

Annex 5: Draft Terms of Reference of the SHIFT Programme Management Committee

Summary

The SHIFT Programme Management Committee (PMC) will serve as the programme board and will be responsible for making by consensus, management decisions for the SHIFT Programme when guidance is required by the Programme Manager, including recommendation for approval of programme plans and revisions. In order to ensure UNCDF's ultimate accountability, PMC decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In addition, PMC plays a critical role in UNCDF commissioned programme evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Programme reviews by this group are made at designated decision points during the running of the programme, or as necessary when raised by the Programme Manager. This group is consulted by the Programme Manager for decisions when Programme Manager's tolerances (normally in terms of time and budget) have been exceeded (flexibility).

Based on the approved annual work plan (AWP), the PMC may review and approve programme quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the programme or negotiates a solution to any problems between the programmes and external bodies. In addition, it approves the appointment and responsibilities of the Programme Manager and any delegation of its Programme Assurance responsibilities.

1. Purpose of the Terms of Reference

- 1.1. The purpose of the SHIFT PMC Terms of Reference (TOR) is to clearly define the composition, authority, role and responsibilities of the PMC in order to guide PMC members.
- 1.2. This TOR is grounded in the SHIFT Programme Document, approved by UNCDF Executive Secretary.
- 1.3. The provisions in the UNCDF Operations Manual and UNDP Programme and Operations Policy and Procedure shall take precedence over provisions in the ToR in case they are in conflict.
- 1.4. This TOR may be amended from time to time by decision of the PMC and signed by the PMC Chairperson subject to provision 1.3 of the ToR.

2. Role of the SHIFT Programme Management Committee (PMC)

- 2.1. The SHIFT PMC shall oversee the implementation of the programme, including but not limited to:

Initial phase

- 2.1.1 Agree on Programme Manager's responsibilities, as well as the responsibilities of the other members of the Programme Management team;
- 2.1.2 Agree on Programme Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- 2.1.3 Establish the composition of the Fund Investment Committee or any other committees;
- 2.1.4 Delegate any Programme Assurance function as appropriate.

Implementing the programme

- 2.1.5 Setting SHIFT's strategies and priorities as well as approve strategic and programmatic policies, including the Fund Facility policy, particularly eligibility and selection criteria
- 2.1.6 Provide overall guidance and direction to the programme, ensuring it remains within any specified constraints;
- 2.1.7 Approving annual work plans and revisions and deviations from tolerance levels defined by the PMC;
- 2.1.8 Reviewing and approving the selection of pilot countries to roll out SHIFT activities;
- 2.1.9 Appraising and approving grants and loans to partners;
- 2.1.10 Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- 2.1.11 Review the Progress Report for the Initiation Stage (if an Initiation Plan was required);
- 2.1.12 Monitoring and evaluation of SHIFT's performance;
- 2.1.13 Appraise the Programme Annual Review Report, make recommendations for the next AWP.

Closing the programme

- 2.1.14 Review and approve end programme report, make recommendations for follow-on actions;
- 2.1.15 Ensure that all Programme deliverables have been produced satisfactorily;
- 2.1.16 Review and approve the Final Programme Review Report, including Lessons-learned;
- 2.1.17 Commission programme evaluation as agreed in the signed programme document;
- 2.1.18 Make recommendations for follow-on actions to be submitted to the UNCDF Senior Management;
- 2.1.19 Notify UNCDF Senior Management about the operational completion of the programme.

2.2. The PMC shall act as the Management Board in accordance with "PRINCE 2" (Programme in Controlled Environments), the corporate programme management and accountability methodology which has been adopted by UNCDF. The three primary management roles are:

- 2.2.1 The *Chair Person role* to ultimately ensure accountability for the programme;
- 2.2.2 The *beneficiary role* is to ensure that the outputs produced meet the needs of the end-user, in particular the ASEAN countries;
- 2.2.3 The *Supplier role* is to commit resources to ensure that the outputs produced will achieve the intended objectives within design, cost and time parameters.

3. Composition and organization:

3.1 The Programme Management Committee (PMC) will be composed of:

3.1.1. **Chairperson:** The UNCDF FIPA Director as the Chairperson is ultimately responsible for the programme supported by the other PMC members. The Chairperson's role is to ensure that the programme remains focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level programme outcomes. The Chairperson has to ensure also that the programme gives value for money, ensuring a cost-conscious approach to the programme, balancing the demands of the beneficiary and Supplier of services.

Specific Responsibilities

- Ensure that there is a coherent programme organisation structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the Programme Manager
- Monitor and control the progress of the programme at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief UNCDF Senior Management and relevant stakeholders about programme progress
- Organise and chair the PMC meetings.

3.1.2 **Representatives from Beneficiaries:** In order to ensure maximum stakeholder participation, a representative of the ASEAN Secretariat and/or ASEAN member country will hold at least one seat on the board. The selected representatives will represent the interests of those who will ultimately benefit from the programme activities (poor people, MSMEs, etc.) Their primary function within the PMC will be to ensure the realization of programme results from the perspective of programme beneficiaries.

Specific Responsibilities

- Ensure the expected output(s) and related activities of the programme are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected programme output(s)
- Prioritise and contribute beneficiaries' opinions on PMC decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored

- 3.1.3 **Representatives from Donors/Service Providers (Supplier):** Representatives from UNCDF and SHIFT programme donors will undertake the role of Fund/Service Providers. The top 3 donors based on the size of funding commitments, including DFAT as the initial donor, will become permanent members of PMC. Their primary function within the PMC will be to provide guidance regarding the technical feasibility of programme activities, in addition to the provision of funding and advisory support.

Specific Responsibilities

- Make sure that progress towards the outputs remains consistent from the Supplier perspective
- Promote and maintain focus on the expected programme output(s) from the point of view of Supplier management
- Ensure that the Supplier resources required for the programme are made available
- Contribute Supplier opinions on Programme Board decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any Supplier priority or resource conflicts

The Supplier assurance role responsibilities are to:

- Advise on the selection of strategy, design and methods to carry out programme activities
- Ensure that any standards defined for the programme are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a Supplier perspective
- Monitor any risks in the implementation aspects of the programme

- 3.1.4 The PMC will consider case by case approval of additional members, if a major donor commits significant funding and requests a seat on the PMC. In case there are more than 3 major donors, the top three initial donors, including DFAT, will have permanent representation in the PMC and for additional major donors PMC may decide to assign the funder's seats on rotational basis.

- 3.2 The initial PMC members shall consist of one member and one alternate from the following organizations, and shall be the quorum for the meeting of the PMC:

- 3.2.1. UN Capital Development Fund (UNCDF) Financial Inclusion Practice Area;
- 3.2.2. ASEAN Secretariat / Countries
- 3.2.3. DFAT
- 3.2.4 Designated members may appoint an alternate from their organization to participate in the members' absence. Both members and alternates may participate in regular IC meetings.

- 3.2.5 The top 3 donors based on the size of funding commitments, including DFAT, the initial donor, will become permanent members of PMC.
- 3.2.6 New members may be added in accordance with 3.1.4 above.
- 3.2.7 Additional members may be requested to act as advisors to the PMC, especially to the Chairperson, based on their expertise in relevant areas of SHIFT programme. This may include representatives from the following organizations: AFI, USAID, and Gates Foundation, etc.

This group contains three types of roles, filled by the respective individuals:

Role	Title	Organization
Chairperson & Supplier	Director, Financial Inclusion Practice Area	UNCDF
Chairperson & Supplier (alternate)	Deputy Director, Financial Inclusion Practice Area	UNCDF
Beneficiaries	Representatives	ASEAN Secretariat/Countries
Supplier	Representatives	DFAT

4. Decision-making

4.1. PMC decisions should be made by unanimous consent.

4.2. If a PMC member and his/her alternate are unable to attend meetings, may provide their input in advance to the Programme Manager or may delegate authority to another PMC member.

4.3. In case a consensus cannot be reached within the PMC, the final decision shall rest with the UNCDF Chairperson.

4.4. All organizations have a single vote, regardless of the number of members and alternates present at the PMC meeting.

5. Term of Service and Meetings

5.1. The participating organizations of the PMC shall appoint a member at their discretion to the PMC.

5.2. The PMC will meet at least once a year.

5.3. The PMC may hold meetings either virtually with members providing comments via e-mail, videoconference, teleconference, in person or, when necessary, a combination of each

5.4. The PMC may also agree, by special arrangement (e-mail, telephone calls), when timely decisions are required.

6. Appointment, Role and Responsibilities of Chairperson

6.1. The Director of FIPA Practice will serve as the Chairperson.

6.2. The Chairperson is responsible for:

6.2.1. conducting all PMC meetings and signing PMC minutes of the meetings;

6.2.2. managing voting, when necessary;

6.2.3. requesting UNCDF to sign relevant Agreements (grants, loans, or contracts);

6.2.4. representing the PMC; and

6.2.5. monitoring SHIFT compliance with PMC decisions and recommendations.

6.3. The Chairperson may delegate his/her responsibilities to his/her alternate.

7. Confidentiality and conflict of interest

7.1. Members of the PMC undertake to keep in strict confidence all proprietary, commercial or other sensitive information that it may come across in the course of their role and responsibility in the PMC.

7.2. If a member of the PMC believes he or she may have a conflict of interest in any matter being considered by the PMC, this conflict of interest must be reported immediately to the Chairperson who, in consultation with other PMC members, shall rule on the appropriate action to take; including, but not limited to, the member abstaining from contributing to a decision on the matter at hand.