

United Nations

Multi-Partner Trust Fund

Infrastructure

Resilient

Accelerator Fund (IRAF)

Terms of Reference (Draft 7)

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1. Introduction

Investment in infrastructure systems is a key driver of sustainable development, economic growth, and prosperity. The world will invest more in infrastructure systems over the next 20 years than has been invested over the past 200 years. Between 2016 and 2040, the Global Infrastructure Hub pegs the global annual infrastructure investment needs at US\$3.7 trillion per year. A large part of this infrastructure will inevitably be exposed to a range of natural hazards such as floods, earthquakes, storms, and tsunamis. With the increasing demands of a growing global population and unpredictable hazard patterns, the existing infrastructure will be put under additional stress and new infrastructure will be built in hazardous areas. Over the lifecycle of infrastructure systems, the effects of climate change and increasing frequency and intensity of hydro-meteorological hazards will pose an additional challenge. If not planned properly, the infrastructure systems may themselves create disaster risks. A large proportion of direct damages from disasters – sometimes up to two-thirds of the total – are related to infrastructure. The effects of infrastructure system disruptions can ripple across multiple sectors, economies, and geographies, creating impacts that are difficult to predict. A transformation is required in how infrastructure is planned, designed, constructed, operated, and maintained, and in the financial incentives, standards, governance arrangements and capacities that are required to facilitate resilient infrastructure.

The Coalition for Disaster Resilient Infrastructure (CDRI) is an international organisation and global partnership of national governments, UN agencies and programmes, multilateral development banks and financing mechanisms, the private sector, academic and knowledge institutions that aims to promote the resilience of infrastructure systems to climate and disaster risks, thereby ensuring sustainable development. The Coalition seeks to rapidly expand the development and retrofit of resilient infrastructure to respond to the Sustainable Development Goals (SDGs) imperatives of expanding universal access to basic services, enabling prosperity and decent work. The Coalition has a mandate to create a global platform for knowledge exchange, technical support, and capacity development for resilient infrastructure to climate and disaster risks. It brings together a multitude of stakeholders to create a mechanism to assist countries to upgrade their capacities, systems, standards, regulations, and practices with regard to infrastructure development in accordance with their risk context and economic needs. Its success will be reflected in the quality of technical support it is able to provide, and the capacity development it is able to support for the development of disaster resilient infrastructure in the participating countries. The CDRI does so by enabling synergies between the SDGs, the Paris Climate Agreement, the Sendai Framework for Disaster Risk Reduction 2015-2030 (SFDRR 2015-2030) and the UN Agenda 2030 principles of "*leaving no one, no place, and no ecosystem behind*". This will largely be implemented at local, national, regional, and global levels, which implies the need to have significant flexibility in implementing agencies, instruments, and financing arrangements.

The Infrastructure Resilient Accelerator Fund (IRAF), the vehicle envisaged to achieve the vision of the Coalition, will be dedicated to supporting collective action on disaster resilience and ensure that such trust, determination, and solidarity amongst Member States and with other stakeholders can be fostered to ensure development for resilient infrastructure. Heeding the call of the CDRI, the IRAF will support initiatives at all levels - national, regional, and global levels. The

IRAF has the potential to become a major contributor to international cooperation around disaster resilient infrastructure, especially in developing countries and Small Island Developing States (SIDS), via financing, innovation, technology, and knowledge transfer.

2. Functions of the Fund

The Fund will have the following functions:

- **Channeling of resources** for CDRI's governance approved strategy and work plans through an inclusive and transparent decision-making structure
- **Coordination and alignment:** Strengthen the coordination, planning and communication among CDRI Member Countries and partner organizations for programme alignment and delivery.
- **Coherence:** Deliver synergies among CDRI Member Countries and partner organizations.
- **Reduce political and fiduciary risks** faced by stakeholders through the concentration of resources and a result-based management system which is transparent and accountable.
- **Reduce transaction costs** by using pre-approved single Standard legal agreements
- **Additionality** by uniquely contributing to the global cause of enhancing resilience of existing and future infrastructure systems to climate and disaster risks.
- **Catalytic ability to engage and mobilise** more funding from existing and emerging donors towards resilience of infrastructure.
- **Provide flexibility** as a mechanism that easily adapts to changes as per CDRI's Work Plan and strategic priorities (such as new thematic areas of intervention, additional participating organizations (POs), new processes, and others).
- **Innovation:** Provides a mechanism for clear attribution and transparency from innovative sources of finance such as blended capital, mixed funding modalities, non-state actors contributing to the Fund and results-based payments.

3. Programmatic Scope and Theory of Change

The IRAF will be an enabler for its mandate of facilitating achievement of resilience through risk informed investments and development of infrastructure, resulting in reduced vulnerability of populations and impact of extreme events, climate change and disasters on infrastructure systems. In seeking to promote the resilience of new and existing infrastructure systems the MPFT will acquire a critical role in equipping CDRI to deliver on improved infrastructure governance, inclusive infrastructure services and diversified knowledge and financing for resilient infrastructure globally.

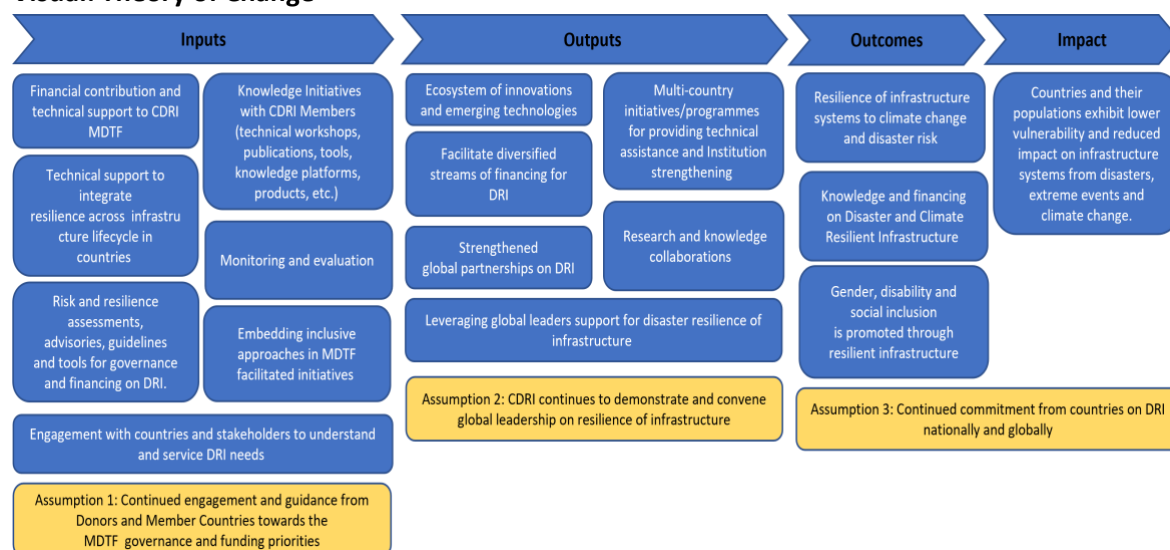
With the overarching goal of helping meet Sustainable Development Goals' imperatives, the programme of the IRAF will draw upon the strategic workplan of CDRI and roll out annual and multi-year projects. These will result in the uptake of innovation and technologies for improved infrastructure systems, provision of technical support and capacity building solutions to countries, investments in research and knowledge collaborations for infrastructure resilience, and layered advocacy convening key constituents of infrastructure development, operations, and governance across stakeholder groups.

The outputs programmed for achievement through CDRI's IRAF will be delivered through a multipronged programme that will leverage CDRI's institutional partnerships and collaborations through bespoke technical support and capacity development for members, knowledge transfer

across institutional partners, technical agencies and private sector actors, and financial contributions to the fund. The projects operationalized institutionally and with member countries will span across the infrastructure lifecycle and will focus on solutions and engagements that strengthen establishment of improved infrastructure systems and services. To this end, the interventions will enable governments to be equipped with risk and resilience assessments, improved performance tools and processes for infrastructure services, and advisories and guidelines for strengthened governance. Inherent to these would be focused interventions made on capacity strengthening, inclusion, and novel financing and partnerships for infrastructure resilience.

The ToC postulates that in creating synergies across the practice realms of infrastructure development, risk reduction and climate change adaptation, CDRI through its partnerships, technical support, knowledge collaborations and advocacy - will contribute to the overarching global ambition of a safer and better planet for all people and their living environments.

Visual: Theory of Change



3.1 Contribution to the Sustainable Development Goals (SDGs)

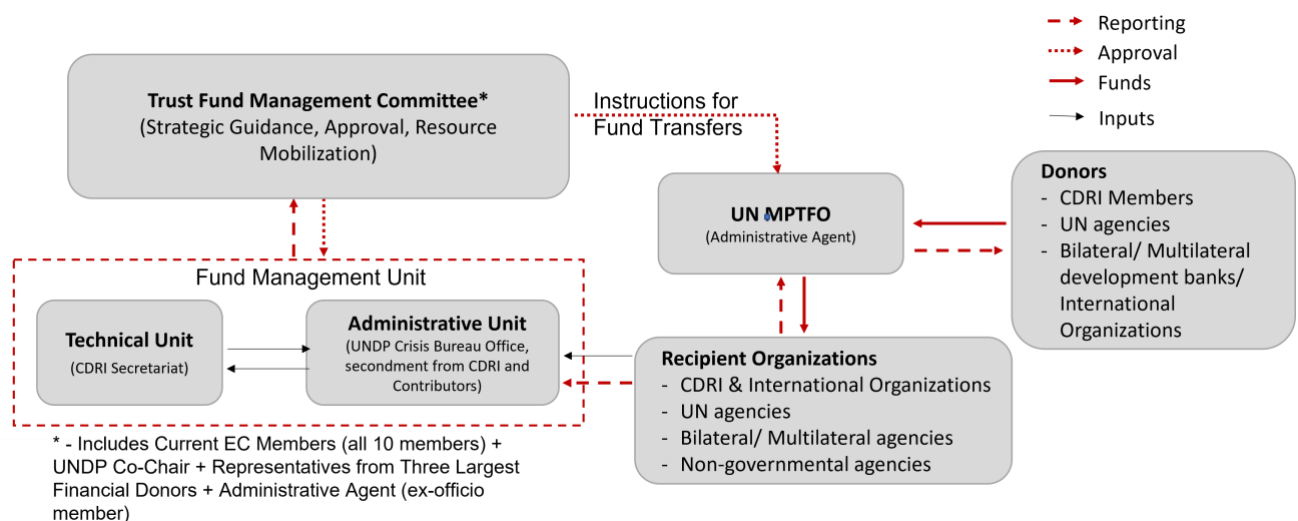
The Fund will contribute to the attainment of the following SDGs:

1. SDG 3: Good Health and Well-Being – Targets contributed to may include 3.6 (reduced mortality from road traffic accidents), 3.9 (reduced mortality and illness from hazardous chemicals, pollution and contamination), and 3.d (strengthened capacities for early warning, risk reduction and management of national and global health risks).
2. SDG 5: Gender equality and women’s empowerment – Targets contributed to may include 5.b (enhanced use of information and communications technology (ICT) for empowerment of women).
3. SDG 6: Clean water and Sanitation – Targets contributed to may include 6.1 (universal and equitable access to safe and affordable drinking water), 6.2 (access to adequate and equitable sanitation and hygiene), and 6.6 (protection and restoration of water-related ecosystems).
4. SDG 7: Affordable and Clean Energy – Targets contributed to may include 7.2 (transition towards renewable energy), 7.a (International financial flows for clean energy research and

- development), 7.b (infrastructure expansion and technology upgradation for supplying modern and sustainable energy services).
5. SDG 9: Industry, Innovation and Infrastructure – Targets contributed to may include 9.1 (quality, reliable, sustainable and resilient infrastructure), 9.4 (infrastructure upgradation and retrofitting), 9.a (sustainable and resilient infrastructure development in developing countries) and 9.c (universal and affordable access to information and communication technologies).
 6. SDG 11: Sustainable Cities and Communities – Targets contributed to may include 11.1 (adequate, safe and affordable housing and basic services and slum upgradation), 11.2 (safe, affordable, accessible and sustainable transport systems), 11.3 (inclusive and sustainable urbanization), 11.4 (strengthened and safeguarded world’s cultural and natural heritage), 11.5 (reduced mortality, impacts and losses caused by disasters), 11.7 (universal access to safe, inclusive and accessible, green and public spaces), 11.a (strengthened national and regional development planning), 11.b (strengthen public policies and planning towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, in line with the SFDRR 2015-2030 at all levels), 11.c (sustainable and resilient buildings utilizing local materials).
 7. SDG 13: Climate action – Targets contributed to may include 13.1 (strengthen resilience and adaptive capacity), 13.2 (integration of climate change measures in national policies, strategies, and planning), 13.3 (awareness-raising, capacity on adaptation, etc.) and 13.b (strengthening capacities for effective climate change-related planning and management).
 8. SDG 17: Partnerships for the Goals – Targets contributed to may include 17.6 (enhanced North-South, South-South and triangular regional and international cooperation), 17.8 (operationalizing operationalize the technology bank and science, technology and innovation capacity-building mechanism), 17.9 (support for effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, 17.14 (enhanced policy coherence for sustainable development), 17.15 (policies for sustainable development) and 17.16 (enhanced Global Partnership for Sustainable Development).

4. Governance Arrangements

The governance of the trust fund will be as depicted below:



CDRI Executive Committee

The CDRI Executive Committee is the managerial body of the CDRI, which provides overall direction to the programmes and themes of engagement through the CDRI Work Plan. The composition of the CDRI Executive Committee is contingent upon the CDRI Charter. The Director General, heading the CDRI Secretariat, is the ex-officio member of the CDRI Executive Committee. The CDRI Executive Committee is co-chaired by two members with the Government of India as the Permanent Co-Chair and the Rotating Co-Chair will serve as the other Co-Chair for a term of two years. The term of the CDRI Executive Committee rotates in every two years.

Trust Fund Management Committee

In the context of IRAF and in line with the CDRI Charter, the CDRI Executive Committee will be expanded to function as the governing body, hereafter named as the Trust Fund Management Committee, for decisions related to the Fund. Trust Fund Management Committee will have three co-chairs to include the permanent EC Co-chair, rotating EC Co-chair and a Co-chair from the UN. It will provide strategic direction, approve resource mobilization and allocation, and will provide oversight to the CDRI IRAF. For deliberations on the IRAF, a meeting of the Trust Fund Management Committee will be organized with the following additions to the composition of the CDRI Executive Committee:

1. UNDP will co-chair the sessions along with the Permanent Co-Chair of CDRI Executive Committee (representing Government of India) and the rotating Co-Chair (currently representing the United States).
2. The Director General heading the CDRI Secretariat will participate in decision-making process.
3. Three largest financial donors to the Fund subject to their representation in the CDRI Executive Committee.
4. The Administrative Agent (ex-officio) without participation in the decision-making process.

The Trust Fund Management Committee may have up to 15 members. See Annex 1 for current composition of the CDRI Executive Committee for the biennium 2022-24.

All the members (except the Administrative Agent) of the Trust Fund Management Committee, have the right to participate fully in meeting deliberations and decisions are taken by consensus of all the members present during these sessions. During any discussion where a decision is to be made by the Trust Fund Management Committee, members should disclose, in advance, any personal or organizational conflicts of interest that could conflict with CDRI's mandates or operations. Details on alternates, rotations, observers, conflict of interest disclosure, recusals, chairpersonship, decisions process, quorum, and process of organizing the meetings will be elaborated in the Operations Manual.

Conflict of interest

Members of the Trust Fund Management Committee shall not have any direct personal interest (such as personal financial gains as employees, consultants, individual contractors whether individually or through corporate ownership, participation or benefit), or those of their family

members or their direct supervisor/s, of private or professional nature, in any of the project proposals submitted for funding or under implementation.

If a Member(s) of the Trust Fund Management Committee is affiliated with any of the Participating Organizations submitting a specific project proposal for approval under the IRAF, such member(s) must declare immediately the potential conflict of interest and must not participate in the decision making for such specific fund allocation/ project approval. If a UN Co-Chair cannot participate on a specific agenda item due to a conflict of interest, an alternative UN agency signatory of the MoU will act as the Co-Chair for that specific agenda item.

Before each meeting of the IRAF, the Fund Management Unit (FMU) will circulate a form to all participating members to clarify their potential conflict of interest, whether individually or organizational, in relation to specific sessions.

The Trust Fund Management Committee is responsible for the following tasks:

Fund Governance Support:

- Review and approve the IRAF's Terms of Reference (TOR) and Operations Manual.
- Provide general oversight and exercising overall accountability of the Fund.
- Approve the IRAF requirements concerning, inter alia: Programme/project management, including consistent and common approaches to programme/project costing, cost recovery, implementation modalities, results-based reporting and impact assessment, Information management including donor visibility.
- Approve Fund extensions and updates of the Fund TOR to the Trust Fund Management Committee.

Fund Management and Implementation:

- Approve the Fund risk management strategy and review risk monitoring regularly.
- Allocate resources to specific projects/initiatives or as multi-sector initiatives in alignment with the CDRI Work Plan and within the CDRI approved allocation framework.
- Approve proposals for funding and due process managed by the FMU, ensuring their conformity with the requirements of the Fund TOR and the priorities of CDRI.
- Approve proposals submitted from agencies (by sectoral and/or geographical groups or otherwise as multi sector initiatives) for funding.
- Ensure the conformity of proposals with the requirements of the IRAF agreements (MoUs, LoAs).
- Request fund transfers to the Administrative Agent.
- Approve direct costs related to Fund operations, including the Fund Management Unit budget.
- Approve and implement the resource mobilization strategies to capitalize the Fund (developed by the FMU in close consultation with the CDRI Secretariat).

Fund Monitoring and Reporting

- Review and approve the periodic progress reports (programmatic and financial) consolidated by the Administrative Agent based on the progress reports submitted by the Participating Organizations (POs).
- Review Fund status and oversee the overall progress against the results framework through monitoring, reporting and evaluation.
- Review findings of the summary audit reports consolidated by the internal audit service of the Administrative Agent.

The meetings of the Trust Fund Management Committee will coincide with the CDRI Executive Committee meetings and will meet at least, every six months (virtually and in-person) and makes funding and programming decisions by consensus. Decisions can also be made electronically. In the case of non-consensus, the Co-Chairs will decide together fairly in the larger interest of CDRI. The Trust Fund Management Committee has a quorum when 2/3 of its membership is present.

The Co-Chairs of Trust Fund Management Committee:

The Co-Chairs will provide governance and oversight of the Fund and will be responsible for:

- Providing strategic leadership of the Fund;
- Ensuring that the fund aligns with CDRI's priorities and the global agendas;
- Mobilizing resources and partnerships for the Fund;
- Overseeing management of the Fund, including making funding allocations;
- Signing all Fund Transfer Requests (FTRs) and other documents addressed to the Administrative Agent on behalf of the Fund, on the basis of decisions taken by the Trust Fund Management Committee.

Fund Management Unit

The Fund Management Unit will comprise of an Administrative Unit and a Technical Unit. The two units will work in close collaboration and in a complimentary manner.

A. Administrative Unit:

The Administrative Unit hosted by the UNDP Crisis Bureau Office is the entity responsible for the operational functioning of the Fund. It implements the decisions and provides secretariat support to the Trust Fund Management Committee. The head of the Administrative Unit is internationally recruited administratively by the UNDP Crisis Bureau and substantively reports to the Trust Fund Management Committee. As per the IRAF MOU/SAA, the costs of Administrative Unit will be charged as direct costs to the IRAF through a project approved by the Trust Fund Management Committee, and the administrative functions will be managed by the UNDP Crisis Bureau Office. The Administrative Unit will include staff seconded by CDRI and other donors. The budget is agreed and approved annually by the Trust Fund Management Committee.

The Administrative Unit's main functions are:

Fund Governance Support:

- Provide logistical and operational support to the Trust Fund Management Committee, including recording minutes and ensuring they are made available to all stakeholders, i.e., by sharing it with the Administrative Agent to post on the Gateway.
- Develop the fund risk management strategy and submit it to the Trust Fund Management Committee for IRAF for approval and regular review.
- Ensure Training of CDRI staff on good procurement practices.

Fund Management and Implementation:

- Convene, record and circulate the recommendations of the FMU for approval and consideration by the Trust Fund Management Committee.
- Conduct Due Diligence processes to potential Recipient Organizations.
- Ensure the monitoring of the operational risks and Fund performance.
- Facilitate collaboration and communication with/between POs to ensure programs are implemented effectively.
- Support the Technical Unit in reviewing periodic progress reports (programmatic) submitted by the POs and submit consolidated reports to the Trust Fund Management Committee for review and approval.
- Develop a Fund Operations Manual with the support of the Administrative Agent, which would include, for example, fund administration issues, including submitting the FTRs and issues related to project/Fund extensions and project/Fund closure.
- Ensure the Fund's projects have a gender and social inclusion marker.
- Share up to date information with the UN MPTFO for the fund's page on Gateway, and ensure proper visibility of all fund partners, including donors and participating organizations).
- Develop the Communication Strategy for the Fund. Ensure that requests for proposals are widely seen and outreach is also done to ensure inclusion of bidders from gender-based and minority groups/firms.

Fund Monitoring and Reporting

- Consolidate annual and final narrative reports provided by the POs and share with the Trust Fund Management Committee for review as well as with Administrative Agent for review and preparation of consolidated financial reports.
- Commission evaluation, reviews and "lessons learned" reports on the performance of the IRAF and determining follow-ups actions.
- Submit final project reports to the Administrative Agent for operational closure.
- Monitor financial closure, ensuring that projects are operationally closed within 18 months from their operational closure.

B. Technical Unit:

CDRI Secretariat will be the Technical Unit and will work closely with the Administrative Unit to provide relevant technical expertise, including through staff secondment. The main functions of the CDRI Secretariat as Technical Unit will be:

- Advise the Trust Fund Management Committee on priorities as drawn from the CDRI approved Work Plan and timeline, programmatic and financial allocations.
- Prepare and draft the technical aspects of the calls for proposal including relevant criteria to assess the quality of proposals submitted.
- Review proposals (both technical and financial) submitted for funding, ensuring conformity with the programme priorities and guiding principles of CDRI.
- Review periodic progress reports (programmatic) submitted by the POs.
- Development of the communication strategy and the fund resource mobilization strategy in collaboration with the Administrative Unit.
- Lead and implement CDRI communication strategy and promote CDRI branding and identity.
- Advise coordination with existing external activities foreseen or ongoing within the sector.

- Guide consultation, partnerships, and engagements with relevant stakeholders to project activities.
- Make recommendations to the Administrative unit regarding Fund's report presentation, monitoring and evaluation.

Fund Administration

The Administrative Agent

The Fund is administered by the UN MPTF Office under the pass-through management modality.

The Fund's administration services, whose costs are 1% of received contributions, include:

- The Fund's establishment: support to the Fund's design (Terms of Reference and Operation Manual), and development of legal instruments.
- The Fund's administration: receipt, administration, and release of funds to POs in accordance with fund related decisions of the Trust Fund Management Committee, and financial report consolidation.

The Administrative Agent (UN MPTFO) is responsible for the following functions:

- Provide support to the design of the Fund (Fund investment and Programmatic strategies for CDRI's interventions through IRAF) for maximizing operational efficiencies.
- Sign a Memorandum of Understanding (MOU) with Participating Organizations.
- Sign SAAs with donors and receive contributions from donors that wish to provide financial support to the Fund/Programme through the Administrative Agent. It is noted that the Administrative Agent cannot enter into any other agreements with donors that would impose responsibilities on POs without their prior written consent.
- Administer such funds received in accordance with its regulations, policies and procedures, as well as the relevant MOU and Fund Terms of Reference (TOR) and SAA, including the provisions relating to winding up the Fund account and related matters.
- Subject to availability of funds, disburse such funds to each of the POs in accordance with fund related decisions from the Trust Fund Management Committee, taking into account the budget set out in the approved programmatic documents.
- Ensure consolidation of statements and financial reports, based on submissions provided by each PO, as set forth in the TOR and provide these to each donor that has contributed to the Fund/Programme account and to the Trust Fund Management Committee.
- Carry out the operational and financial closure of the Fund.
- Provide final reporting, including notification that the Fund has been operationally completed.
- Disburse funds to any PO for any additional costs of the task that the Trust Fund Management Committee may decide in accordance with the approved programmatic document.
- Provide annual and final certified financial reports of activities of the Administrative Agent (source and use of the funds) to the Trust Fund Management Committee.
- Provide tools to ensure transparency of the Fund, including maintenance of the Fund page on the Gateway.
- Ensure training of CDRI staff on overall Trust Fund Management

5. Programming Cycle

The operational phase of the CDRI IRAF will be preceded by a six-month inception phase, during which all aspects of implementation will be finalized and captured in an Operations Manual.

5.1 Inception Phase

Through the first six months (inception phase), the CDRI IRAF is to carry out the preparatory work and develop the Fund's Work Plan based on CDRI's priorities and Work Plan. The following items will be prioritized:

- Mapping of possible resource mobilization/funding sources, partnerships and collaborations.
- Selection of thematic areas of implementation.
- Selection of development and cooperation partners at international, regional and national level.
- Establishment of the governance structure and its own rules and procedures.
- Development of an Operations Manual to include the governance structure, procedures and policies.
- Adoption of CDRI's Work Plan.
- Identifying and/or creating synergies with and links to relevant CDRI projects and sectors.
- Initiate stakeholder outreach strategy.

5.2 Operational Phase

5.2.1 Funding Mechanisms in the Operational Phase

- The programme cycle of the fund will be aligned with CDRI's Work Plan and endorsed by the Trust Fund Management Committee for execution by the FMU. The programme delivered by the IRAF will be executed by the FMU and will either be based on sector specific and/or geographic priorities or as multisector initiatives, through United Nations (UN) and Non-United Nations Organizations (NUNO).
- Non-UN Organizations (CDRI, International Organizations, Multilateral and bilateral cooperation agencies, and Non-Governmental organizations) may gain direct access to the IRAF based on UNSDG clearance of the NUNO modality for the Fund.
- UN and NUNO organizations may access the fund on a competitive basis, based on Calls for Proposals issued through the Fund, in alignment with the approved CDRI strategy.
- In addition, the Trust Fund Management Committee may – on an annual basis or multi-annual basis- request CDRI (once cleared for direct access) to execute certain specific programmatic activities. In this case, the request will be documented in the Trust Fund Management Committee meeting minutes and such activities will be detailed in an ad-hoc programme document prepared by CDRI and will be proposed for approval for funding through the IRAF.
- Finally, the private sector may access the fund indirectly either through a call for proposal (if specifically indicated) or through a procurement process conducted by a UN or NUNO with direct access to the fund. In case of latter, UN and NUNOs retain full accountability for all funds received by the IRAF, regardless of whether they are passed on to other contractor, responsible partners or implementing partners according to the UN or NUNO rules and regulations, or are directly implemented.

6. Project Approval Cycle

6.1 Regular cycle of Project Approval

Project identification, design and submission

Based on Fund's priorities aligned with the CDRI's Workplan, the Trust Fund Management Committee will identify the appropriate mechanism for fund disbursement depending on the nature of the approved programme.

Prior to the Project Development

The Fund Management Unit will prepare projects based on the Trust Fund Management Committee approved strategy and CDRI Work Plan.

The design and issue of the Request for Proposals will be the responsibility of the Fund Management Unit. The design of projects or programmes shall be consistent with the programmatic parameters established within the strategic framework of the CDRI IRAF.

6.2 Review of Projects

The Fund Management Unit will conduct review of the project proposals to ensure its quality. Two types of reviews are conducted:

1. Administrative Unit Review

This review will ensure the administrative completeness of the submission and technical and financial assessment of the proposals. It will include: (i) format, (ii) supporting documents, (iii) budget, and (iv) general value for money assessment.

2. Technical Unit Review

The technical review will include the program-related quality control of the proposal and ensures alignment, coordination and prioritization of the intervention in the relevant Outcome or Window. The criteria the Fund Management Unit will use to assess the quality of the submitted project proposal will be proposed by the Technical Unit. The criteria may include, among others:

- Alignment with CDRI priorities and relevance to the global agendas;
- Methodology adopted;
- Cost effectiveness and efficiency;
- Consider cross cutting dimension: Gender equity and Leaving No One Behind;
- Consider cross cutting dimension: Human Rights;
- Potential to scale up;
- Synergies and coordination with other projects/programmes;
- Capacity building, sustainability and lasting impact;
- Building on previous successful experiences or expanding on ongoing successful ones (prior experience for similar projects);
- Strong Results-based Management principles (Monitoring and Evaluation, mechanisms, risk mitigation measures, theory of change);
- Addressing multi-strategic priorities;
- Innovation.

6.3 Project approval and funds transfer

Project approval

Once the technical and financial review is conducted by the Fund Management Unit, project documents will be submitted to the Trust Fund Management Committee for approval. The Trust Fund Management Committee will approve the funds' allocations based on the review package received from the Fund Management Unit. The Trust Fund Management Committee will take into account all proposals and select these based on the strategy and priorities approved under the CDRI Work Plan.

The decision will consist of the three following options: i) approval; ii) approval with recommendations; or iii) rejection.

Programmes or projects approved with recommendations do not require submitting a proposal again. The Administrative Unit shall ensure that the PO incorporates the recommendations of the Trust Fund Management Committee, before requesting the MPTFO to transfer funds to the PO. The Trust Fund Management Committee decisions related to the Fund are recorded in its minutes of meeting, which are consolidated by the Administrative Unit and shared electronically.

Funds transfer

The Administrative Unit of the FMU will prepare a fund transfer request (FTR) for each programme/project and budget allocation approved. The MPTFO will carry out transfers approved based on the project documents and the decisions of the Trust Fund Management Committee to POs no later than five (5) working days after the receipt of the FTR. Upon completion of the transfer, the representative of the PO and the Fund Management Unit will be notified through electronic mail.

7. Risk Management

The final objective of a risk management strategy at the Fund level is facilitating the achievement of program-related objectives of its interventions in the context of the risk in which it operates.

The Fund Management Unit will develop a risk management strategy whose main objectives are: accelerate Fund implementation and increase its impact, ensure that the Fund's interventions meet the "Do no harm" principles, verify that resources are used for foreseen purposes and improve risk management capacity of POs.

The Fund's risk management strategy will encompass the following tasks:

- Identify & develop shared understanding of risks faced by the Fund;
- Define risk appetite or tolerance of the Fund (Fund's risk profile);
- Establish the Fund's policies regarding identified risks (Fund's risk policies).
- Identify or clarify potential compensation from risk taking and seek consensus among stakeholders regarding its management;
- Determine risk treatment through measures of mitigation or adaptation;
- Identify risk holders, monitor and control its spreading and define follow-up measures;
- Establish information strategies and common messages about the identified risks.

Every programme or project approved by the Fund shall comply with the risk management strategy. The fulfillment of such a strategy will be one of the selection criteria during the process of project evaluation. The CDRI IRAF risk management strategy is, however, not a replacement for programme risk evaluation/management. Further details are contained in Annex 2.

8. Contributions

During the inception phase, the FMU will develop a resource mobilization strategy which will define the overall capitalization of the CDRI IRAF in line with the programmatic ambition of the fund. In the next 5 years, it is envisioned that CDRI IRAF will reach 50 to 70 million USD.

In support of the overarching aim of the Fund, and to ensure maximum flexibility and adaptation to the CDRI's priorities, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled and unearmarked resources.

Funds should be provided in fully convertible currency and shall be deposited in the bank accounts designated by the MPTF Office as Administrative Agent. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

Acceptance of funds from the private sector and philanthropies will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General's guidelines: (<https://www.un.org/en/ethics/assets/pdfs/Guidelines-on-Cooperation-with-the-Business-Sector.pdf>)). Funds from the private sector will be subject to the outcome of applicable due diligence processes. NOTE: it is required that contributions from the private sector are approved by the CDRI Executive Committee. POs may be advised of the source of the funding; in case some POs have specific conditions that limit acceptance of contributions from certain types of private sector entities. The Fund Operations Manual can elaborate the process for reviewing private sector contributions.

9. Accountability

Each Participating Organization shall assume full programmatic and financial accountability for the funds disbursed to it. Such funds will be administered by each organization in accordance with its own regulations, rules, directives and procedures. Each organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

10. Reporting

Narrative and financial reporting

The Fund Management Unit will be responsible for monitoring progress in the Fund delivering its objectives and how funds are being used by the Implementing partners. The Fund Management Unit will provide reports on a regular basis (minimum half-yearly) to the Trust Fund Management Committee.

A mid-term evaluation will be conducted to assess whether the programme is on track to deliver expected outputs and outcomes with respect to the timeframe and budget. It will enable the Trust Fund Management Committee to make any changes in approach and/or reorientation during the second half of the programme in order to improve results.

A final evaluation will be carried out for learning and impact assessment purposes.

The responsibilities related to reporting are gathered and detailed in the Memorandum of Understanding and Standard Administrative Agreements.

Narrative reports

For each project, the PUNO/POs will submit the following reports to the Fund Management Unit for consolidation and further transmission to the Administrative Agent:

- (a) Annual narrative reports to be provided no more than three months (March 31st) after the end of the calendar year.
- (b) Final narrative reports after the end of activities contained in the programme-related approved document, including the final year of such activities, to be submitted no more than four months (April 30th) in the following year after the financial closure of the project.

Annual and final reports will exhibit results based on evidence. Annual and final narrative reports will compare actual results against estimated results in terms of outputs and outcomes and they will explain the reasons of higher or lower performance. The final narrative report will also include the analysis of how the outputs and outcomes have contributed to the Fund's overall impact.

Responsibilities related to reporting are described in detail in the Memorandum of Understanding. All Participating Organizations will submit annual and final reports on program and financial activities to the Fund Management Unit (in accordance with the modality of project administration) in accordance with the approved format.

Financial Reports

For each project, the POs will submit the following financial statements and reports to the Administrative Agent:

- (a) Certified annual financial statements and reports to December 31st, regarding released resources by the Fund to them; these shall be provided no more than four months (April 30th) after the ending of the calendar year.
- (b) Final certified financial statements and financial reports after the completion of activities contained in the programme-related approved document, including the final year of such activities, to be submitted no more than six months (June 30th) in the following year after the financial closure of the project.
- (c) Based on these reports, the Administrative Agent will prepare consolidated narrative and financial reports which will submit to each of the Fund's donors and to the Trust Fund Management Committee as per the schedule established in the Standard Administrative Agreement.

11. Monitoring and Evaluation

Monitoring and evaluation of the Fund will be carried out in accordance with the national and global context, a results-based management method will be applied, with overall coordination by the UN system. The continuous monitoring and evaluation will be done by the Participating Organizations and coordinated by the Fund Management Unit.

The Fund Management Unit will monitor and evaluate the implementation of programmes against the programmatic framework of the Fund, consolidate all reporting submitted by POs, and send consolidated reports to the Trust Fund Management Committee.

The monitoring and evaluation system for the Fund will serve two functions: first, periodic assessment of project implementation and performance of projects (M&E of Project Performance), and second, evaluation of their results in terms of relevance, effectiveness, and impact of the fund (M&E of fund Impact).

12. Audit

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

13. Public Disclosure

The MPTFO website, Gateway (<http://mptf.undp.org>), is a web-based service portal that provides real-time financial data issued directly on contributions in and out of the fund account, from the UNDP accounting system. The Fund will have a dedicated page on the Gateway which will allow partners and the public at large to follow-up the Fund contributions, transfers and expenses, and access key documents and reports.

The Fund Management Unit and the MPTFO will ensure that the Fund's operations are posted on the Gateway. Further, in accordance with the Funding Compact, the Fund should specifically mention individual donors in all results reporting. Each PO 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.

14. Amendments, duration and termination

The Trust Fund Management Committee will be able to modify any of the provisions of the Fund's Terms of Reference, including the duration of the Fund. The Fund will have an initial duration of five years (2022-2027) and will be transferred to CDRI upon recommendation of the Trust Fund Management Committee.

All programmes will operationally complete by 31 March 2027, the final narrative report of the fund will be provided by 30 June 2029, and the final financial report will be provided no later than five months after the end of the calendar year in which the financial closing of the Fund occurs. In case of any ongoing programmes, these will be transferred to CDRI following the Trust Fund Management Committee and Donors approval of such transfer.

Any remaining balance in the Fund's account and separate accounts of the implementing partners after the closure of the Fund will be used for a purpose established by the Trust Fund Management Committee and the Donor(s), or it will be reimbursed to the Donor(s) in proportion to their contribution to the Fund, as decided by the Donor(s) and the Trust Fund Management Committee. In case of transfer of the Fund's account to CDRI from the Administrative Agent, any remaining balance will be transferred to CDRI, subject to the approval of the Trust Fund Management Committee & Donors.

Annex 1: Current Composition of CDRI Executive Committee for the biennium 2022-2024

	Notional Constituency	Number	Representations	Representative
1	Permanent Co-Chair	1		Government of India
2	Rotating Co-Chair	1		Government of USA
3	Director General CDRI	1	CDRI Secretariat	Director General, CDRI
4	MDBs/ IOs, and UN Agencies	2	Member Organizations: ADB*, CCRI, ARISE, UNDP, World Bank, UNDRR,	UN Agencies: United Nations Office for Disaster Risk Reduction (UNDRR) MDBs/IOs: Coalition for Climate Resilient Infrastructure (CCRI)
5	SIDS	1	Member Nations: Fiji, Haiti, Mauritius, Maldives, Dominican Republic, Jamaica	Government of Dominican Republic
6	Africa	1	Member Nations: South Sudan, Ghana and Madagascar	Government of Ghana
7	Asia Pacific	1	Member Nations: Afghanistan, Australia, Bhutan, India, Tajikistan, Japan, Mongolia, Nepal, Sri Lanka and Bangladesh	Government of Australia
8	Latin America and the Caribbean and North America	1	Member Nations: Argentina, Chile, Peru and Brazil, Canada, and USA	Government of Brazil
9	Europe	1	Member Nations: France, Germany, Italy, Netherlands, Turkey, United Kingdom Member Organisations: EU and EIB**	Government of France
	Total	10		

Annex 2: Risk Ranking Matrix

S. No.	Category of Risk	Sub-category	Description of Risk	Likelihood	Impact	Risk mitigation measures
1	Contextual	Political	Withdrawal/insufficient support from major donors to the CDRI IRAF	Very low	High	Resource mobilization and diversification of funding sources by accessing donors from around the world.
2	Contextual	Conflict	Conflict or war in an implementing country makes execution of projects/programmes un-viable,	Low	High	To pause its programmes in the implementing country and withdraw any deployed staff to minimize safeguarding risk.
3	Contextual	Climate Change / Environment	Climate change makes the functioning of AA/FMU/CDRI Secretariat unviable.	Low	Low	Relocation to another building, move to another city or explore remote work opportunities.
4	Contextual	Disaster	A large earthquake or flood causes damages to AA/FMU/CDRI Secretariat	Low	High	Relocation to another building or move to another city or explore remote work opportunities.
5	Contextual	Public Health	A pandemic / epidemic disrupts the CDRI IRAF Operations	Medium	Medium	Maintain a balance of virtual and in-person work and adopt work from home as necessary to protect its staff.
6	Delivery	Procurement: Price disparity between international rates.	Complex and multi-country projects will be procured through global tendering. The income level of bidder's country affects costs of projects due to price disparity.	High	Medium	Philosophy of Quality-cum-Cost-Based-System (QCBS) with high qualifying marks to first focus on quality of the proposal will be followed, to ensure high-quality output at reasonable cost.
7	Delivery	On ground impact and visibility	Infrastructure projects have long gestation period thus the impact of programmes/ projects through CDRI IRAF may not be visible immediately	High	Low	While designing the programmes and projects, both short term and long-term impact parameters will be identified.

8	Fiduciary	Fraud: Conflict of interest	Risks from competing interests of members involved in the Governance Structure of the CDRI IRAF	Medium	Medium	Concerned member will be recused from decision making. Due diligence and self-declaration of conflict of interest is sought from all.
9	Fiduciary	Fraud: Contract fraud (bid rigging, facilitation payments, price fixing, non-competitive tendering)	Project procurement process is abused to favor their preferred bidders.	Low	High	Steps to ensure fair, transparent, and competitive procurement. Through the Multi-Partner Trust Fund (MPTF), programme procurement will be in accordance with international best practice.
10	Reputational	Relationships and communication	External factors may influence the Stakeholder relationship and working of CDRI IRAF.	Low	High	Active and continuous engagement with stakeholders to develop strong and co-operative relationship.
11	Programmatic	Programme Outcomes	The Programme does not produce the desired results.	Low	High	The risk will be mitigated by continuous monitoring and evaluation of programme delivery, engagement with partners and the strategy to promote the uptake of evidence produced by the programme.
12	Institutional	Transparency and Reporting	Lack of transparency and poor reporting system during project implementation	Medium	High	Capacity development of actors within CDRI IRAF in financial and programmatic reporting.