

Terms of Reference
of the
United Nations Multi-Partner Trust Fund

“Uzbekistan Vision 2030 Fund”

(TOR)

5 April 2022

Table of Contents

1.	Introduction	3
2.	Purpose and Principles of the Fund.....	4
3.	Programmatic Scope and Theory of Change	5
4.	Governance: Structure, Functions and Mechanisms.....	9
4.1	High Level Strategic Committee	9
4.2	Management Committee.....	10
4.3	Decision-making Process of the Management Committee.....	11
4.4	Non-objection Mechanism	12
4.5	Secretariat.....	13
4.6	Administrative Agent	14
4.7	Implementing Organizations	14
4.8	United Nations Resident Coordinator	15
4.9	Civil Society Advisory Council.....	15
5.	Fund Windows	15
6.	Eligibility	16
7.	Project/Programme Approval Process.....	16
8.	Project/Programmes Implementation	17
9.	Risk Management.....	17
10.	Reporting and Accountability	18
11.	Monitoring and Evaluation	19
12.	Audit.....	20
13.	Transparency and Public Disclosure	20
14.	Possible New Fund Contributors	21
15.	Modification of the TOR	21

1. Introduction

1. The Uzbekistan Vision 2030 Fund (the Fund) is a UN Multi-Partner Trust Fund to support principled, transparent, and effective asset restitution via programs aimed at accelerating the Government of the Republic of Uzbekistan's (the Host Government) national reform agenda and the SDGs, in line with the principles articulated in the following documents:

- Memorandum of Understanding on the Framework for the Restitution of Illegally Acquired Assets Forfeited in Switzerland to the Benefit of the Population of the Republic of Uzbekistan between the Swiss Federal Council and the Government of the Republic of Uzbekistan that came into effect on 8 September 2020;
- Agreement between the Swiss Confederation and the Republic of Uzbekistan on the Modalities for the Return of Illegally Acquired Assets Forfeited in the Swiss Confederation to the Benefit of the Population of the Republic of Uzbekistan (Restitution-Agreement);
- Chapter V of the UNCAC, in particular Article 57 para. 5;
- Addis Ababa Action Agenda of the Third International Conference on Financing for Development, in particular para. 25;
- GFAR Principles for Disposition and Transfer of Confiscated Stolen Assets in Corruption Cases;
- General Assembly resolution A/res/70/1 "Transforming our world: the 2030 Agenda for Sustainable Development" adopted on 25 September 2015;
- Uzbekistan's national Sustainable Development Goals, targets and indicators: <http://nsdg.stat.uz>;
- Uzbekistan's national socio-economic development plan to 2030 (currently under development);
- Uzbekistan's five-year reform agenda (currently Action Strategy 2017-2021) and its successors;
- United Nations Sustainable Development Cooperation Framework for Uzbekistan 2021-2025¹ and its successors;
- Relevant frameworks of UN Specialized Agencies for Uzbekistan;
- Relevant UN Strategic Partnership Frameworks with UN Specialized Agencies for Agenda 2030;
- Strategic cooperation frameworks of other UN Specialized Agencies (non-signatories of UNSDCF).

2. For the purpose of the TOR, the following terms are used as follows:

Fund	Uzbekistan Vision 2030 Fund
GFAR	Global Forum on Asset Recovery
Host Government	Government of the Republic of Uzbekistan
IFI	International Financial Institution
Implementing Organization	PUNOs and UN Specialized Agencies
MOU	Memorandum of Understanding between Participating UN Organizations and the UNDP Multi-Partner Trust Fund Office regarding the Operational Aspects of a Uzbekistan Vision 2030 Fund in Uzbekistan
MPTF	Multi-Partner Trust Fund
MPTFO	UN Multi-Partner Trust Fund Office

¹ <https://uzbekistan.un.org/index.php/en/94416-united-nations-sustainable-development-cooperation-framework-2021-2025-uzbekistan>

Operations Manual	Uzbekistan Vision 2030 Fund Operations Manual. The Operations Manual includes the detailed project/programme approval process, the detailed reporting process, process of developing and updating the Resource Allocation Strategy, the Risk Management Strategy, the Monitoring and Evaluation Strategy, the Visibility and Communications Strategy and respective templates.
Project/Programme	Projects are typically initiatives implemented by a single Implementing Organization with a narrower programmatic scope, whereas programmes are typically more complex initiatives implemented by one or more Implementing Organizations with a broader programmatic scope.
PUNO	Participating UN Organization which is signatory to the UNSDCF
SAA	Standard Administrative Arrangement between the Swiss Federal Council as custodian of funds recovered in Switzerland, on behalf of and for the benefit of the population of the Republic of Uzbekistan, and the UNDP Multi-Partner Trust Fund Office
SDGs	Sustainable Development Goals
TOR	Terms of Reference of the United Nations Multi-Partner Trust Fund “Uzbekistan Vision 2030 Fund”
UN	United Nations
UN Specialized Agency	Participating UN Specialized Agency which is non-signatory to the UNSDCF
UN Task Force	The UN Task Force is comprised of the three UNSDCF Results Groups Chairs, the Monitoring and Evaluation Task Force Chair, the Head of the Fund Secretariat, the Head of the UN Resident Coordinator Office, and the UN Resident Coordinator.
UNCAC	United Nations Convention against Corruption
UNCT	UN Country Team. The UNCT is the main inter-agency mechanism in a country for inter-agency coordination, coherence and decision-making. It is led by the UN Resident Coordinator and composed of the representatives of UNSDG entities.
UNDG	United Nations Development Group
UNEG	United Nations Evaluation Group
UNSDCF	United Nations Sustainable Development Cooperation Framework for Uzbekistan 2021-2025 ² and its successors
UNSDG	United Nations Sustainable Development Group

2. Purpose and Principles of the Fund

1. The Fund is a country-based pooled fund providing a vehicle to enable the UNCT members (which include the PUNOs) and UN Specialized Agencies (non-signatories of UNSDCF) to make strategic investments in accelerating the implementation of Uzbekistan’s national SDGs. The Fund draws on multi-sectoral expertise inside and outside the UN to enhance cross-sectoral approaches to national

² <https://uzbekistan.un.org/index.php/en/94416-united-nations-sustainable-development-cooperation-framework-2021-2025-uzbekistan>

and sub-national policymaking and policy implementation, in line with global best practice and the highest standards of aid effectiveness and transparency.

2. The Fund will primarily target transformative interventions focusing on the strategic priorities identified and agreed between the Host Government and the UN within the UNSDCF. Additional priorities of the UN Specialized Agencies (non-signatories of the UNSDCF) that are fully aligned with the UNSDCF and the national SDGs might also be covered by the Fund.

3. The Fund operates in the spirit of the UN Development System reform and the relevant Strategic Partnership Frameworks between the UN and UN Specialized Agencies for Agenda 2030, and it is grounded in the following principles:

- **Coherence:** The Fund will support policy and programme coherence, ensuring robust inter-ministerial and development partner coordination in the focus areas of all interventions, as well as by striving to fill critical gaps and supporting underfinanced priorities.
- **Consolidation:** As a substantive vehicle attracting technical assistance to Uzbekistan's national SDGs, the Fund will aim to reduce fragmentation and improve coordination and impact with respect to agreed programmatic priorities.
- **Normative standards:** The Fund will apply the highest normative standards and mainstream core principles of leaving no one behind, a human rights-based approach to development, gender equality and women's empowerment, public participation, resilience, sustainability, transparency and accountability.

4. Further to the Restitution-Agreement between Switzerland and Uzbekistan, the Fund is capitalized through a contribution representing a return of assets that have been definitively forfeited in criminal proceedings in connection with Ms. Gulnara Karimova initiated in 2012 by the Office of the Attorney General of Switzerland. It is therefore crucial that the funds are not misappropriated again.

The purpose of the Fund is to benefit the people of Uzbekistan hence the funds are not intended to be used for personal benefit outside of this scope, and will be managed in accordance with provisions of the MoU and SAA, including regarding fraud, corruption and unethical behavior. All actors are firmly committed to take all necessary precautions to avoid and address corrupt, fraudulent, collusive, coercive, unethical, or obstructive practices.

3. Programmatic Scope and Theory of Change

1. The programmatic scope and theory of change of the Fund are anchored by the current UNSDCF (2021-2025) and its successors. The current UNSDCF was developed through participatory and inclusive consultations with UN entities, national stakeholders, contributors, IFIs and other development partners. Any successor Cooperation Framework would undergo the same level of rigorous consultation.

2. The UNSDCF (2021-2025) for Uzbekistan focuses on three strategic priorities with five outcomes (also depicted in Figure 2):

Effective governance and justice for all

Outcome 1: All people and groups in Uzbekistan, especially the most vulnerable, demand and benefit from enhanced accountable, transparent, inclusive and gender responsive governance systems and rule of law institutions for a life free from discrimination and violence (national SDGs: 1, 5, 8, 10, 16 and 17).

Outcome 2: The population of Uzbekistan benefits from more harmonized and integrated implementation of the reform agenda due to strengthened policy coherence, evidence-based and inclusive decision-making and financing for development mainstreamed in line with national SDGs (national SDGs: 1, 5, 10, 16, and 17).

Inclusive human capital development leading to health, well-being and resilient prosperity.

Outcome 3: Youth, women and vulnerable groups benefit from improved access to livelihoods, decent work and expanded opportunities generated by inclusive and equitable economic growth (national SDGs: 1, 2, 4, 5, 8, 10, and 11).

Outcome 4: The most vulnerable benefit from enhanced access to gender-sensitive quality health, education and social services (national SDG 1, 2, 3, 4, 5, 8, 10, 11 and 16).

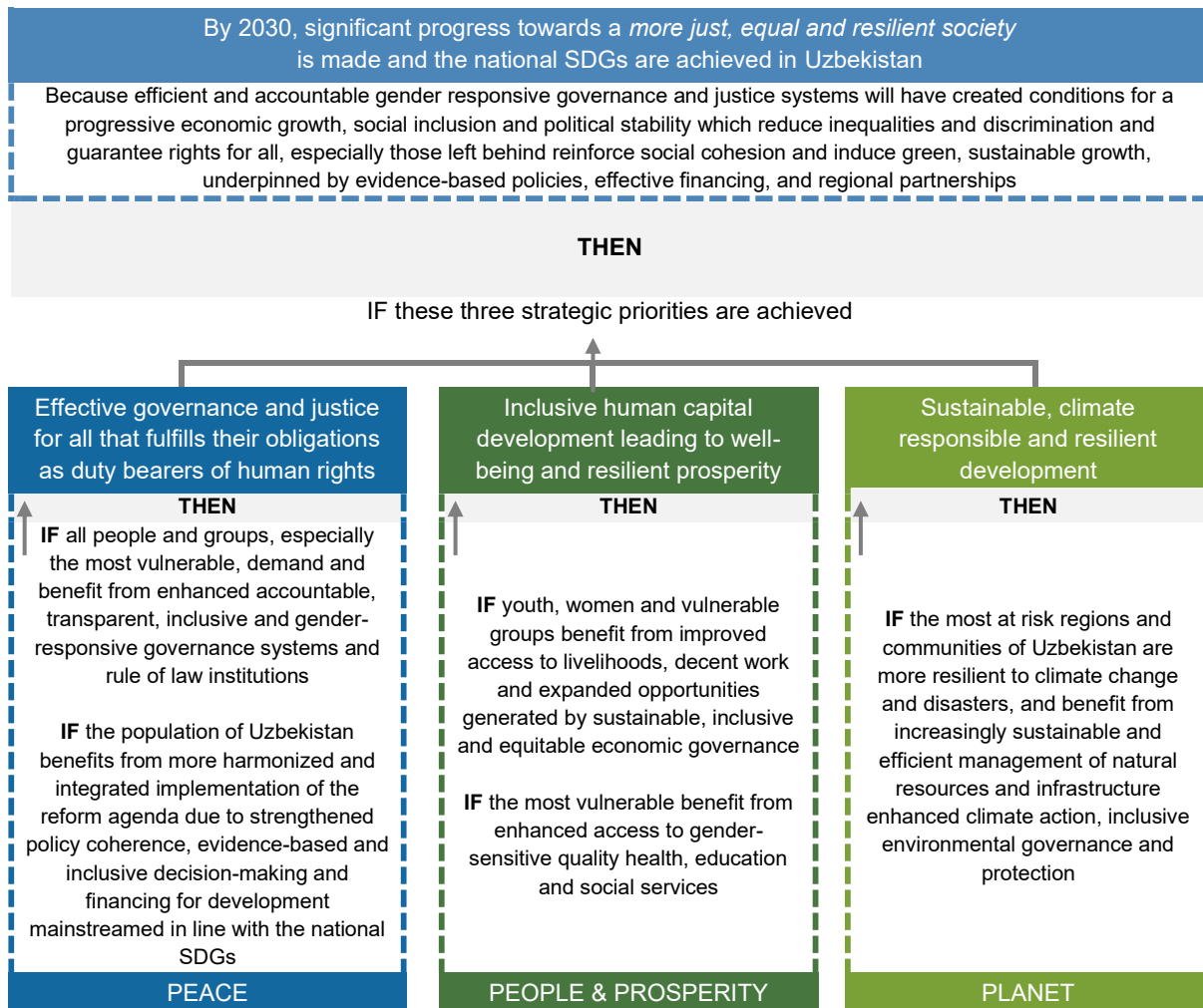
Sustainable, climate-responsible and resilient development

Outcome 5: The most at risk regions and communities of Uzbekistan are more resilient to climate change and disasters, and benefit from increasingly sustainable and gender-sensitive efficient management of natural resources and infrastructure, robust climate action, inclusive environmental governance and protection (national SDGs: 1, 2, 5, 6, 7, 8, 9, 11, 12, 13,15).

3. The Fund's Theory of Change is fully aligned with the UNSDCF. The current UNSDCF theory of change (Figure 1) articulates the interdependent changes necessary for Uzbekistan to achieve the 2030 Agenda. It shows where and how development actors need to come together to contribute to the desired change, providing the basis for wider, higher quality and transformative partnerships. Guided by the Government's vision to become a high middle-income country and achieve the national Sustainable Development Goals, the UN System has agreed to focus its joint efforts on the reduction of inequalities and exclusion, and leverage partnerships over the successive cycles of the Cooperation Frameworks towards attainment of a more "just, equal and resilient society" by 2030 in Uzbekistan. The UNSDCF adopts an integrated and multidimensional programming approach in line with the five P's of the 2030 Agenda (People, Prosperity, Planet, Peace and Partnerships) to address the core principles³ of: leaving no one behind, a human rights-based approach to development, gender equality and women's empowerment, resilience, sustainability and accountability.

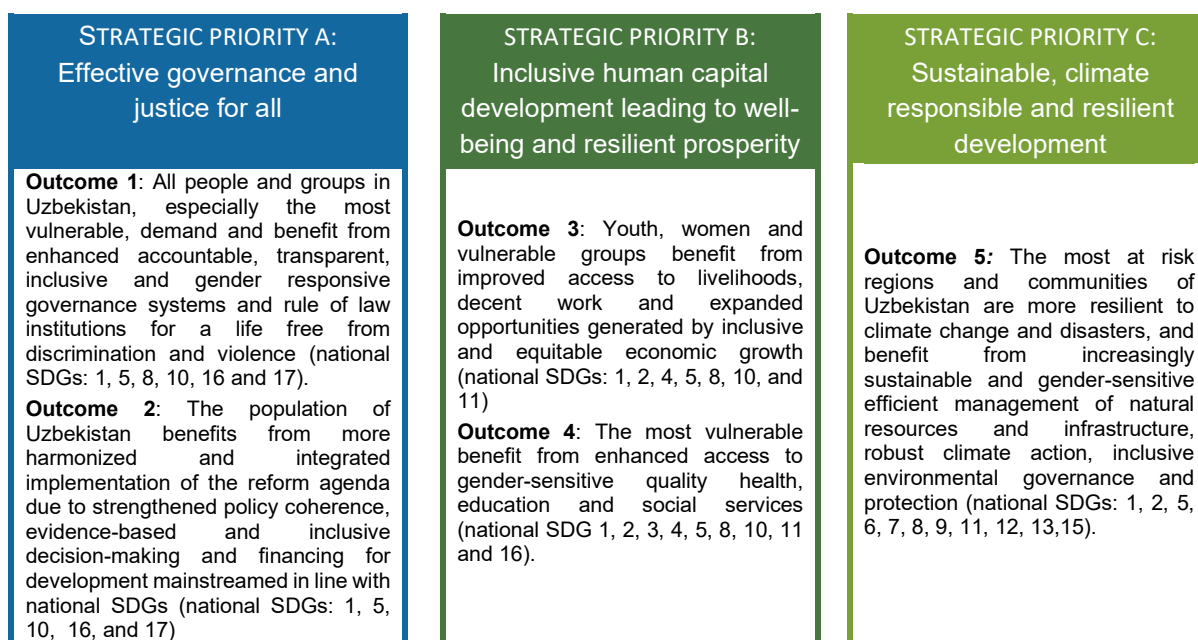
³ These core principles are elaborated on page 16 of the UNSDCF, see here: [Uzbekistan-UNSDCF-2021-2025.pdf](#)

Figure 1 – UNSDCF Theory of Change⁴



⁴ Original presentation of the theory of change is on page 14 of the UNSDCF, see [Uzbekistan-UNSDCF-2021-2025.pdf](#) Key assumptions and risks associated with this theory of change are articulated on page 13.

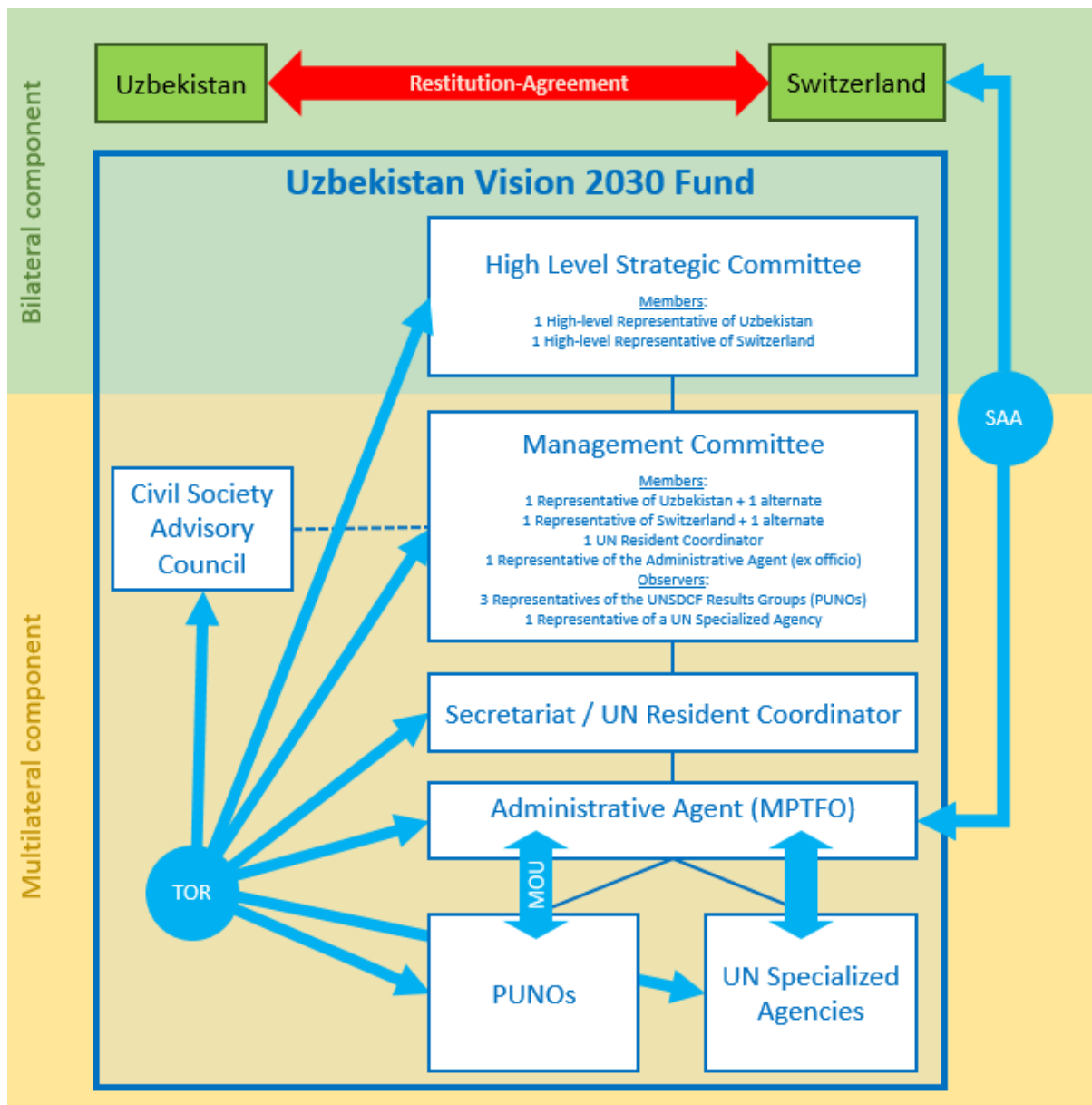
Figure 2 – UNSDCF Strategic Priorities and Outcomes⁵



⁵ Original presentation of strategic priorities and outcomes is on page 8 of the UNSDCF.

4. Governance: Structure, Functions and Mechanisms

Figure 3 – Governance Mechanism



4.1 High Level Strategic Committee

1. The High Level Strategic Committee is comprised of one plenipotentiary high representative of Uzbekistan and one plenipotentiary high representative of Switzerland, who are Co-Chairs with equal standing. The High Level Strategic Committee meets once or twice per year (virtually or in person) and takes its decisions by consensus. Additional ad-hoc meetings are organized, if necessary.

2. The High Level Strategic Committee provides strategic oversight to the Fund, which is managed by the Management Committee. The High Level Strategic Committee's main functions include the following:

- i. Maintaining political dialogue on the restitution between Uzbekistan and Switzerland;

- ii. Providing recommendations on the strategic direction and structure of the Fund, including:
 - a. on updates and modifications to the TOR (including requesting Fund extensions and updates to the TOR);
 - b. on risk management and identification of opportunities;
- iii. Providing recommendations on issues on which no consensus was achieved in the Management Committee;
- iv. Providing oversight over the Fund's strategic direction;
- v. Validating on a non-objection basis, strategic decisions by the Management Committee, including decisions on risk management, partnership opportunities, Civil Society engagement (issues related to the Civil Society Advisory Council) and Resource Allocation Strategy. Resource Allocation Strategy would typically include the definition of costed priorities, on the following levels:
 - a. strategic priorities level (as described in the TOR, fully congruent with the UNSDCF);
 - b. outcomes level as described in the TOR (fully congruent with the UNSDCF);
 - c. output level according to the UNSDCF.

Any programmatic intervention or activity not fully aligned with the Resource Allocation Strategy, that due to exceptional circumstances the Management Committee intends to realize, is subject to the non-objection mechanism.

- vi. Endorsing the annual and final financial and narrative reports submitted by the Management Committee.

3. Costs incurred by the members of the High Level Strategic Committee in relation to their respective activities in their role as members of the High Level Strategic Committee shall not be reimbursed by the Fund. Such costs include notably remuneration of the representatives in the High Level Strategic Committee for the time spent preparing and attending meetings, and compensation for their related travel costs.

4.2 Management Committee

1. The Management Committee is comprised of the following members:

- i. one representative of Uzbekistan and one alternate;
- ii. one representative of Switzerland and one alternate;
- iii. the UN Resident Coordinator in Tashkent;
- iv. one representative of the Administrative Agent (ex-officio).

2. The Management Committee meets at least four times per year and takes its decisions by consensus. Ad-hoc meetings (including virtual meetings) are organized if necessary.

3. Uzbekistan, Switzerland and the UN Resident Coordinator in Tashkent have one equal vote in the Management Committee. Both the representative and the alternate of Switzerland and Uzbekistan may attend the Management Committee's meetings. The representative of Uzbekistan and the representative of Switzerland, or in their absence their respective alternates, shall exercise the right to vote. In the absence of the UN Resident Coordinator, he or she shall be represented by an alternate who shall exercise the right to vote. The representative of the Administrative Agent is an ex-officio member without voting rights and shall provide advice on technical issues related to Fund management and administration.

4. The Management Committee is co-chaired by its members with voting right (except for the representative of the Administrative Agent).

5. The chairs of the UNSDCF Results Groups (which are composed of PUNOs) and one representative of the UN Specialized Agencies (non-signatories of the UNSDCF) may have the status of observers. The UN Resident Coordinator in Tashkent selects these representatives on a yearly rotational basis, subject to approval by the Management Committee. Observers have no vote.

6. The Management Committee is responsible for the management of the Fund. The main functions of the Management Committee include the following:

- i. Providing the operational and financial oversight of the Fund;
- ii. Developing and approving the strategic direction of the Fund;
- iii. Overseeing the overall progress of the Fund against the background of the overall results framework through monitoring, reporting and evaluation;
- iv. Approving the Fund's Risk Management Strategy, which is drafted by the Secretariat, and overseeing the regular monitoring of the risks by the Secretariat;
- v. Approving the Fund's Operational Manual;
- vi. Defining the resource allocation priorities and deciding on the resource allocation;
- vii. Reviewing and approving the project/programme proposals submitted for funding;
- viii. Approving the annual and final reports submitted by the Administrative Agent in accordance with Section 10 para. 4 of the TOR;
- ix. Providing the High Level Strategic Committee with annual and final financial and narrative reports on the state of the Fund;
- x. Commissioning the mid-term and final independent evaluations on the overall performance of the Fund;
- xi. Approving direct costs related to Fund operations;
- xii. Approving new Implementing Organizations to the Fund under Fund Window C and possible, new windows, having seen relevant draft legal documents related to the relationship between the new Implementing Organization and the Administrative Agent as background documents;
- xiii. Deciding on Fund extensions and updates to the TOR, as required;
- xiv. Establishing a Civil Society Advisory Council, and adopting and amending the Terms of References of the Civil Society Advisory Council;
- xv. Agreeing on communication and disclosure on the Fund.

7. Costs incurred by the members of the Management Committee in relation to their respective activities in their role as members of the Management Committee shall not be reimbursed by the Fund. Such costs include notably remuneration of the representatives in the Management Committee for the time spent preparing and attending meetings, and compensation for their related travel costs.

4.3 Decision-making Process of the Management Committee

1. Decisions are proposed by the Secretariat, if applicable with recommendations and reviews by experts.

2. The Management Committee takes decisions by consensus among its members with voting rights. The members of the Management Committee seek to reach consensus by using all possible technical iterations and management discussions at the level of the Management Committee, and between the Management Committee and the Secretariat.

3. The Co-Chairs proceed with the decision-making process for each proposed decision:

- i. In case of non-objection, the proposed decision is considered to be approved by the Management Committee.
- ii. In case of objection by (any) member(s) of the Management Committee with voting right, the Management Committee can in particular decide by consensus:
 - a. to approve the proposed decision with conditions;
 - b. to approve partially the proposed decision;
 - c. to postpone the decision, request further information or request revision for consideration at the next meeting.
- iii. In case no consensus can be found in the Management Committee, it will refer the matter to the High Level Strategic Committee which will revert back with recommendations to the

Management Committee. If still no consensus can be reached in the Management Committee, the proposed decision is considered to be rejected by the Management Committee.

4.4 Non-objection Mechanism

1. When the Management Committee takes a decision which is subject to the non-objection mechanism according to Section 4.1 para. 2 (v) of the TOR, the Secretariat submits a non-objection request to the High Level Strategic Committee within 5 business days of the decision.

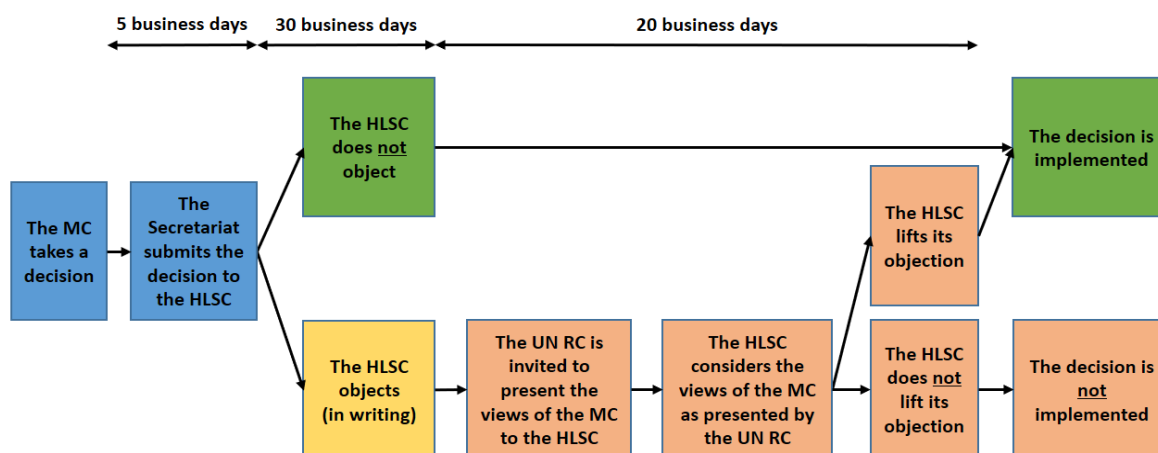
2. The High Level Strategic Committee will process the non-objection request taking into account in particular:

- i. the fact that the High Level Strategic Committee can object to the decision as a whole, but cannot amend it;
- ii. the convergence between the decision of the Management Committee and the strategic direction and structure of the Fund;
- iii. the restitution principles mentioned in the restitution treaty, as well as gained experiences and lessons learned in unfolding the restitution process.

3. The High Level Strategic Committee aims to respond as timely as possible and has up to a maximum of 30 business days from the receipt of the non-objection request to either submit a written objection to the Management Committee or not:

- i. If no objection is submitted, the Management Committee's decision is implemented.
- ii. If an objection is submitted, the UN Resident Coordinator is invited to present the views of the Management Committee to the High Level Strategic Committee. The High Level Strategic Committee then considers the Management Committee's views as presented by the UN Resident Coordinator and, within 20 business days of the objection, either lifts its objection or not:
 - a. If the objection is lifted, the Management Committee's decision is implemented.
 - b. If the objection is not lifted, the Management Committee's decision is considered to be definitively rejected and is not implemented.

Figure 4 – Non-objection Mechanism



4.5 Secretariat

1. The Secretariat is comprised of experts having the required level of competence and experience. The Secretariat staff is hired by the UN according to UN rules and regulations. The Secretariat is staffed and structured according to the Fund's needs, and in order to ensure effective, cost-efficient, high-quality Fund implementation delivering value for money. The Secretariat is headed by a Trust Fund Manager housed in the UN Resident Coordinator Office and is overseen by the UN Resident Coordinator.

2. The Secretariat supports the High Level Strategic Committee and the Management Committee in all their tasks, including:

- i. Assisting the Management Committee and the High Level Strategic Committee in the implementation of the strategic direction of the Fund;
- ii. Providing administrative, logistical and technical support to the Management Committee and the High Level Strategic Committee;
- iii. Monitoring compliance against procedures established by the Fund in line with UN rules and regulations;
- iv. Updating a Visibility and Communications Strategy for the Fund for approval by the Management Committee;
- v. Coordinating the implementation of the Visibility and Communications Strategy and ensuring its coherence with communications strategies of the UNCT (which include the PUNOs) and of the UN Specialized Agencies (not-signatories to the UNSDCF);
- vi. Updating the Monitoring and Evaluation Strategy for approval by the Management Committee, coordinating its implementation and ensuring its complementarity to the UNSDCF monitoring framework or other relevant frameworks;
- vii. Organizing the project/programme review processes, which include independent, technical reviews of proposals by the UNSDCF Results Groups;
- viii. Drafting and ensuring the regular updating of the Risk Management Strategy for approval by the Management Committee;
- ix. Ensuring the monitoring of risks and escalating to the Management Committee when risks may breach agreed tolerance levels;
- x. Developing and updating as needed the Fund's Operations Manual, with the support of the Administrative Agent, for approval by the Management Committee;
- xi. Preparing annual and final reports, for approval by the UN Resident Coordinator, in accordance with Section 10 para. 3 of the TOR;
- xii. Liaising with the Administrative Agent on Fund administration issues, including issues related to projects/programmes, reporting, transparency and accountability, communication, Fund extensions, Fund closure etc.;
- xiii. Providing logistical support to the Civil Society Advisory Council, according to the Terms of Reference of the Civil Society Advisory Council.

3. In line with the standard UNDG Trust Fund set up, the Secretariat functions are outlined in the TOR and further described in the Direct Cost Project Document.

4. The Secretariat's staffing and structure, as well as the budget required to perform the tasks of the Secretariat are agreed and approved by the Management Committee. The budget is charged to the Fund account as direct costs on the overall Fund capitalization. Direct Cost Project to cover the Secretariat costs will amount to a maximum of two percent (2%) of the Fund's capitalization.⁶ This two percent (2%) will also include the costs of the "Early Secretariat".

5. Direct Cost Project will cover staffing, technical assistance, quality assurance, risk management, monitoring and evaluation, reporting as well as visibility and communication for the Fund. The Direct

⁶ In this context, capitalization refers to the total amount of funds transferred to the Uzbekistan Vision 2030 Fund through asset restitution or contributions by other contributors. Whereas the financial needs of the Secretariat will vary over the lifetime of the Fund, the total Direct Cost Project of the Secretariat shall not exceed 2% of the total financial resources provided to the Fund.

Cost Project will be directly managed by the Secretariat. It will be administered by one of the Participating UN Organizations designated to administer the Direct Cost Project for the Secretariat.

6. In order to accelerate the formal establishment of the Fund, an “Early Secretariat” was put in place by the UN Development Cooperation Office (UN DCO), with advanced funding of the UN DCO. The costs of the “Early Secretariat” will be reimbursed by the Fund, once (1) the MOU has been signed by the Administrative Agent and two PUNOs, (2) the SAA has been signed by both sides and (3) funding has been deposited in the Fund Account. The reimbursement will be at cost for any expenditures of the “Early Secretariat” incurred prior to the approval date of the Direct Cost Project for the Secretariat.

4.6 Administrative Agent

1. The Administrative Agent is the UN Multi-Partner Trust Fund Office (MPTFO) in New York.
2. The responsibilities of the Administrative Agent include the following:
 - i. Receiving contributions from the contributors that wish to provide financial support;
 - ii. Administering such funds received, in accordance with
 - a. the Standard Administrative Arrangement between the Swiss Federal Council as custodian of funds recovered in Switzerland, on behalf of and for the benefit of the population of the Republic of Uzbekistan, and the UNDP Multi-Partner Trust Fund Office (SAA),
 - b. the Memorandum of Understanding between Participating UN Organizations and the UNDP Multi-Partner Trust Fund Office regarding the Operational Aspects of a Uzbekistan Vision 2030 Fund in Uzbekistan (MOU), and
 - c. the documents regulating the relationship between each UN Specialized Agency (non-signatories of the UNSDCF) and the Administrative Agent;
 - iii. Disbursing available funds to each of the Implementing Organizations in accordance with decisions of the Management Committee;
 - iv. Preparing and providing to the Management Committee annual and final reports, in accordance with Section 10 para. 4 of the TOR;
 - v. Publishing summary record of the meetings of the Management Committee as well as reports of the Civil Society Advisory Council on the MPTFO website, Gateway (<http://mptf.undp.org>).
3. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the Fund’s capitalization to meet the costs of performing the Administrative Agent’s standard functions.

4.7 Implementing Organizations

1. Implementing Organizations of the Fund are (a) PUNOs, or (b) UN Specialized Agencies (non-signatories of UNSDCF).
2. Each PUNO signs the MOU. Each UN Specialized Agency (non-signatory of UNSDCF) signs a document regulating its relationship with the Administrative Agent.
3. Each Implementing Organization shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Such funds will be administered by each PUNO or UN Specialized Agency (non-signatory of the UNSDCF) in accordance with their own regulations, rules, directives and procedures.
4. Indirect costs of PUNOs recovered through project/programme support costs will be up to seven percent (7%) of the sum allocated to any initiative. All other costs incurred by PUNOs in carrying out the activities for which they are responsible under the Fund will be recovered as direct costs. For UN Specialized Agencies (non-signatories of UNSDCF), cost recovery will be charged in line with the documents regulating the relationship between each UN Specialized Agency and the Administrative Agent and with the approved modalities confirmed by the UN Specialized Agencies’ governing body.

4.8 United Nations Resident Coordinator

1. The UN Resident Coordinator in Uzbekistan plays an important function in the implementation of the Fund, bearing the overall responsibility to coordinate the activities of the UN development system in Uzbekistan in line with the UNSDCF and provides governance and oversight of any UNCT-wide funding and financing instruments.
2. The UN Resident Coordinator directly supervises the Secretariat. The responsibilities of the UN Resident Coordinator in the implementation of the Fund include the following:
 - i. Co-Chair of the Management Committee with full voting rights;
 - ii. Present the views of the Management Committee to the High Level Strategic Committee in accordance with Section 4.4 para. 3 (ii) of the TOR;
 - iii. Overall supervision of the Secretariat which is housed in the UN Resident Coordinator Office;
 - iv. Overall Coordination of the Results Groups Chairs under the UNSDCF Implementation Structure;
 - v. Advising the Secretariat on mechanisms to ensure all proposals are derived from and aligned with the UNSDCF or other national SDGs;
 - vi. Overseeing and supporting the Fund's Risk Management Strategy, as well as the Visibility and Communications Strategy;
 - vii. Signing project/programme documents on behalf of the Management Committee and signing Fund Transfer Requests to the Administrative Agent, according to the decisions of the Management Committee.
3. With the exception of the costs mentioned in Section 4.2 para. 7 of the TOR, travel costs incurred by the UN Resident Coordinator in relation to his or her activities in the implementation of the Fund may be reimbursed under the Direct Cost Project.

4.9 Civil Society Advisory Council

1. The detailed structure, functions, roles and responsibilities of the Civil Society Advisory Council and its membership will be defined in a specific consultative process between representatives of national and international civil society organizations, and academia, the UN, Switzerland and Uzbekistan. Specific Terms of Reference for the Civil Society Advisory Council will be developed and adopted by the civil society representatives and approved by the Management Committee, within six months of the date of the entry into force of the Restitution-Agreement.
2. The Civil Society Advisory Council will be comprised of representatives of national and international civil society organizations, and academia. The Civil Society Advisory Council will ensure interaction between the Management Committee and representatives of national and international civil society organizations, and academia.
3. To ensure an open and transparent communication between the Civil Society Advisory Council and the Fund's management, the Management Committee and the Civil Society Advisory Council will meet periodically according to the Terms of Reference of the Civil Society Advisory Council.

5. Fund Windows

1. Proposals can be submitted by Implementing Organizations within the following windows:
 - i. **Fund Window A:** Flagship programmes implemented by PUNOs. Such initiatives will be submitted jointly by one or more PUNOs which directly contribute to the outcomes of the UNSDCF.
 - ii. **Fund Window B:** Fast track and quick win initiatives implemented by PUNOs. Such projects will derive from a particular thematic area of the UNSDCF or from an emerging national priority.

They can be submitted as joint initiatives or by a single PUNO and must be implemented in 30 months or less. The Management Committee may allocate up to 20% of the total Fund for Fund Window B.

- iii. **Fund Window C:** Projects/programmes implemented by other UN Specialized Agencies (non-signatories of UNSDCF). Such initiatives contribute to ongoing and new projects/programmes supported by the Fund in line with the objectives of the Fund. They can be submitted as joint initiatives with PUNOs or directly by UN Specialized Agencies. The Management Committee may allocate up to 30% of the total Fund for Fund Window C.

2. **Opening of new Fund Windows:** The Management Committee may decide to open new Fund windows. This opens the possibility to adjust the Fund in function of the evolution of the country context and of the strategic direction of the Fund. The decision to open a new Fund window – and to amend accordingly the TOR – is taken by the Management Committee and validated on a non-objection basis by the High Level Strategic Committee.

6. Eligibility

All PUNOs that have signed the MOU and all UN Specialized Agencies that have signed a document regulating their relationship with the Administrative Agent are eligible to submit proposals for funding.

7. Project/Programme Approval Process

1. Eligible programs to be financed by the Funds should address soft and hard components in an appropriate manner, depending on the nature of each program, and be implemented in accordance with the principles and criteria provided for in the UNSDCF and in the present TOR (in particular Sections 2 and 3). Eligible programs shall also address issues of empowerment and capacity building (people and institutions), knowledge transfer, development and implementation of systems and policies, and build in citizen participation, including the principle of “leave no one behind”.

2. The Funds shall not be used:

- a. for payments or other benefits, directly or indirectly, (i) prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; (ii) that in any manner would involve, support, promote or facilitate, or would have the appearance or effect of involving, supporting, promoting or facilitating, any unlawful, corrupt, fraudulent or unethical activities or practices, including favoritism or nepotism; or (iii) to public officials of the Parties, or their personal or business associates, not in line with UN policies and procedures;
- b. for large-scale infrastructure programs, in sectors such as Energy, Road, Railway, Transport, Logistics, Telecommunication;
- c. for programs, or any component of a program, that may serve political purposes or proselytism.

3. The project/programme approval process will be governed by the Operations Manual which is developed by the Secretariat and approved by the Management Committee. The project/programme approval cycle has five key steps, which are presented in greater detail in the Operations Manual and summarized briefly below.

- i. **Resource Allocation Strategy Development:** The Secretariat initiates development of Resource Allocation Strategy by requesting inputs from the UNSDCF Results Groups and Fund Window C Implementing Organizations. The Secretariat consolidates inputs into a draft, which is then shared with the UN Resident Coordinator for a strategic review. The UN Resident Coordinator convenes the internal UNCT/UN Task Force to review and agree on amendments before review by the Management Committee.

- ii. **Resource Allocation Strategy Approval:** The Secretariat submits the draft Resource Allocation Strategy to the Management Committee at least 10 business days before its next meeting. The Management Committee reviews the draft Resource Allocation Strategy and issues decisions on which priority areas to include in the approved strategy. The Resource Allocation Strategy is updated based on the decisions of the Management Committee. The High Level Strategic Committee validates the Resource Allocation Strategy on a non-objection basis.
- iii. **Project/Programme Development:** Once the Resource Allocation Strategy is approved, eligible Implementing Organizations – guided by the UNSDCF Results Groups – begin developing project/programme proposals in line with the priorities of the strategy. The UNSDCF Results Groups assess proposals, preparing an assessment summary note. The Secretariat will facilitate screening and assessment of project/programme proposals to ensure eligibility requirements are met and proposals alignment with the Resource Allocation Strategy. Assessment summaries and quality assurance checklists will be provided to the Management Committee to inform decision making. The UN Resident Coordinator convenes the internal UNCT/UN Task Force to review and agree on the proposal assessments and submission to the Management Committee.
- iv. **Project/Programme Approval:** The Secretariat submits consolidated proposals with accompanying assessment summaries to the Management Committee at least 10 business days before its next meeting. The Management Committee reviews programmatic and financial aspects of the project/programme proposals and issues decisions in line with Section 4.3 of the TOR.
- v. **Fund transfer:** The Secretariat submits to the Administrative Agent Fund Transfer Requests, signed by the UN Resident Coordinator, for project/programmes approved by the Management Committee. The Administrative Agent ensures submitted documents are consistent with the applicable provisions of the SAA. The Administrative Agent carries out transfers to Implementing Organizations within 5 business days.

4. All proposals should demonstrate a positive contribution to advancing sustainable development in Uzbekistan and conform to the best practices of development cooperation and aid effectiveness, with a specific emphasis on delivering real and measurable impact, including: integration of comprehensive anti-corruption practices, inclusion of risk management strategies, demonstrated contribution to achieving the Fund's theory of change, and working in synergy with other relevant national and development partner initiatives, having strong emphasis on leaving no one behind, and limiting the creation of new structures and services that cannot be sustained by the Host Government.

5. Detailed selection criteria for the technical assessment and quality assurance checklists for project/programme proposals are provided in the Operations Manual.

8. Project/Programmes Implementation

The implementation of projects/programmes will be the responsibility of the Implementing Organizations and will be carried out by each Implementing Organization in accordance with its own applicable regulations, rules, policies and procedures, as well as in accordance with the MOU (for PUNOs), respectively with the document regulating the relationship between the UN Specialized Agency concerned and the Administrative Agent.

9. Risk Management

1. A risk management strategy will be an important tool for the Fund so that the governance mechanism has a common understanding and shared responsibility of the risk and mitigation measures to inform operational and strategic decision-making. The Risk Management Strategy outlines the objectives, principles, approach, tools and institutional arrangements for risk management for the Fund. The Risk

Management Strategy is approved by the Management Committee and validated on a non-objection basis by the High Level Strategic Committee.

2. The Risk Management Strategy guides the two following instruments:

- i. **Baseline Risk Assessment (full risk assessment):** The Secretariat will conduct a baseline risk assessment, exploring contextual, programmatic, and institutional risks, their likelihood, and their impact on the achievement of the Fund's objectives. It will consider and provide for the identification, monitoring, tolerances, and risk mitigation and adaptation measures.
- ii. **Risk Dashboard:** The risk dashboard (focusing on top priority risks) will be updated by the Secretariat and presented for approval annually to the Management Committee.

3. The Risk Management Strategy focuses on Fund-level risks, i.e. risks with implications beyond an individual project or programme. It is complementary to, and not a replacement for, risk management at programme and project level. The latter risks should be managed separately according to the rules, regulations, and procedures of each Implementing Organization. Implementing Organizations will identify and assess the probability and impact of internal and external risks that may affect programmes and projects, taking into account the incorporation of mitigation measures. Implementing Organizations will also establish specific and timely communication modalities with the Secretariat related to risks, threats and mitigation measures.

10. Reporting and Accountability

1. Reporting activities are carried out in accordance with the SAA, the MOU (for PUNOs) and the document regulating the relationship between the UN Specialized Agency concerned and the Administrative Agent.

2. Each **Implementing Organization** shall prepare and provide:

- i. To the Secretariat and to the Administrative Agent:
 - a. Light six-month updates on activities in the approved projects/programmes;
 - b. **Annual Narrative Reports** on the activities in the approved projects/programmes, no later than three months (31 March) after the end of the calendar year;
 - c. **Final Narrative Reports** on the activities in the approved projects/programmes, no later than four months (30 April) after the end of the calendar year in which the operational closure of the activities in the approved project/programme occurs.
- ii. To the Administrative Agent:
 - a. **Annual Financial Reports** with respect to the funds disbursed to it from the Fund Account, no later than four months (30 April) after the end of the calendar year; and
 - b. **Certified Final Financial Statements** and **Final Financial Reports**, no later than five months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs.

3. The **Secretariat** shall prepare and, after approval by the UN Resident Coordinator, provide to the Administrative Agent:

- i. **Consolidated Annual Narrative Reports**, based on the Annual Narrative Reports of the Implementing Organizations (including the Final Narrative Reports submitted during the year) no later than four and a half months (15 May) after the end of the calendar year;
- ii. A **Consolidated Final Narrative Report**, no later than five months (31 May) after the end of the calendar year in which the operational closure of the Fund occurs.

4. The **Administrative Agent** shall prepare and provide to the Management Committee:
- i. **Annual Consolidated Fund Reports**, no later than five months (31 May) after the end of the calendar year. The Annual Consolidated Fund Report consists of:
 - a. The Consolidated Annual Narrative Report prepared by the Secretariat; and
 - b. An Annual Consolidated Financial Report based on the Annual Financial Reports provided by the Implementing Organizations;
 - ii. Reports on its Activities as Administrative Agent:
 - a. A **Certified Annual Financial Statement** (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
 - b. A **Certified Final Financial Statement** (“Source and Use of Funds”) to be provided no later than five months (31 May) after the end of the calendar year in which the financial closing of the Fund occurs.
 - iii. A **Final Consolidated Narrative Report**, based on the Consolidated Final Narrative Report provided by the Secretariat, no later than six months (30 June) after the end of the calendar year in which the operational closure of the Fund occurs;
 - iv. A **Final Consolidated Financial Report**, based on Certified Final Financial Statements and Final Financial Reports received from Implementing Organizations, no later than five months (31 May) after the end of the calendar year in which the financial closure of the Fund occurs.

11. Monitoring and Evaluation

1. The Secretariat is responsible for coordinating regular monitoring and evaluation of the Fund’s investments. The Secretariat consolidates project-level information in a central, results-based management system in line with the monitoring and evaluation strategy of the UNSDCF or relevant UN Specialized Agency strategies. The Monitoring and Evaluation Strategy of the Fund outlines how regular monitoring and evaluation will be coordinated across the Fund’s investment, including monitoring of results, finances, and operational performance.

2. Monitoring and evaluation at project/programme-level:

- i. At the project/programme level, Implementing Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent and undertake monitoring and evaluation in accordance with their own regulations, rules, directives and procedures. For Fund Windows A and B, monitoring and evaluation of the projects/programmes will follow the Monitoring and Evaluation procedures described in the UNSDCF. For Fund Window C, the Fund will follow the Monitoring and Evaluation procedures of the Implementing Organization.
- ii. On-site monitoring will be carried out by Implementing Organizations.
- iii. Performance data is gathered at outcome and output levels by Implementing Organizations, linking project-related and financial result indicators so that evaluators can measure the project/programme efficiency and effectiveness.
- iv. Implementing Organizations will share monitoring and evaluation reports with the Secretariat as outlined in the Operations Manual.
- v. Evaluations are used to analyze project/programme performance and to verify the validity of theories of change.
- vi. Costs of the project/programme-level monitoring and evaluation activities will be part of the programme/project costs in the approved programme documents and carried out in accordance with Implementing Organizations’ regulations, rules, directives and procedures.

3. Monitoring and evaluation at Fund-level:

- i. The Fund mid-term reviews and final evaluations including, as necessary and appropriate, joint evaluations by the Implementing Organizations, the Administrative Agent, the Contributor(s), the Host Government and other partners will be commissioned by the Management Committee to assess overall performance of the Fund, inclusive of design, management, and functioning against global objectives.
- ii. The Fund-level evaluation(s) will follow the UN Evaluation Group norms and standards.
- iii. The Management Committee will issue the management response to the evaluation(s) at the Fund level.
- iv. Costs of the Fund-level evaluations will be borne by the Fund.

12. Audit

1. Audit of the Administrative Agent and of the PUNOs: The activities of the Administrative Agent and each PUNO in relation to the Fund will be exclusively audited by their respective internal and external auditors in accordance with their own financial regulations and rules. The corresponding external and internal audit reports will be disclosed publicly unless the relevant policies and procedures of the Administrative Agent or each PUNO provide otherwise.

2. Audit of the UN Specialized Agencies: The UN Specialized Agencies (non-signatory of the UNSDCF) will be audited in accordance with their own internal audit framework.

3. Audit of PUNOs' implementing partners: The part of the contribution transferred by a PUNO to its implementing partners for activities towards the implementation of the Fund will be audited as provided under that PUNO's financial regulations and rules, as well as its policies and procedures. The disclosure of the corresponding audit reports will be made according to the policies and procedures of that PUNO.

4. Joint audit at Fund-level: The Internal Audit Services of the Administrative Agent and PUNOs may consider conducting joint internal audits of the Fund in accordance with the Framework for Joint Internal Audits of UN Joint Activities, including its risk-based approach and provisions for disclosure of internal audit reports related to the Fund. In doing so, the Internal Audit Services of the Administrative Agent and the PUNO will consult with the Management Committee.

5. In the event that an internal audit is conducted in relation to the Fund, the costs of such internal audit activities will be borne by the Fund.

13. Transparency and Public Disclosure

1. The MPTFO website, Gateway (<http://mptf.undp.org>), is a web-based service portal that provides real-time financial data. The Fund has a separate page in the Gateway portal. In accordance with the Fund's Visibility and Communication Strategy, this page informs the public at large on the Fund contributions, transfers and expenditures, and give access to key documents, financial and narrative reports, including on individual program/project level, as well as associated external evaluation reports. The Secretariat and the MPTFO ensure that the Fund's operations are posted in due time on the Gateway portal.

2. Implementing Organizations 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 as per the Operations Manual.

14. Possible New Fund Contributors

The High-Level Strategic Committee and the Management Committee may consider the possibility of opening the Fund to new contributors. The decision to open the Fund to new contributors is taken by the Management Committee and validated on a non-objection basis by the High-Level Strategic Committee.

15. Modification of the TOR

The present TOR may be modified at any time. Such modifications are approved by the Management Committee. Modifications of the TOR on the strategic direction and structure of the Fund are validated on a non-objection basis by the High-Level Strategic Committee.