UKRAINE COMMUNITY RECOVERY FUND

TERMS OF REFERENCE

9 November 2023
Table of Contents

1. Introduction .................................................................................................................................................. 3
2. Scope and strategic intent .......................................................................................................................... 3
   Vision .......................................................................................................................................................... 3
   Mission ...................................................................................................................................................... 3
   Approach .................................................................................................................................................. 3
   Theory of Change ..................................................................................................................................... 6
3. Benefits of an MPTF .................................................................................................................................... 7
4. Governance Arrangements ......................................................................................................................... 7
5. Summary of the Legal Structure .............................................................................................................. 13
6. Funding allocation process ......................................................................................................................... 13
7. Programmatic arrangements ...................................................................................................................... 15
8. Risk management ....................................................................................................................................... 16
9. Reporting .................................................................................................................................................... 17
10. Monitoring and Evaluation ..................................................................................................................... 18
11. Audit .......................................................................................................................................................... 18
12. Public Disclosure ....................................................................................................................................... 19
13. Amendments, duration and termination ................................................................................................. 19
14. Annex 1. Current Relevant Indicators from UN in Ukraine Transitional Framework by Fund Window (to be reviewed and further refined in August 2023) ................................................................................. 20
1. Introduction

Russia’s full-scale invasion of Ukraine has resulted in the largest mass displacement of people in Europe since World War II; destroyed entire cities and communities; caused the tragic deaths of civilians, including children; wiped out decades of development gains; and pushed more than a quarter of Ukrainians into poverty. However, even under constant attack and amidst horrific devastation, people in Ukraine continue to demonstrate remarkable resilience and solidarity, organize themselves in community-based volunteer groups, rebuild as soon as it is safe to do so, and plan for their future.

Communities across Ukraine have been affected differently. Some in the west are hosting significant numbers of displaced persons and struggling to find adequate resources and maintain social cohesion; others in the central, south and north regions of the country are ready to move forward with recovery, reconstruction and returns. Communities in the east close to the frontline are still directly affected by the conflict and need significant humanitarian assistance, as detailed in the United Nations Ukraine Humanitarian Needs Overview and the Ukraine Humanitarian Response Plan of 2023.

Overall, across the country there is a need to design and implement community recovery efforts that can reduce and prevent humanitarian needs; support the social and economic fabric of communities; and provide the conditions for people to voluntarily return to their homes and rebuild their lives. These community early recovery efforts sit in the nexus of humanitarian, development and peace interventions and have a strong focus on social inclusion and cohesion.

2. Scope and strategic intent

Vision
Communities, and the people living in them, have recovered from the war and have needed infrastructure, inclusive systems and are resilient.

Mission
Provide rapid area-based early recovery support to communities affected by the war by leveraging the Government’s infrastructure priorities and the UN’s people-centred, human rights-based approach.

Approach
The Ukraine Community Recovery Fund supports the priorities of the Government of Ukraine on early recovery through an inclusive, area-based and community-focused approach. The Fund will support national and local authorities to build foundations for sustainable recovery investments now and in the future. The United Nations-implemented reconstruction and recovery efforts are
rooted in supporting all members of communities to mobilize and articulate their needs on recovery and building the capacity of local authorities.

The Community Recovery Fund is a tool through which the Government and the UN will boost delivery towards the Government’s priorities, bridge gaps in recovery needs in targeted areas and catalyze strategic recovery efforts. The initial phase of the Fund will support and complement the five emergency early recovery priorities as identified in the second Rapid Damage and Needs Assessment (RDNA2); these are: housing, mine action, energy, critical and social infrastructure and services, and support to the private sector, through a people-centered, human rights-based approach.

The United Nations in Ukraine implements the Government’s recovery and development priorities through the current UN Transitional Framework (currently 2022-2023 and to be revised and extended until the end of 2024) and in future through the United Nations Sustainable Development Cooperation Framework. As such, the Fund’s programmatic framework will adapt to the evolving context in Ukraine. The current approach of the Fund is aligned to Strategic Priority 2: Strengthening Systems and Building Resilience, and more specifically the result “Early recovery interventions are effective in increasing inclusive human development, promoting a sustainable green economy and building a resilient society.”

**Community-level activities** (hromadas and municipalities) will be supported through an integrated and inclusive approach of engagement with local authorities, community-based organizations and civil society. While the focus of the approach at first is from a participatory community approach, it will evolve towards a community-driven approach where communities are fully empowered to prioritize and plan development activities in alignment to national policies and frameworks.

The United Nations in Ukraine will work with the national actors and local stakeholders to build longer-term capacity and oversight processes required to implement the future stream of recovery and reconstruction efforts from a human rights-based and people-centered approach. Cross-cutting enabler initiatives will underpin interventions across all windows and can also be funded and implemented through a targeted “Enablers” window to support the development of community led recovery plans and budgets and the mobilization of individuals, in particular marginalized populations, to promote social inclusion and cohesion. Based on evidence generated through community-level interventions, national-level policy work may also be undertaken under the windows to ensure sustainability and/or scale-up of innovative approaches.
The following cross-cutting programmatic principles described in the UN Transitional Framework shall guide all investments by the Fund:

a) **Leave No One Behind and Social Inclusion**
   The UN will strengthen its support to volunteer-led and community-based initiatives. To determine the needs in communities, it will focus on marginalized populations or any group facing multiple and intersecting forms of discrimination, including disabled, elderly, displaced, veterans, survivors of conflict related sexual violence other forms of sexual violence. The UN will also seek to amplify the voice of youth and their participation in decision-making.

b) **Human Rights, Gender Equality and Empowerment of Women and Youth**
   The United Nations will continue to put human rights and protection up front and support the Government to implement its human rights commitments and monitor access to rights for all. Given the gendered impact of the war, the United Nations will advocate for a gender responsive recovery where women participate in decision-making, and their needs are addressed in recovery and reconstruction. As women are particularly war affected, as heads of households and elderly living alone, the Fund will in particular seek to support women’s protection, empowerment, access to livelihoods and mobilization through women led organizations and community-based groups.

The interventions supported by the Fund will adhere to the following programming standards, to ensure that the community is supported to sustainably recover and rebuild their lives:

a) **Aligned with national priorities** and in support of national systems and structures.

b) **Area-based multi-sectoral approach**, to support integration of physical, social and economic investments through the close coordination between United Nations, national government and local authorities so that communities benefit from a holistic package of support.

c) **Evidence-based data-driven approaches**, to encourage objectivity and measurement of results from not only a short-term quantitative perspective but also qualitative and longer-term changes and impact on quality of life.

d) **HDP nexus and durable solutions approaches**: Interventions are designed to leverage coherence, sequencing and layering to reduce humanitarian needs in the future, promote social cohesion, and deliver assistance in a way that is informed by the existing capacity of government and service delivery and the longer-term development needs and social dynamics. This includes the facilitation of solutions to displacement.

e) **Complementarity with other funding sources**, to maximize effectiveness, promote innovative and strategic approaches, and strengthen coherence. Close engagement will be fostered with other development partners, multilateral donors and IFIs to ensure programmatic coherence and complementarity.
The Fund will also closely coordinate and ensure cross-referencing with other bilateral and multi-lateral funding mechanisms, including the Ukraine Humanitarian Fund and the Humanitarian Response Plans now and in future, and the spectrum of recovery and development financing being planned and implemented in support of Ukraine now and in coming years.

With almost US$17 billion received for budget financing from Jan-May 2023, and over US$40 billion expected until end 2023, many governments and multi-lateral banks are providing support to the Government of Ukraine in the form of grants and loans. Significant financing needs will persist until end of the war and immediate post-war period, with total financial gap currently assessed by the IMF at a minimum of US$115 billion until end of 2027. In this context coordination with development partners will continue to be a priority, at both the global level through the Multi-Agency Donor Coordination Platform as well as through the national level and the International Technical Assistance coordination platform convening development partners at both strategic and technical levels.

Theory of Change

The Russian Federation’s full-scale invasion of Ukraine, which began 24 February 2022, has caused significant civilian casualties and damage to infrastructure and productive assets, and has taken a severe human, social, and economic toll. One year after the start of the war, its devastating impact is estimated by the Rapid Damage and Needs Assessment conducted by World Bank, UN, EU and Government of Ukraine at US$134 billion in direct damage to buildings and infrastructure while total reconstruction and recovery needs exceed US$411 billion.

Assuming that areas under government control, in particular liberated areas, remain accessible, and international support remains significant, if the United Nations works at community level, targeting individuals, communities and institutions, in a principled manner, aligned with national priorities, through area-based, multi-sectoral, data-driven, nexus approaches, systems can be
strengthened and resilience built enabling people in Ukraine to recover from the war and rebuild their lives and societies.

3. Benefits of an MPTF

The Community Recovery Fund is set up as a multi-partner trust fund (MPTF) so that partners can pool investments, optimize financial commitments, minimize risks, and cut transaction costs for critical early recovery outputs.

The Fund also builds on the following advantages:

1. **Government ownership and leadership:** The focus of the Ukraine Community Recovery Fund is aligned to the five emergency early recovery priorities of the government (housing, energy, demining, critical and social infrastructure and private sector) and leverages decentralized government coordination mechanisms.

2. **UN operational presence, technical expertise and partnerships:** The UN is uniquely positioned among development partners in Ukraine. The UN can build off the significant investment to date in its humanitarian and recovery programmes and operations, the geographic coverage and presence of the 24 UN entities, the technical and substantive expertise of its 2,700 personnel country-wide and the wide range of partnerships the UN has with national government, local authorities, civil society and the private sector. The Fund will remain flexible to adapt its focus over time as the government moves from emergency early recovery priorities to longer-term national policy priorities.

3. **Reduction of humanitarian needs and vulnerabilities.** Through longer-term solutions tailored to the needs of communities, including rebuilding infrastructure, restoring livelihoods, improving basic services, but also improving social cohesion and resilience of communities, the humanitarian needs over time should decrease.

4. **Transparent and coordinated overview of recovery and reconstruction efforts:** The Community Recovery Fund will allow the government to leverage the UN’s track record in implementation, monitoring, and consolidated reporting with a view to strengthening the capacity of key government bodies and local communities to smoothly shift from humanitarian assistance to implementation of recovery and reconstruction in the future from a human rights-based and people centered approach.

4. Governance Arrangements

The management of the Fund comprises three roles:

1. Fund Administration (MPTF Office)
2. Fund Management (Steering Committee, Secretariat, Technical committee)
3. Fund Implementation (Participating United Nations organizations)
The below picture shows all participants in the governance of the Fund and their respective roles.

**Steering Committee**

The Steering Committee is the decision-making body of the Fund and ensures overall coordination. The Steering Committee is responsible for the following tasks:

**Strategy**
- Provide general oversight and exercise overall accountability of the Fund.
- Approve the Fund’s strategic direction and orientations.
- Decide on the allocation of un-earmarked contributions across the fund pillars and decide on the allocation of funds under the funding pillars.
- Review and approve the criteria for the allocation of available resources (the UN co-chair signs off decisions on fund allocations).
- Review the Fund’s risk management strategy and approve residual project-level risks (as determined by the Secretariat).
- Review resource mobilization and develop strategies.

**Review results**
- Supervise the progress of the Fund's results framework through monitoring, reporting and evaluation (programme-related and financial), prepared by the Secretariat and the MPTF Office.
- Commission mid-term and final evaluations on the overall performance of the Fund.
- Approve requests for programmatic changes to projects (delegated to the head of the Fund Secretariat).
- Review periodic progress reports consolidated by the Secretariat and the MPTFO based on progress reports submitted by implementing organizations.
**Fund management**

- Approve updates the Fund's Terms of Reference, as required.
- Review the Fund's operational performance.
- Review periodically the balance of funds.
- Approve Fund's direct costs, specifically those related to the Secretariat support operations, evaluations and audits.
- Approve extensions of the Fund's duration, as required.

The Steering Committee meets on an ad-hoc basis and at a minimum twice a year. The chair can convene extraordinary meetings if deemed necessary. The consultation can occur through face-to-face or virtual meetings or by email, including non-objection. The Steering Committee endeavours to reach an agreement by consensus. When consensus cannot be reached, the UN co-chair makes the final decision, in close consultation with government co-chairs, and instructs the Secretariat and Administrative Agent accordingly.

The Steering Committee's composition will be as follows:

- **Co-chairs** - The United Nations Resident Coordinator and the Vice Prime Minister for Restoration - Minister of Communities, Territories and Infrastructure Development
- Two United Nations Participating Organizations
- Two contributing donors
- A representative of hromadas and municipalities
- A representative of civil society

The MPTF Office as the Fund administrator is an ex officio member. Observers include the Ukraine Humanitarian Fund manager, multilateral organizations or International Financing Institutions.

Steering Committee membership will rotate on an annual basis. Rotation will be staggered for United Nations Participating Organizations and contributing donors. Membership is at senior leadership level.

Members subject to a potential conflict of interest in a discussion must declare the conflict of interest and recuse themselves from the discussion.

**Donor Advisory Forum**

In order to ensure donor participation in strategic decision-making a Donor Advisory Forum (DAF) will be constituted of all contributing donors to the Fund and serve as a strategic advisory body to the Steering Committee. The two donors representing the DAF on the Steering Committee will convene the donor advisory forum ahead of Steering Committee meetings to exchange views and agree on strategic guidance to be conveyed to the Steering Committee.

**Secretariat**
The Secretariat is the entity responsible for the operational functioning of the Fund. The Secretariat provides technical and administrative support to the Steering Committee and follows up on all aspects of the allocation and project cycles within the Fund. The head of the Secretariat reports to the RC as co-chair of the Steering Committee.

The Secretariat main functions are:

**Policy and Technical Advice**
- Advise the Steering Committee on strategic priorities, program-related and financial allocations.
- Develop the fund level risk management strategy.
- Analyze and manage the Fund's knowledge, including knowledge systematization, the establishment of good practices and lessons learned, and recommendations proposals.

**Programme Cycle Management**
- Organize calls for letters of interest and appraisal processes.
- Request the Administrative Agent to transfer funds based on advice provided by the Steering Committee and as authorized by the chair of the Steering Committee.
- Organize monitoring and control of operational risks, compile and synthesize monitoring results and outcomes for the Steering Committee's consideration.
- Manage project revision requests (e.g.: follow-up and support on budget revision, reprogramming, no-cost extensions, etc.).
- Consolidate the narrative annual and final reports submitted by implementing entities and present the consolidated report to the Steering Committee for approval.
- Liaise with the Administrative Agent on fund administration issues, including issues related to project/fund extensions and project/fund closure.
- Conduct monitoring and evaluation procedures.

**Administration and Coordination**
- Facilitate collaboration and communication between the Steering Committee and recipient organizations to promote effective project implementation.
- Organize an annual stakeholders' meeting.
- Engage with donors on questions related to the Fund.
- Develop a Fund's communication strategy and/or facilitate sharing of public information with all stakeholders.
- Advise the chair on the organization of Steering Committee meetings, draft and circulate the calendar and agenda of the Steering Committee meetings, and hold records of Steering Committee decisions through minutes of the meetings.

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. The Fund Secretariat staff will be located in the Resident Coordinator Office.
Technical Committees

The Technical Committee can be consulted by the Fund Secretariat for:

- Advise the Fund Secretariat on priorities for allocations.
- Review proposals (both technical and financial) submitted for funding, ensuring conformity with the programme priorities in the call for proposals, and the fund guiding principles and programmatic approaches.
- Review periodic progress reports submitted by the Participating Organizations.

The Fund Secretariat chairs the Technical Review Committee meetings and composes it flexibly in line with the needs and scope of the allocation. The Fund Secretariat invites members from the United Nations Programme Management Team, Resident Coordinator Office technical advisors, civil society, local authorities and national government.

Parties subject to a potential conflict of interest in a discussion must declare the conflict of interest and leave the discussion.

Administrative Agent

The MPTFO administers the Fund under the pass-through management modality. The Fund's administration services costs are 1% of received contributions.

The MPTFO is responsible for the following functions:

- Provide support to the design of the Fund.
- Sign a Memorandum of Understanding (MOU) with United Nations Participating Organizations.
- Sign Standard Administrative Agreements with donors that wish to contribute financially to the Fund.
- Receive and manage funds including 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 recipient organizations per the Steering Committee's advice and authorized decisions by the United Nations co-chair.
- Ensure the preparation of consolidated narrative annual and final reports submitted by implementing entities and present the consolidated report to the Steering Committee and each of the Fund's contributors.
- Provide a Fund's final financial report, which includes a notice of the Fund's closure.
- Release funds as direct costs for the running of the Secretariat, based on Steering Committee decisions.
- Release funds for additional expenses that the Steering Committee decided to allocate.
• Provide tools for fund management to ensure transparency and accountability.

In addition, the MPTF Office, through its online portal, GATEWAY (http://mptf.undp.org), provides real-time financial data generated directly from its accounting system, giving relevant stakeholders and the general public the ability to track contributions, transfers, and expenditures.

**Participating UN Organizations**

Resources will be allocated to Participating UN Organisations (PUNOs), i.e: UN Specialized Agencies, Funds and Programmes that have signed the Memorandum of Understanding with the Administrative Agent.

Each Participating UN Organisation will assume full programmatic and financial accountability for the funds disbursed to the Administrative Agent. Each Participating UN Organization will administer such funds in accordance with its own regulations, rules, directives and procedures. Indirect costs/remuneration of the Participating UN Organization recovered through programme support costs will be seven per cent (7%), with exceptions in line with UNSDG agreements, e.g., for WFP and UNHCR. Each organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

A minimum threshold of 100 000 USD per individual transfer to a United Nations organisation will be instituted though flexibility will be applied upon justification.

National government, local authorities, civil society, including community-based organizations, academia and private sector are all potential implementing partners that can receive funding through the Participating UN Organisations.

**Contributors**

Contributions to the Fund will be accepted from governments of Member States of the United Nations, intergovernmental organizations or non-governmental organizations, private sector companies or individuals.

Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General’s guidelines: [https://www.un.org/en/ethics/assets/pdfs/Guidelines-on-Cooperation-with-the-Business-Sector.pdf](https://www.un.org/en/ethics/assets/pdfs/Guidelines-on-Cooperation-with-the-Business-Sector.pdf)) and will be subject to the outcome of applicable due diligence processes. A risk assessment will be conducted by the fund secretariat and will include approval of the partnership by the Steering Committee. The risk assessment will be presented to the MPTF Office, will ensure that the planned contributions are in line with relevant United Nations policies, for decision.
In support of the overarching aim of the Fund, and to ensure maximum flexibility and adaptation to national priorities, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year unearmarked resources. Earmarking is generally discouraged, and donors are asked to contribute unearmarked funds to the degree possible. Unearmarked funding allow for the implementation of cross-pillar projects. However, if this is not possible, earmarking at the pillar level (Housing Solutions, Mine Action, Energy, Critical and Social Infrastructure and Services, Private sector, Enabler) may be accepted. Earmarking to a Participating UN Organization or to a specific project is not possible.

The Fund receives contributions in fully convertible currency or any other currency that can be readily used. Such contributions will be deposited to the bank account designated by the MPTFO. The value of the contributions, if made in a currency other than US dollars will be determined by applying the UN operational exchange type in effect of the date of payment.

5. Summary of the Legal Structure
The Fund is established through a Memorandum of Understanding (MOU) for pass-through arrangements establishing the MPTF and appointing the MPTF Office as its Administrative Agent. The MOU for the Participating United Nations Organisations will be signed by all Participating UN Organizations implementing activities.

A Standard Administrative Agreement sets out the terms and conditions governing the receipt and administration of the contribution by the Administrative Agreement, the transfer to the Participating UN Organisations, the related reporting, monitoring and evaluation, and auditing requirements, as well as provisions concerning fraud, corruption and terrorism financing, and communications and transparency.

6. Funding allocation process

**Step 1: Call for proposals development**
The co-chairs propose to the Steering Committee that an allocation process be conducted. The Steering Committee discusses priorities, amounts and criteria following which the Fund Secretariat drafts a call for proposals. The call for proposals is presented to the Steering Committee and following approval, shared with the UN Country Team.

**Step 2: Submission of project proposals**
Project proposals in line with the call for proposals are submitted for consideration through the MPTF Office Fund Management Platform.

**Step 3: Review of project proposals**
Three types of reviews are conducted:
   a) Secretariat Review
The Secretariat will conduct an initial review of the project proposal or concept note to ensure administrative completeness of the submission and overall alignment with the call for proposals.

b) Coherence Review
Proposals (or summaries thereof) are circulated to the UN Programme Management Team to ensure broad policy coherence with responses to be submitted for consideration within 48 hours after circulation to the UN Programme Team members.

c) Technical Committee Review
Proposals are then transmitted by the Secretariat to the Technical Committee for a technical assessment. The Technical Committee conducts the 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 priorities and needs of the relevant strategies, coordinated with existent and foreseen activities, and developed in consultation with relevant actors.

The Technical Review Committee would use the following indicative criteria to assess the quality and relevance of the project:

**Strategic relevance**
- Alignment with call for proposal priorities
- In line with the UN Transitional Framework, or subsequent planning frameworks
- Proposal has the possibility to be scalable at a later stage
- Sustainability of proposed intervention is built in

**Quality programming**
- Responds to a clear need in an innovative manner aiming to bring improvement to pre-war status
- Evidence based including through community consultations
- Interventions are targeted at the community level and inclusive of underserved communities
- Demonstrate that community members have been involved in the identification of needs, design of interventions, decision-making and implementation and monitoring, with the goal of empowering local stakeholders
- Multi-sectorial area-based is explained including coordination of planning with other UN Organizations
- Responsive to the different needs of community members with regards to age, gender and diversity, and will measure results using disaggregated data (LNOB)
- Coherent with policy and programming frameworks in the domain

**Monitoring**
- A comprehensive logical framework that clearly links objectives with outcomes, outputs and activities
- A detailed monitoring plan and coherent information on how progress will be monitored and reported on during implementation
- A clear risk matrix with mitigation measures is defined
• An assessment against gender equality marker criteria

**Cost-effectiveness**

• Added value of joint programmes
• Coherence of the budget with the logical framework, activities and work plan, including sub-partner budget, where applicable.
• Cost-effective and reasonable budget in comparison with commonly accepted ranges

The Fund Secretariats consolidates recommendations from the Review Committees of projects to be funded, scrutinizes the recommendations for coherence with the agreed Allocation Strategy and any relevant parameters. The Secretariat then sends the consolidated list of all recommended proposals to the Steering Committee within three working days of submission and minimum 48 hours prior to the date of the scheduled meeting.

**Step 4: Steering Committee decision on allocations**

The Steering Committee will take into account all the recommended proposals and will select these based on the review presented by the Fund Secretariat. The Steering Committee decision consists of the three following options: i) approval; ii) approval with recommendations; or iii) reject. The Steering Committee decisions are recorded in its minutes of meeting, which are consolidated by the Secretariat and shared electronically.

**Step 5: Finalization of project proposals.**

The Secretariat ensures that the Participating UN Organizations incorporate the recommendations of the Steering Committee and Technical Committee. Final project documents and budget amounts will be endorsed by the UN co-chair through validation of the Fund Transfer Request.

**Step 6: Funds transfer**

The Secretariat will prepare a fund transfer request for each program/project and budget allocation approved and the UN co-chair will sign the fund transfer request. The Multi-Partner Trust Fund Office will carry out transfers approved by the Steering Committee to Participating UN Organizations no later than five (5) working days after the receipt of the FTR. Upon completion of the transfer, the representative of the PO and the Secretariat will be notified through electronic mail.

**7. Programmatic arrangements**

**Minimum requirements**

All projects should result from community level consultations including the active participation of women, displaced, veterans and civil society representatives, as applicable.
All projects require a gender equality marker (GEM) based on a four-level scale, to set targets for allocations to programmes serving women and girls, and to allow the monitoring of the share of allocations serving women and girls. GEM 0 and GEM 1 projects will not be accepted.

A minimum of 15% of project resources should be allocated to projects supporting gender equality/women’s empowerment as the principal objective (and tracked).

Proposals by individual agencies are accepted but must demonstrate joint planning and alignment of interventions to ensure a holistic approach. Proposals must demonstrate gaps in one or more of the five pillars that can be strategically addressed through the Fund.

All projects will be required to focus on using sustainable materials and practices with an eye towards rebuilding a greener Ukraine.

**Flexible funding provisions**

A contingency budget line (as part of programme support costs) may be added to projects to enable partners to adapt to community needs and priorities. The amount of the contingency cannot exceed 4 per cent of the total direct project cost, exclusive of the contingency amount. The contingency budget line cannot be used to compensate for overspending or other adjustments to the original project and deployment of the contingency budget line requires prior written approval by the Fund Secretariat (through email).

Reprogramming and no-cost extensions shall be approved by the Fund Secretariat (delegated by the Steering Committee). Cost extensions of projects require Steering Committee approval.

### 8. Risk management

A Risk Management Strategy will be developed by the Fund Secretariat and reviewed regularly by the Steering Committee. Its purpose is to provide guidance regarding the management of risks to support the achievement of the Fund’s objectives. The strategy will articulate the shared understanding of risk tolerance and risk sharing between the partners, provide a holistic analysis of the risks related to the attainment of the Fund’s objectives, and evaluate the possible trade-offs to achieve these. The risk assessment should include a mitigation strategy to ensure that the programme activities Do No Harm particularly in relation to vulnerable populations.

The below risk matrix presents the principal risks identified at the initial start-up phase of the Fund as well as a judgement on the level of risk and initial mitigation measures.

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Level (low-medium-high-very high)</th>
<th>Mitigation Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational</td>
<td>Initial project results fail to demonstrate impact in a timely manner.</td>
<td>Medium</td>
<td>Close monitoring of quarterly indicator reporting and expenditure progress.</td>
</tr>
<tr>
<td>Risk Category</td>
<td>Risk</td>
<td>Level (low-medium-high-very high)</td>
<td>Mitigation Strategies</td>
</tr>
<tr>
<td>---------------</td>
<td>------</td>
<td>----------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Financial</td>
<td>Fund fails to scale up to allow it to deliver sizeable area-based programmes.</td>
<td>Medium</td>
<td>Development of a resource mobilization strategy before the end of 2023.</td>
</tr>
<tr>
<td>Political</td>
<td>Ongoing war puts at peril early recovery results, e.g. causing renewed displacement.</td>
<td>High</td>
<td>Risk acceptance</td>
</tr>
<tr>
<td>Organizational</td>
<td>Governance and operations undermine effective delivery.</td>
<td>Medium</td>
<td>Ensure adequate capacity in the Fund Secretariat and the use MPTF Office automated system to follow up on the allocation and project cycles.</td>
</tr>
</tbody>
</table>

Specific risk mitigation strategies will be developed by applicants for each project that is funded, as part of the submission of the proposal. Risks will be considered and provisions for the identification, monitoring, tolerances, and risk responses will be elaborated. While risks will be outlined specific to each project, as a criterion for consideration, each proposal is to explicitly address how the offering will materially improve the multi-sectoral response.

9. Reporting
Responsibilities related to reporting are described in detail in the Memorandum of Understanding. All Participating Organizations will submit annual and final reports on program activities to the Secretariat in line with the approved format.

**Narrative reports**
For each project, the Participating Organizations will submit 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 project.

Annual and final reports will exhibit results based on evidence. Annual and final narrative reports will compare actual results against estimated results in terms of outputs and outcomes and they will explain the reasons for higher or lower performance. The final narrative report will also include the analysis of how the outputs and outcomes have contributed to the Fund’s overall impact. The Fund Secretariat will submit the consolidated annual narrative report to the Multi-Partner Trust Fund Office four months (30 April) after the end of the calendar year.

**Financial Reports**
For each project, the Participating Organizations will submit 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 project.

The annual and final financial reports providing information on the use of financial resources against the outputs and outcomes in the agreed results framework will be submitted to the Fund Secretariat.

Based on these reports, the Administrative Agent will prepare consolidated narrative and financial reports which will submit to each of the Fund’s Contributors and to the Steering Committee as per the schedule established in the Standard Administrative Agreement.

In addition to the annual financial report set in the MOU, all Participating Organizations are encouraged to provide each quarter financial reports on expenditure incurred as of 31 March (Q1), 30 June (Q2) and 30 September (Q3) in each calendar year through the Administrative Agent’s reporting system (UNEX).

10. Monitoring and Evaluation

Monitoring and evaluation of the Fund will be carried out in accordance with the national context, a results-based management method will be applied, with overall coordination by the UN system. The continuous monitoring and evaluation will be done by the Participating Organizations and coordinated by the Secretariat. The Secretariat will monitor and evaluate the implementation of programmes against the programmatic framework of the Fund, consolidate all reporting submitted by Participating UN Organizations, and send consolidated reports to the Steering Committee.

Participating UN Organizations will provide quarterly project progress information based on project indicators and expenditures at project outcome level.

The monitoring and evaluation system for the Fund will serve two functions: first, periodic assessment of project implementation and performance of projects (M&E of Project Performance), and second, evaluation of their results in terms of relevance, effectiveness and impact of the fund (M&E of fund Impact). The SC will decide on any mid-term or final evaluation, either as part of a joint evaluation commissioned by the UNCT or separately. The cost of any evaluation of the Fund is to be borne by the Fund.

11. Audit

The Administrative Agent and the PUNOs will be audited according to their own financial rules and regulations, in line with Framework for Joint Internal Audits of UN Joint Activities which has
been agreed to by the Internal Audit Services of POs and endorsed by the UNDG in 2014. The details are included in the Fund MOU.

12. Public Disclosure

The MPTFO website, Gateway (http://mptf.undp.org), is a web-based service portal that provides real-time financial data issued directly on contributions in and out of the fund account, from the UNDP accounting system. The Fund will have a dedicated page on the Gateway 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. Further, in accordance with the Funding Compact, the Fund should specifically mention individual contributors in all results reporting. Each Participating Organization 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.

13. Amendments, duration and termination

The Fund will be established for an initial duration of five years. The Steering Committee will be able to modify any of the provisions of these terms of reference in writing as it deems necessary, including the extension.

Completion of all operational activities will be 31 December 2028. The dissemination of the final narrative report will be 30 June 2028. All Participating Organizations will provide certified final financial reports on financially closed projects by no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the period specified in the financial regulations and rules of the Participating Organization, whichever is earlier. The dissemination of the certified final financial statement (“Source and Use of Funds”) is to be provided no later than seven months after the end of the calendar year in which the financial closing of the Fund.

The Fund will terminate upon completion of all programmes funded through the Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the Fund, any unutilized balances will continue to be held in the fund account until all commitments and liabilities incurred in implementation of the projects/programmes have been satisfied and project activities have been brought to an orderly conclusion. The Steering Committee will decide on the use of any unutilized balance of the Fund. Any balance remaining in the Fund Account, upon closure of the Fund, will be used for a purpose mutually agreed upon, or returned to the Donor(s) in proportion to their contribution to the Fund as agreed upon by the donor(s) and the Steering Committee.
Annex 1. Current Relevant Indicators from UN in Ukraine Transitional Framework 2024

<table>
<thead>
<tr>
<th>Strategic Priority 2</th>
<th>Community Recovery and Nexus Approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 2.1</strong></td>
<td>Community recovery interventions and nexus approaches in key sectors address displacement and strengthen individual and community resilience.</td>
</tr>
<tr>
<td><strong>Mine Action and Debris Removal</strong></td>
<td>Square meter of land released through non-technical survey/technical survey and clearance ($m^2$)</td>
</tr>
<tr>
<td></td>
<td>Number of people receiving Explosive Ordnance Risk Education (age/sex disaggregated)</td>
</tr>
<tr>
<td><strong>Infrastructure Reconstruction</strong></td>
<td>Number of people benefiting from restored social and critical community infrastructure, including water, energy, transportation, etc. (age/sex disaggregated)</td>
</tr>
<tr>
<td><strong>Energy and Environment</strong></td>
<td>Number of generators distributed to address disruptions in energy supply (Nb)</td>
</tr>
<tr>
<td></td>
<td>Number of people benefitting from energy efficiency measures (age/sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Number of residential and public buildings connected to a system of energy efficiency management (Nb)</td>
</tr>
<tr>
<td></td>
<td>Number of people benefitting from rehabilitated energy infrastructure (age/sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Hectares of damaged land restored (ha)</td>
</tr>
<tr>
<td></td>
<td>Km$^2$ of protected areas/biosphere reserves that have received support to enhance biodiversity (Km$^2$)</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>Number of people benefiting from repaired residences (age/sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Number of people benefiting from sustainable housing solutions (age/sex disaggregated)</td>
</tr>
<tr>
<td><strong>Livelihoods and Decent Jobs Creation</strong></td>
<td>Number of people who have received support for land rehabilitation (age/sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Number of farmers who have received grants to support their livelihoods (age/sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Number of private enterprises, particularly SMEs supported (management, financial/grants etc.) (Nb)</td>
</tr>
<tr>
<td></td>
<td>Number of people who benefited from the active labour market programmes (age/sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Number of people who have benefited from skills building initiatives, including in entrepreneurship (age/sex disaggregated)</td>
</tr>
<tr>
<td><strong>Enabling Factors</strong></td>
<td>Number of people in local administration and civil society that have received training in recovery planning and long-term resilience building (sex disaggregated)</td>
</tr>
<tr>
<td></td>
<td>Number of local and regional economic recovery strategies prepared or updated (Nb)</td>
</tr>
<tr>
<td></td>
<td>Number of local initiatives for economic recovery or inclusive growth supported financially or by transfer of assets (Nb)</td>
</tr>
<tr>
<td>Social Protection</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Number of community family-friendly resilience and social cohesion centres established (Nb)</td>
<td></td>
</tr>
<tr>
<td>Number of people receiving social protection assistance <em>(age/sex disaggregated)</em></td>
<td></td>
</tr>
<tr>
<td>Number of people reached with information on the availability of social protection services, including specialized GBV/CRSV services <em>(age/sex disaggregated)</em></td>
<td></td>
</tr>
<tr>
<td>Number of CSOs and governmental entities supported to provide protection assistance (human rights violation, gender-based violence, conflict-related sexual violence, exploitation, abuse, human trafficking, labour exploitation, mine victim assistance) (Nb)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of education facilities with standard shelter (Nb)</td>
</tr>
<tr>
<td>Number of teachers reached by professional development activities <em>(age/sex disaggregated)</em></td>
</tr>
<tr>
<td>Number of education facilities with integrated and child friendly Mental Health and Psychosocial Support Services (Nb)</td>
</tr>
<tr>
<td>Number of young people reached with adolescent-friendly coping capacity and resilience building, such as peer support, engagement spaces, etc. <em>(age/sex disaggregated)</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of health care facilities supported with capacity building, equipment, and supplies (Nb)</td>
</tr>
<tr>
<td>Number of people benefiting from established community-based Mental Health and Psychosocial Support spaces <em>(age/sex disaggregated)</em></td>
</tr>
<tr>
<td>Number of CSOs, including community-based and volunteer organizations, trained in providing Mental Health and Psychosocial services (Nb)</td>
</tr>
</tbody>
</table>