



The Malawi SDG Acceleration Fund ToRs



1.0 Background

The 2016 Quadrennial Comprehensive Policy Review (QCPR) requested the United Nations Development System (UNDS) “to support member state efforts to implement the 2030 Agenda for Sustainable Development in a coherent and integrated manner”. The review emphasized the need for a United Nations (UN) that is more strategic, accountable, transparent, collaborative, efficient, effective and results-oriented”. The review also emphasized the need for the UNDS to have well-designed pooled funding mechanisms to support common, cross-cutting UN approaches at country level. The 2030 Agenda calls for a shift on the way the UNDS transacts its business so that the world is put on a path to sustainable development that leaves no one behind.

In Malawi, a first joint effort was made through the set up and implementation of the One UN Fund. Under the leadership of the Government of Malawi, the One Fund aimed at supporting the coherent resource mobilization allocation and disbursement of donor resources. The Malawi One Fund closed on December 2018, and stakeholders agreed on the establishment of a similar coordination and financing mechanism. As a result of this agreement, a Malawi SDG Acceleration Fund was approved in December 2018.

In 2019, the Government of Malawi approved the United Nations Sustainable Development Cooperation Framework (previously known as UNDAF), as the strategic plan for the United Nations Country Team contributing to the Malawi Government’s national development priorities and actions for the period 2019-2023.

The cooperation framework incorporates the goals and principles that underpin Agenda 2030 and the 17 Sustainable Development Goals that lie at its heart. It represents a strong collaborative development agenda that aims at supporting the Malawi Growth and Development Strategy III.

In response to national priorities, the UN in Malawi supports the government in three inter-linked and mutually reinforcing strategic priority areas: 1) Peace, inclusion and effective institutions; 2) Population management and inclusive human development and 3) Inclusive resilience growth. Each of these priorities translate into concrete, measurable and time-bound outputs that provide clear, normative-operational linkages and enable the UN and partners to establish the attribution of the United Nations contribution to national priorities.

This document contains the terms of reference (“Terms of Reference”) for the Malawi SDG Acceleration Fund (the “Fund”), administered by the Multi-Partner Trust Fund Office (the “MPTFO”) of the United Nations System (the “UNS”), with contributions from the contributors (the “Partners”) who have joined the Fund (jointly the “Parties”, and individually the “Party”). This Terms of Reference are consistently linked to the approved cooperation framework between the Government of Malawi and the United Nations for the period 2019-2023.

2.0 Theory of Change and Fund Scope

As a way of operationalizing the recommendations of the 2016 QCPR, the Government of Malawi and the UNDS have established the Malawi SDG Acceleration Fund. Considering the UNDS

Reform note of 31st May 2018, this emphasizes adequate, predictable and sustainable funding to be made available for a coherent, effective, efficient and accountable response in accordance with national needs and priorities. The Fund aims at improving the quality of non-core resources which would help the UN system support the Government of Malawi to achieve the SDGs.

The Fund's theory of change is based on the United Nations Sustainable Development Cooperation Framework (UNSDCF), which is the strategic plan for the United Nations Country Team (UNCT) contributing to the Malawi Government's national development priorities for the period 2019-2023. The UNSDCF formulation process was consultative with Government (both at central and local levels), development partners, civil society organizations and non-governmental organizations involved at all stages. The UNSDCF is evidence-based and drew on the country's needs and the UN's comparative advantage, with a particular focus on the most vulnerable and hard to reach populations.

The UNSDCF incorporates the goals and principles that underpin Agenda 2030 and the 17 Sustainable Development Goals that lie at its heart. It further guides the UN Agency programmes ensuring coherence and represents a strong collaborative link with the Government of Malawi's development strategy expressed in the Malawi Growth and Development Strategy (MGDS) III.

The three pillars, identified as the UN's response to the MGDS III are:

1. Peace, Inclusion and Effective Institutions;
2. Population Management and Inclusive Human Development; and
3. Inclusive and Resilient Growth.

The indicative resources required for the implementation of the UNSDCF 2019-2023 are estimated at US\$ 1,088,348,001, of which \$346,830,601 are expected to be available, and \$741,517,400 are to be mobilized.

The objective of the Fund is to support the achievement of results consistent with the current and any future UNSDCF. It supports coherent resource mobilization, allocation and disbursement to under-funded cross-sectoral areas where the UN has a comparative advantage in implementing together. The main focus of the Fund is the mobilization, financing coordination and co-financing of catalytic interventions in support of the SDGs. By catalytic is understood to be investments that aim at supporting strategic UNSDCF components, to fill strategic financial gaps when there are no other resources available, that unlock or allow key investments for SDGs, and /or financial resources that support innovative or high-risk approaches that other partners cannot support. The Fund supports partnership and communication among all stakeholders involved in Malawi's development initiatives led by the Government of Malawi. **The initial duration of the Fund is five years – from December 2018 to December 2023** - subject to extension by the Fund Steering Committee.

The Fund's Theory of Change, aligned with UNSDCF priorities, considers 3 thematic Windows and a standing Humanitarian Window:

1. Peace, Inclusion and Effective Institutions Window

This area will focus on supporting the Government's agenda in addressing issues related to respect for human rights, corruption, equal access to justice for all, gender inequality and discrimination of women, children and marginalized groups.

Under this area, the Fund will focus in supporting:

- **Outcome 1: Rights holders access more accountable and effective institutions at central and decentralized levels.** This outcome addresses the root causes of poor governance, through supporting governance institutions at all levels to harmonize legal and organizations frameworks, strengthen data systems for enhanced accountability, strengthen gender and human rights frameworks, civic engagement and participation and the national peace architecture through early warning systems.
- **Outcome 2: Gender equality and empowerment of women and girls is enhanced.** In response to the systemic socio-political discrimination and remaining violence towards women and girls, this outcome aims at improving the coordination and management of national gender policies, budgets and capacities. Additional areas include the implementation of existing GEWE obligations and commitments, as well as gender disaggregated data collection and management.
- **Outcome 3: Strengthened institutional capacities for sustaining peace, inclusive societies and participatory democracy.** Violence in its different manifestations is the most severe form of discrimination, while democracy and good governance are essential for social peace and development as they create the enabling environment for sustainable economic growth, responsive service delivery and social wellbeing. This outcome supports early warning and monitoring systems around political events, building capacities in peacebuilding issues among stakeholders, and support credible and peaceful electoral processes.

2. Population Management and Inclusive Human Development Window

This area will focus on supporting the Government's agenda in strengthening key areas of the public sector. It comprises the areas of health and education, with a special focus on women and children.

Under this area, the Fund will focus in supporting:

- **Outcome 4: Children 0-5 years will have increased access to comprehensive quality Early Childhood Development (ECD) services.** Quality maternal health and early childhood development are the foundations for better health and learning outcomes. With an enabling policy environment for the rights of children, covering ECD, this outcome supports the addressing of remaining constraints and disparities for sector performance. A focus will be put in supporting the implementation of these policies at a decentralized level.
- **Outcome 5: Girl's and boys 6-17 years, particularly the most marginalized, benefit from an integrated package of quality education, health, nutrition, HIV/AIDS and protection services.** To foster Malawi's socio-economic development, this outcome

intends to improve access to and quality of school education, health (including sexual and reproductive health), nutrition, HIV/AIDS and protection services at early childhood, primary and secondary levels, and out-of-school children. Support the provision of relevant functional and vocational skills training for youth to increase employment and income-generating opportunities is also included.

3. Inclusive and Resilient Growth Window

This area will focus on supporting the Government's agenda on more inclusive and resilient development. It focuses on addressing environmental and economic issues aimed at *long-term transformation*, and *short-term* humanitarian response with regard to natural disasters and food insecurity. It aims at addressing climate change –adapting, mitigating and recovering-, enhancing service delivery, and improving economic diversification. It has a special focus in women and youth.

Under this window, the Fund will focus in supporting:

- **Outcome 6: Men, women and adolescents' access high impact comprehensive sexual and reproductive and HIV and AIDS health rights.** There have been significant achievements in family planning, use of contraceptive methods, and reduce in HIV and AIDS incidence in the country. This outcome focuses in addressing remaining challenges on sexual and reproductive and HIV and AIDS, particularly expanding and enhancing community capacities to target the most vulnerable and marginalized populations and with better implementation of a “continuous service” in the life cycle approach.
- **Outcome 7: Households have increased food & nutrition security, equitable access to WASH and healthy ecosystems and resilient livelihoods.** With a strong institutional and policy framework for dealing with issues of food security and malnutrition, but a recurrence of food related crises, and with a severe vulnerability to climate change, this outcome aims at a human rights and people-centred approach to increase food and nutrition security, reduce developmental inequalities, promote equitable access to, and benefits derived from healthy ecosystems, and scaleup support for resilient households and livelihoods and WASH activities.
- **Outcome 8: More productive, sustainable and diversified agriculture, value chains and market access.** In order to boost Malawi's agricultural potential, economic performance and fight unemployment, this outcome focuses on improving productivity, efficient and sustainable use of resources, enhanced and equitable market access, improved access to agricultural extension and advisory services and an improved ability to mitigate the effects of climate related hazards.
- **Outcome 9: Strengthened economic diversification, inclusive business, entrepreneurship and access to clean energy.** Marked by uneven growth, limited diversification, and limited formal employment opportunities, this outcome supports the transformation of Malawi's economy to be more competitive, productive and resilient, while accelerating structural transformation diversifying and expanding the sources of inclusive renewable energy. It focuses focus on economic diversification and acceleration

of inclusion of smallholder farmers, women and youth into supply and value chains by stimulating inclusive business development through blended capital that crowds-in private sector innovation. It also aims at addressing key energy needs in the business, residential and social services sectors.

4. Humanitarian Action Window

This Window will focus on supporting the Government in prioritized and rapid response actions to save lives, alleviate suffering and maintain human dignity ahead, during and in the aftermath of crises and natural disasters, as well as to prevent and strengthen preparedness for the occurrence of such situations (including anticipatory actions).

Under this area, the Fund will focus in supporting necessary interventions in response to acute shocks and crises, but also in preparedness and prevention actions to support strengthening of the humanitarian sector. The aim is to minimize negative effects from shocks, emergencies, acute food insecurity and natural hazards through other outcomes in the long run, and to secure the safety of affected and most vulnerable populations including displaced people, refugees, victims, amongst others, in the short run.

NOTE: Once approved in 2018, the Fund initially defined 3 operating windows: (i) Resilience Window, (ii) Right to Food Window, (iii) Humanitarian Window. Both the Resilience and the Right to Food windows will remain operating only for the already approved projects. Every new project approved by the Fund will be under the established 4 windows in this Terms of Reference.

3.0 Crosscutting Approaches

The Fund will prioritize interventions that include cross-cutting approaches that empower women and youth. Programmes financed with Fund resources will include a differential approach, as well as a cross-cutting vision of human rights. These approaches will be incorporated and evaluated in each Programme according to the characteristics of each intervention.

The Fund will also adopt as a cross-cutting priority to ensure no environmental damage in all its interventions.

For the Fund it is essential to ensure the promotion of gender equality and the empowerment of women through their participation in decision-making and to guarantee the protection of women and girls from all forms of violence. The Fund will seek to allocate a minimum of 30 percent of the funds allocated to projects and programs, in activities that promote the participation and empowerment of women, as well as gender equality. The Fund will guarantee the follow-up to the incorporation of the gender approach throughout the implementation of the projects.

4.0 Fund Governance and Coordination

The governance of the Fund has three levels: decision-making, oversight and coordination (Steering Committee, Operational Committee and Secretariat of the Fund), design and administration (MPTF Office), and implementation (Recipient Organizations).

4.1 Malawi SDG Fund Steering Committee (SC):

The Steering Committee provides strategic guidance and performs oversight of the Fund. The SC is the highest decision-making body of the Fund and it makes decisions by consensus. However, if consensus is not possible, decisions may be taken by a qualified majority of two thirds (2/3).

The Government's Chief Secretary and the UN Resident Coordinator serve as Co-Chairs of the Fund. The SC is composed by additional 11 members:

- **Three** for the Government of Malawi: these will be Principle Secretaries of coordinating government departments in the Office of the President and Cabinet, Ministries of Finance, Planning and Economic Development, and Local Government and Rural Development;
- **Three** for Participating UN Organizations (PUNOs): these are the resident representatives of UN entities leading the three pillars of the UNDCSF.
- **Three** for donors: chosen among the donors to the Fund on a rotational basis.
- **One** for the civil society appointed by the Steering Committee.
- **One** for the private sector appointed by the Steering Committee.
- The MPTFO as Fund Administrator (as ex-officio member)
- The Fund Secretariat, without the right to vote.

4.1.1 Responsibilities:

The Steering Committee meets periodically, according to Fund's decision-making and strategic analysis needs, at least quarterly. The SC is responsible for the following tasks:

- Approve, modify and/or update the strategic direction of the Fund, including Terms of Reference, Fund's duration, Operations Manual, and results framework;
- Within the Theory of Change, review and approve the Fund's strategic investment priorities once a year;
- Meet once a year with all donors who contribute to the Fund, in order to update on the Fund's results.
- Provide general oversight and exercise overall accountability for the Fund, its decisions and operations;
- Make resource allocations decisions:
 - a. Approve/endorse programmes under each Window to be funded by the Fund
 - b. Allocate un-earmarked funds to Windows
- Review and endorse progress reports against planned outcomes and their contribution to MGDS III priorities and related SDGs.;
- Endorse annual reports of the Fund;

- Request, through the Fund Secretariat, two independent evaluations (mid-term and final) on the overall performance of the Fund;
- Approve the direct costs of the Fund, in particular those related to the Secretariat's support operations, evaluations and audits
- Review findings of audit reports and evaluations, highlighted lessons learnt, and periodically discuss follow up on recommended actions that have Fund-wide implications;
- Request any of the PUNOs to perform additional tasks in support of the Fund not related to the AA functions subject to the availability of funds. Costs for such tasks will be agreed in advance and charged to the Fund as direct costs.
- Give other guidelines related to the structuring of the Fund and its procedures, as it deems necessary.

4.2 Operational Committee (OC)

The Operational Committee (OC) is the authority in charge of performing technical review and initial endorsement of projects and programs submitted to the Fund. The OC also is in charge of reviewing and approving requests for changes (duration, scope, budget) to programmes/projects in implementation that are submitted to the Fund for consideration. To help ensure the programmes' technical quality of the proposals submitted for endorsement, the UN Agencies will designate thematic experts for peer review of proposals.

During the programme review process, the Operational Committee will invite the proponent organizations to the meeting, in order to present the project/programme, highlight the needs and answer any of the Operational Committee's queries. Technical recommendations regarding the projects and programs will be referred to the project/programme team for inclusion and/or mandatory improvement/revision of the draft programme.

The reviewing of projects/programmes by the Operational Committee has two aims:

- To ensure the technical quality of projects/programmes, as well as their financial and technical sustainability;
- To ensure that the intervention is relevant and coherent, assuring that the projects/programmes: (i) are aligned with the government's priorities and with this Terms of Reference; (ii) are coordinated with the existing and planned activities in the sector; and (iii) have been consulted with the relevant national and/or regional institutions, depending on the sector of the proposal.

The Government's Chief Secretary and the UN Resident Coordinator will designate one representative each as Co-Chairs of the OC. Additionally, the OC is composed by:

- **Three** members of the Government of Malawi: these will be technical level persons delegated by the Principle Secretaries of coordinating government departments in the Office of the President and Cabinet, Ministries of Finance, Planning and Economic Development, and Local Government and Rural Development;
- **Three** Participating UN Organizations (PUNOs): these are technical level persons delegated by the resident representatives of UN entities leading the three pillars of the

UNSDCF. Depending on the thematic of the initiatives discussed, the UN RC can invite peer agencies to provide technical support.

- **Three** donors: chosen among the donors to the Fund on a rotational basis.
- **One** civil society and **one** private sector representatives.
- Fund Secretariat acts as a Secretariat of the OC

4.2.1 Responsibilities

The Operational Committee meets on a regular basis, at minimum every 2 months, or whenever is required, and is responsible for the following tasks:

- Periodically advise the Steering Committee on investment priorities in the framework of the Theory of Change, based on an updated context analysis;
- Support the development of programmes/projects, which are subsequently submitted to the Steering Committee for approval;
- Reviewing concept notes or projects submitted for consideration, in order to guarantee their technical quality and relevance;
- Approve the fund allocation decisions within each Window, subject to signature of the UN Co-chair.
- Approve requests to modify the on-going programmes/projects:
 - No-Cost Extensions,
 - Budget revisions above 25% between budget lines,
 - Request for additional resources,
 - Change of the programmatic scope
- Approve and launch Fund's calls for proposals for funding earmarked under each Window, upon approval of the UN Co-Chair of the SC.
- Support the quality of the Fund's reports, and monitoring and evaluation activities.
- Oversee the delivery of results against the results framework and report to the Steering Committee.

OC members are expected to declare if they have any conflict of interest, either because a proposal was submitted by a member or was part of its development. In case of a conflict of interest the OC member does not participate in the discussion of proposal submitted.

4.3 Fund Secretariat

The Fund Secretariat is set up to support the Fund's operational functioning. Its hosted in the UN Resident Coordinator's Office. The Secretariat provides technical, management, and

administrative support to the Steering and Operational Committees and is responsible for organizing the Fund's processes related to programme review, approval, monitoring, evaluation and reporting.

To manage the Fund's processes, as a minimum, the Secretariat must be composed of:

- a Fund Manager
- an Administrative Assistant;
- a Monitoring and Evaluation Officer

Specific tasks, like those related to communications, will be supported by the RCO capacities. The structure of the Secretariat can be reviewed and adapted by the Steering Committee, according to needs and budget availability.

The main **functions of the Fund Secretariat** are:

- Advise the Steering Committee and the Operational Committee whenever on determining strategic priorities and program/financial allocations;
- Follow up the formulation and development of programmes/projects, providing feedback to proponent organizations in order to ensure consistency, quality and risk management, and supervising the application of Fund's cross-cutting approaches before they are circulated to the Operational Committee;
- Organize or facilitate calls for proposals and appraisal processes for unearmarked funding;
- Monitor the balance of funding between Windows and report to the Steering Committee
- Facilitate cooperation and communication between Recipient Organizations;
- Assists the UN Chair with request for the transfer funds to the Administrative Agent in accordance with the decisions made by the Steering and Operational Committees;
- Consolidate monitoring and evaluating information from approved programmes/projects, and periodically inform Fund stakeholders of progress in the implementation.
- Liaise with M&E Officers of approved programmes on the M&E strategy of the Fund;
- Carry out the Fund's knowledge analysis and management, including knowledge systematization, collection of good practices, lessons learned and proposed recommendations;
- Facilitate the contracting of two external evaluations (mid-term and final) for Phase II, and providing all the necessary inputs for carrying them out;
- Ensure that the Fund-level and programme-level risks are monitored and controlled;
- Review formulation and structuring of projects, provide feedback and request initial adjustments to the proposing entities to ensure coherence, quality, and the proper application of cross-cutting approaches and the formats of the Fund, prior to circulation to the Operational Committee.

- Ensure that a focus on gender equality and women's rights is integrated into the projects, including specific 30% budget in activities that aim at gender equality and women's empowerment.
- Consolidate the annual and final narrative reports (provided by the Recipient Organizations) and submit the consolidated report to the Steering Committee for approval.
- Prepare and circulate the schedule and agenda for the meetings of the Steering Committee and Operational Committee, and coordinate participation of their members.
- Document the recommendations and decisions of the Operational and Steering Committees and notify the relevant actors and ensure a proper follow-up.
- Support the UN Chair, SC and OC members with Fund's resource mobilization strategy, working closely with the government, donors, and UN partners.

The Secretariat's costs will be borne by the Fund as direct costs. The Secretariat's budget will be agreed and approved annually by the Steering Committee (these costs should not to exceed 3% of the Fund's budget). UNDP will carry out the contractual procedures for the staff of the Fund Secretariat.

5.0 Fund Management (Administrative Agent)

The Malawi SDG Acceleration Fund is administered by the UN Multi-Partner Trust Fund Office (MPTF Office), using the pass-through management modality. The Fund's administration services, which are covered by 1% of the contributions received, include:

- (i) The establishment of the Fund: support in the design of the Fund (Terms of Reference and Operations Manual) and the development of legal instruments; and
- (ii) The administration of the Fund: receiving and administering funds and making transfers to the Recipient Organizations in accordance with the decisions of the Steering Committee, and
- (iii) Consolidating financial reports.
- (iv) Closing programmes/project, and Fund

The MPTFO is responsible for the following functions:

- Provide support in the design of the Fund;
- Sign Standard Administrative Agreements (SAAs) with those partners who wish to make a financial contributions to the Fund;
- Receive and administer such funds;
- Make transfers to the implementing organizations, according to the decisions of the Steering Committee and subject to the availability of resources;
- Consolidate financial statements and reports, based on submissions provided to the AA by each Participating Organization, and submit the consolidated financial statements and reports and the consolidated narrative progress reports provided by the Fund Secretariat to each donor that has contributed to the Fund;
- Provide final reporting, including notification that the Fund has been operationally completed;

- Disburse funds to any Participating Organization for any additional costs of the tasks that the Operational and Steering Committees may decide to allocate in accordance with this TOR.

6.0 Fund Implementers

Each Recipient Organization is programmatically and financially responsible for the funds it receives, in accordance with its own regulations, rules, policies and procedures. This includes what relates to procurement, as well as the selection and evaluation of implementing partners, provided that the requirements set by the Fund in terms of fiduciary principles and guarantees are met. The Recipient Organizations for each window will be validated by the Fund's Operational Committee and endorsed by the UN Co-Chair of the SC.

6.1 Recipient UN Organizations

UN Agencies, Funds and Programmes will be able to receive resources approved by the Steering Committee subject to signing an MoU with the Administrative Agent. The funds will be administered by the Recipient UN Organization in accordance with its own regulations, rules, guidelines and procedures. The Recipient UN Organization must have operating capacity in place for the immediate implementation of any projects approved by the Fund. The Agencies will charge a maximum of seven percent (7%) of the amount received for programme/project implementation as indirect costs.

6.2 NGOs

Non-governmental organizations will be able to receive resources through the Management Agent by signing programmatic instruments (Subsidy, Grant or Responsible Party Agreements). Funds will be administered by each participating organization in accordance with its own regulations, rules, guidelines and procedures, which must be in line with the principles and policies of the Management Agent. Non-governmental organizations must have operating capacity in place for the immediate implementation of any projects approved by the Fund governing body.

A Managing Agent will charge 7% in indirect costs for its tasks and responsibilities of the Management Agent.

7.0 Contributions to the Malawi SDG Acceleration Fund

Contributions to the Fund may be accepted from governments of member states of the United Nations, intergovernmental or non-governmental organisations, and private sources, including philanthropic funding. Acceptance of funds from the private sector is 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>).

Donors are encouraged to pledge and contribute unearmarked resources at the Fund level. However, if this is not possible, earmarking at Window levels can be accepted.

The resources of the Fund will be used to finance or co-finance projects, programs and operations approved by the Fund's governance. The Fund accepts contributions in fully convertible

currencies, or in any other currency that can be easily used. Contributions will be deposited in the bank account designated by the MPTFO. If contributions are made in a currency other than the U.S. dollar, their value will be determined by applying the United Nations operational rate of exchange valid on the date of payment. Profits or losses in currency exchanges are recorded in the Fund account set up by the Administrative Agent, and will be assumed by the Fund.

8.0 Programme and Project Approval

Building on a transformational principle of the Fund, the following selection criteria apply to all proposals submitted for funding:

- Puts “Leave No One Behind” at the center;
- Clearly and directly contributes to a specific Fund Window and Outcome;
- Focuses on programmatic implementation and “reaching the last mile” (i.e. policy or strategy development);
- Emphasizes cross-sectorial responses to causes in line with the Fund’s problem analysis;
- Demonstrates best value for money in the project design;
- Uses innovation approaches in the project design;
- Demonstrates the buy-in and commitment of national partners (e.g. in-kind contribution);
- Clearly demonstrate risks in the projects and practical ways of mitigating the risks

Two approval processes are proposed for programs and projects:

- Regular Cycle: comprising the identification, presentation, review and approval phases of projects and programmes.
- Rapid Cycle: a fast-track approval process for projects and programmes presented under the Humanitarian Window.

8.1 Regular cycle

8.1.1 Project identification, consultation and recommendation

Based on Fund’s priorities defined by the Steering Committee and aligned with the UNSDCF, the SC through OC will identify the appropriate fund window in order to issue a direct invitation or prepare a call to submit proposals.

In addition, a new Joint Programme developed by the UN Agencies and aligned with UNSDCF can be submitted for consideration of the Steering Committee.

8.1.2 Design, review and approval of Projects and Programmes

Programme/Project design

The Recipient Organizations are responsible for designing programmes/projects, with the participation of those public entities whose mandate is aligned with the subject of the proposal, together with any other bodies that the Operational Committee may recommend. A concept note

must be submitted to the Operational Secretariat for preliminary review and later for the consideration of the Steering Committee.

Operational Committee project review

Procedure: The Fund Secretariat will receive the concept note or project document and carry out an initial review to ensure its quality and alignment with the priorities and criteria. If the proposal requires preliminary adjustments, the Secretariat will send its comments to the Recipient Organization and allow adequate time for the adjustments to be made.

Once the final version of the concept note or project document is received, the Secretariat will send it to the Operational Committee within a period of no more than 3 days following receipt of the adjusted proposal.

The Operational Committee must receive the documents a minimum of 7 working days prior to a Committee meeting, where it will be analyzed, and recommendations will be provided. Following the review, the Fund Secretariat will produce a document summarizing the discussion and technical recommendations, including any support or reservations that the Operational Committee may have to that effect. The reasons behind reservations or opposition to approval must be clearly identified.

This review will be sent by the Secretariat to the proponents, who are obliged to incorporate the changes requested by the Operational Committee. Once the proposal is adjusted, it will be submitted to the Fund Secretariat who will review and guarantee that all the Operational Committee recommendations are included or justified. Once a project document is cleared, it passes to final approval of the SC.

Criteria: The Operational Committee's review ensures programmatic quality control of the proposal, and the alignment, coordination and prioritization of the intervention in the framework of the relevant window of the Fund. This review ensures that programs submitted for approval are aligned with strategic priorities, are coordinated with existing and planned activities and have been developed in consultation with the relevant actors.

8.1.3 Project/programme final approval, allocation and transfer of funds

Project/program final approval

Presentation: Once the OC's procedure has been completed, and all the technical adjustments have been made by the proponents, the Fund Secretariat will present the final documents to the Steering Committee for final approval.

The presentation must include the following:

1. The final project document in the corresponding template.
2. The OC's minutes and approval summary.

SC Approval

Decision making: A quorum of five (5) members, including the co-chairs, must be present in order for the Steering Committee to take decisions. The Committee will take decisions by consensus, although in cases of disagreement decisions can be made by a qualified two-thirds majority (2/3). The decisions of the Operational Committee on project or programme proposals consist of the following options: i) approval, ii) approval with recommendations, or iii) rejection. In exceptional cases, these decisions can be made virtually. Proposals for projects approved with recommendations do not need to be resubmitted. In these cases, the Fund Secretariat must ensure that the implementing organization includes the recommendations before final approval.

Allocation of funds

While projects must be designed on the basis of needs, these needs must be prioritized by taking the available funds into consideration. The budget allocation for a specific project must be reviewed at both the project development and project approval stages. While it is estimated that the availability of funds may fluctuate, projects submitted to the Fund for approval must have a realistic budget based on the availability of resources.

The Operational Committee's recommendations are recorded in its meeting minutes and consolidated by the Secretariat in a fund allocation grid. The Secretariat will electronically share the minutes of the Operational Committee to the SC, prior to meeting. The minutes of the SC meeting are sent to the co-chairs, who must sign them within a period of no more than 8 days following the Committee meeting.

Transfer of funds

The Secretariat must prepare a fund transfer request for each program/project and budget allocation approved. The MPTFO will do the approved transfers to the implementing organizations within five (5) working days following the submission of the request. Once the transfer has been completed (which will be counted as the project's start date), the representatives of the recipient organizations and the Secretariat will be notified by the MPTFO via email.

8.2 Fast Cycle (Humanitarian Action Window)

This cycle is requested by UN Co-chair of the SC, and it's mainly activated for projects and programmes under the Humanitarian Action Window. The Fund Secretariat convenes an Operational Committee to carry out a virtual/remote review of the proposal(s) within a period of 3 days, after which the members of the Committee shall submit their comments and recommendations to the project. The OC to the Humanitarian Window includes specific stakeholders with expertise in the Humanitarian sector: one representative of MoDMA one representative from the donors with expertise in humanitarian issues, appointed by the group of donors, 1 representative of the iNGOs with expertise in humanitarian issues. Projects to be considered under the Humanitarian Window are previously endorsed by the Inter-Cluster Coordination. When there are no comments the project will be considered approved due to non-objection. Once the Operational Committee has approved the project document and the Secretariat has drafted the technical sheet (within a period of 3 working days), the Secretariat will circulate

these documents to the Steering Committee for no-objection, and to the Fund UN Co-chair who will virtually/remotely approve the proposal for fast allocation of resources.

9.0 Participating UN Organizations (PUNOs)

The implementation of Projects and Programme funded through the United Nations Window are responsibility of the PUNOs, and will be carried out by each PUNO in accordance with applicable regulations, rules, directives and procedures. Prior to presenting any proposal to the Fund, its UN members have to make sure that it is endorsed internally by their Agencies and is in line with their Agencies' regulatory requirements.

In the event where a PUNO is unable to deliver as committed, any resources allocated should be returned to the Malawi SDG Acceleration Fund.

Each PUNO is responsible for:

- Assume full financial and programmatic accountability for the programmes;
- Meet all the commitments acquired in signed and approved Project Documents.
- Establish separate ledger account for its contribution, and advise the AA on bank account, transfer details.
- Provide narrative and financial reports to the AA;
- Provide narrative and financial advances to the Fund Secretariat when required;
- Determine ownership of equipment and supplies and intellectual property rights in accordance with its regulations, rules and policies;
- Guarantee a proper risk management strategy in all projects and programmes;
- Establish programmatic safeguards in the design and implementation of activities in line with shared values, norms and standards of the UN System;
- Publicize the SDG Acceleration Fund in line with its policies and give due credit to other PUNOs;
- Not make commitments above the amount disbursed unless authorized to use own funds (and submit supplementary budget);
- Avoid and address corrupt, fraudulent, collusive, coercive, unethical, or obstructive practices, and notify the SC and AA promptly of the start and conclusion of investigations and measures taken in line with the provisions of the MOU;
- Ensure that funds are not used to provide support or assistance to individuals or entities associated with terrorism;
- Perform additional tasks as requested by the governance of the Fund;
- Advise the Secretariat and the AA of operational completion of all activities and ensure financial closure of projects within 18 months after operational closure;
- Exclusively audit activities in line with their regulations and rules for external and internal audit and collaborate with other PUNOs within the context of a joint internal audit.

10.0 Other Dispositions

The implementation of the Fund is further detailed in the Operating Manual of the Fund. The Manual describes the governance structure and the operating principles, guidelines and procedures

for the day-to-day operations of the Fund. In case of conflict, the terms set out in the Administrative Agreement take precedence over this Manual.

10.1 Calls for proposals

The Secretariat prepares and launches calls for proposals based on the decisions of the Steering Committee. The calls for proposals will be widely publicized in line with the Fund's commitment to accountability and transparency. Proposals are submitted by interested organizations aligned with outcomes in the Fund results framework. The Fund will support initiatives that directly contribute to and are aligned with the 2019-2023 UNDAF or its successors.

10.2 Accountability

Each Recipient UN Organization shall assume full programmatic and financial accountability for the funds disbursed to it. Such funds will be administered by each organization in accordance with its own regulations, rules, directives and procedures. Each organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the AA.

10.3 Monitoring and Evaluation

Monitoring and evaluation of the Fund will follow the UN Standard Monitoring and Evaluation procedures and is coordinated by the Secretariat with the Monitoring & Evaluation Advisory Group (MEAG) of the UNCT:

- At the Fund level: The Steering Committee is responsible for monitoring the overall implementation of the Fund with the support of the Secretariat. Monitoring will be against the Fund results, monitoring and evaluation framework included in Annex 2. The Steering Committee decides on any mid-term or final evaluation of the Fund, either as part of a joint evaluation commissioned by the UNCT or separately. The cost of any evaluation at the Fund level are to be borne by the Fund as direct costs.
- At the project level: Each Recipient UN Organization is responsible for monitoring and evaluating its projects in accordance with the provisions specific to the organization.

10.4 Reporting

The reporting requirements are outlined in the standard legal agreements and are harmonized with regards to frequency and structure across all multi-donor trust funds. Financial reporting takes place using the UNDG harmonized budget categories, including for expenditures against Steering Committee approved use of direct costs.

The annual reporting cycle consists of:

- PUNOs (or UNDAF results groups) provide annual narrative progress report to the Secretariat no later than 28 February. Leading PUNOs for each joint programme are responsible for presenting a consolidated report that reflects joint results.
- PUNOs provide annual financial report as of 31 December to the AA no later than 30 April.
- Secretariat consolidates an annual narrative report based on submissions by PUNOs and AA consolidates financial reports based on submissions by PUNOs.

- AA ensures that the consolidated narrative and financial report is submitted to donors by 31 May.
- AA provides certified annual financial statement no later than 31 May after the end of the calendar year.

Reporting on the Fund will be results-oriented, and evidence based. Annual and final narrative reports of country-level interventions will compare actual results with expected results at the output and outcome level (linked to SDG targets and indicators), as outlined in the UNDAF and explain the reasons for over or underachievement. The final narrative report will also contain an analysis of how the outputs and outcomes of the Fund have contributed to the overall impact in terms of SDG acceleration and the attainment of the national priorities and UNDAF outcomes. The financial reports will provide information on the use of financial resources against the outputs and outcomes in the agreed results framework and will be linked to SDG targets.

To facilitate monitoring and evaluation reporting of resources allocated by the Fund, PUNOS will be required to disclose complementary funding received from other sources for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives. The UNDAF Annual Progress Report, which will include a section on the performance of the Fund.

Consolidated Fund reporting and documentation, including agreements, will be posted on the websites of the UN Malawi <http://www.mw.one.un.org> and the AA <http://mptf.undp.org>.

10.5 Audit

Audit provisions are covered in the standard MOU. As a principle the activities of the AA and Recipient Organizations will be exclusively audited by their respective internal and external auditors in accordance with their respective financial regulations and rules. The Internal Audit Services of the PUNOs and the AA may consider conducting joint internal audits in accordance with the Framework for Joint Internal Audits of UN Joint Activities, including its risk-based approach and provisions for disclosure of internal audit reports related to the Fund in question. In doing so, the internal audit service of the PUNOs will consult with the Steering Committee. The costs of any joint audits are to be borne by the Fund as direct cost.

10.6 Public Disclosure

The Co-Chairs of the Fund and the AA ensure that decisions regarding the review and approval of programmes funded under the Malawi SDG Acceleration Fund, as well as periodic reports on the progress of implementation of such programmes and associated external evaluation reports are posted for public information on the websites of the UN Malawi <http://www.mw.one.un.org> and the AA <http://mptf.undp.org>.

Information given to the press, to the beneficiaries of the UNDAF, all related promotion material, official notices, reports and publications, shall acknowledge the role of Government of Malawi, the United Nations and the donors.

10.7 Costs

In conformity with the UN Development Group (UNDG) Guidance Note on Establishing, Managing and Closing Multi-Donor Trust Funds, indirect costs of the Recipient Organizations is maximum 7% of programme costs. The AA's fee is 1% of contributions of the total contributions. The Fund Secretariat costs shall not be above a 3% of overall contributions to the Fund, and annual budget is approved by the Steering Committee.

