



Joint Programme Document and Fund Transfer Request

- Template -

Development Emergency Modality – Response to the Global Crisis on Food, Energy, Finance

Eligibility Check

Does the proposal address one or more of the following sectors affected by the global crisis? Select all relevant sectors.	<input checked="" type="checkbox"/> Food	<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Finance
What are the areas of intervention that will be implemented by this proposal? Select all relevant intervention areas.	<input checked="" type="checkbox"/> Data collection/analytics	<input type="checkbox"/> Analysis and forecasting	<input type="checkbox"/> Help devise comprehensive preventative package of response measures
Is the proposal developed under the RC leadership to mobilize the UNCT to effectively and efficiency respond to the crisis?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Testing / catalysing new integrated policies, financing solutions, programmes
Does the proposal contribute to results in the UNSDCFs?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Is the proposal building on and topping up an existing joint programme supported by the Joint SDG Fund?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>(If yes, please follow the specific guidance as per communications from the Secretariat)</i>

Cover-page

MPTFO Project Reference Number	<i>(Leave blank, for automatic population in Atlas)</i>
Country	Ukraine
Region	Eastern Europe
Joint programme title:	Addressing the compounded food and energy crisis in Ukraine through innovative technologies and adaptive agricultural practices

Outcomes(s): <verbatim from CF>	Draft UN Transition Framework for Ukraine, Strategic priority 2: Support National systems and capacities in critical sectors.
Duration:	6 months
Anticipated start and end dates:	07/2022 to 12/2022 (for top-ups, extensions to no later than 31 December 2022)
Short description	<p>The Ministry of Agrarian Policy and Food (MAPF) has requested UN agency support to address fuel shortages in the agriculture sector. The request comes as shortages of both petrol and diesel become increasingly scarce, and expensive, impacting on production capacity at all levels. FAO, UNEP and UNECE will respond to this request by conducting a three-tiered assessment leading to a full proposal for a demonstration project in the biofuel sector based on evidence and learning from the SDG supported activities.</p> <p>The joint SDG fund project will provide analysis on the current food and energy aspects of the crisis in the country, including social and economic and environmental impacts of the war to support an informed decision on a suitable biofuel strategy for Ukraine. The project will additionally identify appropriate technologies and adaptations within the agriculture sector which can be employed to alleviate negative impacts on food production and food security. The project will seek to stimulate innovations in production and along supply chains, namely in alternative fuel use and production practices.</p> <p>This project will lay the foundation for greater sustainability of both the agricultural and energy sectors for future green economic recovery. This will allow Ukraine to approximate its energy outputs to the common European policies. The learning will also feed into further development of MAPF energy efficiency strategies and policies to strengthen energy independence.</p>
Resident Coordinator	Osnat Lubrani
UN Joint Program RCO focal point	Mykhailo Malkov
PUNO Lead agency JP Focal point	Food and Agriculture Organization of the United Nations, Pierre Vauthier and Pierre.Vauthier@fao.org
Other PUNOs JP focal point	UNEP, Mahir Aliyev, Regional Coordinator, mahir.aliyev@un.org
	United Nations Economic Commission for Europe (UNECE), Gianluca Sambucini, Economic Affairs Officer, gianluca.sambucini@un.org
	Agency, Name and contact email

Total budget:	\$275,000
Source of funds:	
• UN Joint SDG Fund	\$250,000
• UNEP	\$25,000
• FAO	
• UNECE	
• Other sources	

SDG Targets directly addressed by the Joint Programme	SDG 2.3, 2.4, 2.a, 7.1, 7.2, 7.a
<u>Gender Marker</u>	<p>Select only one from the options below</p> <p><input type="checkbox"/> GEN3: Have gender equality/women empowerment as the primary or principal objective.</p> <p><input checked="" type="checkbox"/> GEN2: Make a significant contribution to gender equality/women empowerment.</p> <p><input type="checkbox"/> GEN1: Make a limited contribution to gender equality/women empowerment</p> <p><input type="checkbox"/> GEN0: Make no contribution to gender equality/women empowerment</p>

JOINT PROGRAM DESCRIPTION

Situation Analysis

The war in Ukraine, in all its dimensions, is producing alarming cascading effects to a world economy already battered by COVID-19 and climate change, with particularly dramatic impacts on developing countries. Recent projections estimate that the world economy will be a full percentage point of GDP growth lower than expected due to the war, which is severely disrupting already tight food, energy, and financial markets. By far the large brunt of the war is borne by Ukrainian people, with communities suffering from loss of livelihoods, growing food insecurity and energy insecurity.

The current conflict is fomenting a food crisis on a global scale. Ukraine provides a significant amount of the world's wheat and barley, maize, and sunflower oil (In 2021, Ukraine exported agricultural products to more than 180 countries and most to the EU - almost 30 percent). The blockage of the Black Sea ports, by warships and mines, has significantly decreased export volumes of grain from which would normally average 5 million tonnes per month to less than 350,000 tonnes in March, under 1 million metric tons in April, and approximately 1.2 million in May. Depending upon export performance in the coming months, the 75 million tonnes of capacity of national storage is expected to be exhausted following the harvest of early crops starting in July, and further compounded by the harvest of late season crops in October. The shortage of storage space for the new harvest is estimated at 16.3 million tonnes. Given the areas of active hostilities, the actual loss of grain storage capacity by the time of harvest of late crops may be higher, and their deficit in the new season may reach as high as 20 million tonnes.

The government of Ukraine is developing alternative channels of transport through overland routes, however varying rail dimensions between countries, limited capacity at river ports, and a lack of vehicles and drivers remain challenges to this work. Drastic reductions in imports have also led to inflation in many basic goods, and importantly, agricultural inputs required for meeting seasonal deadlines and continuing production. At the same time, there is a worsening fuel shortage within the country, which is affecting production and supply chains in all sectors of the Ukrainian economy.

Against this background, there is an opportunity to rethink Ukraine's energy needs and consumption while maintaining its food production balance. It is vital to support the Government in taking adaptive measures to address the immediate crisis through short-term solutions, while also identifying the potential for strategic development of its energy balance and agricultural production through medium and long-term measures.

Ukraine has become almost completely dependent on imported diesel fuel, despite the country's great potential for biodiesel production. Fuel prices have since become two times as expensive as pre-war prices, and costs in agricultural production have nearly doubled.

Over the recent years, biofuel production and use has been receiving increased global attention on the part of states looking for ways to mitigate climate change, ensure energy security, strengthen the agricultural sector and promote development. Private sector investors are seizing business opportunities that occur largely due to government support in the form of

targets and mandates. However, concerns have been raised regarding potential impacts on food security and the environment related to the rapid expansion of biofuel feedstock production, and in particular, competition between different land uses.

Biofuel development must be consistent with Ukraine's overall policies and strategies. In the initial phase of national strategy development, due consideration should be given to assess how biofuel fits into existing overall development strategies, including strategies for poverty reduction, economic development, and conservation. The strategy should also align with sectoral policies and strategies in energy, energy efficiency, agriculture, forest management, natural resources, industry and technology, rural development and the social sector.

Programme Strategy

The purpose of this project is to respond to the current food and energy crisis in Ukraine and globally. A study will be conducted to evaluate the biofuel and biomass potential in Ukraine, and particularly the extent to which the conflict-affected territories could be used to grow crops for conversion to biofuels.

UNEP, in partnership with Food and Agriculture Organization of the United Nations (FAO) and the UN Economic Commission for Europe (UNECE), will conduct a joint technical analysis for evidence-based programming, specifically calculating the economic benefits of the project on food production. The results will provide the Government of Ukraine with an objective evaluation of environmental, social and economic impacts of biofuels to support an informed decision on a suitable biofuel strategy for Ukraine.

The assessment will provide an overview of the key problems and perspectives towards sustainable production of biofuels. It will be based on an extensive literature study, considering a wide range of different views from technical experts worldwide, as well as consultations and interviews with national level experts and local stakeholders from government, private sector, academia and civil society in Ukraine.

The assessment will describe current and future predicted trends in a broad range of categories including:

- Review of biofuel technologies
- Review of agricultural sector fuel consumption and implications on production
- Biofuel and biomass use
- Global production and global demand
- Economic component of biofuel production
- Estimation of agricultural yields with the incorporation of biofuel
- Life cycle wide environmental impacts (LCA) and greenhouse gas emissions
- Life cycle impacts
- Methodological constraints

The implementing agencies will utilize a multi-sectoral approach to capture a wide spectrum of data to determine implications from the incorporation of biofuels in food production strategies.

Close coordination with the Government of Ukraine, in particular MAPF, from the onset of project development to ensure the proposed activities align with national priorities. Private sector innovators already engaged in biofuel research and production will further assist the achievement of project outcomes that will inform MAPF on a strategic path for the utilization of biofuels.

Outcome 1: The Government of Ukraine is equipped with an objective and comprehensive analysis of the biofuel production potential to solve the compound food/energy crisis in Ukraine

Output 1.1: Report produced on Ukraine’s potential to achieve a balanced ratio between agricultural output and biofuel production

Proposed Activities: Providing an independent assessment of the biofuel production sector (points above) from a specialized organization and neutral orientation to minimize risks in calculations and conclusions and recommendations for Ukraine.

Output 1.2: Proposal for a demonstration project for biofuel production developed

Proposed Activities: Development of a demonstration project, its implementation and result assessment.

Governance and implementation arrangements

The project will be implemented under the overall coordination of the UN RCO in Ukraine. The three PUNOs (FAO, UNECE, UNEP) will play complementary roles, leveraging individual agency mandates and expertise to complete the food, energy, socio-economic and environmental aspects of joint assessment. Building on its strong partnership with the Government, FAO will oversee this work, coordinating with government agencies, including MAPF and the State Agency of Energy Efficiency.

Through the project coordination team, established and overseen by FAO, will ensure complementarity and synergies between activities and information sharing towards the common product of the SDG joint fund.

The UN-Ukraine cooperation is still guided by the UN-Ukraine Partnership Framework expiring at the end of 2022. Just before the war the UN in Ukraine had engaged in an extensive process to develop a new UN-Ukraine Sustainable Development Cooperation Framework for 2023-2027 to support the country’s long-term development vision. Given the planning process was interrupted by the war in February 2022, the UN in full consultation with the Government of Ukraine, development partners, and civil society is developing an UN-Ukraine Transitional Framework to provide a multi-sectoral structure for cooperation.

The Transitional Framework will supersede the UN-Ukraine Partnership Framework expiring in 2022 and spans over the next 18 months, from July 2022 to December 2023. All the three participating agencies will operate under the provisions of the

	<p>Transitional Framework, assuming the situation will allow for the resumption of development activities and transition to the full 5-year planning under the next Cooperation Framework in 2023.</p>
<p>Legal context</p>	<p><i>This section refers to cooperation or assistance agreements form the legal basis for the relationships between the Government and each of the UN organizations participating in this joint programme. For example: the Basic Cooperation Agreement for UNICEF; Standard Basic Assistance Agreement for UNDP, which also applies to UNFPA; the Basic Agreement for WFP; as well as the Country Programme Action Plan(s) where they exist; and other applicable agreements for other participating UN organizations. For the Funds and Programmes, these are standing cooperation arrangements. For the specialized Agencies, these should be the text that is normally used in their programme/project documents or any other applicable legal instruments. The text specific to each participating UN organization should be cleared by the respective UN organization.</i></p> <p><i>Indicate the title and date of the agreement between each Participating UN Organization (PUNO) and the government in the following format:</i></p> <p><i>Agency name: Food and Agriculture Organization of the United Nations (FAO)</i> <i>Agreement title: Agreement between the Government of Ukraine and the United Nations</i> <i>Agreement date: 31 July 2014</i></p> <p><i>Agency name: United Nations Environment Programme (UNEP)</i> <i>Agreement title: N/A</i> <i>Agreement date: N/A</i></p> <p><i>Agency name: United Nations Economic Commission for Europe (UNECE)</i> <i>Agreement title: N/A</i> <i>Agreement date: N/A</i></p> <p>Reference to UNSDCF and Legal Annex</p>

Workplan Template												
Outcome 1		The Government of Ukraine is equipped with an objective and comprehensive analysis of the biofuel production potential to solve the compound food/energy crisis in Ukraine										
Output	Target/s	List of activities	Time frame <i>Customize as relevant</i>				PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved	
							Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)
Output 1.1	Report produced on Ukraine's potential to achieve a balanced. Ratio between agricultural output and biofuel production	Activity 1.1.1. Analysis of fuel needs and consumption in the agricultural sector for identification of energy efficient and environmentally sustainable production options and technologies.	July – September 2022				FAO: Preparing agenda and undertaking market and technological research and analysis; field data collection of bioethanol and biodiesel.	\$210,000	\$25,000 (UNEP)	\$235,000	UNEP, FAO, UNECE	Government of Ukraine
		Activity 1.1.2. Analysis of the energy consumption balance of Ukraine and identification of potential for renewable energy	August – October									
		Activity 1.1.3. Analysis of the normative and institutional framework in support of increasing	September - December									

		the renewable energy uptake with special attention to bioenergy							
		Activity 1.1.4. Analysis of the normative and institutional framework in support of increasing the renewable energy uptake with special attention to bioenergy	September - December						
Output 1.2	Proposal for a demonstration project for biofuel production developed	Activity 1.2.1. Identification of partner(s)	July-August	FAO: Demonstration for the production of biofuels (biodiesel) technology. Preparation of technical materials and reports on this work.	\$40,000	0	\$40,000	UNEP, FAO, UNECE	Government of Ukraine
		Activity 1.2.2. Development of biofuel demonstration fuel	August-October						
		Activity 1.2.3: Multi-stakeholder dialogue on how to use the untapped RE potential, choice of a technological focus for the demonstration project and recommendations on needed normative and institutional changes.	November to December						

Monitoring, accountability, financial management, and public disclosure

Standard text – do not change

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. **The Convening/Lead Agent will develop a simple final narrative report and submit it to the Joint SDG Fund Secretariat, through the Resident Coordinator no later than two (2) months after the operational closure of the programme activities.**

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

The Project will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent. The programmatic UN entity of the Facility shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Project in accordance with its own regulations, rules, directives and procedures. The entity 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 Participating Organizations recovered through project support costs will be 7 percent. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund. PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Risk Management

See further instruction below (delete the instructions before finalizing the ProDoc)

Risks	Risk Level:	Likelihood:	Impact:	Mitigating measures	Responsible Org./Person
		Certain - 5 Likely - 4	Essential – 5 Major - 4		

	(Likelihood x Impact, as per instructions)	Possible - 3 Unlikely - 2 Rare – 1	Moderate - 3 Minor - 2 Insignificant - 1		
Contextual risks					
The project is implemented in a Member State in an active stage of conflict. Ongoing hostilities may disrupt	6	3	2	The project is of analytical nature, most activities can be done as desk studies and if necessary performed from a remote location.	UNEP, FAO, UNECE
Disruption in effective project relevance due to external events	6	2	4	The project is aligned with Government priorities and strategy	UNEP, FAO, UNECE
Programmatic risks					
Failure to identify developments, trends or challenges	5	1	5	Multi-sectoral interest is very high and the study will involve broad stakeholders.	UNEP, FAO, UNECE
Lack of innovation	4	4	1	The technology is well-known but the roadmap adapted to the Ukraine context will provide needed analysis and government support	UNEP, FAO, UNECE
Institutional risks					
Fiduciary risks					
Non-compliance with rules and procedures	4	1	4	PUNO's have corporate internal controls for prevention of fraud.	UNEP, FAO, UNECE
Security and safety of staff not guaranteed	4	1	4	Most activities can be done as desk studies and if necessary performed from a remote location	UNEP, FAO, UNECE

Likelihood	Occurrence	Frequency	Consequence	Result
Very Likely	The event is expected to occur in most circumstances	Twice a month or more frequently	Extreme	An event leading to massive or irreparable damage or disruption
Likely	The event will probably occur in most circumstances	Once every two months or more frequently	Major	An event leading to critical damage or disruption
Possibly	The event might occur at some time	Once a year or more frequently	Moderate	An event leading to serious damage or disruption
Unlikely	The event could occur at some time	Once every three years or more frequently	Minor	An event leading to some degree of damage or disruption
Rare	The event may occur in exceptional circumstances	Once every seven years or more frequently	Insignificant	An event leading to limited damage or disruption

Likelihood	Consequences					Level of risk	Result
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)		
Very likely (5)	Medium (5)	High (10)	High (15)	Very High (20)	Very High (25)	High	Immediate action required by senior/executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Likely (4)	Medium (4)	Medium (8)	High (12)	High (16)	Very High (20)		
Possible (3)	Low (3)	Medium (6)	High (9)	High (12)	High (15)	Medium	Senior Management attention required. Mitigation activities/ treatment options are undertaken to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)		
Rare (1)	Low (1)	Low (3)	Medium (3)	Medium (4)	High (5)	Low	Management attention required. Specified ownership of risk. Mitigation activities/treatment options are recommended to reduce likelihood and/or consequence. Implementation of monitoring strategy by risk owner is recommended.

Budget per UNSDG Categories

UNSDG BUDGET CATEGORIES	PUNO 1 (FAO)		PUNO 2 (UNEP)		PUNO 3 (UNECE)		PUNO 4 name		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	40,705		60,000		28,000				128,705	
2. Supplies, Commodities, Materials	-		-		-		0		-	
3. Equipment, Vehicles, and Furniture (including Depreciation)	-		-		-		0		-	
4. Contractual services	16,515		14,766		43,366		0		74,648	
5. Travel	9,208		-	25,000	3,400		0		12,608	25,000
6. Transfers and Grants to Counterparts	-		-		-		0		-	
7. General Operating and other Direct Costs	17,684		-		-		0		17,684	
Total Direct Costs	84,112		74,766		74,766		-		233,645	
8. Indirect Support Costs (Max. 7%)	5,888		5,234		5,234		-		16,355	
TOTAL Costs	90,000	-	80,000	25,000	80,000	-	-	-	250,000	25,000

Signature of Joint Programme document and Fund Transfer Request as per UNSDG budget categories.

I hereby confirm that the funds requested are in accordance with the approved Work Plan & Joint Programme Document. * I also certify that the copy transmitted to the MPTF Office is a true copy of the original which is secured by the RC Office. I have received documentation from Participating Organizations demonstrating Committed amounts where applicable. I also confirm that the PUNOs' indirect cost does not exceed 7%.

RESIDENT COORDINATOR SIGNATURE	Name: Osnat Lubrani Date and Signature 17-Jun-2022 
PUNO Representative (FAO) SIGNATURE	Name, Title: Pierre Vauthier, Designated Responsible Officer Date and Signature 
PUNO Representative (UNECE) SIGNATURE	Name, Title: Alan Esser, Officer-in-Charge, Executive Office, Programme Management & Support Services Division (PMSSD), United Nations Economic Commission for Europe Date and Signature 17.06.2022 
PUNO Representative (UNEP) SIGNATURE	Name, Title: Bruno Pozzi, Director, Regional Office for Europe Date and Signature  17.06.2022
PUNO Representative SIGNATURE	Name, Title: Date and Signature