SDG PARTNERSHIP PLATFORM MULTI-PARTNER TRUST FUND IN KENYA

Terms of Reference

Content

1. Introduction and Rationale

Achieving the Sustainable Development Goals (SDGs) will be as much about the development of effective co-operation and collaboration as it will be about the scale and form such co-operation takes. There is a lot of talk about partnership, but not enough practical, on-the-ground support, to make partnerships thrive, especially not at scale.

Whilst Kenya has made substantial progress towards attaining the Millennium Development Goals, this progress has been uneven across specific goals and within the country. SDG progress must focus more on inclusive socio-economic equity of benefits to make sure that Kenya leaves no-one-behind.

The SDG agenda is marked by solidarity, participation and universality, with a fundamental shift expected in the development finance architecture. Improving the effectiveness, quality and impact of development co-operation in this context will require inclusive and broad-based partnerships, innovative approaches and the application of lessons at country level.

The Government of Kenya with support of the UN established therefore in 2017 the SDG Partnership Platform in collaboration, development partners, private sector, philanthropy, academia and civil society including faith-based stakeholders.

The Platform has become a United Nations Development Assistance Framework (UNDAF) 2018-2022 Flagship initiative taking leadership on overarching facilitation, coordination and demonstration of how Public Private Partnerships and Collaborations can effectively translate the SDGs into action on the ground and thereby guide and accelerate impact, maximize investments and optimize resource utilization.

The Platform focusses on four key strategies:
- Joint advocacy and policy dialogue to create an ecosystem that helps partnerships thrive.
- Scale SDG Partnerships and Innovations that align with the SDG themes reflected in the Kenya UNDAF Strategic Result Areas and drive shared value creation.
- Advance SDG Financing through optimizing blended financing instruments and redirection of capital flows towards SDG implementation.
- Facilitate research and learning to inform SDG Partnership best policy and practices.

The Platform brings together leadership from Government, development partners, private sector, philanthropy, civil society, and academia to create diverse SDG accelerator windows to catalyze and unlock carefully selected private sector and philanthropic investments, partnerships and innovations for driving SDG impacts.

Primary Healthcare (PHC) - contributing to SDG 3 – has been the first Platform window aiming to contribute to the Universal Health Coverage (UHC) pillar under Kenya's "Big Four" agenda. Subsequently, the Platform has opened a new SDG accelerator window in 2019 for Kenya's "Big Four" agenda for Food & Nutrition Security. The Affordable Housing, and Manufacturing & Skills Training windows are envisioned to formally open up in 2020.

To support the work of the Platform, the SDG Partnership Platform Multi-Partner Trust Fund (SDG PP MPTF) has been established as the main funding instrument for mobilizing donor resources. The Fund will bring together contributions from traditional and non-traditional donors, private sector, foundations and other sources to support the Platform, complementing other potential funding sources, including UN agency-based funding mechanisms.

2. Fund's Functions:

The Multi-Partner Trust Fund supporting the SDG Partnership Platform will:
- Enable a collective response from all involved stakeholders through shared financing and collective support in the SDG Partnership Platform.

- Be a powerful instrument to leverage the potential benefits of the platform.
- Increase accountability by enabling transparent resource allocation
- Broaden the financial base with private sector, traditional and non-traditional donors
- Manage potential risks to contributors through robust fiduciary management systems and web-based monitoring on financial flows
- Reduce transaction costs by generating economies of scale

3. Scope of the Fund

The SDGPP overall goal aims at contributing to the Government of Kenya's efforts to attain the *SDG target 17.17: Effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships encouraged and promoted in Kenya.*

In pursue of this goal, the SDGPP strategies are geared towards delivering the following outcomes:
- Kenya has an enabling regulatory and policy environment that helps 21st Century SDG partnerships to thrive.
- SDG Partnerships and Innovations that align with the SDG themes reflected in the Kenya UNDAF Strategic Result Areas and drive shared value creation are scaled.
- SDG Financing is advanced through optimizing blended financing instruments and redirection of capital flows towards SDG implementation.
- Research and learning is informing SDG Partnership best policy and practices.

The SDGPP will pursue this goal and respective outcomes through the establishment of SDGPP Thematic Windows which are being co-created in alignment with Government Development priorities as framed under its Big Four agenda. Moreover, the SDGPP will support the co-creation of an SDG Accelerator Lab as its engine for Innovation.

Each Window and the SDG Accelerator Lab will co-create its own respective multi-year strategic plan including workplans, budgets and deliverables based on a clear theory of change on how the Window will contribute to the overall goal and outcomes.

Each strategy will include a three-phased approach under which a common fact-base will be established for Platform members to jointly identify, design, and plan initiatives which subsequently will be implemented and monitored and evaluated to enhance learning.

The Fund will support the implementation of the SDGPP in two ways.
1) Support to the staffing and operations of the SDGPP Secretariat housed at the UN Resident Coordinator's Office in Kenya.
2) Support to the establishment and operationalization of the SDGPP Windows and SDG Accelerator Lab throughout their three phases.

4. Fund Governance Structure

The governance arrangements of the MPTF will be aligned with and embedded in the SDG Partnership Platform architecture.

The Fund's governance involves three levels: operations ((UNDAF Steering Committee, Thematic Windows Steering Committees, Fund Board and Secretariat), design and administration (MPTFO) and implementation (implementing entities – UN Agencies).

4.1 Fund Operations

During the establishment phase and with the finalization of the fully-fledged programme document, the governance structure of the Platform with clear rules and procedures will be developed.

The aim however is that it comprises the following bodies and formations (which may exist and operate virtually or in-person):
-   The UNDAF National Steering Committee as the overarching governing body.
-   The Platform Thematic Windows Steering Committees as the primary governing bodies of each of the Thematic Windows respectively.
-   Working Groups and Sub-Committees (if deemed necessary), established by the Thematic Windows Steering Committees with delegated authority over certain matters as detailed below.
-   The Platform Secretariat, responsible for management and coordination of activities of the Platform.

UNDAF National Steering Committee

The UNDAF National Steering Committee is the overarching governance body that will take charge of the strategic guidance and general supervision of the Platform.

Responsibilities:
-   Approve the Platform's strategic guidelines, the global results framework and the Platform's risk management strategy;
-   Supervise the progress of the Platform's results framework based on report updating (program-related and financial), prepared by the Secretariat and review the risk monitoring matrix regularly updated by the Secretariat;
-   Review and approve the Platform annual and final reports consolidated by the Secretariat based on progress reports submitted by implementing entities;
-   Request through the Secretariat, two separate evaluations (mid-term and final) of the Platform.
-   Approve and update the Platform Programme, including extensions of the duration as required;
-   Approve any future requests for amendments to the structures and mandates of the Platform's components and sub-groups as applicable.

The Platform Thematic Windows' Steering Committees

Each Thematic Window will have a separate Thematic Steering Committee (TSC), as the relevant governance body that will oversee and drive the functions of that thematic window including identification and approval of projects. For each Thematic Window, the TSC will be chaired by the Government and co-chaired by the UN Resident Coordinator or their assigned alternates.

The Thematic Steering Committees comprises three (3) co-chairs.
-   The Cabinet Secretary as mandated by the UNDAF Steering Committee (co-chair)
-   Chairman of relevant Council of Governors Thematic Committee (co-chair)
-   The UN Resident Coordinator (co-chair)
-   Representative of KEPSA
-   Representatives from Window financiers / investors (eg Development Partners, Private Sector, Philanthropy, Academia and Civil Society).

Responsibilities:
The Thematic Steering Committee will meet quarterly; however, it may also convene additional extraordinary meetings if deemed necessary. It shall be responsible for the following tasks:

-   Approve the Thematic Window's strategic guidelines and results framework, work plans and budgets;
-   Approve the Thematic Window 's risk management strategy;
-   Identify and approve projects;
-   Oversee progress of the Thematic Window's results framework based on report updating (program-related and financial), prepared by the Secretariat;
-   Review the risk monitoring matrix regularly updated by the Secretariat;

- Review and approve progress reports on the Thematic Window consolidated by the Secretariat based on progress reports submitted by implementing entities;
- Offer strategic guidance in advocacy, resource mobilization, and partnership expansion.

The Thematic Steering Committee Co-Chairs as the "Executive Group", will take executive decisions such as formal approval of projects. Decisions will be made based on consensus and after consultation of the wider Steering Committee membership. In case the Co-Chairs will take a decision which contradicts the advice of the overall Steering Committee, the Co-Chairs will through the Secretariat inform all SteerCo members of such.

Working Committees and Sub-Committees

The TSC may constitute Working Groups or Sub-Committees as required to facilitate or conduct specific technical assignments related to the diagnostics, design, planning and implementation of the Platform initiatives in line with the SDG Platform goal, objectives and related work-plans. The TSC may appoint members from within its ranks to sit on them and/or name and co-opt members external to the TSC to serve. These working groups and/or sub-committees will report to the TSC for final approval for decisions to avoid potential conflicts of interest.

The TSC may elect to appoint up to three independents (but independents should always be in the minority to those committee members who are part of the TSC) onto any of its working committees or sub-committees, to invite external perspectives and expertise. Alternates of suitable seniority may also serve on working committees and sub-committees. For the working committees and sub-committees Terms of References will be developed outlining the scope of their work, deliverables and timelines.

The Platform Secretariat

The Platform Secretariat is responsible for the operational functioning of the Platform and provides technical and administrative support to the Thematic SCs and is responsible for the processes relating to the approval cycle of projects, programme monitoring, evaluation and reporting as well as risk management reporting.

Responsibilities:
- Prepare and present to the Thematic Steering Committees annual workplans and budgets for the Initiative;
- Identify funding gaps and mobilize adequate resources for the various activities of the Initiative;
- Facilitate due diligence screening of all potential Platform partners
- Oversee performance of the workplans and expenditure of the budget;
- Prepare and present to the Steering Committee and Thematic Steering Committees an annual performance report on the Platform's activities that reviews progress of all programs;
- Coordinate and manage the identification, development, approval, delivery, implementation, evaluation, and closeout of all projects under the Platform;
- Commission and supervise project work contracted to consultants, firms and partners
- Ensure appropriate use of the Platform's resources and accountability of grant recipients;
- Provide administrative assistance at Steering Committee and Thematic Steering Committee meetings, send notices, prepare agendas and draft minutes;
- Maintain the Platform's communications including marketing brochures, publications and its website.

The Secretariat structure can be reviewed and adjusted as per needs and budget availability.

The Secretariat functions related to the Fund are:
- Advise the Fund Board on strategic priorities and program-related and financial allocations.
- Provide logistical and operational support to the Fund Board;
- Monitor the status and implementation of the Fund against the results framework;
- Ensure monitoring and control of operational risks;
- Request fund transfers to the Administrative Agent based on the allocation decisions made by the Fund Board;
- Consolidate the narrative annual and final reports submitted by implementing entities and present the consolidated report to the Fund Board for approval;

- Analysis and management of Fund's knowledge including knowledge systematization, establishment of good practices and lessons learned and proposals of recommendations;

The costs of the Secretariat will be charged to the Fund as direct costs. The Secretariat's budget will be annually agreed and approved by the Fund Board (it is recommended that such costs do not exceed 3% of the Fund's annual budget). UNDP will conduct contracting procedures related to the Technical Secretariat staff.

SDG Partnership Platform Fund Board

The Fund Board is the main governance body of the Fund. It is chaired by the UN Resident Coordinator and it comprises the following members:
- Resident Coordinator
- Heads of Agencies of Participating UN Organizations in the SDGPP programming

The Fund Board is the decision-making authority responsible for:
- Approving the Fund's strategic guidelines and the global results framework;
- Approving the Fund's risk management strategy;
- Making allocation decisions for the Projects approved by the Thematic Window Steering Committees;
- Supervising the progress of the Fund's results framework based on report updating (program-related and financial), prepared by the Secretariat and the MPTFO;
- Reviewing the Fund's risk monitoring matrix regularly updated by the Secretariat;
- Reviewing and approving annual and final reports consolidated by the Secretariat and the MPTFO based on progress reports submitted by the implementing entities;
- Approving the Fund's direct costs, specifically those related to the Secretariat support operations, evaluations and audits;
- Approving and updating the Fund's Terms of Reference, including the Fund's duration, as required;

The Fund Board makes its decisions by consensus; however, in case of disagreement, decisions are made by a qualified majority of two thirds (2/3). Members of the Fund Board will step out for funding decisions related to proposal submissions from their organisation to avoid any conflict of interest. In case the Fund Board cannot physically meet, the decisions will be taken by virtual vote, through email, and the same norms of consensus will apply. The Secretariat will coordinate the communications with the Fund Board members.

4.2 Fund's Design and Administration:

The Fund is administered by the MPTFO under the pass-through management modality. The Fund's administration services, whose costs are 1% of received contributions, include:
- The Fund's setting up: support to the Fund's design (Terms of Reference and Operation Manual), and development of legal instruments; and
- The Fund's administration: receipt, administration and release of funds to implementing entities in accordance with decisions of the Fund Board, and financial report consolidation.

The MPTFO is responsible for the following functions:
- Provide support to the design of the Fund;
- Sign a Memorandum of Understanding (MOU) with UN implementing entities;
- Sign Standard Administrative Agreements with donors that wish to contribute financially to the Fund;
- Receive and manage funds included those of the Fund's closure;
- Invest and reinvest Fund's resources according to investment policies, practices and procedures. Any profits will be added to the Fund's resources and will not be credited to the contributions of a particular donor;
- Provide updated information to the Fund Board and TSCs, though the Secretariat, regarding the regular resource availability;
- Subject to the availability of resources, transfer funds to implementing entities in accordance with the Fund Board decisions;

- Consolidate the narrative annual and final financial reports submitted by implementing entities and present the consolidated report to the Fund Board; and to each of the Fund's contributors;
- Provide a Fund's final financial report which includes a notice of the Fund's closure;
- Release funds as direct costs, based on the Fund Board's allocation decisions; The Administrative Agent will annually notify the Fund Board about the amounts used to that end;
- Release funds for additional expenses that the Fund Board decide to allocate;
- Provide tools for fund management to ensure transparency and accountability.

4.3. Fund Implementation:

The Fund will be implemented by UN Agencies. Each implementing entity is programmatically and financially responsible for funds received in accordance with its own regulations, rules, policies and procedures, including those related to public procurement, as well as recruitment and evaluation of executing partners, provided that the minimum requirements established by the Fund are complied with, in terms of fiduciary securities and principles.

The UN Agencies will be able to receive resources from the Fund, after signing a Memorandum of Understanding (MOU) with the Administrative Agent. These funds will be managed by the implementing entity according to its own regulations, rules, guidelines and procedures. Agencies will charge as indirect costs, seven percent (7%) of amounts received for project implementation.

5. Contributions

The Fund's resources will include: donor contributions; any interests, payments, repayments or net profit for investments less any authorized release and incurred expenses in accordance with these Terms of Reference and decisions made by the Fund's Steering Committee.

The Fund's resources will be used to finance or co-finance projects, programs and operations approved by the Fund's Steering Committee. Contributions to the MPTF may be accepted from Member States, regional organizations, inter-governmental organizations, businesses, and individuals. The donors can earmark their contribution to a Thematic Window.

The Fund will receive contributions in fully convertible currency or any other currency that can be readily used. Such contributions will be deposited to the bank account designated by the MPTFO. The value of the contributions, if made in a currency other than US dollars will be determined by applying the UN operational exchange type in effect of the date of payment. Profit or loss due to currency exchange rate is registered in the Fund's account set by the Administrative Agent and will be taken on by the Fund.

6. Resource allocation and funds transfer

The Secretariat will submit to the Fund Board the Projects approved by the Thematic Windows Steering Committees.
The submission package will include:
1. The projects documents, in the relevant format.
2. The different review documents.
3. Recommendations for funding allocations.

Consideration: The Fund Board will take into account all the proposals and will select them based on criteria such as: alignment with the priorities on the relevant Thematic Windows, available funding, and complementarity of the intervention with other ongoing or foreseen actions and level of involvement of concerning actors.

Decision making: There should be a quorum of x1 members including the Chair for decisions to be made by the Fund Board. The Fund Board will make its decisions by consensus; however, in case of disagreement, decisions will be made by a qualified majority. The Fund Board decision consists of the three following options: i) approval; ii) approval with recommendations; or iii) disapproval.

Programs or projects approved with recommendations do not require resubmission of a proposal. The Secretariat shall ensure that the implementing entity enforces these recommendations before requesting to the MPTFO the transfer of the resources.

The Fund Board decisions are recorded in the meeting minutes and consolidated by the Secretariat in a funds allocation matrix. The Secretariat will electronically share the minutes of the Fund Board meeting and approved allocations.

The Secretariat shall prepare a fund transfer request for each program or project and budget allocation approved by the Fund Board and will submit to the Administrative Agent (MPTFO) along with the relevant supporting documents. The MPTFO will carry out the requested transfers to implementing entities no later than five (5) working days after the request submittal. Upon completion of the transfer, the representative of the receiving organization and the Secretariat will be notified through electronic mail.

7. Risk management

The final objective of a risk management strategy at the Fund level is facilitating the achievement of program-related objectives of its interventions in the context of the risk in which it operates.

The Secretariat will develop a risk management strategy whose main objectives are: accelerate Fund implementation and increase its impact, ensure that the Fund's interventions meet the "Do no harm" principles, verify that resources are used for foreseen purposes and improve risk management capacity of national institutions.

The Fund's risk management strategy will encompass the following tasks:
- Develop shared understanding of risks faced by the Fund;
- Define risk appetite or tolerance of the Fund (Fund's risk profile);
- Establish the Fund's policies regarding identified risks (Fund's risk policies).
- Identify or clarify potential compensation from risk taking and seek consensus among stakeholders regarding its management;
- Determine risk treatment through measures of mitigation or adaptation;
- Identify risk holders, control its spreading and define follow-up measures;
- Establish information strategies and common messages about the risks.

Every project approved by the Fund shall comply with the risk management strategy. The fulfillment of such strategy will be one of the selection criteria during the process of project evaluation.

8. Monitoring, evaluation and report

The continuous monitoring and evaluation is conducted by the SDG Partnership Platform Secretariat. The information will be consolidated through a result-based management system.

In terms of outputs the result indicators will be specific for each project; in terms of outcomes there will be shared indicators. The evaluation of performance indicators will take external factors into account, as well as previously identified assumptions and risks. Implementing entities are responsible for data gathering and this will be one of the key elements reflected in the program annual report.

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[1] To be concluded according to the composition of the Fund Board once fully operational

Evaluation:
As the SDGPP is an UNDAF (2018-2022) flagship initiative, the performance of the SDGPP will be evaluated through the standard evaluation processes of the Kenya UNDAF. The objective of these evaluations is to analyze the Platform's performance, thus testing the theory of change described in the Results Matrix. The evaluation(s) will provide specific recommendations to the Steering Committee(s) regarding the matrix of results and the underlying theory of change, including its revision if deemed necessary. The evaluation will include an evaluation of the Fund as the Platform's main funding instrument.

Reporting:
The responsibilities related to reporting are gathered and detailed in the Memorandum of Understanding (MOU), section IV and Standard Administrative Agreements (SAA), section V.
All the implementing entities will carry out annual and final reports on activities and expenditures according to a common format designed for the Fund.

Narrative reporting
The implementing entities will present the following reports to the Secretariat for consolidation and further transmission to the Administrative Agent:

(a)   Annual narrative reports to be provided no more than three months (March 31st) after the end of the calendar year;

(b)   Final narrative reports after the end of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than four months (April 30th) in the following year after the financial closure of the Fund.

Annual and final reports will exhibit results based on evidence. Annual and final narrative reports will compare actual results against estimated results in terms of outputs and outcomes and they will explain the reasons of higher or lower performance. The final narrative report will also include the analysis of how the outputs and outcomes have contributed to the Fund's global impact.

Financial Reporting
The implementing entities will present the following financial statements and reports to the Administrative Agent:

(a) Annual financial statements and reports to December 31st, regarding released resources by the Fund to them; these shall be provided no more than four months (April 30th) after the ending of the calendar year;

(b) Final certified financial statements and financial reports after the completion of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than six months (June 30th) in the following year after the financial closure of the Fund.

Based on these reports, the Administrative Agent will submit the consolidated narrative and financial reports to each of the Fund's Contributors and to the Fund Board as per the schedule established in the MOU and SAAs.

9. Accountability and transparency

These clauses are detailed in the legal instruments that will govern the Fund (MOU and SAA).

Accountability:

The UN entities will provide implementation services in accordance with their own financial regulations, rules and policies. For each project or program approved for funding, each implementing entity will provide the Secretariat and the MPTFO annual and final reports and financial statements prepared in accordance with their accounting system and reporting procedures, as stated in the legal agreements signed with the Administrative Agent.

Financial audit:

The Administrative Agent (AA) and the UN implementing bodies will be audited according to their own financial rules and regulations, in line with the audit framework for multi-donor funds, as agreed by the Audit Internal Services of the UN implementing bodies and endorsed by UNDG in September 2007.

Transparency:

The MPTFO website, Gateway (http://mptf.undp.org), is a web-based service portal that provides real-time financial data issued directly from the UNDP accounting system. Once established, the Fund will have a separate page in the Gateway portal which will allow partners and the public at large to follow-up the Fund contributions, transfers and expenses, and access key documents and reports.

The Secretariat and the MPTFO will ensure that the Fund's operations are posted on the Gateway portal. From its side, each implementing entity will take appropriate measures to promote the Fund. Information shared with the media regarding beneficiaries of funding, official press releases, reports and publications will acknowledge the role of the Fund.

10. Operations Manual

These Terms of Reference and operating details will be developed in depth in the Fund's Operations Manual.

11. Modification and expiration

The Fund end date is 31st December 2022. It may be extended based on approval by the Fund Board.

The Fund will terminate upon completion of all programmes funded through the SDG PP MPTF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the Fund, any unutilised balances will continue to be held in the Fund Account until all commitments and liabilities incurred in implementation of the programmes have been satisfied and programme activities have been brought to an orderly conclusion.

Any balance remaining in the 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 Participating UN Organizations and the AA.