

LIBERIA TRANSITION MULTI-PARTNER TRUST FUND

Terms of Reference

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1. Introduction

The transition process in Liberia is taking place against a background of structural fragility. Protecting the gains of the past 14 years will be critical to ensuring that the trajectory of sustaining peace is consolidated and advanced following the departure of the UN peacekeeping mission (UNMIL) in 2018. The Liberia peace building plan (2017) outlines the current context of fragility by demonstrating the extent to which the root causes of the country's 14-year civil war remain unaddressed. Notwithstanding the many gains, public institutional reforms are urgently required, with an emphasis on the effective implementation of the national legislative agenda. Recent assessments show that land disputes, corruption, boundary disputes and concession-related tensions continue to be the main triggers of violence.

Incremental progress over the past decade in human development measures has been insufficient to reverse poverty and social inequalities, with Liberia's development remaining below the average for countries in sub-Saharan Africa. Despite modest advances in life expectancy, literacy and per capita income, the country failed to achieve any Millennium Development Goal targets. Liberia's potential lost human development due to gender inequality is above the average for least developed countries, according to the Gender Inequality Index. The lives of many women are particularly insecure owing to societal inequality and sexual and gender-based violence, further weakening social cohesion in communities. Low commodity prices for primary exports and the outbreak of the Ebola virus disease have limited economic growth, undermining high expectations for a speedy post-war recovery and the delivery of peace dividends. These challenges are compounded by limited capacities in the security and rule of law sectors, slow progress in national reconciliation and limited progress in implementing critical government reforms. Relations between the executive branch of the government and society have improved, but remain strained, owing to the absence of meaningful national reconciliation and a low level of public confidence in justice and security institutions, whose presence remains limited outside of Monrovia. Social sectors such as health and education are not adequate and require significant investment in infrastructure, human resource and quality of services.

Hence sustaining peace in Liberia requires long-term investment in national institutions that are inclusive, accountable and responsive, with a government that is committed to providing opportunities and services to all Liberians. In this context the transition process will require specific attention to ensure that the weight of fragility does not derail the transition process. Navigating the critical transition juncture will be a crucial test for Liberians and their commitment to peace, as well as an examination of United Nation's peace keeping, peace building and peace consolidation capacities.

Elections in October 2017 and implications

Peaceful post war elections (2005, 2011 and 2014) have been a characteristic of Liberia's recovery. The elections in 2017 are the first since the end of the war where election security will be under the full control of the government, following the transfer of security responsibilities from UNMIL to national authorities in June 2016. Although Liberia is Africa's oldest republic, the 2017 elections mark the first time in the country's history that a democratic handover of political and administrative power from one elected administration to another will take place after competitive multiparty elections. Seventy years ago President Edwin Barclay peacefully handed power to William Tubman, but he had himself handpicked Tubman as his successor. In 2017 there are 22 registered political parties, and the outcome of the presidential elections is uncertain. The electoral process is not simply be an administrative milestone on the road to Liberia's post war recovery, but the outcome will show whether the model of nation building,

designed by Liberians and international civil servants, has a future. It will test how successful this model has been in helping Liberian society mature politically and move on from societal crisis and breakdown.

The first round election on 10 October was conducted peacefully and according to external observer missions, the vote was largely free and fair, although a number of irregularities were identified. Although the run-off election is delayed due to a legal process to adjudicate irregularities, the dominant assumption underlying the transition continues to be that the election process will be successful and the outcome broadly accepted. It is envisaged UNMIL and the UNCT will play a critical role in facilitating the responsible transfer of power from the current government to the new administration. This will involve supporting the drafting of the Transition Law, required to guide the administrative transition, and institutionalize the efficient handover of power. The UN system will support the drafters of the legislation and advocate for its timely passage in the legislature. In parallel UNMIL and the UNCT will support the Transition Committee to prepare handover notes for the new administration and help establish an assets database and the smooth transfer of government assets and resources to the new Administration by the General Service Agency.

UNMIL departure and the stabilizing role of the remaining UN presence after March 2018

Recent studies have shown that UNMIL's departure will potentially exacerbate fragility in the country. On one hand, the Liberia Social Cohesion and Reconciliation Index (SCORE)¹ for 2017 shows that most Liberians do not feel prepared for UNMIL's withdrawal, with only 30% of people indicating that the time is right for UNMIL to depart and showing faith in Liberian institutions to guarantee peace and security. A major concern is the fear of possible instability, which is rooted in insecurities and past traumas, underpinned by the perception that UNMIL plays a stabilising role. On the other hand, UNMIL's departure will mean the loss of extensive UN technical capacity in the areas of peace, security and rule of law, as military and civilian components of the mission are withdrawn. A conservative estimate provided by the UN capacity assessment team in May 2017² indicates that the withdrawal of UNMIL's civilian workforce with direct and indirect contributions to peace, security and rule of law will amount to the loss of 239 positions (131 International and 108 National).

Managing the consequences of these challenges will be considerable. At one level UNMIL's departure should usher in policies that address fears and insecurities of groups that feel dependency on UNMIL as a security provider. This can be served by UNMIL and the UNCT developing a communication strategy that is resourced throughout the transition and prioritizes a strong public information campaign that emphasizes the UN's continued presence and position vis-à-vis government actors and citizens. In this respect collaboration with civil society needs to be strengthened so that Liberian organizations begin to play a leading role in managing public fears during the transition phase. Another priority will focus on the UNCT designing field presence scenarios and identifying a sustainable business model to manage the cost of maintaining a presence outside of Monrovia. Critically, the government needs to implement its rule of law and security commitments under phase I of the peacebuilding plan, which are designed to ensure personal security of citizens is guaranteed in the period following UNMIL's departure. Together with the wider international community, the UN system needs to continue to advocate for the completion of the

¹ <http://www.scoreforpeace.org/>

² Mapping UNCT Technical and Operational Capacities to Support the UN Commitments in the Liberian Peacebuilding Plan, 11 May 2017

government's current programme to implement the relevant policies and practices to secure the rule of law, protect civilians and advance reconciliation.

The significant decline in the UN's technical capacity needs to be offset by measures which allow for a softer landing for a much reduced UN Liberia presence. The concern that UN investments of the past 14 years (USD 7.5 billion) could be lost if the transition is not managed responsibly are very real. There is consensus that the UNCT must invest in securing capacity in areas for which UNMIL technical capacity served as the principle lead. This is underscored by the fact that the Liberia peacebuilding plan, which is endorsed by the Security Council, serves as a roadmap for the remaining UN presence in Liberia in the post-UNMIL era, and the UN obligations in the plan require extensive technical capacity in peace, security and rule of law. In this same context, the transition process and post-UNMIL period will require ongoing high level good offices, which in the Liberia peacebuilding plan speaks to the need for sustained political engagement to ensure structural reforms in laws and policy required to address the underlying causes of conflict and instability.

Within this framework the United Nations development system in Liberia needs to build on the foundations of post-war recovery and shape a more strategic, accountable, transparent, collaborative, efficient, effective and results-oriented approach to sustaining peace. At the same time, the UN needs to operate at the nexus between the political dimensions of advancing reforms required to address the root causes of societal conflict and the country's social and economic development needs.

2. Fund's Functions

On 24 July 2017 the statement from the President of the Security Council urged the international community and donors to continue to support the commitments made in the Liberia peacebuilding plan, and to address capacity gaps identified in the UNCT's mapping exercise. This will require the mobilization and alignment of considerable resources from multiple sources.

The **Liberia Transition Multi-Partner Trust Fund (LTMPF)** will be the United Nations system's principle financing mechanism for supporting programmes designed to sustain peace in Liberia following UNMIL's departure. The LTMPF will establish a predictable funding-coherent programming nexus to align financing streams with programme and policy objectives embedded in the Liberia peacebuilding plan and future development cooperation frameworks which the UN system concludes with the government of Liberia. It will bring together contributions from traditional and non-traditional donors, private sector, foundations and other sources to support an integrated and effective implementation of Phase II of the Peacebuilding Plan.

The Fund will complement and build on existing funding sources and UN agency-based funding mechanisms. Channeling a critical mass of resources would enable the fund to act as a center of gravity to improve aid effectiveness, increase alignment among stakeholders and reduce transaction costs for donors and implementing partners. The Fund governance mechanisms will allow a wide range of partners to collectively agree on priorities and strategies, creating synergies and complementarities with parallel funded interventions. Partners will also benefit from harmonized approval, disbursement, and monitoring and reporting processes. The LTMPF will improve development cooperation and programme effectiveness by delivering on the following goals.

Coordination and alignment to national objectives

- Enable a platform to strengthen coordination, evaluation, planning and communication among several central and municipal entities of the Liberian State, international cooperation agencies and non-governmental organizations.

The strategic allocation of resources

- Develop synergies among different players involved in the Peacebuilding Plan;
- Identify growing opportunities and gaps related to the implementation of the Peacebuilding Plan and provide strategic financing;

Increase transparency and broaden the financial base

- Reduce political and fiduciary risks faced by donors and governments through the concentration of resources and a result-based management system which is transparent and responsible;
- Broaden the financial base of emerging or non-resident donors;
- Channeling additional funds for players committed to the theme for concrete actions;
- Joint efforts with other regional and national funds and initiatives to finance common, multi-dimension and large scale endeavors.

Reducing transaction costs

- Leveraging economies of scale by acting as a catalyzing management mechanism and using co-financing standard agreements.

The Fund will cover, through direct costs, the support to the Fund Secretariat Office and the required structures to perform the joint tasks, including monitoring and evaluation of results, the development and implementation of a fund raising and communication strategy, the risk management strategy and others.

The evolution of the Fund from sustaining peace to the Sustainable Development Goals

The Fund's versatility will ensure it can quickly adapt to changing circumstances, and allow the tool to be easily remodeled to address specific challenges that may arise. In the long-term, establishing the LTMPTF provides an opportunity for the United Nations to support efforts to implement the 2030 Agenda for Sustainable Development in a coherent and integrated manner in line with the mandates of the entities of the United Nations development system.

The overall framework for the LTMPTF will be anchored in a vision to support Liberia's achievement of the 2030 Agenda for Sustainable Development. To support this ambition the Fund will evolve from being an instrument which principally supports a sustaining peace agenda to one which is able to finance the full 2030 SDG agenda, and will sequence year-on-year milestones from 2018 to 2020. In 2018 - the first full year of operation – the Fund will serve as the main funding instrument to support peace consolidation, human rights and reconciliation, as articulated in Phase II of the Liberia peacebuilding plan and other relevant documents. During 2019 the Fund will continue to focus attention on the sustaining peace agenda but during this 12 month period arrangements will be developed to expand the scope of the Fund, so that it can encompass the 2030 agenda in Liberia. In this context the period 2018-2019 represents

Liberia's transition from dependence on the international community for peace and security, and will focus on consolidating national capacities for reconciliation, social cohesion, the integrity of state institutions and human security. It will act as a basket for mobilizing and channeling at least US\$ 80 million (at least 40 million USD annually) for the delivery of results.

Starting in 2020 the Fund will fully support the domestication of the SDG global agenda within the overarching framework of the UN Development Assistance Framework (UNDAF). It is anticipated that the Fund will manage a portfolio of 40-50 million USD during 2020, and this in turn will mark a new phase in the transition process, where Liberia's stable security situation and restored social cohesion sets the country on a course to achieving the SDGs; a nation which has transitioned away from endemic fragility and the risk of renewed internal conflict. It is expected that the instruments governing this phase, in particular the UNDAF, will reflect a development pathway which emphasizes Liberia's aspiration to become a middle income country by 2030. Under the leadership of the Steering Committee and in consultation with all partners, the LTMPTF's programmatic framework will then be expanded to support more broadly the UNDAF from 2020 onwards.

A trajectory which takes the LTMPTF from supporting peace consolidation to underpinning long-term sustainable development speaks directly to the emphasis being placed on pooled funding to support the implementation of the 2030 Agenda for Sustainable Development. The strategy captures a continuum which has the realization of the SDGs as the ultimate objective, underpinned by ever closer financing coherence and cooperation between donors and the government. This vision of pooled funding is exemplified by General Assembly resolution 71/243 (2016)³ which "*urges* Member States and other contributors providing non-core contributions" to "give priority to pooled, thematic and joint funding mechanisms applied at all levels and limit earmarking to broader, sector-specific activities in accordance with the national priorities of programme countries"⁴. The approach is further advanced by the Secretary-General's report to the Economic and social Council (30 June 2017) entitled *Repositioning the UN development system to deliver of the 2030 agenda – Ensuring a Better Future for All*. The report addresses "funding fragmentation", by stating, "At the centre of our efforts will be the need to rebuild confidence and support to the core budgets of UN development entities, while identifying mechanisms – pooled funds or other innovative funding sources – that could help ensure that the non-core component is less tightly earmarked and contributes to country-led SDG results".⁵

3. Theory of Change and Scope of the Fund

Theory of Change and Fund Strategy

The theory of change underpinning the LTMPTF focuses on restoring social cohesion, and making Liberian society, especially at the local level, resilient to the sources of socio-political fragility which potentially undermine the peace consolidation gains of the last 14 years of post war recovery. The Fund strategy will seek to make targeted investments which leverage transformational reforms, and build local capacities, through the effective delivery of products and services, required to address the underlying causes of

³ Quadrennial comprehensive policy review of operational activities for development of the United Nations system, Resolution adopted by the General Assembly on 21 December 2016

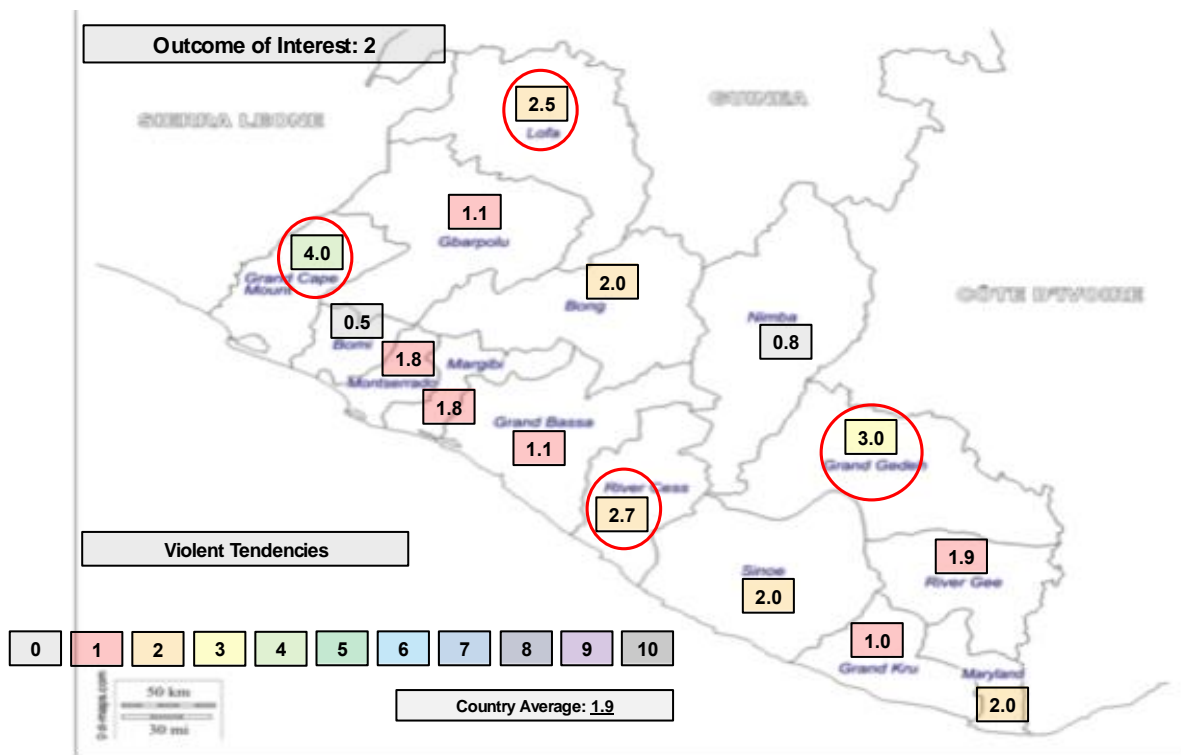
⁴ Ibid paragraph 32

⁵ *Repositioning the UN development system to deliver of the 2030 agenda – Ensuring a Better Future for All*, Economic and social Council, 30 June 2017, paragraph 116

conflict. Such services are described in Figure 3. The strategy will seek to reverse the current slow pace of structural change and help strengthen state-society relations. It will confront persistent inter-ethnic and religious divisions, socio-economic inequality and corruption. The Fund will emphasize the human security of Liberian women, who are particularly insecure as a result of societal inequalities and sexual and gender based violence.

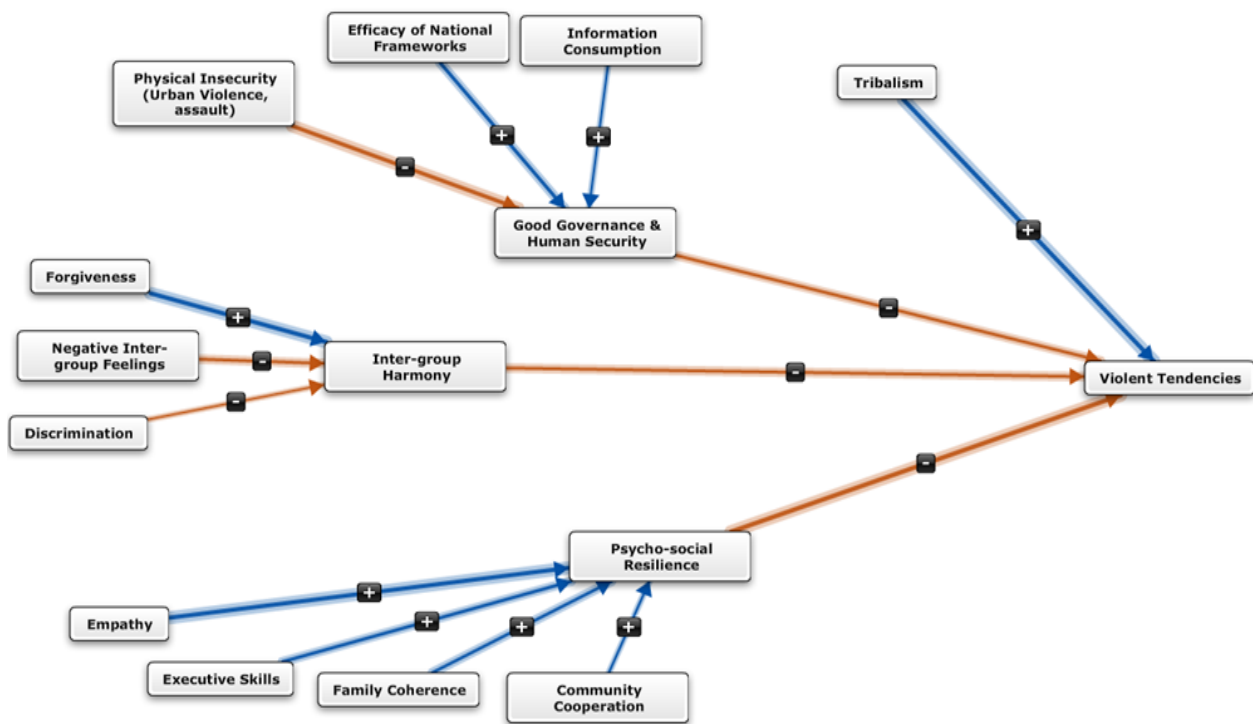
The LTMPTF will be guided by the results of the Liberia social cohesion and Reconciliation index (SCORE), which quantifies Liberia’s socio-political fragility. Utilizing advanced analytics and participatory action research principles, the index identifies two principle outcomes of interest, which help to explain the anatomy of the country’s fragility and conflict-prone status (see www.scoreforpeace.org for full results and analysis). One of the most critical findings relates to the socio-psychological roots of potential future violence, measured through: (1) aggression in daily life, (2) endorsement of political violence, and (3) endorsement of sexual and gender based violence (SGBV). The results reveal that about 20% of Liberians find it difficult to use peaceful means to resolve conflict and/or who endorse SGBV, while further analysis shows that some 14% of the population demonstrate a combined propensity for aggression in daily life and endorsement of political violence. Average scores vary significantly across counties, (Figure 1) and four counties – Grand cape Mount, Lofa, River Cess and Grand Gedeh - stand out as areas of concern due to scores that are significantly above the national average.

Figure 1: Violent Tendencies across Liberia



However, the most critical finding is the precise identification of factors which will reduce violent tendencies at the national and local levels. The data from the SCORE index shows that citizens who trust government and governance institutions and feel that they are representative, caring and non-corrupt, are less likely to resort to violence. This predictive model (Figure 2) shows inter-group harmony, good governance and psycho-social resilience have a strong impact on reducing violent tendencies. From the perspective of programme development and policy-making these results give a precise direction to the theory of change model required to address the underlying root causes of conflict and socio-political fragility; pointing directly to the kinds of programmes and policies in good governance and human security required to prevent potential conflict.

Figure 2: Theory of change model



The model in Figure 2 shows the relationship between different socio-political factors, demonstrating with the blue lines a positive correlation, and through the red lines a negative one. In this case inter-group harmony, good governance and psycho-social resilience undermine the power of violent tendencies which provide the potential for conflict formation. Thus projects and programmes funded by the LTMPTF which support these three key areas have a strong likelihood of successfully addressing the root causes of conflict and assuaging factors which can trigger violent responses to socio-political and economic challenges. The model also demonstrates that citizen engagement initiatives such as providing information to communities and delivering on public policy promises such as decentralization and rule of law and enhancing security (e.g. community policing) strengthen good governance and human security. In parallel, strengthening a culture of forgiveness and confronting discrimination and past grievances will embolden inter-group harmony. This finding encourages deeper investments in Palava

Hut type projects and county level reconciliation dialogues. Finally, the emergence of psycho-social resilience points to programmes which directly affect the well-being of the individual and the Liberian family circle. Together the factors which drive psycho-social resilience - executive skills, empathy, family coherence and community cooperation – point to projects which strengthen local social cohesion and community level self-help, with emphasis on the empowerment of women.

SCORE also demonstrated a strong correlation between human security and the ability for communities to pursue development. With economic development and advancements in health and education as strong predictors of development orientation, the programme framework for the Fund will seek to weave together local economic development initiatives which can target social cohesion and accelerate drivers for reconciliation.

Figure 3: Fund Results Framework

Impact: Root causes of conflict removed allowing Liberia to focus on a sustained trajectory to achieve the Sustainable Development Goals by 2030.		
Goal: To prevent future conflict and restore resilient social cohesion.		
Focus Areas		
Good Governance and Human Security	Inter-Group Harmony and Psycho-Social Resilience	Support socio-economic development which strengthens community cohesion
Outcomes		
1. Political governance and inclusive democratic institutions respond to community needs and human rights protected by functioning rule of law institutions.	2. Local capacities for building peace strengthened and psycho-social support provided to vulnerable communities and citizens.	3. Communities' confidence to embrace development orientation enhanced.
Indicative Outputs		
1.1 National human rights protection systems strengthened to ensure compliance with international human rights treaty obligations, and the domestication of outstanding international human rights instruments into national laws	2.1 Early warning and early response system developed and functioning nationwide, and Palava hut programme extended and adapted to ensure full participation of youth and women.	3.1 Local strategies for sustainable, inclusive, private-sector led economic growth developed and implemented.
1.2 Critical legislative reforms such as the Local Government Act and land Rights Act passed	2.2 Security and health professionals trained to provide effective treatment to victims	3.2 Economic incentives and SME grants combined with psychological counseling to

and implemented and the constitutional reform process re-activated.	of violence, and legal advice and counseling provided to victims of SGBV and those suffering from post-traumatic syndrome.	victims and vulnerable groups, to improve social welfare, health care and community support systems.
1.3 The legislative and policy framework of the justice and security sector modernized and the coordination between branches of relevant institutions strengthened.	2.3 Citizenship, democratic values, human rights, non-violent communication and mediation skills fully incorporated into the education system.	3.3 Community-based insurance schemes and micro-financing established, and access to local resources, local health education and health care services improved.
1.4 Gender equality and affirmative action proactively promoted as a part of the legislative reform programme, and women provided with access to education and financing to increase the number of women in public office.	2.4 Community and family security prioritized through targeted investments in health and education, which addresses rehabilitative care needs for traumatized and vulnerable groups.	3.4 National youth employment programme implemented providing decent work to all categories of young people and uses civic education and sports as tools for developing the skills of youth.
1.5 Capacity of relevant government entities strengthened to administer conflict sensitive national policies for sustaining peace.	2.5 Age-appropriate pedagogical activities incorporated into the school curriculum, to build positive behaviour and allow individuals to make healthy life choices, by developing working memory, inhibitory control and cognitive flexibility.	3.5 Women's economic empowerment advanced through entrepreneurship and access to credit.
1.6 National political leaders engaged in ongoing and results-oriented dialogues to promote national healing and build consensus for inclusive socio-economic growth.	2.6 Peacebuilding civil society organizations supported through technical and financial assistance, and the political space for their activities expended.	3.6 Local economic incentives created for concession-affected communities which helps diversify livelihood opportunities for local people.

Fund's Cross-Cutting Approaches

The Peacebuilding Plan has been formulated with the following cross-cutting approaches that will be observed in projects financed by the Fund, according to the characteristics of each intervention:

- Policy and political engagement.
- Capacity development of national institutions and civil society.

- Promotion and protection of human rights for all.
- Empowering women and young people.

The Liberia Transition MPTF would also finance a series of operational cross-cutting activities to advance the overall coherence of interventions in support of the Fund strategy:

- Coordination of government, UN and donors policies and programmes through a robust joint development policy platform.
- Monitoring and Evaluation.
- Risk Management.

The Multi-Year Social Cohesion and Reconciliation Index 2018-2020

A multi-year SCORE programme will be used for two parallel purposes: 1) to help design evidenced-based policy and programmes for sustaining peace through the LTMPTF and the Liberia Peacebuilding Plan and 2) assess the impact of these efforts. SCORE results will help optimize resource allocation through the LTMPTF by designing well-targeted multi-year interventions that hold the greatest potential for delivering impact, and allow those interventions to be monitored and evaluated through a robust evidence-based instrument. SCORE will help to establish a common set of peace and security benchmarks for the government, the United Nations system and donors, providing the evidence-base for a coherent and unified approach to measuring the impact of programmes which sustain peace. The multi-year SCORE programme will implement two consecutive SCORE processes for 2018-2019 and 2019-2020, which support the coherence of programme design and measuring results, and seek the following:

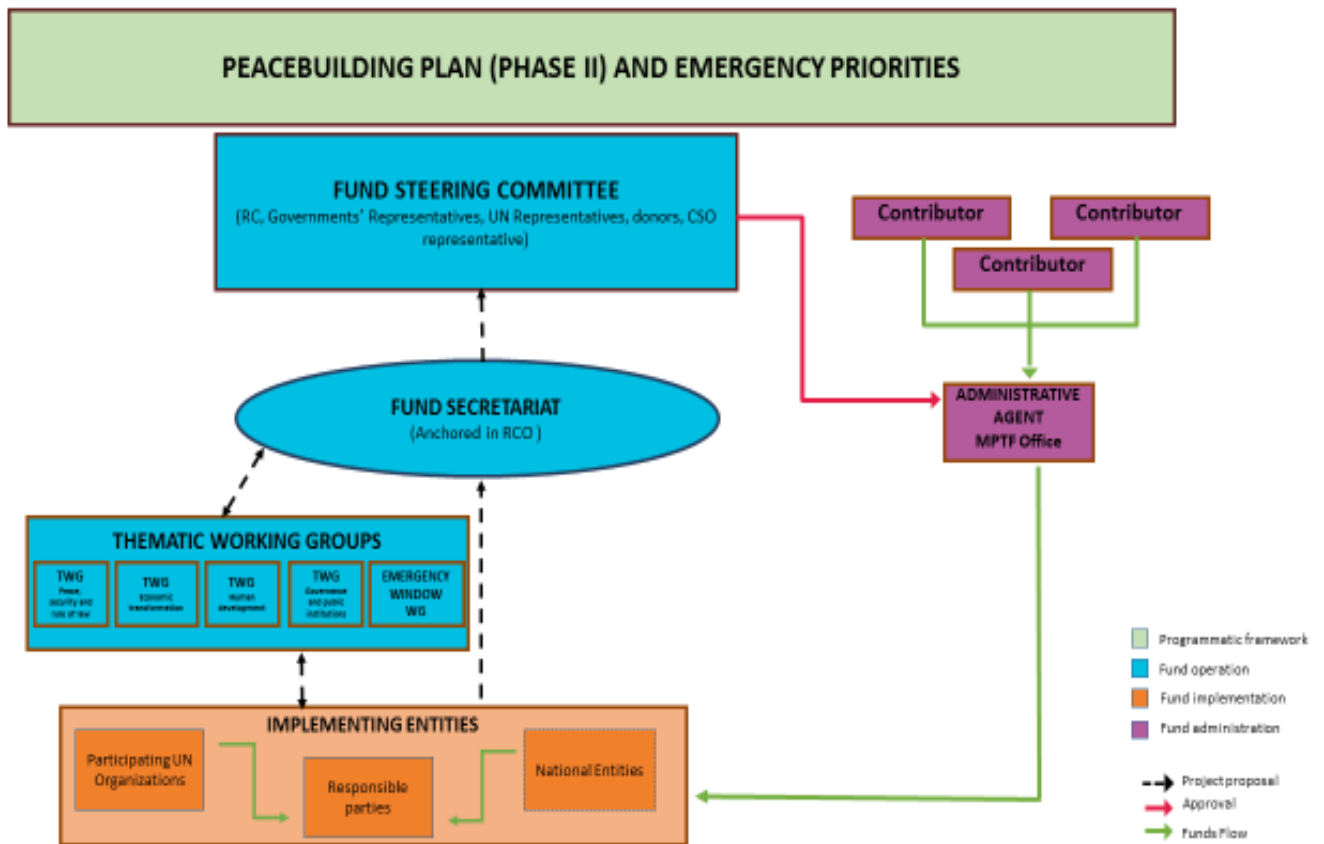
- (a) Unified monitoring and assessment of the implementation of the Liberia Peacebuilding Plan, Liberia Transition Multi-party Trust Fund and Reconciliation Roadmap;
- (b) Evidence-based and targeted design of UN agency and government peace building and conflict prevention programmes;
- (c) In-depth analysis of causal factors and root causes of conflict and social fragmentation;
- (d) Precision tracking of priority social cohesion indicators;
- (e) Identification of conflict formation dynamics through the lens of early warning assessments.

The cost of the SCORE index can be met through the Liberia Transition MPTF, as well as through other channels.

4. Fund Governance Structure

The Fund's governance involves three levels: operations (Steering Committee and Secretariat of the Fund), design and administration (MPTFO) and implementation (implementing entities).

Figure 4: Fund Governance Structure



Fund Operations

Fund Steering Committee

The Steering Committee is the body in charge of the strategic guiding and general supervision of the Fund. It is co-chaired by the Minister of Finance and Development Planning and the UN Resident Coordinator.

In addition to the Co-chairs, the Steering Committee comprises:

- Three representatives from the Government (Minister of Internal Affairs, Minister of Justice and the Chair of the Governance Commission).
- Three representatives of the UN Agencies, in rotation).
- Two representative of the donors, in rotation.
- One civil society representative

- One World Bank representative, one European Union representative and one African Development Bank representative, as observers, without the right to vote.
- The MPTFO as the Fund administrator and ex officio member without the right to vote.

The Steering Committee makes its decisions by consensus; however, in case of disagreement, decisions are made by a qualified majority of two thirds (2/3). Decisions can only be taken when a quorum of the two co-Chairs, two government representatives, two UN agency representatives and 1 donor representative is present. Both co-chairs must agree for any decision to be passed by the Steering Committee.

The Steering Committee meets quarterly; however, it could also convene extraordinary meetings if deemed necessary; it is responsible for the following tasks:

- Approve the Fund's strategic guidelines and the global results framework;
- Approve the Fund's risk management strategy;
- Approve projects to be financed by the Fund;
- Allocate funding;
- Supervise the progress of the Fund's results framework based on report updating (program-related and financial), prepared by the Secretariat and the MPTFO;
- Review the risk monitoring matrix regularly updated by the Secretariat;
- Review and approve regular reports consolidated by the Secretariat and the MPTFO based on progress reports submitted by implementing entities;
- Request through the Technical Secretariat, two separate evaluations (mid-term and final) about the overall fund's performance.
- Approve Fund's direct costs, specifically those related to the Secretariat support operations, evaluations and audits;
- Approve and update the Fund's Terms of Reference, as required;
- Approve extensions of the Fund's duration, as required.

Fund Secretariat

The Secretariat is the entity responsible for the operational functioning of the Fund and it provides technical and management support to the Steering Committee.

The Secretariat is embedded within the UNCT structures and consist of:

- Head of Secretariat (P5)
- Strategic Planning Specialist (P4)
- Fund Officer (P3)
- 2 X Operations and Finance Assistant (NOB)

The Secretariat structure can be reviewed and adjusted by the Steering Committee as per needs and budget availability.

- Advise the Steering Committee on strategic priorities, programmatic and financial allocations (based on the inputs of SRAs groups, if applicable);
- Provide logistical and operational support to the Steering Committee;

- With the support of the AA, draft the Fund TOR and the Fund Operational Manual, including a Fund Risk Management Strategy;
- Organise calls for proposals and appraisal processes;
- Ensure the monitoring and evaluation of the operational risks and GLR Cross Border Fund performance;
- Ensure a process of knowledge management; and
- Consolidate annual and final narrative reports provided by the Participating UN Organisations and share with the Steering Committee for review as well as with Administrative Agent for preparation of consolidated narrative and financial reports.
- Liaise with the Administrative Agent on fund administration issues, including issues related to specific project funding and extensions.

The cost of the Secretariat can be met through the Liberia Transition MPTF, as well as through other channels. The budget for the Secretariat will be submitted to the Steering Committee, and will include clear costs incurred for the management support to the Fund operations. 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 Steering Committee (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.

Thematic Working Groups

The Thematic Working Groups will be in charge of reviewing projects or programs submitted to the Fund, which will be submitted for approval to the Steering Committee.

The Thematic Working Groups meet as required and they are responsible for the following tasks:

- Review projects submitted to them in order to ensure technical quality and relevancy.
- Ensure project technical quality through technical specialized review per sector or field;
- Recommend to the Steering Committee projects for approval and support by the Fund;
- Make recommendations to the Technical Secretariat and the MPTFO regarding Fund's report presentation, monitoring and evaluation.

The Thematic Working Groups ensure that the projects submitted for approval by the Steering Committee, are (i) aligned to Government priorities and these Terms of Reference; (ii) coordinated with existing and foreseen activities within the sector and (iii) developed in consultation with the relevant national institutions.

The Thematic Working Groups consists of representatives of Government, donor representatives, United Nations System (UNS) representatives and a Fund's Secretariat representative. Depending on the project's subject matter, representatives from all these entities with relevant knowledge could be invited. If technical assistance is required to help ensure project technical quality, the UNS agencies will put subject matter experts at the service of the technical committees. During the project review, the implementing entities and/or executing partners may be invited to the committee meetings in order to receive technical recommendations regarding project and program execution.

The Administrative Agent

The Liberia Transition MPTF is administered by UN Multi-Partner Trust Fund Office (MPTF Office) which performs the Administrative Agent (AA) functions under the pass-through fund management modality.

The MPTF Office carries out fiduciary and financial management functions and will open a separate ledger account for the Fund. The AA will work in close collaboration with the Secretariat.

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 from the Steering Committee, and financial report consolidation.

The Administrative Agent is responsible for the following functions:

- Provide support to the design of the Fund;
- Sign a Memorandum of Understanding (MOU) with UNS implementing entities;
- Sign a Financial Agreement with the Non-UN Organizations 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 Steering Committee regarding the regular resource availability;
- Subject to the availability of resources, transfer funds to implementing entities in accordance with the Steering Committee decisions;
- Consolidate the narrative annual and final reports submitted by implementing entities and present the consolidated report to the Steering Committee for approval; and to each of the Fund's contributors.
- Provide a Fund's final financial report which included a notice of the Fund's closure;
- Release funds as direct costs for the running of the Secretariat, based on the Steering Committee decisions. The Administrative Agent will annually notify the Steering Committee about the amounts used to that end.
- Release funds for additional expenses that the Steering Committee decide to allocate;
- Provide tools for fund management to ensure transparency and accountability.

Implementing Entities

Upon establishment of the LTMPTF, resources will be allocated to Participating UN Organizations, i.e. the UN Specialized Agencies, Funds and Programmes that have signed the Memorandum of Understanding with the Administrative Agent. Each Participating UN Organization will assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Such funds will be administered by each Participating UN Organizations in accordance with its own regulations, rules, directives and procedures and indirect costs of the Participating UN Organizations recovered through programme support costs will be harmonized at 7%. Implementing Partners, consisting of Government institutions and NGOs will receive funding from the Fund through Participating UN Organizations.

A Memorandum of Agreement will be signed between the National Government, which will be formed following the 2017 elections process is completed, and the Administrative Agent for the establishment of a LTMDTF National Window. This National Window will allow National Entities (i.e. pre-qualified government institutions) to receive direct fund allocations from the LTMPTF to strengthen the Liberian Government's ownership and its active involvement in programme implementation. The Fund Secretariat will develop a procedure to identify qualified national entities. The Steering Committee will approve the procedure, and national entities found eligible to be part of the National Window will be confirmed by the Steering Committee, following a report submitted by the Fund Secretariat.

5. Contributions

Contributions to the LTMPTF may be accepted from governments, inter-governmental or nongovernmental organizations, the private sector, and the philanthropic organizations. Contributors are encouraged to provide un-earmarked contributions, however, in case of specific requirements earmarking is permitted at the Outcome level. The earmarking will be reflected in the contribution agreement. Contributions may be accepted in fully convertible currency or in any other currency that can be readily utilized. Such contributions will be deposited into the bank account designated by the MPTF Office. The value of a contribution payment, if made in other currencies than US dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges will be recorded in the UN MPTF account established by the Administrative Agent.

6. Projects Approval Process

Two types of program and project approval are proposed:

- 1) Regular cycle: includes phases of project identification, presentation, review and approval.
- 2) Rapid cycle: the approval phases are shorter (total duration of maximum a week), to prioritize the approval of critical initiatives of short term implementation.

The Steering Committee will identify funding priorities at the sectorial level taking into consideration the orientations defined in the Peacebuilding Plan, the Social Cohesion and Reconciliation index and the results matrices in Figure 3 and Figure 4 in these Terms of Reference. Allocations to projects will then be made on the basis of the identified priorities, and contingent on the availability of funds.

6.1. Design and Submission of Projects Proposals

Two project submission processes are foreseen:

Call for proposals and direct submission

- 1) Calls for proposals: The Secretariat, based on Steering Committee's decisions, will request Participating UN Organizations and National Entities to submit project proposals. The call will specify the requirements for submitting a proposal. The calls for proposal can be for all or specific outcomes or geographical areas.

- 2) Direct submission of projects: Following discussion and based on a strategic consensus and justified rationale, the Steering Committee may solicit a proposal from Implementing Agencies directly.

Call for proposals

Most projects will be solicited through Calls for Proposals (CfP) at periodic intervals. Based on decisions of the Steering Committee, each CfP will be designed and disseminated by the Fund Secretariat, and will specify the programme focus, expected results, scope of work, funds available and submission deadlines. Each CfP will request interested Participating UN Organizations and National Entities to present a concept note to the Thematic Working Groups for validation according to the priorities and funds availability. Concept notes which meet a minimum standard will be approved for further development as a project proposal. The minimum requirement for concept notes will be key expected results and indicators, activities, indicative budget, a risk analysis, proposed implementing partners and responsible parties and geographical scope.

6.2. Project assessment

The Fund Secretariat with the support of relevant sector specialists will conduct a substantive, systematic, rigorous and detailed assessment of the project proposals. The criteria for the evaluation will be provided to prospective implementing entities in the relevant submission form. While each project will have its own set of context-specific criteria, all programmes will be guided by the following overarching principles:

- (a) Projects will support inclusive national ownership, and implementation modalities will be rooted in extensive consultation with the Government of Liberia, political parties and civil society;
- (b) The results of funded projects must contribute to consolidating national capacities in critical transition areas, and seek to decouple Liberia from external assistance in peace and security;
- (c) The design of projects must embed a consensus-based approach to conflict sensitivity, and based on human rights principles;
- (d) Projects will be results-driven and integrate robust monitoring and evaluation mechanisms which enshrine the commitment of the Government of Liberia, the UNCT and donors to ensure the transparent, timely and predictable use of aid through information-sharing and regular and honest policy dialogue;
- (e) The design of projects will be the responsibility of the implementing entities, and will be consistent with the Peacebuilding Plan.
- (f) Preference will be given to joint programmes which bring together multiple implementing entities, including UN organizations, NGOs and government departments, with a target for 75% of funds being

allocated to joint initiatives. Joint programmes must demonstrate a genuine partnership between participating organisations, a coordinated management structure, joint responsibility for results and cost effectiveness.

g) Communicating project and programme results will be a key responsibility for all implementing partners, and all projects will integrate a robust approach to strategic communications.

h) Wherever possible projects will seek to accommodate technical assistance from South-South Cooperation.

The assessment of projects is divided in 2 reviews:

- The Fund Secretariat receives the Proposals submitted by UN Organisations and/or National Entities and conducts an administrative review. This review will ensure the administrative completeness of the submission and will be done within three days of the receipt of the proposal. The administrative review includes: (i) format, (ii) supporting documents, (iii) budget, and general value for money assessment.
- The relevant Thematic Working Groups receive the proposals from the Secretariat, and conducts a technical assessment. This involves program-related quality control of the proposal and ensures alignment, coordination and prioritization of the intervention in the relevant Pillar. The review ensures that programs that are subject to the approval of the Steering Committee, are aligned to strategic priorities, coordinated with existing and envisaged activities, and developed in consultation with relevant actors. The Thematic Working Groups' review uses a set of agreed scoring system for evaluating each proposal and only proposals which attain a minimum 70% score will be eligible for funding.
- To avoid the conflict of interests, any Organization submitting a proposal will be excluded from providing assessment of their own Organization's proposal.

6.3. Project approval and funds transfer

- Completed reviews are returned to the Fund Secretariat for processing, whereupon the Secretariat sends the consolidated package of all submitted proposals to the Steering Committee for final endorsement five working days prior to the date of the scheduled meeting.
- The Steering Committee will take into account all the proposals and will select them based on their alignment with the Peacebuilding Plan, programme priorities in these Terms of Reference, SCORE results and analysis, available funding, complementarity of the intervention with other ongoing or foreseen actions and level of involvement of concerned actors. The Fund Cross-cutting criteria will also be taken into account.
- The Steering Committee makes its decisions by consensus; however, in case of disagreement, decisions are made by a qualified majority of two thirds (2/3). Decisions can only be taken when a quorum of the two co-Chairs, two government representatives, two UN agency representatives and 1 donor representative is present. Both co-chairs must agree for any decision to be passed by the Steering Committee.
- The Steering Committee decisions are recorded in the meeting minutes and consolidated by the Secretary in a fund allocation matrix. The Secretariat will electronically share the minutes of the Steering Committee meeting and approved allocations.
- The Secretariat shall prepare a fund transfer request for each joint program or project and budget allocation approved by the Steering Committee and submit this to the Administrative Agent (MPTFO).

The MPTFO will carry out transfers approved by the Steering Committee 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 governance structure, which brings together all stakeholders, including financial contributors, offers an opportunity to develop a common understanding of the risk context and the possible mitigation measures. An assessment of risk and the use of joint mechanisms to reduce and better manage risks can result in more informed strategic choices.

Risks will be monitored and managed at the project and programme level, but also at the fund level. A fund risk management strategy will be developed as part of the Operations Manual. A Fund Risk Management Strategy should accelerate delivery and increase fund impact, ensure that fund operations 'do no harm' and verify that funds are used for their intended purpose and improve risk management capacity of national institutions. The Fund risk management strategy is not a replacement for project risk evaluation/management.

A risk management strategy will:

- Develop shared understanding of risks faced by the Fund;
- Define risk appetite or tolerance
- Identify known risk and risk-holders
- Establish the Fund's policies regarding identified risks
- Determine risk treatment through measures of mitigation or adaptation
- Establish information strategies and common messages about the risks
- The Steering Committee shall regularly assess risks and mitigation measures against the developed risk strategy and update it accordingly.

8. Monitoring, reporting and evaluation

Both programmatic and financial performance indicators will be monitored at the outcome and output level (fund and project level). Every project would monitor the key outcome indicators of the Fund to which it must contribute in accordance with the Fund Result Matrix. The output indicators would be specific to each project. The SCORE index will be used to monitor outcome level measures of progress. The Secretariat will be responsible for consolidating the data reported by the implementing organisations together with the financial reported expenditure into a single M&E scorecard. This tool will be used by the Steering Committee to review the overall progress against expected results and assess the achievement of performance targets define in the agreements for funding.

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. The prime responsibility for collecting data lies with

the implementing organizations. The Secretariat will be responsible for coordinating the data collection and ensuring the proper use of the reporting format.

Narrative reporting

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

1. Annual narrative reports to be provided no more than three months (March 31st) after the end of the calendar year;
2. 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.

The annual and final reports will be results-oriented and evidence based. The reports will give a summary of results and achievements compared to the expected result in the programme document. Both programmatic and financial performance indicators will be monitored at the Outcome and Output level. The final report will also contain an analysis of how the outcomes and outputs have contributed to the overall impact.

Financial Reporting

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

1. 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;
2. 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.

The Administrative Agent will submit the consolidated narrative and financial reports to each of the Fund's Contributors and to the Steering Committee as per the schedule established in the MOU and SAAs.

Evaluation

The Steering Committee will commission two independent reviews/evaluations on the overall performance of the Fund. The aim of these evaluations, to be spelled out in further detail in the TORs for the evaluations, will be to study the various performance measurements of the Fund, to confirm or to annul them, and to test the theory of the change described in the Result Fund Matrix. The mid-term evaluation will consist of specific recommendations to the Steering Committee for the review of the Fund Result Matrix and its underlying theories of the change, if necessary. The effectiveness of the fund in comparison with parallel funding should be part of the assessment as well as the success of the fund in

generating, attracting and scaling up private sector and philanthropy investments, beyond traditional donor contributions.

9. Accountability and transparency

The UN Agencies will provide implementation services in accordance with its 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. In line with the audit provisions in the standard legal agreements, as well as 2014 Framework for Joint Internal Audit of UN Joint Activities, the AA and implementing entities will be audited according to their own rules and financial regulations and in line with this framework for joint audit.

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. Operational Manual

These Terms of Reference and operating details will be developed in depth by the MPTFO and the Fund's Secretariat through an Operations Manual within one month after the establishment of the Fund.

11. Modification and expiration

The Liberia Transition MPTF has been established for three years with an end date of 31 December 2020. It may be extended or reviewed based on approval by the Steering Committee. The Fund will terminate upon completion of all programmes funded through the Liberia Transition MPTF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the Liberia Transition MPTF, 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 UNCT and the AA.

Annex 1: Fund's results matrix

Annex 2: Risk matrix

Annex 3: Fund's operations manual

