
UN Energy Multi-Partner Trust Fund¹

Terms of Reference

November 2020

¹ Initially established as Sustainable Energy for All (SE4ALL) Multi Partner Trust Fund on 28 November 2012. To catalyse collective action on energy as we move into the Decade of Action to achieve the Sustainable Development Goals, the SE4ALL MPTF is being extended for an interim period, initially until at least 31 December 2021, under the new name of 'UN-Energy MPTF' to reflect the need for dedicated support to ensure acceleration of SDG7 implementation through coordinated action by the UN-system.

Terms of Reference²

1. Purpose

Introduction

The 2030 Agenda for Sustainable Development, with its 17 Sustainable Development Goals (SDGs), and the Paris Agreement on climate change provide a pathway for a more prosperous, equitable and sustainable future for people and the planet. Evidence presented at the SDG Summit in September 2019 showed that, despite considerable initial efforts however, the world was at risk of falling short of achieving many SDGs by 2030. At the same time, while COVID-19 is the most urgent threat facing humanity today, climate change remains the biggest threat over the long term and progress towards dealing with it remains grossly inadequate. We must dramatically step up the pace of implementation during the first years of the Decade of Action to deliver the 2030 Agenda as well as the objectives of the Paris Agreement.

Energy lies at the heart of both the 2030 Agenda and the Paris Agreement. Sustainable Development Goal 7 (SDG7) represents a first-ever universal goal on energy, with five targets to be achieved by 2030 (Box 1). Energy is inextricably linked to climate change and many other SDGs, including poverty eradication, food security, health, education, prosperity, gender equality, jobs, transport, ocean, water and sanitation, and the empowerment of women and youth. The Global Sustainable Development Report (GSDR) 2019 identified “energy decarbonization with universal access” as one of the entry points that offer the most promise for achieving the transformations towards sustainable development at the necessary scale and speed.

Box 1: SDG7 - Ensuring access to affordable, reliable, sustainable and modern energy for all

- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.
- 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
- 7.3 By 2030, double the global rate of improvement in energy efficiency.
- 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
- 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.

Without urgent action, however, the world will fall short of SDG7 achievement. Concerted efforts in many countries are expanding electricity access, including through off-grid energy systems. Yet, close to 800 million people still lack access to electricity at present. About three billion people remain without clean cooking solutions, causing millions of premature deaths annually, disproportionately affecting women. While the investment in renewables is expected to outpace the investment in fossil fuel power plants by a wide margin notwithstanding the COVID-19 shock, much more is needed as the deployment of renewables is lagging especially in transport, industry, heating and cooling. Global energy efficiency improvements must increase significantly to meet

² This Terms of Reference has been updated in November 2020 to align the focus of the MPTF with the overall focus of UN-Energy, i.e. to accelerate progress towards achieving SDG7 goals in support of the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change.

the global target. Meanwhile, energy-related activities remain responsible for over two-thirds of the global greenhouse gas emissions. We must accelerate just and equitable energy transitions including fast-tracking coal phase-out and eliminating fossil-fuel subsidies.

Progress has also been largely uneven. Energy poverty is heavily concentrated in sub-Saharan Africa and South Asia, especially in rural areas. Investment is substantially off-track for many, leaving out many developing countries, in particular least developed countries, landlocked developing countries and small island developing States. The overall financing for SDG7 needs to triple globally, with special attention to these vulnerable countries to ensure no one is left behind.

Despite these shortfalls, SDG7 is still within reach, but only if current efforts are significantly accelerated. Achieving it will require strengthened political will, increased levels of investment and scaled-up multi-stakeholder partnerships. All stakeholders need to step up to achieve universal energy access and accelerate clean energy transitions in support of the 2030 Agenda and the Paris Agreement.

Purpose of the UN-Energy MPTF

UN-Energy is the principal interagency mechanism within the United Nations system related to energy, under the auspices of the Chief Executive Board of the United Nations. The need for UN inter-agency collaboration continues to be relevant as 2030 approaches and achieving SDG7—affordable, reliable, sustainable and modern energy for all — is not on track without coordinated effort and attention. Energy is widely perceived as a key enabler and prerequisite to many of the 17 Sustainable Development Goals, particularly those focused on poverty, health, education, climate change, food and gender equality.

The purpose of the UN-Energy MPTF is to support UN-Energy activities aimed at accelerating progress towards SDG7 achievement in support of the 2030 Agenda and the Paris Agreement, in line with UN-Energy Work Plan priorities for the next biennial period of 2021/2022.

The UN-Energy MPTF will support UN-Energy activities under the overall direction of the UN-Energy Co-Chairs, namely, the Special Representative of the Secretary-General (SRSG) for Sustainable Energy for All and the Administrator of the United Nations Development Programme (UNDP), with the support of the UN-Energy MPTF Fund Secretariat.

2. UN-Energy Multi-Partner Trust Fund Architecture & Governance

2.1 Structure and Functions of the UN-Energy MPTF

Achieving SDG7 will catalyse strong climate action and support the achievement of many other SDGs. Actions by all stakeholders need to be scaled-up and accelerated in support of the 2030 Agenda for Sustainable Development and Paris Agreement including the SDG Decade of Action, the Climate Action Summit follow-up and the 2021 High-level Dialogue on Energy.

To act as a catalyst, the UN-Energy MPTF will have two clearly defined funding windows, namely the Global Window to support UN-Energy activities at the global level including those in support of the High-level Dialogue on Energy in 2021 and a Country-level window focused on supporting UN-Energy activities to advance SDG7 at the country level, including support new Energy Compacts to be agreed by Member States. However, in view of the need for priority action by UN-Energy to support global level preparations in the context of the High-level Dialogue, it is planned that the

Global Window will be prioritised initially. As more resources are mobilised, the Country Window will be operationalised.

a) Global Window

Under this Global window, the UN-Energy MPTF will support global activities that will be undertaken by the Recipient Organisations under the overall substantive guidance of the UN-Energy Co-Chairs. In order to mobilise all stakeholders to deliver specific actions, the activities under the Global Window will focus on undertaking global advocacy, policy analysis/guidance and knowledge management, facilitating secretariat functions such as convening, liaison, facilitation, analysis, mobilising, tracking and troubleshooting to help facilitate the overall activities of UN-Energy as well as supporting UN-Energy Co-Chairs' leadership engagements. UN-Energy activities in support of the High-level Dialogue on Energy to be held in 2021 will form an important part of the activities under the Global Window.

b) Country Window

Under this window, the UN-Energy MPTF will support activities of UN-Energy organisations carried out within the scope of the UN-Energy Work Plan priorities for 2021/2022, in particular those in support of Energy Compacts. It aims to improve in-country coordination and relate to technical assistance, capacity building, project development and facilitating access to investment resources, based on national ownership, in-country demand, and where relevant, through the UN Resident Coordinators, UN organisations, international development organisations, and other relevant partners. Accelerating country action is a critical success measure for the overall initiative, which seeks to engage all countries in activities to achieve the three objectives. Multi-stakeholder partnerships facilitated by UN-Energy organisations will also be supported.

2.2 Governance Structure of the UN-Energy MPTF

SRSB for Sustainable Energy for All and UNDP Administrator, as Co-Chairs of UN-Energy

The UN-Energy Co-Chairs, namely, the SRSB and the Administrator of UNDP, will be overall accountable for the outcomes of UN-Energy MPTF supported activities. The day-to-day responsibility for governance of the Fund will be delegated to their nominees from UNDP and from the SRSB SEforALL. Nominees of the Co-Chairs will oversee the planning, managing and implementation of the UN-Energy MPTF-supported activities. The UN-Energy Co-Chairs will be responsible for fund allocation decisions.

The functions specific to the UN-Energy MPTF governance are described below:

- Ensure the UN-Energy MPTF is managed in accordance with the UN-Energy Work Plan;
- Provide a periodic review of the results against the agreed overall Work Plan/its budget, and based on the review, provide guidance to the Fund Secretariat;
- Provide reports and recommendations to donors on matters that require their attention; Make fund allocation decisions, in accordance with the established procedures and taking into account the recommendations of the Programme Review Committee;
- Ensure the monitoring of funded activities as well as potential operational risks and overall performance of the Fund (i.e., facilitate monitoring and evaluation of the Fund, draft risk management strategy);

- Oversee Fund-level implementation of funded activities;
- Review and technically clear the Consolidated Annual narrative and financial progress report provided by the Administrative Agent one week prior to 31 May;
- Present periodic UN-Energy MPTF activity/result status reports and annual reports to stakeholders;
- Promote a One UN approach and joint activities of the UN Energy MPTF through communication, advocacy and political engagement as well as spearheading communications with external partners regarding the Fund, and;
- Recommend any changes to the UN-Energy MPTF TOR, as appropriate, in consultation with stakeholders.

Programme Review Committee

The Co-Chairs will establish and appoint an independent technical Programme Review Committee, consisting of a small number of representatives with suitable subject area expertise from various stakeholders including the Recipient Organisations and Contributors.

The functions specific to the Programme Review Committee are described below:

- Reviews funding proposals to ensure coherence with the UN-Energy Work Plan 2021/2022;
- Recommend proposals for approval by the UN-Energy Co-Chairs, and;
- Support mobilisation of financing for the UN-Energy MPTF as needed.

Fund Secretariat

A Fund Secretariat will support the Co-Chairs, or their nominees, in overseeing the results of the fund. The Fund Secretariat services will be provided by UNDESA, UNDP and staff from the SRSG SEforALL and hosted administratively by the MPTF Office. The Fund secretariat does not have decision-making authority. Any costs associated with hosting the Fund Secretariat will be charged as direct costs.

The UN-Energy Fund Secretariat will support the Co-Chairs or their nominees in undertaking all aspects of the work, by working closely with the Administrative Agent, as appropriate. This includes preparing necessary materials, documents, proposals, and meetings required for the UN-Energy Co-Chairs and the Programme Review Committee. The Fund Secretariat will work with the Administrative Agent to ensure that the decisions of Co-Chairs or their nominees are executed smoothly and efficiently. UN-Energy MPTF Secretariat will provide coordination support for the following functions:

- Provide planning, logistical and operational support to meetings and decision-making of the UN-Energy Co-Chairs and, if and when such committee is established, the Programme Review Committee;
- Serve as UN-Energy MPTF's central point of contact and liaise with other UN agencies and other related initiatives and stakeholders. This includes providing vital information for external partners, as well as liaising with existing and potential resource partners to mobilise necessary financing for the UN-Energy MPTF;

- Develop and implement resource mobilisation in accordance with approved strategies;
- Consolidate annual and final narrative report on implemented activities and share with the Programme Review 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 project/fund extensions and project/fund closure.

The Secretariat will be hosted in the Multi-Partner Trust Fund Office (MPTF Office).

Recipient Organisations

The UN-Energy MPTF is designed to support and allocate resources to Recipient Organisations in undertaking specific activities and functions in line with the overall UN-Energy Work Plan, approved by UN-Energy Co-Chairs or their nominees. Recipient Organisations include those UN-Energy Members and Partners, as well as others from time to time approved by the Co-Chairs, that have signed a Memorandum of Understanding with UNDP's MPTF Office as Administrative Agent. Under the current arrangements, Recipient Organisations are limited to UN Organisations. Other organisations may receive funds through the UN Recipient Organisations.

Each Recipient Organisation shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Each Recipient Organisation shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Recipient Organisations recovered through programme support costs will be limited up to 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Recipient Organisation in carrying out the activities for which it is responsible under the UN-Energy MPTF will be recovered as direct costs.

Administrative Agent

The UN-Energy MPTF will be administered by the United Nations Development Programme (UNDP) through its MPTF Office that has extensive experience and a demonstrated record in the administration of similar trust funds. The UN-Energy MPTF will use the pass-through modality where contributors and participating entities agree to channel funding through one Recipient Organisation, referred to as the Administrative Agent. The Administrative Agent is the appointed interface between the Recipient Organisations and the contributors. UNDP's accountability as the Administrative Agent is set out in the policy "UNDP's Accountability when acting as Administrative Agent in MPTFs and JPs using the pass-through fund management modality" (see <http://mptf.undp.org>). UNDP performs the Administrative Agent functions in accordance with the UNDG "Protocol on the Administrative Agent for MPTFs and JPs"³.

The MPTF Office administers UN-Energy MPTF resources in accordance with UNDP financial regulations and rules and the UN-Energy MPTF's TOR. It will be responsible for the following

³<http://mptf.undp.org/overview/office/how>

activities:

- Sign an MOU with the Recipient Organisations;
- Negotiate and sign Standard Administrative Arrangements with contributors that wish to provide contributions to the UN-Energy MPTF;
- Receive, administer, and manage contributions from contributors;
- Subject to availability of funds, disburse funds to Recipient Organisations based on resource allocation decisions of the Co-Chairs;
- Receive narrative and financial reports from Recipient Organisations;
- Prepare annual and final Consolidated Narrative and Financial Reports of the UN-Energy MPTF;
- Transmit Annual/Final Consolidated Reports, approved by the Co-Chairs, to contributors, and;
- Subject to the availability of funds, disburse funds for direct costs to Recipient Organisations requested by the Co-Chairs to perform additional tasks in support of UN-Energy.

The MPTF Office, as Administrative Agent, will charge a standard fee of 1% of each contributor contribution for fund administration and fiduciary responsibilities.

2.3 Reporting

For each project approved for funding from the UN-Energy MPTF, the Recipient Organisations will be required to provide the following to the Fund Secretariat and Administrative Agent:

- Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Final narrative reports after the completion of the activities in the approved programme (including the final year of the activities in the approved programme) to be provided no later than four months (30 April) after the calendar year following the financial closing of the UN-Energy MPTF. The final report will give a summary of results and achievements compared to the objectives of the UN-Energy MPTF.

Recipient Organisations will be required to provide the following statements and reports to the Administrative Agent:

- Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the UN-Energy MPTF Account, to be provided no later than four months (30 April) after the end of the calendar year;
- Certified final financial statements and final financial reports after the completion of the activities in the approved programme (including the final year of the activities in the approved programme) to be provided no later than six months (30 June) of the year

following the financial closing of the UN-Energy MPTF.

2.4 Contributions to the UN-Energy MPTF

Contributions to the UN-Energy MPTF may be accepted from governments of Member States of the UN or from inter-governmental or non-governmental organisations, or from private sources. 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 the business community⁴.

In support of the overarching aim of UN-Energy, and to ensure maximum flexibility and coordination, contributors are encouraged to contribute with multi-year pooled/non-earmarked resources. Contributors may also earmark their contributions to either or both of the two funding windows - Global or Country-level Interventions.

Contributions to the UN-Energy MPTF may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by UNDP. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the UN operational rate of exchange in effect on the date of payment.

2.5 Release of funds

Based on the fund allocation decisions as per the processes described in Section 2.2 above, the UN-Energy Co-Chairs or their nominees, with support from the Fund Secretariat and the Administrative Agent, will establish a simple, efficient and transparent administrative procedure for release of funds. This would include, for example, the review of the programme, budget and other related documents with the relevant Recipient Organisations in line with the approved Work Plan. Upon approval by the Co-Chairs or their nominees, the MPTF Office, acting as Administrative Agent, will release funds to the Recipient Organisations. The Administrative Agent will ensure that duly signed copies of all relevant documents are received and maintained in accordance with the procedure.

2.6 Accountability and Public Disclosure

The Administrative Agent will develop dedicated web page on [the MPTF Office GATEWAY](#) to ensure appropriate transparency and accountability. The UN-Energy MPTF webpage will contain real-time information on contributor commitments and deposits, transfers to the Recipient Organisations, and annual expenditure. In line with the UN's commitment towards public disclosure of its operational activities, summaries of the SRSG and Administrator of UNDP's decisions, fund allocation procedures, project information and periodic progress reports will be posted on the UN-Energy MPTF web site.

2.7 Audit

The Administrative Agent and Recipient Organisations will be audited in accordance with their own Financial Regulations and Rules and in accordance with the Framework for auditing MPTFs which was agreed by the Internal Audit Services of Recipient Organisations and endorsed by the UNDG in 2014.

⁴The UN Secretary General's guidelines: <http://www.un.org/partners/business/otherpages/guide.htm>).

2.8 Monitoring and Evaluation

Monitoring and evaluation of the activities of the UN-Energy MPTF financed projects/programmes shall be undertaken in accordance with the provisions contained in the specific Projects/Programmes submitted by the concerned Recipient Organisations and approved by the Co-Chairs or their nominees, which are consistent with the respective regulations, rules and procedures of the Recipient Organisations.

In addition, the UN-Energy Co-Chairs may commission an independent lessons-learned and review exercise relating to the operations, management and impact of the UN-Energy MPTF.

2.9 Other Matters

The UN-Energy MPTF will be established upon signing of the Memorandum of Understanding by appropriate representatives of the Secretary-General and the MPTF Office as the Administrative Agent. The MPTF will be operational with the signature of the first Standard Administrative Arrangement by a Contributor and Administrative Agent.

The UN-Energy MPTF will terminate upon completion of all projects/programmes funded through the UN-Energy MPTF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the UN-Energy MPTF, any unutilised balances will continue to be held in the UN-Energy MPTF 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.

Any balance remaining in the UN-Energy MPTF Account or in the individual Recipient Organisations' accounts upon completion of the UN Energy shall be used as decided by the Co-Chairs of the MPTF in consultation with the Contributors to the Fund. Any funds returned to Contributors will be in proportion to their contributions to the UN-Energy MPTF.

Results framework/Theory of change for UN-Energy MPTF

Impact

Countries are on track to achieve their SDG7 targets by providing universal access to energy (both electricity and clean cooking) to their populations and by transforming their energy systems and transitioning them to become long-term fully sustainable and de-carbonized. Achieving this will enable countries to attain many of the other SDGs.

Overall outcome

Countries adopt sustainability and “leaving no one behind” as the guiding principle to reform their energy sector and its governance, and put in place the enabling policy conditions, reforms, incentives, business models, and partnerships to catalyze greater action and investment in sustainable energy solutions.

Intermediate Outcomes

Outcome 1 – Increased level of political will results in countries having reinforced and integrated energy goals and targets aligned with SDG7 and the Paris Agreement ambitions into national strategies and development planning through multi-stakeholder collaboration.

Output 1.1 – Successful High-level Dialogue on Energy undertaken in 2021

Output 1.2 – Ongoing, periodic, advocacy events and activities at global and regional level

Output 1.3 – Annual stocktaking/progress SDG7 event in Sept of each year, starting in 2022 until 2030

Output 1.4 – Health and Energy Platform of Action fully operational/enabled to promote electrification of healthcare facilities and clean cooking.

Outcome 2 – Increased level of investment (public and private) available and flowing into the sector results in countries implementing evidence-based, energy sector reforms, in line with national priorities.

Output 2.1 – Energy Compacts agreed and in place in countries, with clear plans, milestones and targets that chart a pathway to achieving SDG7 goals and targets.

Output 2.2 – Joint energy sector interventions by UN Energy members in priority countries.

Output 2.3 – Diagnostics, assessments and policy analysis undertaken in priority countries, coordinated through UNCT

Output 2.4 – Financing partners mobilized and engaged, through UNCT.

Outcome 3 – Individual, institutional and planning capacities for energy sector action, including for creating energy access (through electrification plans and clean cooking strategies) and transition their energy system strengthened at national and local level.

Output 3.1 – Diagnostics, undertaken to assess needs for strengthening capacities at various levels in priority countries, coordinated through UNCT

Output 3.2 – Capacity development support provided through UN Energy members to national institutions in priority countries, coordinated through UNCT.

Output 3.3 – National level training programs developed and delivered, coordinated through UNCT.

Outcome 4 – UN system has a coordinated and coherent approach to energy sector support to countries and an improved knowledge base that can serve to inform and guide countries in building their capacity to achieve their energy goals.

Output 4.1 – Fully functional UN Energy as the main coordination mechanism at the global level with regular meetings, dedicated website, annual report, and yearly advocacy event to showcase UN System’s results and impacts on energy at all levels.

Output 4.2 - Mapping of ongoing initiatives and activities by UN-Energy members on energy access and the energy transition.

Output 4.3 – Development of tools, guidelines and knowledge products that further, facilitate and accelerate the implementation of SDG7 in countries.

Output 4.4 – Global and regional leadership and training programs and packages developed and delivered.