

TERMS OF REFERENCE ON THE ESTABLISHMENT OF THE BANGSAMORO NORMALIZATION TRUST FUND (BNTF)

I. REFERENCES

- The Framework Agreement on the Bangsamoro signed by the Parties on October 15, 2012;
- The Annex on Normalization signed by the Parties on January 25, 2014;
- The Terms of Reference for the Joint Normalization Committee signed by the Parties on March 22, 2014;
- The Comprehensive Agreement on the Bangsamoro signed by the Parties on March 27, 2014;
- The Bangsamoro Development Plan of 2014;
- The Terms of Reference for the Task Force for Decommissioned Combatants and their Communities, signed by the Parties on May 31, 2015; and
- The Terms of Reference for the Joint Task Forces on Camps Transformation, signed by the Parties on February 11, 2016.

II. OVERVIEW

The Bangsamoro Normalization Trust Fund (BNTF) is the multi-donor trust fund envisioned by the parties in the Framework Agreement on the Bangsamoro (FAB) and its Annex on Normalization through which urgent support, recurrent and investment budget cost will be released with efficiency, transparency and accountability in support of the process of normalization, whereby former combatants, their communities, and other vulnerable sectors can achieve their desired quality of life, including the pursuit of sustainable livelihood and political participation within a peaceful deliberative society. It expresses the commitment of the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF) and the international community to the full implementation of the Comprehensive Agreement on the Bangsamoro (CAB).

This document sets out the parameters within which the BNTF shall be established and organized.

III. OBJECTIVE AND PURPOSE OF THE BNTF

The **objective** of the BNTF is to assist MILF combatants and their communities achieve their desired quality of life in a peaceful and inclusive manner. The BNTF will also assist in the development of six (6) previously acknowledged MILF Camps with the end view of transforming these areas into peaceful and productive communities.

The **purpose** of the BNTF is to finance, coordinate and oversee delivery of assistance from international partners and other donors in the implementation of the normalization process, particularly for development efforts and the rehabilitation, reconstruction and development of Bangsamoro communities and other vulnerable sectors, including those of decommissioned MILF combatants as identified by the Parties.

It is expected that the BNTF will:

- i. Attract and mobilize international resources through this funding mechanism in support of the Normalization process. It may also accept contributions from the domestic private sector when there is no conflict of interest and when applicable regulations allow;
- ii. Enhance donor coordination for financing and policy dialogue;
- iii. Promote capacity-building over time;
- iv. Provide funding for elements of the Normalization process, as identified by the Parties;
- v. Promote efficiency, transparency and accountability in the utilization of funds and implementation of programs and projects;
- vi. Provide predictability in the financing of the Normalization process;
- vii. Exert effort to align itself with the Bangsamoro Development Plan.

IV. FUND GOVERNANCE AND MANAGEMENT

1. Oversight Body

The GPH and MILF Peace Panels shall constitute and serve as the Oversight Body for the BNTF. It shall be responsible for the strategic direction and guidance for the BNTF. Either Party may exercise veto power on decisions made by the Steering Committee.

2. Steering Committee

There shall be a Steering Committee that shall provide policy guidance for the BNTF. It shall be responsible for management directions, and shall make decisions on which programs and projects to fund as well as on the acceptance of donations, as guided by the provisions of the Annex on Normalization.

The following shall be members of the Steering Committee:

- Two representatives from the GPH;
- Two representatives from the MILF;
- Representatives from donor agencies; and
- One representative from the Fund Manager.

One of the representatives from the GPH and the MILF shall serve as Co-Chairs.

Expansion of the members for the committee shall be open as agreed by the Parties.

It shall meet once in every quarter, and release annual reports on the BNTF's operations, and the status and utilization of the Fund. When necessary, any Co-Chair may call for a special meeting.

3. Fund Manager

The BNTF shall be administered by a Fund Manager that shall be mutually identified by the Parties. The Fund Manager shall receive policy guidance and direction from the Steering Committee, and provide accountability for the utilization of the BNTF. It

shall implement measures to ensure transparency and efficiency in the mobilization and utilization of resources.

Financing for the Fund Manager shall be sourced from the BNTF. The Fund Manager shall report regularly and as necessary to the Steering Committee.

4. Secretariat

The Steering Committee shall be supported by a Secretariat, whose operations shall likewise be supported by the BNTF. The Secretariat shall provide technical and administrative assistance to the Steering Committee, including review of project proposals, monitoring of implementation of programs and projects, and other functions as necessary. The Secretariat shall work in close coordination with the Fund Manager especially with respect to recommendations on fund allocations.

V. FUNDING SOURCES

Funds for the BNTF shall be provided by development partners and international or foreign aid agencies, as well as private sector contributors. Government shall also provide counterpart funds for the BNTF, in accordance with applicable rules and regulations.

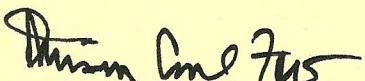
VI. DURATION

The Fund shall continue to exist until the signing of the Exit Agreement.

The status of any unexpended Fund balance shall be covered by the Terms of Reference for the Fund.

Done this 30th of May 2016 in Kuala Lumpur, Malaysia.

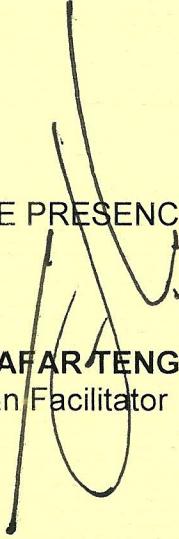
FOR THE GPH:


MIRIAM CORONEL FERRER
GPH Panel

FOR THE MILF:


MOHAGHER IQBAL
MILF Panel

SIGNED IN THE PRESENCE OF:


TENGKU DATO' AB GHAFAR TENGKU MOHAMED
Malaysian Facilitator