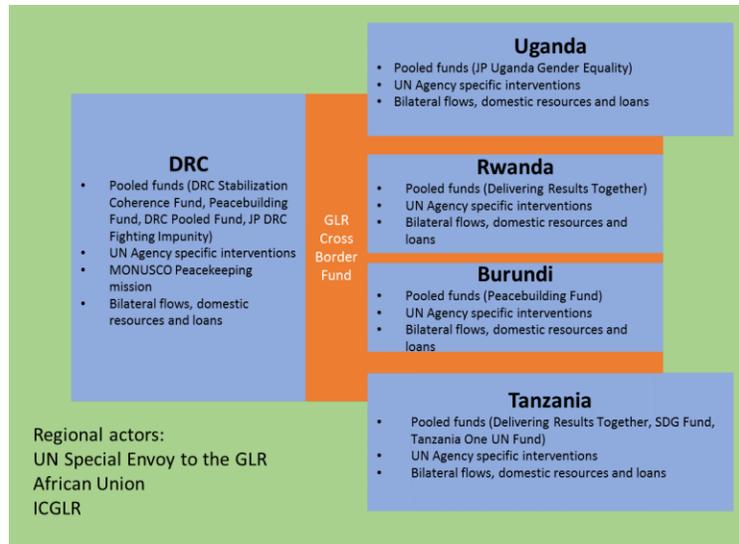
### Facilitate coherence and strengthen cross-border work

The UN system structure is not facilitating coherence and consolidation among the UN agencies when it comes to cross border activities and a cross border fund including multiple UNCTs in both planning, implementing and evaluation stages requires extensive coordination. The GLR Cross border fund will use Pillar Leads to organize and steer all parts of its work under the leadership of the co-chairs of the Steering Committee- the Special Envoy of the Secretary General for the Great Lakes and the Chair of the Regional UNDG for Africa. The Pillar lead is delegated to act on behalf of the five UNCTs and R-UNDG as a coordination function for the UN System. Each of the six pillars identified in the GLR UNCT Regional Strategic Framework is led by one or two designated senior agency representatives from a Regional Bureau/Office responsible for preparation of joint approaches for results as well as monitoring and reporting. The Pillar leads will e.g. develop two-year joint work plans together with the concerned agencies in the different Pillars. For details regarding the Pillar Leads function see annex 2.

There is a critical gap in the development responses in the region, and that is to tackle the cross-border aspect of peace and security to achieve a sustained peace. The cross border issues may, unaddressed, not only prolong and destabilize the situation but also undermine other initiatives and investments in the region. The GLR Cross Border Fund is designed not to duplicate national instruments but to facilitate the coherence of national interventions and fill gaps in cross border work.

## Financing landscape

The Great Lake Region hosts a diverse landscape of peace and development actors. A multitude of stakeholders, initiatives and investments are currently financially and programmatically addressing the complex and volatile situation; UN agency specific activities (projects and programmes); the MONUSCO peacekeeping mission in DRC; the GLR political mission as well as single agency and multi-agency pooled funds, domestic investments, bilateral contributions and loans.



*Figure 1. The GLR Cross Border Fund's position among some of the other instruments and actors in the region*

The GLR Strategic Framework and the GLR Cross Border Fund have complementary roles to the nationally focused frameworks and funds such as the DRC Stabilization Coherence Fund (focusing on the Eastern DRC) and Peacebuilding Fund (global fund) in that it specifically focuses on cross border activities and involves multiple UNCTs.

To avoid overlap with other initiatives the fund will only finance three types of projects:

- Cross border programmes that involve interaction between two or more UN country teams;
- If implemented by only one UNCT: Activities that have regional effects and ensure cross border experience sharing;
- Sub-regional initiatives that require regional organization.

The R-UNDG and UNCTs' Great Lakes Regional Strategic Framework Implementation Plan 2016-17 estimates a financing need of close to 94.5 million USD, of which 2 million USD are already available in, for example, agency-specific resources mobilized for the strategy. The financing gap is therefore estimated to be approximately 92 M USD which should be channeled through the fund to have a coherence, cross-cutting and coordination function.

## Governance arrangements

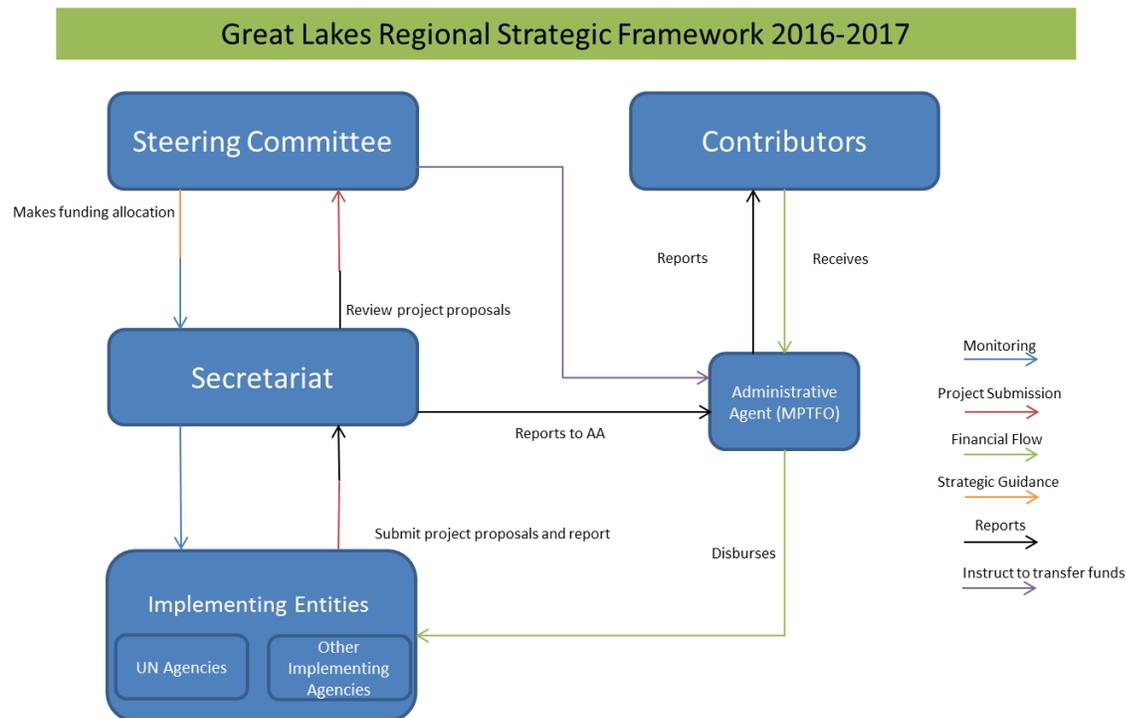


Figure 2: Proposed Governance Architecture of the Great Lakes Region Cross Border Fund

## Fund Operations

### Steering Committee

The Fund operates under a common governance structure headed by the Steering Committee. The Steering Committee will be comprised of representatives from the UN System and contributors. The main role of the Steering committee is to provide a partnership platform and mobilize national and international actors and resources against the Joint Work plan. The Steering Committee is the fund's executive body, sets the Fund's strategic direction, makes resource allocation decisions, and monitor progress towards achieving results. The Steering committee will adopt a multi-year Investment Plan based on the Fund's theory of change, which will detail the Fund priorities, expected results and financial needs. This process ensures that the Steering Committee manages the Fund in a dynamic manner, builds synergies with other funds and joint programmes, and reviews its underlying theory of change and expected results based on experience, lessons learned and changing contexts.

The Steering committee will:

- Provide general oversight and exercising overall accountability of the Fund;
- Approve the strategic direction of the Fund, its overall results framework and the Investment Plan;
- Monitor and Review the status and implementation of the Fund within the GLR Strategic Framework, oversee progress against the results framework;
- Approve Fund risk management strategy and review risk monitoring regularly;

- Approve allocations based on the Fund's investment Plan, expected results and allocation criteria;
- Request fund transfers to the Administrative Agent based on approved project documents and available cash balance in the fund account;
- Review and approve the periodic progress reports consolidated by the Administrative Agent and the Secretariat based on the progress reports submitted by the Implementing Entities.

The Steering Committee meets every quarter during the first year and then biannually and makes funding decisions by consensus. Members of the Steering Committee will step out for funding decisions related to proposal submissions from their organisation to avoid any conflict of interest. At least five Steering Committee members, one each from the different categories determined below are needed to constitute the quorum. When possible, meetings will be planned in connection to other regional meetings to facilitate achieving the necessary quorum.

The Steering Committee comprises members from the following categories (supported by their respective offices as appropriate):

- The UN Special Envoy to the GLR and the Chair of the Regional UNDG for Africa chair the Steering Committee;
- The R-UNDG co-champions of the Great Lakes Regional Strategic Framework;
- Maximum three representatives of the largest contributors to the Fund on a rotational basis. Where possible donor representatives from Capitals are encouraged to participate and minimum expected contribution is \$5million;
- The Resident Coordinator for the Democratic Republic of the Congo and on a rotating basis one of the resident Coordinators from one of the four other countries of the Strategic Framework;
- Two regional directors on a rotational basis who act as focal point within the R-UNDG for the five countries of the Strategic Framework.

Ex officio members without voting rights:

- *One MPTF Office representative*
- *One representative from the ICGLR*

## **The Secretariat**

The Steering Committee is supported by a Secretariat. It is the day-to-day interface of the Fund and is tasked with inter alia:

- Advise the Steering Committee on strategic priorities, programmatic and financial allocations
- Provide logistical and operational support to the Steering Committee;
- Implement the Joint Work plan
- Organize calls for proposals and appraisal processes;
- Ensure the monitoring and evaluation of the operational risks and Fund performance;
- Ensure a process of knowledge management

- Consolidate annual and final narrative reports provided by the Participating UN Organizations and share with the Steering Committee for review as well as with Administrative Agent for preparation of consolidated narrative and financial reports.

The Secretariat will develop the Fund's rules and procedures (Fund Operation Manual), detailing, among other things, the Fund's institutional and financial arrangements, the roles and responsibilities of the different parties involved in the Fund, the project approval procedures, the provisions for project monitoring, reporting and verification. The Operations Manual will be approved by the Steering Committee.

The Secretariat will be constituted by the GLR Framework R-UNDG Programme Coordination Specialist who reports to the Co-Champions of the GL Strategic Framework and will work in close collaboration with the Pillar Leads and the Office of the Special Envoy of the Secretary General for the Great Lakes.

## **Fund Administration**

### **Administrative Agent**

The Fund is administered by UNDP, through its MPTF Office. The MPTF Office carries out fiduciary and financial management functions and will open a separate ledger account for the Fund. The AA will work in close collaboration with the Secretariat.

The Administrative Agent will conclude a Memorandum of Understanding (MOU) with the Participating UN Organizations and Standard Administrative Arrangements (SAAs) with contributing partners. The AA is responsible for receipt, administration, and disbursement of funds to the participating organizations according to the instructions of the Steering Committee as well as financial reporting and consolidation. The Administrative Agent will release each payment within three to five working days of receipt of the instruction from the Secretariat together with all required and approved documents that are required. The Administrative Agent will disburse funds to the Secretariat for direct costs based on the decision of the Steering Committee. On an annual basis, the Administrative Agent will notify the Steering Committee of the amounts used for such purposes. The detailed functions will be specified in the Fund Operation Manual.

The MPTFO acts as a single interface towards donors and provide tools, such as the Gateway <http://mptf.undp.org/> to ensure efficient and transparent results tracking and reporting. The Fund administrative agent fee is established at 1% of the contributions received.

## **Fund Implementation**

The Participating UN Agencies (PUNOs) are the different implementing UN entities who sign the TOR. The GLR Cross Border Fund's flexible implementation architecture would enable the different implementing entities to operate under a common strategic governance structure yet in accordance with their distinct policies and procedures. The Participating UN Organizations will provide direct implementing services in accordance with their own financial regulations, rules and policies and charge the corresponding indirect costs (7%). Each PUNO will report on implementation and financial performance to the Steering

Committee through the Secretariat and to the AA, as indicated in the MOU. Each PUNO assumes full programmatic and financial accountability for the funds disbursed to it by the AA.

## Contributors

Contributors are financial partners/donors that contribute resources to the Fund. These are governments (i.e. development partners), state and private sector entities, including multilateral, INGOs and NGOs, and individuals. They will be represented in the Steering Committee on a rotational basis and participate in providing strategic guidance to the Fund, and promoting partnerships and overall monitoring of the Fund's portfolio.

While unearmarked contributions are preferred, contributors may earmark their contributions to one or more of the Fund pillars.

## Project Proposal Approval Process

Efforts would be made to simplify submission procedures and requirements to make the mechanism fast, efficient and easy to access. The Steering Committee will identify funding priorities at the sectorial and geographical level taking into consideration the orientations defined in the GLR Regional Framework. These will correspond to the programmatic orientations provided in the Investment Plan and its Result Matrix. Allocations to projects will then be made on the basis of the identified priorities, and contingent on the availability of funds.

1. Calls for proposals: The Secretariat, based on Steering Committee's decisions, will request PUNOs to submit project proposals. The calls for proposal can be for all or specific outcomes or geographical areas defined in the Investment Plan.
2. Development of projects: Under the supervision of the designated senior agency representatives from a Regional Beureau/Office the Pillar Leads will coordinate with each individual agency. The minimum requirement for project proposals should be: the key expected results and indicators, activities, indicative budget, a risk analysis, proposed implementing partners and geographical scope.
3. Assessment of Proposal: the Secretariat with the support of relevant sector specialists will conduct a substantive, systematic, rigorous and detailed assessment of the project proposals. The criteria for the evaluation will be provided to the Participating Organization in the relevant submission form.
4. Project approval: Once the review is finalised by the Secretariat, project documents will be submitted to the Steering Committee for approval.
5. Circulation of approved projects: The Secretariat will share the final list of approved projects with the PUNOs, contributors and the relevant counterparts.

Expected timelines for project development and approval: The overall process to develop and approve projects should not take longer than three months. A timeline will be developed for each allocation on the basis of the following:

- (a) Elaboration of the call for project proposals: Two weeks
- (b) Development of project proposals: Four weeks
- (c) Review of project proposals by the Secretariat: Two weeks
- (d) Approval by Steering Committee: Two weeks

## **Monitoring and Evaluation**

### **Results based management system**

Based on the TOR, the GLR Cross Border Fund will develop a Results-based management system where both programmatic and financial performance indicators are monitored at the Outcome and Output level (Fund and project/programme Level). The Outcome and Output indicators will be monitored through the regular cycle of project/programme reporting. The output indicators will be specific to each project. Every project/programme will report on key Fund Outcome indicators to which it must contribute in accordance with the Fund Results Matrix developed by the Secretariat and approved by the Steering Committee. The evaluation of the performance of each indicator will take external factors into account as well as the pre-identified assumptions and risks.

### **Monitoring and Evaluation Tool**

The purpose of the M&E toolkit is to provide analysts and practitioners with the tools, information and knowledge required to take a concerted and evidence-based approach maintaining this programme responsive to the dynamic and mixed environment in GLR. It guides programme outcomes through three components:

- Border Mapping/Profiling: a description of the geography, demographic composition, history, as well as the institutional infrastructure and civil society presence of particular districts.
- Data Monitoring: a process of data collection should be synergized through relevant ministries and UN entities.
- Project level M&E: project funded under this initiative shall utilize the PUNOs internal M&E framework.

Additionally, randomized control trials should be embedded into these components, designed in collaboration by project architects and independent entities' including regional organisations, academic experts and UN specialists. This can be a service the MPTF makes available at the project level in order to apply rigorous measurement tools to capture on-going impact and knowledge generation.

**Indicators:** Indicators should be developed through alignment of this programme with the Sustainable Development Goals, State and Peacebuilding Goals under the New Deal, the UN Rule of Law indicators, the tracking framework for Security Council resolution 1325 (2000) on women and peace and security, and other relevant indicators system, as well as through an iterative process to design specific outcome-level indicators for the programme. This set of indicators will track the effectiveness of the programme in reaching milestone and evolving outcome-level targets.

All data collected shall be disaggregated by sex, and the tools themselves provide data on a number of issues which are specifically targeting women, including types of violence to which they are predominantly subject.

### **Risk Management**

Risks will be monitored and managed at project and programme level, but also at fund level. A fund risk management strategy will be developed as part of the Operations Manual. The Steering Committee shall regularly assess risks and mitigation measures against the developed risk strategy and update it accordingly.

### **Reporting, Transparency and Accountability**

For each project the implementing organization will provide the Secretariat and the Administrative Agent with annual and final reports and financial statements prepared in accordance with their accounting and reporting procedures in line with standard UNDG MOU/SAA.

The annual and final reports will be results-oriented and evidence based, and will give a summary of results and achievements compared to the goals and objectives of the approved result matrix in the programme document aligned with the fund result matrix.

Consolidated reports and related documents will be posted on the websites of the UN and the AA (<http://mdtf.undp.org>).