***Delivering together in Malawi***

**UNITED NATIONS MALAWI**

**STANDARD ADMINISTRATIVE AGREEMENT**

**BETWEEN**

**Donor**

**AND**

**THE UNITED NATIONS DEVELOPMENT PROGRAMME**

**REGARDING THE**

**ONE UN FUND IN MALAWI**

**WHEREAS**, Participating United Nations Organizations that have signed a Memorandum of Understanding (hereinafter referred to collectively as the “Participating UN Organizations”) have developed a **One UN Fund in Malawi** (hereinafter referred to as the “**Fund**”) starting on **01 December 2008** and ending on **31 December 2011,** have extended the Fund through **30 June 2012**, and have developed the second phase of the Fund to correspond to UNDAF 2012-2016, with the Fund starting on **1 January 2012** and ending on **31 December 2016**, as may be amended from time to time, as part of their respective development cooperation with the Government of **Malawi**, as more fully described in the **Terms of Reference of the One Fund Phase II** (hereinafter referred to as the “**TOR**”), a copy of which is attached hereto as **ANNEX A,** and have agreed to establish a coordination mechanism (hereinafter referred to as the “**UNCT Special Session**”) to facilitate the effective and efficient collaboration between the Participating UN Organizations and the **Government of Malawi** for the implementation of the **Fund**;

**WHEREAS**, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the **Fund** and have developed a **TOR** to use as the basis for mobilising resources for the **Fund**, and have further agreed that they should offer donors the opportunity to contribute to the **Fund** and receive reports on the **Fund** through a single channel; and

**WHEREAS**, the Participating UN Organizations have appointed **the United Nations Development Programme** (hereinafter referred to as the “Administrative Agent”) (which is also a Participating UN Organisation in connection with **the Fund**) in a Memorandum of Understanding (hereinafter referred to as “MoU”)concluded between, the Administrative Agent and Participating UN Organizations on **01 December 2008** , to serve as their administrative interface between donors and the Participating UN Organizations for these purposes. To that end the Administrative Agent has established a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from donors who wish to provide financial support to the **Fund** through the Administrative Agent (hereinafter referred to as the “**One Fund Account**”); and

**WHEREAS**, **Donor** (hereinafter referred to as the “Donor”) wishes to provide financial support to the **Fund** on the basis of the approved **Programmatic document** as part of its development cooperation with the Government of **Malawi** and wishes to do so through the Administrative Agent as proposed by the Participating UN Organizations.

**NOW, THEREFORE**, the Donor and the Administrative Agent (hereinafter referred to collectively as the “Participants”) hereby decide as follows:

**Section I**

**Disbursement of Funds to the Administrative Agent**

**and the One Fund Account**

1. The Donor decides to make a contribution of **[amount in words]** (**[amount in figures]**), and such further amounts as it may decide (hereinafter referred to as the “Contribution”) to support the **One Fund**. The Contribution will enable the Participating UN Organizations to support the **One Fund** in accordance with the **FUND TOR**, as amended from time to time in writing by the **UNCT Special Session**. The Donor authorizes the Administrative Agent to use the Contribution for the purposes of the **One Fund** and in accordance with this Standard Administrative Arrangement (hereinafter referred to as ‘‘Arrangement’’). The Donor acknowledges that the Contribution will be co-mingled with other contributions to the **One Fund Account** and that it will not be separately identified or administered.
2. The Donor will deposit the Contribution by wire transfer, in accordance with the schedule of payments set out in ANNEX B to this Arrangement, in convertible currencies of unrestricted use, to the following account:

**Name of Account: Multi-Partner Trust Fund Office (USD) Account**

**Account Number: 790440309**

**Name of Bank:         JPMorgan Chase Bank International Agencies Banking**

**Address of Bank: 270 Park Avenue, 43rd Floor, New York, New York 10017, USA**

**SWIFT Code:            CHASUS33**

**ABA:                         021000021**

**Reference: MPTF/Malawi One Fund**

1. When making a transfer to the Administrative Agent, the Donor will notify the Administrative Agent’s Treasury Operations at mptfo.treasury@undp.org and the MPTF Office at executivecoordinator.mptfo@undp.org of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from **Donor** in respect of the **One Fund** in **Malawi** pursuant to this Arrangement. The Administrative Agent will promptly acknowledge receipt of funds in writing.
2. All financial accounts and statements will be expressed in United States dollars.

5. The US dollar value of a contribution-payment, if made in currencies other than United States dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of receipt of the Contribution. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations.

6. The **One Fund Account** will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The **One Fund Account** will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

7. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the Contribution by the Donor, to cover the Administrative Agent’s costs of performing the Administrative Agent’s functions.

8. The UNCT Special Session may request any of the Participating UN Organizations, to perform additional tasks in support of the **One Fund** not related to the Administrative Agent functions detailed in Section I, Paragraph 2 of the Memorandum of Understanding and subject to the availability of funds. In this case, costs for such tasks will be decided in advance and with the approval of the **UNCT Special Session** be charged to the **One Fund** as direct costs.

**Section II**

**Disbursement of Funds to the Participating UN Organizations**

**and a Separate Ledger Account**

1. The Administrative Agent will make disbursements from the **One Fund Account** in accordance with instructions from the **UNCT Special Session**, in line with the approved **Programmatic document**, as amended in writing from time to time by the **UNCT Special Session**. The disbursement to the Participating UN Organizations will consist of direct and indirect costs as set out in the Programme budget.

2. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it from the **One Fund Account**. Each Participating UN Organization assumes full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization.

3. Where the balance in the **One Fund Account** on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the **UNCT Special Session** and make a disbursement, if any, in accordance with the **UNCT Special Session’s** instructions.

**Section III**

**Implementation of the Programme**

1. The implementation of the programmatic activities which the Donor assists in financing under this Arrangement will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its own applicable regulations, rules, policies and procedures including relating to procurement. The Donor will not be directly responsible or liable for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Arrangement,

2. The Participating UN Organizations will carry out the activities for which they are responsible, in line with the budget contained in the approved **Programmatic document**, as amended from time to time by the **UNCT Special Session** in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.

3. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 **(**2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the **One Fund** will be recovered as direct costs.

1. The Participating UN Organizations will commence and continue to conduct operations for the Programme activities only upon receipt of disbursements as instructed by the **UNCT Special Session**.

5. The Participating UN Organizations will not make any commitments above the budgeted amounts in the approved **Programmatic document**, as amended from time to time by the **UNCT Special Session**.

6. If unforeseen expenditures arise, the **UNCT Special Session** will submit, through the Administrative Agent, a supplementary budget to the Donor showing the further financing that will be necessary. If no such further financing is available, the activities to be carried out under the approved **Programmatic document** may be reduced or, if necessary, terminated by the Participating UN Organizations. In no event will the Participating UN Organizations assume any liability in excess of the funds transferred from the **One Fund Account**.

7. The Donor reserves the right to discontinue future contributions if reporting obligations are not met as set forth in this Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the Donor, the Administrative Agent and the concerned Participating UN Organization under the Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use their best efforts, consistent with their regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the **UNCT Special Session** and the Administrative Agent, credit any funds so recovered to the **One Fund Account** or agree with the **UNCT Special Session** to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and credit to the **One Fund Account**, the Administrative Agent, the concerned Participating UN Organization and the Donor will consult with a view to promptly resolving the matter.

8. The Participants recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coersive practices. To this end, as set out in the MoU between the Administrative Agent and Participating UN Organizations regarding the Operational Aspects of the **One Fund**, each Participating UN Organization will maintain standards of conduct that govern the performance of its staff, including  the prohibition of corrupt, fraudulent, collusive or coersive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including regarding procurement.

**Section IV**

**Equipment and Supplies**

 On the termination or expiration of this Arrangement, the matter of ownership of equipment and supplies will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organization, including any agreement with the relevant host Government if applicable.

**Section V**

# **Reporting**

1. The Administrative Agent will provide the Donor, the **UNCT Special Session**, with the following statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization prepared in accordance with the accounting and reporting procedures applicable to it, as set forth in the **approved Programmatic document**:

1. Annual consolidated narrative progress reports, based on annual narrative progress reports received from Participating UN Organizations, to be provided no later than five months (31 May) after the end of the calendar year;
2. Annual consolidated financial reports, based on annual financial statements and reports, to be received from the Participating UN Organizations, as of 31 December with respect to the funds disbursed to them from the **One Fund Account**, to be provided no later than five months (31 May) after the end of the calendar year;
3. Final consolidated narrative report, based on final narrative reports received from Participating UN Organizations after the completion of the activities in the **approved Programmatic document** and including the final year of the activities in the **approved Programmatic document**, to be provided no later than seven months (31 July) of the year following the financial closing of the **One Fund**. The final consolidated narrative report will contain a summary of the results and achievements compared to the goals and objectives of the **One Fund**.
4. Final consolidated financial report, based on certified final financial statements and final financial reports received from Participating UN Organizations after the completion of the activities in the **approved Programmatic document** and including the final year of the activities in the **approved Programmatic document**, to be provided no later than seven months (31 July) of the year following the financial closing of the **One Fund**.

2. The Administrative Agent will provide the Donor, **UNCT Special Session** and Participating UN Organizations with the following reports on its activities as Administrative Agent:

(a) Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) 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 **Fund**.

3. Consolidated reports and related documents will be posted on the websites of the UN in **Malawi (**[**www.unmalawi.org**](http://www.unmalawi.org)**) and** the Administrative Agent **(**[**www.**](http://www.undp.org/mptf)**mptf.undp.org )**.

**Section VI**

**Monitoring and Evaluation**

1. Monitoring and evaluation of the **One Fund** including, as necessary and appropriate, joint evaluation by the Participating UN Organizations, the Administrative Agent, the Donor, the **Government of Malawi** and other partners will be undertaken in accordance with the **approved Programmatic document**.

2. The Donor, the Administrative Agent and the Participating UN Organizations will hold annual consultations as appropriate to review the status of the **One Fund**.

**Section VII**

**Joint Communication**

1. Information given to the press, to the beneficiaries of the **One Fund**, all related publicity material, official notices, reports and publications, will acknowledge the role of the Government of **Malawi**, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities.

The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the **One Fund** as well as periodic reports on the progress of implementation of the **One Fund**, associated external evaluations are posted, where appropriate, for public information on the websites of the UN in **Malawi** **(**[**www.unmalawi.orgm**](http://www.unmalawi.orgm)**) and** the Administrative Agent **(**[**www.mptf.undp.org**](http://www.mptf.undp.org)**)**.

1. Such reports and documents may include **UNCT Special Session** approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

**Section VIII**

**Expiration, Modification and Termination**

1. The Administrative Agent will notify the Donor when it has received notice from all Participating UN Organizations that the activities for which they are responsible under the **approved Programmatic document** have been completed. The date of the last notification received from a Participating UN Organization will be deemed to be the date of expiration of this Arrangement, subject to the continuance in force of paragraph 4 below for the purposes therein stated.

2. This Arrangement may be modified only by written agreement between the Participants.

3. This Arrangement may be terminated by either Participant on thirty (30) days of a written notice to the other Participants, subject to the continuance in force of paragraph 4 below for the purpose therein stated.

4. Commitments assumed by the Donor and the Administrative Agent under this Arrangement will survive the expiration or termination of this Arrangement to the extent necessary to permit the orderly conclusion of activities, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the Participating UN Organizations and the settlement of contractual liabilities required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the **One Fund Account** or in the individual Participating UN Organizations’ separate ledger accounts upon completion of the **One Fund** will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the One Fund as decided upon by the donor(s) and the UNCT Special Session.

**Section IX**

**Notices**

1. Any action required or permitted to be taken under this Arrangement may be taken on behalf of the Donor, his or her designated representative, and on behalf of the Administrative Agent, by the Executive Coordinator of the Multi Partner Trust Fund Office.

2. Any notice or request required or permitted to be given or made in this Arrangement will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail, or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified below or at such other address as the party will have specified in writing to the party giving such notice or making such request.

*For the Donor:*

Name:

Title:

Address:

Telephone:

Facsimile:

Electronic mail:

*For the Administrative Agent:*

Name: Yannick Glemarec

Title: Executive Coordinator, MPTF Office, UNDP

Address: 730 Third Avenue, New York, NY 10017, USA

Telephone: +1 212 906 6880

Facsimile: +1 212 906 6990

Electronic mail: executivecoordinator.mptfo@undp.org

**Section X**

**Entry into Effect**

 This Arrangement will come into effect upon signature thereof by the Participants and will continue in effect until it is expired or terminated.

**Section XI**

**Settlement of Disputes**

1. Any dispute arising out of the Donor’s Contribution to the **One Fund** will be resolved amicably through dialogue among the Donor, the Administrative Agent and the concerned Participating UN Organization.

**Section XII**

**Privileges and Immunities**

1. Nothing in this Standard Administrative Arrangement will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, the Administrative Agent, or each Participating UN Organization.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized by the respective Participants, have signed the present Arrangement in English in two copies.

*For the Donor:*

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Place:

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*For the Administrative Agent:*

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Yannick Glemarec

Title: Executive Coordinator, MPTF Office, UNDP

Address: 730 Third Avenue, New York, NY 10017, USA

Telephone: + 1 212 906 6880

Facsimile: + 1 212 906 6990

Electronic mail: executivecoordinator.mptfo@undp.org

The present Arrangement has been signed in the presence of:

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Ms. Mia Seppo

Title: UN Resident Coordinator in Malawi

Place: Lilongwe

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ANNEX A: One Fund Terms of Reference

ANNEX B: Schedule of Payments

**ANNEX A**

**UNITED NATIONS IN MALAWI**

One UN Fund for Malawi

Terms of Reference

1 July 2012

I. Introduction

1. The One UN initiative in Malawi 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’. Prior to the release of the Secretary General’s Report of the High Level Panel on System Wide Coherence, the UN in Malawi was already addressing ways to strengthen the effectiveness and coherence of the UN at the country level, as reflected in the ‘UN in Malawi Position Paper,’ 2006. The One UN Initiative in Malawi comprises three of four elements: One Programme, One Budgetary Framework including One Fund and Shared Leadership, a slight modification of the One Leader concept. A One Fund was established to support the 2008-2011 UNDAF, and this Terms of Reference (ToR) extends the fund to support the 2012-2016 UNDAF.
2. The One UN Initiative in Malawi is being implemented in a collaborative manner under the strong leadership of the Government of Malawi. Notably, the Office of the President and Cabinet, the Ministry of Finance and the Ministry of Economic Planning and Development.
3. The One Fund for Malawi is a common fund mechanism to mobilize and allocate additional resources at the country level in a simplified, coherent manner consistent with the overall purpose of the One UN Initiative, and to fund activities under the 2012-2016 UNDAF. This arrangement in Malawi is subscribed to by all members of the UN Country team (hereafter referred to as the Participating UN Organisations[[1]](#footnote-1)). Other UN Organisations may wish to join this funding arrangement in the future.
4. The introductory part of these Terms of Reference of the One UN Fund for Malawi will be revised to reflect the dynamic nature of the UN reform process in Malawi, particularly when circumstances change or other UN Organisations join as new participants.

**II. Purpose of the One UN Fund**

1. The objective of the One Fund is to support the coherent resource mobilization, allocation and disbursement of donor resources to the 2012-2016 UNDAF Action Plan (AP) under the direction of the UN Resident Coordinator (hereinafter referred to as Resident Coordinator).
2. The One Fund is one of the proposed vehicles for new resources pooled by donors to support the unfunded gap of the UNDAF AP. The Fund, under the guidance of the UNCT Special Session and the leadership of the Resident Coordinator, is intended to facilitate the realization of the UNDAF outcomes by strengthening the planning and coordination process, and channelling consistent and predictable funds towards the highest priority needs.
3. The Fund will support partnership and communication between all stakeholders involved with Malawi’s development led by the Government of Malawi.

**III. Description of the One UN Fund**

1. The One UN Fund for Malawi shall be administered by UNDP through its Multi-Partner Trust Fund Office, as Administrative Agent, on behalf of the Participating UN Organisations and the Resident Coordinator as agreed with the Government. UNDP will administer the fund in accordance with its Regulations and Rules, and a Memorandum of Understanding among the Participating Organizations.
2. The One UN Fund shall also have a window through which urgent Humanitarian activities will be funded here referred to the Malawi Humanitarian window (under UNDAF Outcome 1.4), more fully described in Annex C.

**Contributions to the One UN Fund**

1. Contributions to the One UN 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 on cooperation between the UN and Business Community (the UN Secretary General’s guidelines:<http://www.un.org/partners/business/otherpages/guide.htm>).
2. In support of the overarching aim of the One UN 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 unearmarked resources. However, if this is not possible, earmarking at the level of the 4 UNDAF Thematic Areas and/or outcomes or the Humanitarian window will be accepted. It is expected that the percentage of earmarked resources will diminish over time.
3. Contributions to the One UN Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by UNDP. 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.

**Utilization of the One UN Fund**

1. The One UN Fund will be utilized for the purpose of meeting the unfunded gap of initiatives, including new initiatives responding to emerging needs, under the UNDAF AP. Details of such initiatives, including the respective budgets and implementation partners, will be set out in the relevant Participating UN Agencies’ Annual Work Plans.
2. The UNDAF AP is the programmatic document that will serve as the basis for funding requests and allocations.
3. Implementing Partners such as NGOs involved in the UNDAF AP will have access to the One UN Fund through the Participating UN Organizations. The Participating UN Organisations will utilise their standard NGO cooperation modalities for this purpose and charge the corresponding direct and indirect costs to the One UN Fund on the basis of its financial regulations and rules.
4. In conformity with the UN Development Group (UNDG) Guidance Note on Establishing, Managing and Closing Multi-Donor Trust Funds, indirect costs of the Participating Organizations will be 7% of programme costs. The Administrative Agent’s administrative fee will be 1% of contributions. The fee will be deducted from the contributions to the One UN Fund at the time they are deposited.

**IV. Governance Arrangements**

**The UNCT Special Session**

1. The UNCT Special Session in Malawi is comprised of the Resident Coordinator as chair, and UN Heads of Agencies, or as otherwise delegated to Officer in Charge. The sitting members of the UNCT Special Session are UN Agencies that signed the UNDAF 2012-2016. The following stakeholders will attend upon invitation – one representative from the Office of the President and Cabinet, one representative from the Ministry of Finance, one representative from the Ministry for Economic Planning and Development and one donor representative. The UNCT Special Session guides and decides on the overall strategic orientation of all aspects of delivering the UNDAF in Malawi. The UNCT Special Session requires a quorum of Four UN Agencies and the chair. The Administrative Agent participates in the UNCT Special Session as an ex-officio member.

**The Resident Coordinator**

1. The overall management of the One UN Fund will be led and coordinated by the Resident Coordinator in consultation with the Participating UN Organisations. In line with the overall objective of the One UN in Malawi to deliver more effectively at the country level, the Resident Coordinator will be responsible for:
* Strategic leadership of the One UN Fund on the basis of the One Programme [UNDAF AP];
* Mobilizing resources for the One UN Fund in collaboration with Participating UN Organisations;
* Signing the Standard Administrative Agreement with Donors and the Memorandum of Understanding with Participating UN Organisations as a witness;

**The UN Country Team/Allocation Committee**

1. The UN Country Team will be responsible for prioritization and allocation decisions of the One Fund under the leadership of the UN Resident Coordinator, according to the agreed allocation criteria and process. A copy of which is attached in Annex **B**.
2. The UN Country Team will be responsible for developing a joint resource mobilisation strategy, for approving prioritization of allocation of funds from the One UN Fund, and for providing oversight of the management and operations of the One UN Fund. The prioritisation for allocation will be guided by recommendations from the outcome of the Malawi Growth & Development Strategy 2011-2016 Annual Reviews, recommendations by the UNDAF AP bi-annual Review process, and the overall strategic orientation of the UNDAF joint M&E Technical Working Group independent validation of implementation.
3. In this prioritisation process, the Resident Coordinator and the UNCT can seek inputs from the Office of the President and Cabinet, Ministry of Finance and the Ministry for Economic Planning and Development.
4. Decisions of the UNCT are made by consensus. In the event that no consensus is reached, the Resident Coordinator can make ultimate decisions on fund allocation (with documented process and rationale for these decisions). Programme implementation will be the responsibility of the Country Directors/Head of Participating UN Organisations.

**The UNDAF Programmatic Clusters**

1. The UNDAF Programmatic Clusters are responsible for making recommendations on the allocation of the resources within each UNDAF Outcome on the basis of the criteria and process listed in this document**.**

**The Administrative Agent**

1. UNDP’s responsibilities as Administrative Agent will include the following:
* Signing the Standard Administrative Agreement with Donors, and the Memorandum of Understanding with Participating UN Organisations;
* Receipt, administration and management of contributions from Donors;
* Disbursement of such funds to the Participating UN Organisations in accordance with the approved Annual Work Plans;
* Provide consolidated narrative and financial reports, in accordance with the MOU, on the One UN Fund Account to the Resident Coordinator based on reports of the Participating UN Organisations.

**Support services provided by the Resident Coordinator’s Office**

1. The Office of the Resident Coordinator is responsible for support to the strategic leadership role of the Resident Coordinator for the One UN Fund. It will provide support in all the designated tasks for the Resident Coordinator as listed in paragraph 16 above. Drawing on the review report provided by each of the UNDAF Clusters, the Office of the Resident Coordinator shall make recommendations to the UNCT, on initial prioritisation and continued funding, based on the financial status of the One Fund for Malawi. The Office of the Resident Coordinator will provide strategic focus including analysis of progress and lessons to be learned for future programme implementation. It will circulate the finalised annual consolidated report on the One UN Fund to the UNCT Special Session for information. The Office of the Resident Coordinator will ensure that these reports are distributed to all donors contributing to the One Fund and maintain an appropriate level of fund information on the UN system website for Malawi ([www.unmalawi.org](http://www.unmalawi.org)) as well as the website of the Administrative Agent (<http://mptf.undp.org/factsheet/fund/MW100>) to ensure transparency.
2. The Office of the Resident Coordinator will i) provide coordination support to the Administrative Agent in consolidating the narrative and financial reports and ii) support UNDAF Programmatic Cluster Conveners to prepare and report on consultations with stakeholders regarding the UNDAF and One Fund in Malawi. Any tasks that fall outside of the Terms of Reference of the Office of the Resident Coordinator will, following approval of the UNCT Special Session, be charged directly to the One Fund for Malawi account by the Administrative Agent in accordance with Article 1 para. 6a of the Memorandum of Understanding between the Administrative Agent and the Participating UN Organizations.

**V. Activities of Participating UN Organizations**

1. The implementation of the Programme activities will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with applicable regulations, rules, directives and procedures. The UNDAF AP will serve as the reference document for proposed programme activities.
2. The Participating UN Organizations will carry out the activities for which they are responsible, in line with the budget contained in the approved UNDAF AP, as amended from time to time by the UNCT Special Session in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.
3. In the event where a Participating UN Organization is unable to deliver as committed, any resources allocated should be re-allocated to other agreed priorities, as approved by the UNCT Special Session.
4. The participants recognise that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices.

**VI. Monitoring and Evaluation**

1. Monitoring and evaluation of the projects/programmes shall be undertaken in accordance with the Terms of Reference of the M&E Technical Working Group developed under the direction of the Resident Coordinator, to monitor and evaluate the UNDAF implementation. The M&E Technical Working Group shall develop Results matrices and reporting templates for the UNDAF Programmatic areas and shall be responsible for the production of bi annual and annual progress reports for the UNDAF AP.

**VII. Audit**

1. The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules. The Internal Audit Services (IAS) of each Participating UN Organization will prepare a summary of the internal audit reports on activities related to the Fund of Malawi at intervals agreed upon between the IAS of Participating UN Organizations and of the Administrative Agent. The IAS of each Participating UN Organization will share its summary with its Representative in Malawi Country Office, who will then share it with the UNCT Special Session.
2. The principles of HACT should apply to all Participating agencies in the One UN Fund.

**VIII. Reporting**

1. Each Participating UN Organisation shall provide the Administrative Agent with the following statements and reports prepared in accordance with the MoU:
2. Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
3. Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
4. Final narrative reports, after the completion of the activities in the approved Programmatic document and including the final year of the activities in the Programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
5. Certified final financial statements and final financial reports after the completion of the activities in the approved Programmatic document and including the final year of the activities in the approved Programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.
6. The UNDAF AP Mid-year and Annual progress reports will serve as the narrative part of the One Fund report for both unearmarked and earmarked contributions, to be provided no later than one month after the end of the applicable reporting period.
7. The UNDAF AP Mid-year and Annual progress reports will include a review of budgets as actually expended versus planned.
8. In collaboration with each Participating UN Organisation, the M&E Technical Working Group shall provide the Administrative Agent who will in turn provide the Resident Coordinator with the following reports prepared in accordance with harmonised reporting procedures applicable to the Participating UN Organisation concerned:
* UNDAF Cluster Annual reports as of 31 December each year with respect to the implementation of the UNDAF AP, to be provided no later than three months (31 March) after the end of the applicable reporting period;
* A final narrative report, after the completion of the UNDAF AP and including the final year of the Programme, to be provided no later than 30 April of the year following the financial closing of the UNDAF AP;
1. In line with the Paris Declaration Principles on Aid Effectiveness, until such a time that a harmonised reporting format and procedure is mutually agreed and accepted by Government and Participating UN Agencies, the Participating UN Organisations will utilise for financial reporting the eight categories agreed by the UNDOCO Financial Policies Working Group.
2. The Administrative Agent shall prepare consolidated financial reports consisting of the reports referred to in paragraph 34 above submitted by each Participating UN Organisation, and shall provide those consolidated reports to the Resident Coordinator once these have been agreed upon by all Participating UN Organisations but no later than 5 (31 May) after the end of the calendar year.
3. The Administrative Agent shall also provide to the Resident Coordinator for submission to donors and Participating UN Organizations, an annual certified Financial Report on its activities as Administrative Agent (‘Report on Sources and Uses of Funds’) as well as a final Financial Report and certified Financial Statement no later than 30 June of the year following the financial closing of the One UN Fund.
4. Consolidated One Fund reporting and documentation, including agreements, will be posted on the UN Malawi web site ([www.unmalawi.org](http://www.unmalawi.org)) and the Multi-Partner Trust Fund webpage (http://mptf.undp.org/factsheet/fund/MW100).

**IX. Joint Communication**

1. Each Participating UN Organization will take appropriate measures to publicize the One Fund and to give due credit to the Participating UN Organizations. Information given to the press, to the beneficiaries of the One Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the Government of Malawi, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities.
2. The Administrative Agent in consultation with the UNCT Special Session will ensure that decisions regarding the review and approval of the One Fund as well as periodic reports on the progress of implementation of the One Fund, associated external evaluation are posted, where appropriate, for public information on the websites of the UN in Malawi and the Administrative Agent.

**X. Other Matters**

1. The One Fund will be established upon signing of the Memorandum of Understanding by 2 Participating UN Organisations and the Administrative Agent. The One Fund will terminate upon completion of all Projects/Programmes funded through the One Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the One UN Fund, any unutilized balances will continue to be held in the One UN Fund Account until all commitments and liabilities incurred in implementation of the Projects have been satisfied and project activities have been brought to an orderly conclusion. Any balance remaining in the One UN Fund Account or in the individual Participating UN Organizations’ accounts shall be used as decided by the Resident Coordinator in consultation with the UNCT, the contributing donors and Participating UN Organisations.

ANNEX B: Allocation Process and Criteria for the One Fund in Malawi

1. The UNCT Special Session will approve the Total Funding gap.
2. In line with the Malawi Development Assistance Strategy Aid coordination mechanisms, the UNCT Special Session will first propose allocation at the level of the 4 UNDAF Programmatic Clusters based on the funding gap as expressed in the UNDAF AP. Allocation from the One Fund within the 4 UNDAF clusters will be based on the following criteria:
3. UNDAF and MDG Relevance
4. Unfunded gap at Outcome level
5. One Fund ‘Spirit’ – 2 or more agencies implementing
6. Implementation Capacity (Policy and Technical Capacity)
7. Comparative advantage in implementing the activities
8. Priorities which would otherwise not be funded
9. Realistic Outcome Budget

 Note: Donors will be encouraged to provide unearmarked funding.

Subsequent allocations will include the following:

* 1. Capacity of Agency to absorb
	2. Previous track record:
1. Delivery
2. Results
3. Financial Management
4. Reporting
5. Allocations within each UNDAF Outcome will be proposed by the Cluster Convener to the UNCT Special Session. Once approved by the UNCT Special Session they will be presented to the Government of Malawi for information.
	1. Outcome Leaders are responsible for ensuring that proposed activities and budgets meet minimum criteria for eligibility for One Fund Allocation.
	2. Cluster Conveners are responsible for submitting requests to receive One Fund allocations according to pre-defined performance criteria.
	3. The Resident Coordinator will have the final decision on allocations in the event of lack of agreement.
6. Resources from the One Fund will be disbursed in 2 tranches.
	* 1. Requests for receipt of funds will be presented to the UNCT
	1. Following UNDAF reviews the UNCT Special Session will propose reallocations as deemed necessary:
		1. Performance
		2. Disbursement rate
	2. The UNCT Special Session will decide on the threshold of receipt of resources for the annual work plan year at the beginning of the year before allocating funds to Clusters.
	3. UN Agencies will provide the Resident Coordinators Office with quarterly updates on their financial status vis a vis other resources.
	4. The Resident Coordinators Office will provide a financial statement to the UNCT on a quarterly basis reflecting the status of funds in the One Fund.

ANNEX C

Malawi Humanitarian Window

Terms of Reference

1. Introduction

The concept of establishing a Humanitarian Window was initiated in 2009 as part of strengthening humanitarian response in Malawi. This also comes as part of a global effort of implementing humanitarian reform as recommended during the 2005 Humanitarian Response Review by the Inter Agency Standing Committee at the global level. During the review the Inter Agency Standing Committee which comprises UN, NGOs and The Red Cross societies agreed that to counter obvious weaknesses and lack of coordination in responding to emergencies there is need to strengthen humanitarian response. The review isolated the following as issues that needed more attention: response capacity, coordinated response teams and insufficient accountability. Of the aspects isolated: Financing, Leadership, and Coordination Capacity were chosen to be essential elements in strengthening humanitarian response.

Humanitarian response capacity in Malawi has had obvious challenges. In spite of the existence of a dedicated unit responsible for coordination of humanitarian response, there are challenges in coordination and predictable funding arrangements. Resource mobilization on both sides; government and Humanitarian Community commences after the occurrence of a disaster. This, exacerbated by a lack of standby contingency resources, has often resulted in delays in responding to humanitarian needs of affected communities. Furthermore, the response to emergencies has been dependent on who gets funds first and what their response sector of interest is. This has led to a duplication of efforts or having unmet needs in some sectors.

Since 2009, the Malawi Humanitarian Country Team (HCT) has implemented the Humanitarian Reform which aims at strengthening humanitarian preparedness and response. Among the weaknesses identified the Humanitarian Country Team has worked on improving coordination of the various humanitarian response sectors through creation of sectoral groupings of NGOs, government and UN Agencies focussing on particular response sectors. To date coordination clusters are functional in Agriculture and Food Security, Health and Nutrition, Coordination and Assessments, which manage preparedness and response for the various sectors.

**II. Purpose of the Humanitarian Window**

The overall aim of the window is to provide UN Agencies and NGOs with a rapid and flexible in-country funding mechanism to help respond to shocks and meet the short-term emergency needs of vulnerable communities. The window will provide initial funding for a sudden onset emergency to enable humanitarian partners to respond to a crisis without delay. The emphasis of the window will be to support rapid response projects seeking to contribute to sustaining lives and prevention of further erosion of livelihood assets through supporting positive coping mechanism of communities. The window will also be available to strategically fill gaps (geographic or sectoral) within an overall emergency response plan as reflected in the national contingency plan. In essence the window will be used for response activities to up to 6 months after a disaster occurrence. The window may cover activities like needs assessment, delivery of relief goods and services but might not cover most early recovery activities. It should be noted that provision of inputs for immediate replanting or cassava cutting or sweet potato vines to replace lost crops within 6 months into the disaster will also be covered under the fund.

The Humanitarian Window will present new resources pooled by donors to support the gaps and prioritised needs in humanitarian response in support of government efforts.

**III. Description of the Humanitarian Window**

The window will utilise current One UN Fund arrangements, it will thus operate under the One Fund.

The Humanitarian Window can channel resources to a broad range of recipients, including government entities, international organizations and (I)NGOs. Funds implemented by government entities and (I)NGOs must first be disbursed through a Participating UN Organization. Government entities, NGOs and other organisations can subsequently act as implementing partners for the Participating UN Organisations concerned, in accordance with the regulations and rules of the Participating UN Organizations. As funds are disbursed to the Participating UN Organizations, or to other implementing partners through the Participating UN Organizations, the underlying principle is that recipient UN Organizations disburse resources within their legal and accountability framework and thus manage the funds according to their rules and regulations, including in the areas of procurement and audits.

**Utilization of the Humanitarian Window**

Responding to humanitarian needs of populations still remains the responsibility of the Government of Malawi. According to the National Contingency Plan, government has capacity to respond to a disaster within scenarios 1 and 2[[2]](#footnote-2). Within the same scenarios however other humanitarian players within the country are requested to provide additional support. This window will thus be used where government has formally requested the humanitarian community for support within scenarios 1 and 2. In the absence of an official request, the window will also be used where after a joint assessment the HCT arrives at a consensus decision that there is need to use the fund to respond to a disaster.

The Humanitarian Window will also be used where a response to an emergency has been delayed due to unavailability of quick funds with the government machinery. The window will thus be utilized for the purpose of meeting the unfunded gaps of an emergency, including initial response activities like rapid assessments. This will be with prior approval of the HCT.

Participating organizations will use funds to cover prioritized response activities as identified in the National Contingency Plan. Prior to submission to HCT and Advisory Board, proposals will have to be discussed and approved at Cluster/sector level.

**IV. Governance Arrangements**

**Humanitarian Country Team**

Comprising Heads of UN agencies concerned with response to humanitarian emergencies, NGOs and other interested humanitarian actors, the Humanitarian Country Team (HCT) represents the most senior coordinating structure for humanitarian actors tasked with giving strategic policy direction to humanitarian coordination. Since its establishment in 2009 the following have been regular members: FAO, UNDP, UNHCR, UNICEF, WFP, UNFPA, WHO. From the NGO side; OXFAM, CRS, Action Aid, World Vision, CADECOM, Feed the Children, Save the Children and the Malawi Red Cross Society. Government and Donor partners are invited to HCT meetings as and when necessary.

The HCT will provide overall management of the window. This includes decisions on the modalities of the access and disbursement of the window. The HCT will thus set operational norms, standards and reporting requirement as well as the criteria through which the advisory board will work.

Under the leadership of the Resident Coordinator (hereinafter referred to as RC) as Chairperson, the HCT will mobilize resources for the set up, subsequent replenishment, allocation as well as monitoring the performance of the window.

The HCT will also support the prioritization of need in an ongoing humanitarian response and agree on priorities to be targeted in an emergency. Through the HCT – Focal Points, the HCT will ensure that submitted proposals are based on agreed assessments and prioritization at the cluster level.

The Chairperson will provide overall supervision of the working of the clusters, including consolidation of proposals and narrative and financial reports at the end of humanitarian response interventions by various stakeholders. The Chairperson will be supported by the Office of the Resident Coordinator as secretariat of the HCT and the fund.

**Advisory Board**

The RC will form and chair an Advisory Board (AB) comprising of five members, as follows – Two (2) UN agencies with a humanitarian aid mandate, one (1) Donor Partners, 1 Government and One (1) NGOs. UN Agencies, NGOs and Donor Partners will consult among themselves to nominate the official members and alternates which could be on a rotational basis. Alternate members will be appointed to perform the duties of the core AB members in their absence.

The AB will review project proposals with reference to the criteria as set up by the HCT and make decisions. The AB will make recommendations to the HCT for final approval of project proposals by the Chair Person. The AB will have 2 working days to review and make recommendation on a project proposal to the HCT.

To ensure independence, AB members will excuse themselves if a project submitted by their agency is being discussed and abstain from providing inputs to the board unless explicitly requested to do so by the AB or HCT.

**OCHA**

The Office of the Coordination of Humanitarian Affairs will perform advisory roles to the Humanitarian Country Team. This includes:

**The Resident Coordinator**

The RC is responsible for providing strategic, well planned, inclusive, coordinated and effective humanitarian affairs. To do this he or she will: i.) Establish and maintain effective, inter-sectoral coordination mechanisms, ii.) Support inter-sectoral needs-assessments iii.) Provide high-quality information management for the overall humanitarian response and iv.) And support sectors with advocacy and resource mobilization efforts.

The overall management of the Fund will be coordinated by the RC as chair of the HCT in consultation with the Participating Humanitarian Organisations. In line with the overall objective of the Humanitarian Window which is to provide predictable, timely and flexible funds for responding to emergencies at the country level, the RC will be responsible for:

* Strategic leadership of the Humanitarian Emergency Contingency Fund;
* Signing the Standard Administrative Agreement with Donors and the Memorandum of Understanding with Participating UN Organizations as a witness;

**The Administrative Agent**

The UNDP MPTF Office, in its capacity as the Administrative Agent, will administer the Humanitarian Window of the One UN Fund Malawi in accordance with UNDP's financial rules and regulations.

**Support services provided by the Resident Coordinator’s Office**

Based on the National Contingency Plan, the Office of the Resident Coordinator supports the prioritization process by the humanitarian response clusters for proposal submission to the HCT/AB. The Office of the Resident Coordinator will provide strategic focus including analysis of progress and lessons to be learned for future implementation. It will prepare the narrative report of the fund and circulate the finalised annual consolidated report which includes both narrative and financial sections of the Humanitarian Window to the HCT for information. The Office of the Resident Coordinator will ensure that these reports are distributed to all donors contributing to the window and maintain an appropriate level of fund information on the UN system website for Malawi (<http://www.unmalawi.org/humanitarian>) to ensure transparency.

The Office of the Resident Coordinator will support humanitarian focal points to prepare and report on consultations with stakeholders within respective humanitarian sectors regarding the needs and priorities. Any tasks that fall outside of the Terms of Reference of the Office of the Resident Coordinator will, following approval of the HCT, be charged directly to the Fund for Malawi account in accordance with the Terms of Reference of the Fund

The Office of the Resident Coordinator will serve as the secretariat to the window management structure outlined above. The office will hence provide regular information on the financial situation of window through the MPTF Office GATEWAY.

**V. Roles and Responsibilities**

**Donors**

Donors will ensure timely contributions to the window, and adequate funding in support of the fund management team. The RC will provide reports on the status of the window at the start and end of any humanitarian intervention.

**Participating UN Organizations and NGOs**

Participating organisations are responsible for formulation of proposals in consultation with stakeholders especially the intended beneficiaries and local communities as well as the coordination mechanisms such as clusters and field coordination mechanisms. These proposals will be submitted to the HCT for funding.

The implementation of response activities will be carried out by participating organizations in accordance with applicable regulations, rules, directives and procedures. The National Contingency Plan and joint assessment reports will serve as the reference document for proposed response activities.

In the event where a participating organization is unable to deliver as committed in the submitted proposal, or where there are any changes to planned activities, approval should be sought from HCT on the next steps.

Participating organizations will facilitate the monitoring and evaluation of projects in collaboration with the Humanitarian Team Focal Points. Result oriented narrative and financial reports will be prepared by the participating organisations and submitted to the HCT through the Chairperson within four to six weeks after a project is finished.

The participating organisations recognise that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices.

**Humanitarian Team Focal Points**

The Humanitarian Team Focal Points will facilitate the development of proposals at the cluster level. This will include facilitating collective needs identification, prioritization, and response plan development for their specific cluster. They will also be responsible for continuous monitoring, reporting of the response and identifying early recovery opportunities.

**VI. Monitoring and Evaluation**

The RC may commission periodic reviews of activities funded through the fund in order to encourage lessons learning, identify opportunities for experience sharing as well as practices to be replicated across various comparable projects supported by the fund. The Advisory Board may also suggest and participate in joint assessments with partners, solicit inputs from experts, or commission external evaluations to enhance the work of agencies. Cluster leads – as part of their broader mandate – may also review and evaluate ongoing or completed activities supported with resources from the fund.

The RC in consultation with the Advisory Board may commission regular independent external evaluations of the HF as a mechanism. This will help review the performance of the fund and establish recommendations for improvement of effectiveness. Such evaluations will be funded directly from the window.

An M & E plan for the window will be developed. The plan will outline the strategy for monitoring performance and results. The M&E plan will as a minimum provide details on:

* Reporting requirements for M&E for participating organizations and for the fund itself. The plan will provide information on type, format and frequency of reporting, outline how reports will be disseminated and describe roles and responsibilities.
* Strategy for monitoring of projects through site visits. The number of projects visited and the frequency of visits will be agreed upon. If not all projects are to be visited the plan will outline criteria and process for selecting a targeted sample of projects. Furthermore it will define the format of monitoring visits and describe who will undertake these.

The sections below present details on minimum standards for reporting, monitoring and evaluation for Emergency Humanitarian Funds.

**Project Reporting:**

A brief progress report on project activities and financial status (2-3 pages) will be submitted in the middle of any project longer than 3 months. Any constraints (financial, logistical, security etc.) affecting the project will be included in the report.

Within two month of the completion of the project, a final report will be submitted. Should the project require an extension, an extension request explaining the circumstances will be submitted one month prior to the planned project end-date.

The final report will describe the project activities, background, planned objectives, activities and actual accomplishments. The report will include “lessons learnt” and an explanation of any variance between planned and actual outcomes.

The financial report will be presented according to the budget proposal format categories. If there is any unspent money it should be returned to UNDP as AA within one month. For NGO funded projects, the final report will be accompanied by an audited account of project spending, accompanied by supporting documentation if necessary. For NGOs, funds will be returned to the Participating UN Organization from which it received funds, who will in turn return the funds to the AA

**VIII. Other Matters**

The Resident Coordinator will in consultation with the HCT mobilize resources for replenishing the window. The Humanitarian Window will be used alongside other funding modalities; participating organization will still use their available resource mobilization initiatives. Where a need has arisen, an emergency has exceeded local capacity the HCT will engage in additional resource mobilization activities like the Central Emergency Response Fund (CERF).

**ANNEX B**

**SCHEDULE OF PAYMENTS**

**Schedule of Payments: Amount:**

[Time of payment] [amount in figures]

1. The List of Participating Agencies is contained in the One Fund MOU [↑](#footnote-ref-1)
2. 2scenarios represent planning figures of populations likely to be affected by a disaster. These figures are arrived at based on a year’s meteorological forecast and figures of affected populations in past years that had similar forecast [↑](#footnote-ref-2)