

Guidance Note for the Fund Secretariats on Operationalization of NUNO Direct Access modality under MPTFs Legal Framework Summary

Overview

The United Nations Multi-Partner Trust Fund Office (MPTFO) is the center of expertise in pooled funding. It is the only United Nations entity dedicated to the design and administration of multi-stakeholder pooled financing instruments. Since 2004, MPTFO has supported the UN in launching over 150 pooled funds covering the entire humanitarian-development-peace spectrum to help address, at scale, humanitarian, peace, security, sustainable development, and climate challenges in contextually relevant ways.

The Funding Compact Commitment 14 expects the UNDS to integrate 12 management features into all UN inter-agency pooled funds to enhance their efficiency and effectiveness. One of these management features mentions 'innovation features' and includes direct access modality for Non-UN Organizations (NUNO) as part of a 'well-articulated strategy'.

Level 1

The Fund's governance and legal arrangements must permit the inclusion of direct access to NUNOs in a Fund. The NUNO direct access modality is not part of the standard UNSDG legal and accountability framework for management of UN inter-agency pooled Funds, hence it constitutes a deviation to standard legal documents and must be cleared on a case-by-case basis by the FMOG for each Fund where PUNOs have requested MPTFO to establish such modality. The FMOG will consider the case of using NUNO direct access modality for a Fund however will not clear the access of individual NUNO(s). The process of individual NUNO(s) clearance will occur at Level 2, which is described below. More details of this process are provided in the separate Guidance Note.

Fund Level: Legal Framework for activation NUNO direct access modality for the UN pooled Funds¹

Fund TOR	Fund MOU/SAA	FMOG clearance	Sign MOU/SAA
<ul style="list-style-type: none"> The NUNO direct access modality must be clearly articulated in the Fund TOR, with indication that such modality is conditional to UNSDG approval. The ToR of the Fund will be attached to the MOU and SAA. Steering Committee must endorse Fund TOR with NUNO direct access modality (vital for cases where NUNO modality will be added for already established Funds). 	<ul style="list-style-type: none"> Standard language of the MOU and SAA templates must be amended to reflect direct NUNO access to the Fund. This task will be done by the AA of the Fund. MOU/SAA with the amended language for NUNO modality, along with the TOR, will form a set of documents to be submitted for the FMOG clearance. 	<ul style="list-style-type: none"> The AA of the Fund compiles a set of documents (MOU/SAA with the amended language for NUNO modality, TOR etc.) and presents the case for the FMOG clearance. FMOG clearance must be obtained prior to all next steps. 	<ul style="list-style-type: none"> FMOG cleared MOU/SAA to be used. PUNOs and the AA sign MOU with the attached TOR. AA signs SAA with every Donor contributing to the Fund. When signing SAA, Donor has the right to request their contribution not to be channelled to NUNOs and to "opt-in" or "opt-out" of the NUNO direct access modality as a whole, and not as it relates to a specific NUNO(s).

¹ Where the NUNO Direct Access modality is introduced for an operationally active Fund, all steps listed here must be adhered.

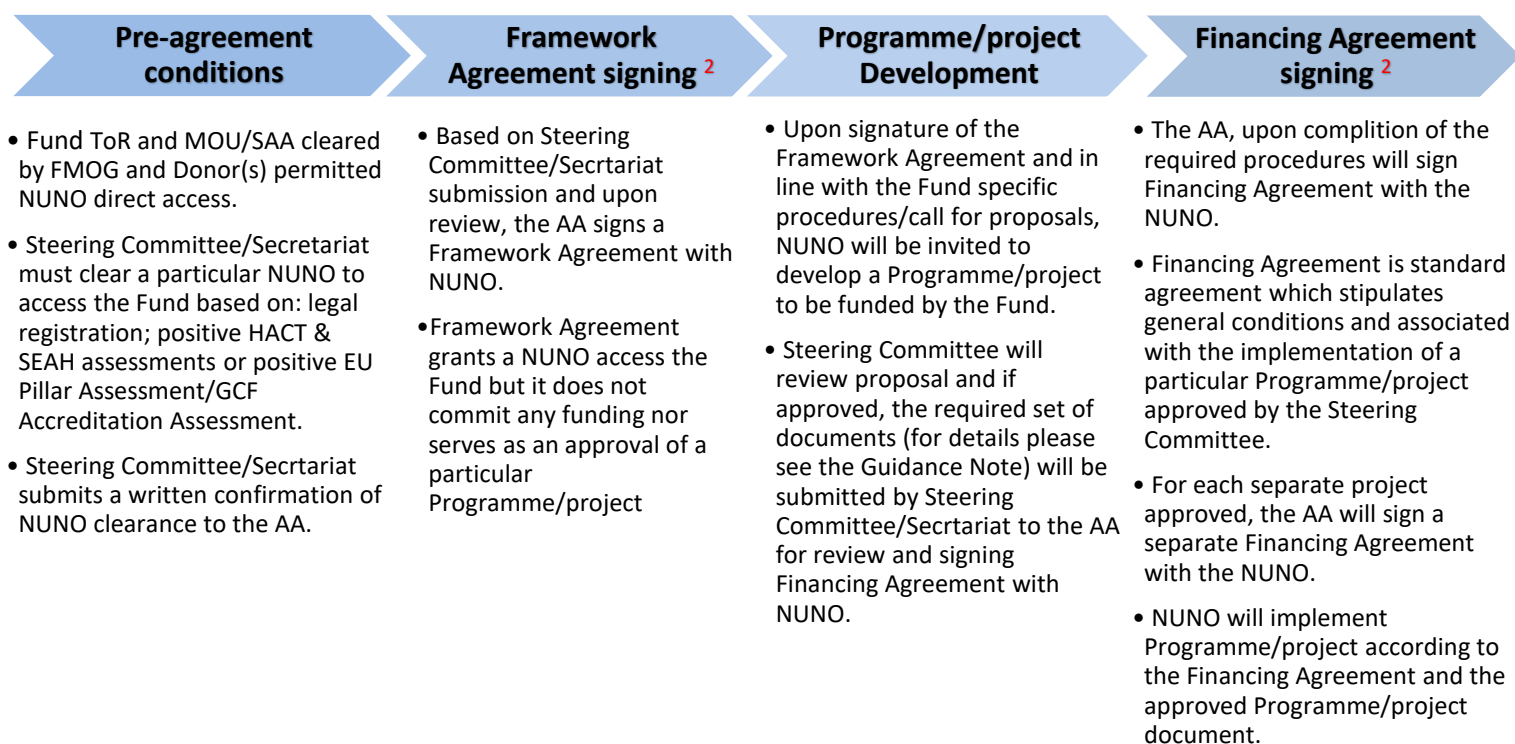
Level 2

In a traditional UN pass-through programming model (covering both Participating and Recipient UN Organizations), the MPTF Office as the Administrative Agent, transfers funds allocated by the Fund governance mechanism to UN Organizations who accept full programmatic and financial accountability for the funds received in line with the MOU. In this regard, the UN Organization is accountable to Donors, Fund governance mechanism and Administrative Agent for the proper use of the funds received from the Fund account.

Under the NUNO Direct Access approach, Administrative Agent transfers funds allocated by the Fund governance mechanism directly to a NUNO without the oversight of an intermediary UN Organization. In this case, the NUNO accepts full programmatic and financial accountability to Donors, Fund governance mechanism and Administrative Agent for the financial resources received.

The diagram below represents the legal framework for the individual NUNO(s) clearance process to provide direct access for funding and Programme/project implementation. More details and specifics are provided in the separate Guidance Note.

Programme/project Level: Legal Framework for activation NUNO direct access modality



² Upon Fund's decision, signing of Framework Agreement and Financing Agreement with NUNO can be combined under one process.