



**TERMES DE REFERENCE DU FONDS UNIQUE
SYSTEME DES NATIONS UNIES – UNION DES COMORES**

**ONE FUND TERMS OF REFERENCE
UNITED NATIONS – UNION OF THE COMOROS**

I. INTRODUCTION

1. RDT and DOCO recognised the Comoros as a Delivering as One volunteer country in October 2009, following two years of efforts aimed at ensuring UN coherence in the country. This was crystallised with Comoros' participation in the Intergovernmental Consultations on Delivering as One held in Kigali – Rwanda in October 2009.
2. The Delivering as One initiative in Comoros comprises of the Five Ones: One Programme, One Leader, One Budgetary Framework, One Office, and One Voice. The interdependence between the nexus of the Five Ones in the Comoros is subscribed to by the UNCT (BM, CCI CNUCED FAO FENU FIDA FMI, OCHA OHCHR OIT OMS ONUDI ONUSIDA PAM PNUD UNESCO UNFPA UNICEF UNIFEM VNU), hereafter referred to as the Participating UN Organisations. Other UN Organisations can join the DaO efforts at a later stage. However, only Participating Agencies can receive financing from the One Fund.
3. In accordance with Comoros' commitments on aid effectiveness, the Delivering as One Initiative is being implemented in a collaborative manner under the leadership of the Government of the Union of the Comoros. The PRSP and One Programme are thus providing a common and convergent framework, codified in the governance structure for aid coordination.
4. In the context of the Delivering as One initiative, UNDG agreed to strengthen the authority, responsibility and accountability of the Resident Coordinator (RC) function in relation to the UNCT and its joint activities.
5. The Terms of Reference of the Comoros One Fund is a living document; it may be revised to reflect the dynamic nature of the Delivering as One process in Comoros, particularly when new agencies join the DaO effort in the Comoros.

II. PURPOSE AND PRINCIPLES OF THE COMOROS ONE FUND

6. The purpose of the Comoros One Fund is to support resource mobilisation efforts, as well as the coherent allocation and disbursement of donor resources to the UN Country Team under the direction of the Resident Coordinator. The result includes enhanced overview and management of UN development resources and reduced transaction costs for partners when supporting the UN.

7. The One Programme reflects the programmatic focus of the UN System in Comoros for 2010-2012. The One Programme drives the four other pillars of the DaO approach.
8. The Comoros One Fund conforms to the principles governing a pass-through arrangement as per the [UNDG Joint Programme guidelines](#). The MoU agreed to by the UNCT on 6 November 2009 designates UNDP as the Administrative Agent for the One Fund.
9. The Comoros One Fund is the proposed vehicle for further consolidation of country level funding mechanisms. All additional resources mobilised through joint UN resource mobilisation efforts will be managed through the One Fund. Agencies core/regular funds remain outside the One Fund mechanism.
10. The Comoros One Fund, under the strategic leadership of the Resident Coordinator, is intended to facilitate the realisation of One Programme outcomes by strengthening the planning and coordination process, tying the funding allocation and channelling funds towards the highest priority needs. The key activities to be financed by the Comoros One Fund are elaborated in the One Programme. The Comoros One Fund also aims to ensure that funds are available for the Participating UN Organisations to respond to emerging and unforeseen circumstances thereby enhancing the flexibility and responsiveness of the UN system.
11. The Comoros One Fund supports partnerships and communications between stakeholders.

III. DESCRIPTION OF THE COMOROS ONE FUND

12. The Comoros One Fund shall be administered by the United Nations Development Programme, through its Multi-Donor Trust Fund Office (UNDP/MDTF Office), as Administrative Agent, on behalf of the Participating UN Organisations and the Resident Coordinator, as agreed with the Government of the Union of the Comoros. The UNDP/MDTF Office will administer the Comoros One Fund in accordance with its regulations and rules. It will perform the full range AA-functions as per the MoU and SAA, 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".

Contributions to the Comoros One Fund

13. Contributions to the Comoros One Fund may be accepted from governments of member states of the United Nations or from intergovernmental or non-governmental organisations, as well as 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>).

14. In support of the overarching aim of the Comoros One Fund, and to ensure maximum flexibility and adaptation to national priorities, a guiding principle for resource mobilisation would be that donors are encouraged to contribute with multi-year pooled / unearmarked resources. Earmarking is thus discouraged, with donors asked to contribute un-earmarked funds. Only in exceptional cases and after consultation and approval of the One Programme Steering Committee and/or the UNCT will earmarking be allowed.

15. Contributions to the Comoros One Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by the UNDP/MDTF Office. The value

of a contribution-payment, 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 of payment.

16. As the Administrator of the Comoros One Fund, the UNDP/MDTF Office will be responsible for receiving all donor contributions in the Comoros One Fund Account established for this purpose, and in turn, will make contribution-payments to the respective Participating UN Organisations as soon as possible after the donor funds and instructions from the RC are received.

17. The Participating UN Organisations will sign a standardised Memorandum of Understanding (MoU) with the UNDP/MDTF Office setting out the terms and conditions under which the UNDP/MDTF Office will work as Administrative Agent. The Participating UN Organisations will receive and use funds from the One Fund account, as well as the functions and responsibilities of the One Programme Steering Committee, the UNCT and the Resident Coordinator.

18. Each donor will sign a Standardised Administrative Arrangement (SAA) with the UNDP/MDTF Office as Administrative Agent, setting out the terms and conditions governing receipt and administration of the contributions.

Utilisation of the Comoros One Fund

19. The Comoros One Fund will be utilised for the purpose of meeting the un(der) funded costs of major initiatives, including new initiatives responding to emerging needs. Details of such initiatives, including the respective budgets and implementation partners, are set out in the results matrices of the One Programme and the relevant joint annual work plan, programme or project documents.

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

IV. GOVERNANCE ARRANGEMENTS

21. The governance of the Comoros One Fund is decentralised to the country level and includes the Government of the Union of the Comoros and the Participating UN Organisations/Agencies within the framework of the One Programme Steering Committee and of the UNCT.

22. The overall management of the Comoros One Fund will be under the leadership of the RC.

23. The Resident Coordinator will be responsible for:

- Strategic leadership of the One Fund on the basis of the implementation of the DaO initiative in the Comoros.
- Engaging in Joint Resource Mobilisation for the One Fund in collaboration with Participating UN Organisations;
- He will be responsible for ensuring the proper documentation of the allocation process including the rationale for these decisions. Implementation of activities funded by the resources of the One Fund will be the responsibility of the Head of Participating UN Organisations. The RC will

hold Heads of Participating UN Organisations accountable for their agency/organisation's components of the results of initiatives funded through the One Fund;

- Ensuring consolidated One Fund level reporting, including to donors, based on reports from Participating Organisations and support from the Administrative Agent and the UN Resident Coordinator's Office.
- Work plan implementation will be the responsibility of the Head of participating UN Organisations.

24. Governance arrangements for UN Country Fund:

- The One Programme Steering Committee sets the high level priority thematic areas during its meetings.
- Resources are allocated by the One Programme Steering Committee and the UNCT, under the leadership of the RC.
- The AA will transfer resource after receiving explicit instructions from the Resident Coordinator.

The Administrative Agent

25. The UNDP MDTF Office's responsibilities as Administrative Agent will include the following:

- Receipt, administration and management of contributions from donors;
- Disbursement of funds to Participating UN Organisations, in accordance with instructions of the Resident Coordinator, on behalf of the Steering Committee and in accordance with the approved Annual Work Plans;
- Provision of consolidated narrative and financial reports on the Comoros One Fund Account to the Resident Coordinator, Steering Committee, UNCT and Donors, based on progress reports received from Participating UN Organisations, in accordance with the reporting schedule specified in VII.

In line with the MoU between Participating UN Organisations and the Administrative Agent, a clear delineation, including distinct reporting lines and an accountability framework, are established and will be maintained within UNDP between its functions as an Administrative Agent and its functions as a Participating UN Organisation.

Support services provided by the UN Resident Coordinator's Office¹

26. The UN Resident Coordinator's Office (UNRCO) is responsible for support to the strategic leadership role of the Resident Coordinator. It will provide support in all the designated tasks for the Resident Coordinator under paragraph 23 above. Drawing on the consolidated reports from the Administrative Agent, the UNRCO will provide strategic focus by providing analysis of resource requirements, funding gaps, resource mobilisation efforts, advice on resource allocations and analysis of progress and lessons to be learned for future programme implementation to the RC, UNCT and One Programme Steering Committee. It will circulate the finalised annual consolidated report on the One Fund to the UNCT and One Programme Steering Committee for consultation. The UNRCO 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.

¹ 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 Fund. Additional staff may be required to maintain UNRCO's service delivery levels

27. A staff designated within the UNRCO or UNCT, within the context of the “Bureau unique”, will provide support to ensure quality control of the One Fund. The costs of this support will be charged directly to the One Fund Account, in accordance with the provisions of the MoU and SAA.

V. MONITORING AND EVALUATION

28. Monitoring and Evaluation of the initiatives funded by the Comoros One Fund will follow Standard Monitoring and Evaluation procedures described in the One Programme and DaO Concept Note.

29. Donors, the Resident Coordinator, the Administrative Agent and the Participating UN Organisations will hold consultations, as appropriate, to review the status of the Comoros One Fund. These reviews will be part of the Annual Progress Reviews of the One Programme.

30. The One Programme Steering Committee may commission a regular, independent lessons-learned and review exercise relating to the operations and management of the Comoros One Fund.

VI. AUDIT

31. 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 UN.

32. 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.

VII. REPORTING

33. Reporting requirements leverage to the maximum extent existing reporting structures in place as part of the quarterly and annual reviews of the One Programme.

34. Each Participating UN Organisation 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 UN Organisation 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 Comoros One 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 One Programme, to be provided no later than four months (30 April) of the year following the financial closing of the One Programme. The final report will give a summary of results and achievements compared to the goals and objectives of the One Programme; and
- d. Certified final financial statements and final financial reports after the completion of the activities in the One Programme, to be provided no later than six months (30 June) of the year following the financial closing of the One Programme.

35. Until such a time that a harmonised reporting format and procedure is mutually agreed and accepted by Government of the Union of the Comoros and Participating UN Organisations, the Participating UN Organisations will follow UNDG guidelines.

40. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in TCPR of 2004 and will provide (a) and (b) by 31 May and (c) and (d) by 31 July to the One Programme Steering Committee, Participating UN Organisations and to each Donor that has contributed to the Comoros One Fund, in accordance with the timetable established in the Standard Administrative Arrangement. The Administrative Agent will also provide the One Programme Steering Committee, Participating UN Organisations 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 Comoros One Fund.
- c. Final narrative reports, after the completion of the activities in the One Programme, to be provided no later than four months (30 April) of the year following the financial closing of the One Programme. The final report will give a summary of results and achievements compared to the goals and objectives of the One Programme; and
- d. Certified final financial statements and final financial reports after the completion of the activities in the One Programme, to be provided no later than six months (30 June) of the year following the financial closing of the One Programme.

VIII. PUBLIC DISCLOSURE

36. The RC and the Administrative Agent will ensure that consolidated Comoros One Fund reporting and documentation, including agreements and decisions regarding the review and approval of programmes, and associated external evaluation reports, are posted for public information on the Comoros UNCT web-platform <http://km.one.un.org> (including its website and inter-agency intranet) as well as on the website of the Administrative Agent (www.km.undp.org). Website postings may also include a record of decisions of the One 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 Comoros One Fund.

IX. TERMINATION OF THE ONE FUND

37. The Comoros One Fund will be established following the signature of the Memorandum of Understanding between the Participating UN Organisations and the Administrative Agent and the signature of the first Standardised Administrative Arrangement (SAA) between the Administrative Agent and a Donor. The Comoros One Fund will terminate upon completion of all programmes funded through the Comoros One Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the Comoros One Fund, any unutilised balances will continue to be held in the Comoros One 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.

38. Any balance remaining in the Comoros One Fund Account or in the individual Participating UN Organisations' separate ledger accounts will be used for a purpose mutually agreed upon by the Donors, the UNCT and the Administrative Agent.

X. ALLOCATION MECHANISMS

Criteria for allocation of the One Transition Fund

39. Funding requests to the One Programme Steering Committee should respond to the following criteria:

- a. The funded activity / project should contribute to the achievement of one of the established outputs in the One Programme.
- b. The output should contribute to the achievement of at least one of the Millennium Development Goals.
- c. The output should be related to one of the "national priorities" as stated in the Poverty Reduction Strategy (SCRIP 2010 – 2014).
- d. The funded activity / project should incorporate – from the perspective of rights – at least one of the following cross-cutting issues: gender, human rights, communication for development, capacity development, fight against HIV/AIDS, and threats to human security.

40. In addition, allocations should be in accordance with the following guiding principle: preparedness to implement and possibility to deliver results in full. This means, inter alia, that should the funding gap only be partially met, priority should be given to projects / activities that are ready for implementation and can produce concrete results. Without results to report on, subsequent replenishments of the One Fund will be more difficult to achieve.

The criteria will be applied in two steps: initial allocation and subsequent allocation(s)

41. Detailed planning is critical to precede the first allocation of resources from the One Fund. Effective allocation requires a detailed one year plan that is realistic in relation to capacity, activities, risks, cash-flows, resources and responsibilities, with a provisional work plan for the subsequent year. The first year work plan should include detailed sequencing of activities, a cash flow plan² and clear division of labour among UN Agencies for various activities and outputs. The work plan should include clear performance targets (outputs) that can realistically deliver the programme outcomes. The work plan should be subjected to a risk assessment to identify the obstacles to achieving the set targets.

42. Allocation criteria: These criteria provide the basis upon which eligible programmes are prioritised for funding. The same criteria, where pertinent, will be applied in the second and subsequent allocations from the One Fund. The criteria allocate funding to on-going programmes based on performance.

² Cash flow plans in line with sequenced activities are required to ensure that One Fund resources are optimally allocated and avoid large budget surpluses of 'unused' funds that may effectively have been utilised elsewhere. Allocations (and fund raising) are tied to these forecasts but in order for the system to work, the forecasts must be as realistic and accurate as possible.

Initial allocation

43. Outputs / activities that have fully complied with the detailed planning for implementation will qualify for an initial allocation of funds from the One Fund³. The UNCT will constitute an M&E Group to assess the outputs / activities and apply the allocation criteria.

44. The M&E Group will conduct a desk review of the programmes and make a proposal for allocation of funds after applying the criteria. The M&E Group fund allocation proposal will then be shared with the UNCT, for a two-week review, and subsequently be presented to the One Programme Steering Committee where the final decision on resource allocations will be made.

45. In addition to the general criteria for funding requests mentioned in paragraphs 39 and 40, the following criteria for fund allocation will be applied:

- a. Time sensitive to national priorities set by the Government and discussed within the One Programme Steering Committee.
- b. Have sufficient capacity to deliver within a given time frame with activities scheduled to be delivered within the next 3-6 months.
- c. The programme / project represents a change from “business as usual”, in line with DaO principles (programmatic cohesion and operational efficiencies and effectiveness within the UN).
- d. Meet readiness criteria: programme/ project is ready to start with implementation structure in place (already signed document, results framework and annual work plan).
- e. A progress project/ programme report should be presented based on:
 - Activities implementation
 - Budget delivery rate
 - Performance towards results in a synergetic, timely and cost effective manner
- f. Potential long-term sustainable impact.

Subsequent (performance based) allocations

46. Performance based allocations are done twice a year (in May and October). The M&E Group will apply the criteria (above) and make recommendations on funds allocation. The Group will not only score each programme on its own merits but in applying the criteria ensure that the weighting given on a criterion in a given programme makes equitable sense in relation to the weighting applied to that criterion in each of the other programmes. The recommendations will be shared with the UNCT, which after satisfying itself that the criteria have been properly applied, presents the recommendations to the One Programme Steering Committee for the final decision⁴.

³ It is recommended that a cut off date be determined (and made known) for the first allocation under the pilot programme and for subsequent first allocations. This date will likely be linked to receipt of money into the One Fund. It will be up to the agencies participating in the One Programme to ensure that a specific programme meets the eligibility criteria and can be considered for a first allocation by that date. Programmes that meet the criteria should not have to wait for all programmes to fulfill the eligibility criteria before being awarded an initial allocation. Pilot programmes may wish to be given an opportunity to improve their documents in line with the final version of these criteria, before they are subjected to evaluation.

⁴ In applying the criteria and making final decisions, the overall purpose should be to promote effective and efficient programming, not necessarily to ‘punish’ under-performers in a short-term knee jerk reaction. For example, where One Fund resources permit, programme resource levels may be maintained subject to addressing (identified) shortcomings and conditions to be met by the next review.

47. When available funds in the One Fund is 75% or more of the total annual funding gap of a given programme / project, 75% of annual budgets at Outcome level will be funded upfront. When available Funds in the One Fund is less than 75% of the annual funding gap the One Programme Steering Committee will make a decision based on the needs of the programme / project.

The role of the One Programme Steering Committee

48. Final decision-making should reflect on cross-validation and the initial / subsequent proposals for allocation of funds that flow from the application of the criteria. The purpose is to ensure that there is an adequate balance between competing priorities. It will be up to the One Programme Steering Committee to ensure that the final decision is appropriate and that equity and reasonableness are applied to the final decision. The One Programme Steering Committee should also ensure that funds are not held idle in the One Fund. Initial and subsequent allocations (guided by the same criteria) will be possible outside of the selected time-frames (May and October) whenever funds are available in the One Fund.