

DIGITAL COOPERATION FUND

Terms of Reference
October 2023



United Nations
Office of the Secretary-General's
Envoy on Technology



United Nations
MPTF Office

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1. Introduction

To spread the benefits of technology safely in an era of rapid technological change, multistakeholder collective action across borders is urgently needed. Such global digital cooperation includes concerted efforts to align governance with human rights on such technologies as digital public infrastructure or artificial intelligence. It includes pooling capacities and data to develop better algorithms that address societal challenges. It includes catalysing learning across borders for enhanced human capacity and turbocharging digital transformations.

The Digital Cooperation Fund is set up as a multi-partner trust fund with three initial Outcomes (or “Pillars”), and for which additional Pillars will be defined at a later stage.

2. Rationale and Fund Functions

Rationale

In line with the **Secretary-General’s Roadmap for Digital Cooperation** (A/74/821), and the Common Agenda, the fund seeks to strengthen digital cooperation for the global common good.¹

The Roadmap’s Key Actions are illustrated in Figure I below. Significant progress through joint programming has been made in certain areas since the Roadmap was launched in 2020, including via:

- Partner2Connect Digital Coalition (ITU-UNOHRRLLS) on Connectivity
- GIGA (UNICEF-ITU) on Digital Inclusion
- Joint Facility for Global Digital Capacity (UNDP–ITU) on Digital Capacity Building

At the same time, there is need for further cross-agency joint programming on other action areas including global cooperation on artificial intelligence, digital public goods, protection of human rights in a digital era, digital trust and security, and an architecture for digital cooperation.

The **Summit of the Future** in September 2024 and the prospect of a **Global Digital Compact** offer a critical policy window at the macro level, in relation to which such policy initiatives can be ignited, scaled and sustained for people and planet.

¹ In the General Assembly declaration on the commemoration of the 75th Anniversary of the United Nations of 21 September 2020 (GA resolution 75/1), Member States recognized the importance of technology as a fundamental global issue and pledged to “improve digital cooperation” to be able to maximize the benefits digital technologies can bring while curtailing risks. Member States also agreed that “the United Nations can provide a platform for all stakeholders to participate in such deliberations.”

Figure I

The Roadmap's key actions:

To meet the call to connect, respect, and protect the online world, the action-oriented Roadmap presents the recommendations for concrete action by diverse stakeholders that would enhance global digital cooperation

Roadmap Recommendation

- 1A**  **Achieving universal, affordable, connectivity by 2030**
—everyone should have access to the internet.
- 1B**  **Promoting digital public goods to create a more equitable world**
—the internet's open source, public origins should be embraced and supported.
- 1C**  **Ensuring digital inclusion for all, including the most vulnerable**
—under-served groups need equal access to digital tools to accelerate developmental progress.
- 1D**
- 2**  **Strengthening digital capacity building**
—skill development and training are needed around the world.
- 3A**  **Ensuring the protection of human rights in the digital era**
—human rights apply both online and offline.
- 3B**
- 3C**  **Supporting global cooperation on Artificial Intelligence**
that is trustworthy, humanrights based, safe and sustainable and promotes peace.
- 4**  **Promoting digital trust and security**
—calling for a global dialogue to advance the Sustainable Development Goals.
- 5A**  **Building a more effective architecture for digital cooperation**
—make digital governance a priority and focus the organization's approach.
- 5B**

Fund functions

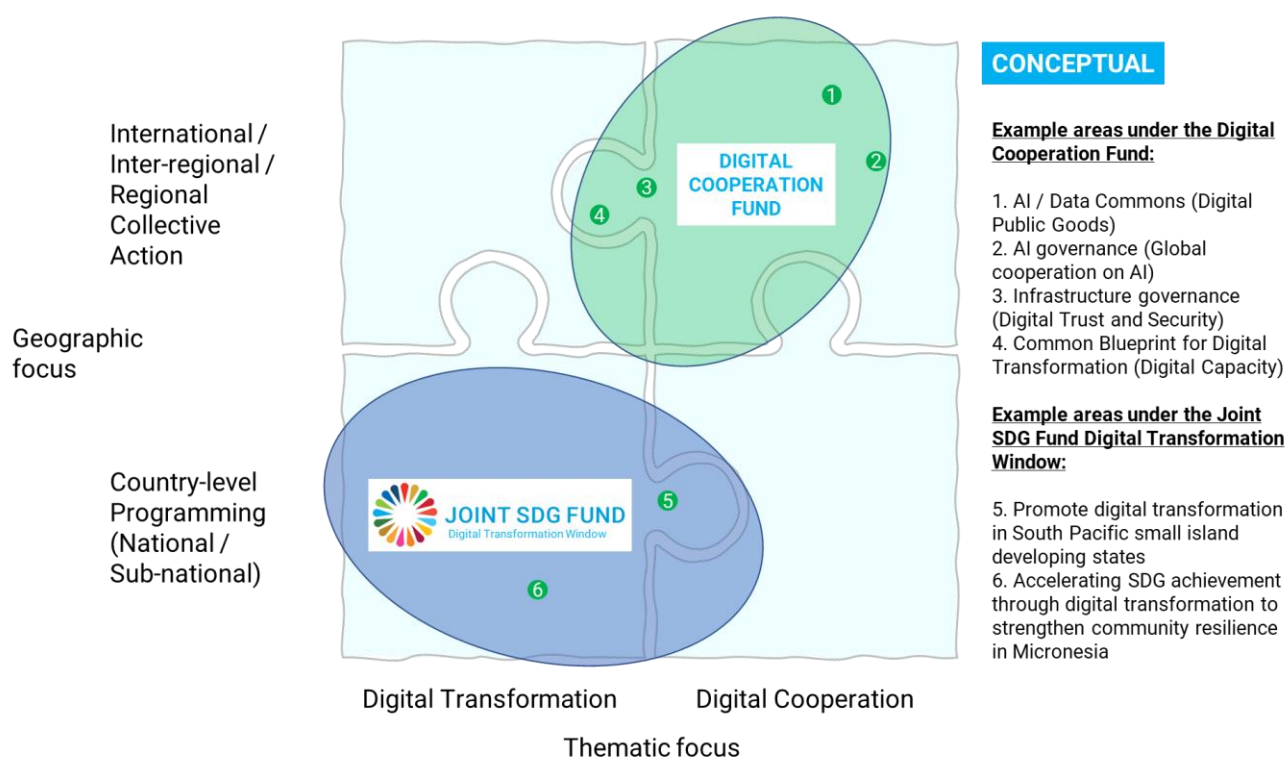
The Digital Cooperation Fund will make concentrated investments in carefully targeted action areas of the Secretary-General's Roadmap for Digital Cooperation that:

- remain under-addressed
- demand international, cross-border or global multi-stakeholder collective action
- go beyond national-level digital transformation to international pooling of expertise, data, algorithms, and alignment of digital governance with human rights across jurisdictions

This strategically positions the Digital Cooperation Fund to complement the geographic and thematic focus of the Joint SDG Fund, which focuses on country-level activities on Digital Transformation (Figure II).

Figure II

Differentiating the Digital Cooperation Fund from the Joint SDG Fund



In complementing the Joint SDG Fund and other initiatives, the Digital Cooperation Fund will also help accelerate the SDGs. By spurring collective action, the fund will incubate exemplar **cross-border** initiatives that can scale and contribute to the acceleration of the SDGs, including on Hunger (SDG 2), Health (SDG 3), Education (SDG 4), Gender Equality (SDG 5), Energy (SDG 7), Decent Work and Growth (SDG 8), Industry and Innovation (SDG9), and Climate Action (13). It will also prioritise interventions that shrink the digital divide between and within countries (SDG 10). Further examples of how global digital cooperation can reinforce the SDGs is provided in the Figure III below.

Figure III

GLOBAL DIGITAL COOPERATION AND THE SUSTAINABLE DEVELOPMENT GOALS

	<p>Digital IDs linked with bank or mobile money accounts can improve the delivery of social protection coverage and serve to better reach eligible beneficiaries. Digital technologies may help to reduce leakage, errors and costs in the design of social protection programmes.</p>		<p>Digital public goods and applications such as mobile money are enabling access to financial and other services for all members of societies, including women and girls, rural communities and displaced people.</p>
	<p>Drone technology can monitor crops and provide information on how much water is needed. Software systems available through mobile apps can monitor and analyse data to help farmers to decide when to plant, fertilize, irrigate and harvest their crops.</p>		<p>Intelligent systems deploy information from remote sensors to guide traffic signals and maximize the efficient flow of commuters in urban areas. They can be used to design safe transportation for vulnerable and underserved communities.</p>
	<p>Novel platform-based vaccine technologies and smart vaccine manufacturing techniques help to produce greater numbers of higher-quality vaccines. Open-source platforms can help accelerate and scale up vaccine delivery.</p>		<p>Digital technologies such as 3D printing, the Internet of things, big data, cloud computing and blockchain can support a circular economy and supply chain resilience, in particular in manufacturing industries.</p>
	<p>Accessible and affordable connectivity allows young people to use open, free and high-quality digital skills and training platforms. Smart digital platforms can be made accessible in local languages and used to align curricula with internationally recognized standards and certification.</p>		<p>Information and communications technology solutions can help to cut nearly 10 times more carbon dioxide than they emit. Digital technologies combined with ecological design can help to reduce natural resources and other materials used in products by up to 90 per cent, lessening the impact of material extraction.</p>
	<p>Connectivity enables women and girls to access information and communicate for their safety and development. It can allow girls to access support services, learn about sexual and reproductive health and express their voices.</p>		<p>Satellite imaging and machine learning can help find and collect the 5 trillion pieces of ocean plastic trash. Online portals and mobile-based tools can connect the plastics supply chain, track the flow of waste materials, and help create transparent digital marketplaces for plastic waste.</p>
	<p>Internet of things-based precision irrigation and leakage management systems enable the monitoring and management of water resources. In urban areas, artificial intelligence systems draw upon data such as rain forecasts and the number of rooftops to determine rainfall run-off.</p>		<p>Sensors and monitors connected to the Internet of things, cloud-based data platforms, blockchain-enabled tracking systems and digital product passports unlock new capabilities for the measurement and tracking of environmental and social impacts across value chains.</p>
	<p>Next-generation digital networks have lower energy consumption, and smart grids can support electrification and more affordable connectivity. Artificial intelligence technology can be used for predictive maintenance of electrical utilities, enabling automatic backups and limiting downtime.</p>		<p>Public technologies and e-government services, where well designed and applied, enable people to access public services, reduce waste and corruption and create data that allow public institutions to target needs more effectively.</p>
	<p>Internet availability leads to more jobs. Labour force participation and wage employment increase in areas with Internet availability. Use of local-language videos and decision support applications on smartphones supports personalized advice resulting in better jobs.</p>		<p>Partnerships between States, private sector and civil society leverage the capacity of digital tools to provide solutions for development across the Sustainable Development Goals. Examples include the Digital Public Infrastructure Alliance, the Coalition for Digital Environmental Sustainability and public-private partnerships for disaster response.</p>
	<p>Mobile digital technologies are enabling high-quality communications infrastructure and networks to expand into underserved remote and rural areas. Data and artificial intelligence technologies can accelerate innovation and productivity in key sectors such as agriculture and manufacturing.</p>		

By intervening at the global level with the purpose of promoting international collective action on the Secretary-General's Roadmap for Digital Cooperation, the Digital Cooperation Fund is set up as a multi-partner trust fund (MPTF) so that partners can:

- Efficiently pool investments
- Minimise risks, transaction costs and overheads
- Collaborate effectively in activities in support of the Fund's mission and vision

3. Scope and strategic intent

Vision

An Open, Free and Secure Digital Future for All.

Mission

To uphold human dignity and agency in the digital age and accelerate digital cooperation.

Approach

The Digital Cooperation Fund will take a strategic and coordinated approach to selecting and executing projects, to ensure complementarity and synergies with existing and emerging initiatives across geographic levels and thematic focus areas.

Project selection

The fund will coordinate closely with key initiatives across and beyond the UN system and strategically target to fill gaps, avoid overlap and reinforce existing efforts. Where international alignment of approaches between countries or regions is at stake (for example alignment on standards for technology governance), the fund will survey the landscape and identify key niches and policy windows within which new catalytic initiatives will be launched for maximal complementarity and impact.

Project execution

The fund will take a multi-pronged approach to ignite and sustain digital cooperation at a tactical level, including:

- Convening and enabling global, multi-stakeholder² processes
- Developing policy and frameworks for cooperation
- Advocacy
- Aligning soft and hard norms for agile and effective governance
- Catalysing international learning
- Incubating and piloting exemplar initiatives

² Including governments, the private sector, civil society, international organizations, academic institutions, the technical community, and other relevant stakeholders

Through this approach, the fund will galvanise international collective action on key issues at the ripe times to shape global digital cooperation in support of its mission and vision and the SDGs.

Outcomes (“Pillars”) under this fund will align with action areas of the Road Map, strategically timed for stakeholder engagement and impact, especially in view of the Summit of the Future in 2024.

Initial Pillars target the critical policy window around a Global Digital Compact to support global cooperation on AI governance, safe, inclusive Digital Public Infrastructure, and support to the Global Digital Compact process.

Additional Pillars will be defined as new policy windows open and donor interest rises in areas of the Secretary-General’s Roadmap on Digital Cooperation.

Pillar 1. Digital cooperation on AI governance (Roadmap Recommendation 3C)

The pace of digital technology development is challenging governance systems. AI in particular shows how dangerous this governance gap has become. Applied well, AI also holds tremendous potential for economies, societies and the planet.

This Pillar will invite proposals that forward digital cooperation on AI governance in the interest of all humanity, supporting digital cooperation on AI in support of the Fund’s vision and mission, including support to the Secretary-General’s Multistakeholder Advisory Body on Artificial Intelligence. Initial funding target: \$4.5m in the first year.

Pillar 2. Digital cooperation for safe and inclusive Digital Public Infrastructure (DPI) (Roadmap Recommendations 1C and 3A)

The race by governments and companies to deploy Digital Public Infrastructures without adequate attention to safety, inclusion and human rights risks compromising citizen trust in, and the economic development potential of, these transformative technologies.

This Pillar will invite proposals that forward cross-border digital cooperation on DPI standards that bring about alignment with human rights by providing guardrails for operational actors in the DPI space to align with when designing, developing and deploying DPIs. Initial funding target: \$5.0m in the first year.

Pillar 3. Global Digital Cooperation (Roadmap Recommendations 5A and 5B)

The existing digital cooperation architecture has become highly complex and diffused but not necessarily effective, and global discussions and processes are often not

inclusive enough. This situation is exacerbated by the lack of a common entry point into the global digital architecture, which makes it especially hard for developing countries, small and medium-sized enterprises, marginalized groups and other stakeholders with limited budgets and expertise to make their voices heard.

This pillar will invite proposals that support the Global Digital Compact process, to develop updated mechanisms for global digital cooperation that strengthen and complement existing mechanisms via multistakeholder engagement and participation of all relevant stakeholders. Initial funding target: \$2.0m in the first year.

Theory of Change

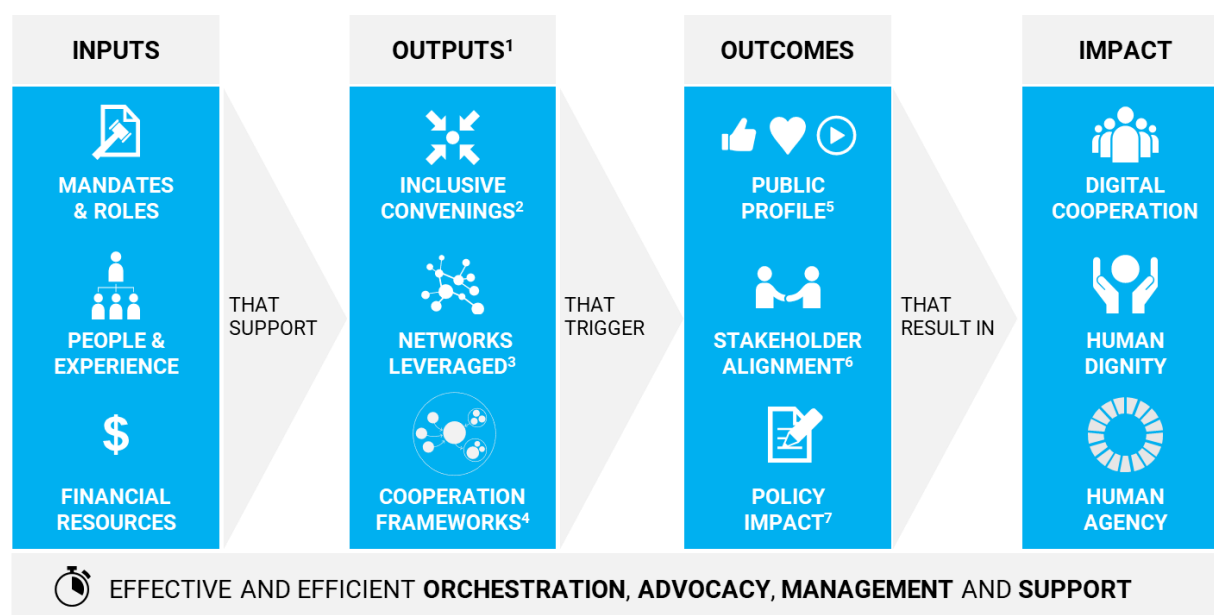
Across its pillars, the Digital Cooperation Fund will help uphold human dignity, agency and rights in the digital age while accelerating progress on the SDGs. It will do so by:

- Promoting collaboration across borders and stakeholder groups to set common frames of reference (principles, objectives, commitments, actions, and review mechanisms)
- Helping build global consensus on risks and opportunities of digital technologies and promoting international learning on governance gaps and responses.
- Showcasing exemplars of how data and AI collaboration can drive SDG progress, addressing talent and infrastructure challenges while improving data interoperability across borders and across public and private sectors.
- Promoting ecosystem-led (rather than solution-led) approaches founded on DPIs and Data, catalysing a shift beyond the *ICTs for Development* paradigm.
- Reinforcing governance of DPIs and data to enhance trust in technology for both users and innovators and protecting human rights.
- Focusing on public sector capacity building and a whole-of-government/whole-of-society approach to digital transformation.

Results Framework

By resourcing joint activities under synergistic UN mandates, the Digital Cooperation Fund will support outputs and outcomes that uphold human dignity and agency in the digital age and accelerate digital cooperation, as per the Results Chain in figure IV below.

FIGURE IV: Digital Cooperation Fund Results Chain



1. Including as part of cross-border projects / exemplar initiatives that can scale and contribute to the acceleration of the SDGs

Initial indicators:

2. % of convenings as part of digital cooperation initiatives with representation from multiple genders in each of 5 regional groups
3. # governments, private sector organisations, civil society organisations, academic institutions engaged through digital cooperation initiatives
of networks connected to, activated and animated in support of the Fund's vision and mission
4. # digital cooperation reports, blueprints, standards, frameworks developed and established
5. # media mentions of digital cooperation initiative(s) / digital cooperation frameworks established through initiatives
6. # entities endorsing or aligning with cooperation frameworks established through initiatives
7. # policy references to cooperation frameworks
technical implementations aligned with cooperation frameworks

Drawing on their respective mandates and networks, Participating UN Organizations will orchestrate inclusive convenings and consultations to develop, refine and establish frameworks for digital cooperation in relevant areas of the Secretary-General's Roadmap.

Such frameworks will unite and align stakeholders from across government, private sector, civil society, academia, the 'technical community' etc. and help promote effective public profile, policy impact, and digital cooperation for human dignity and agency.

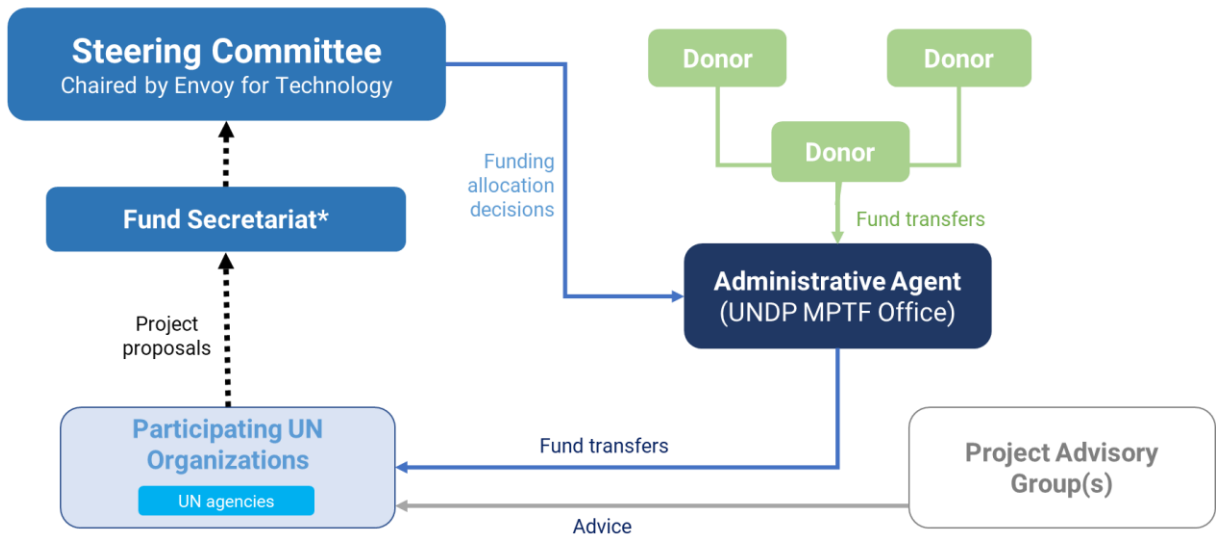
4. Governance Arrangements

The management of the Fund comprises three roles:

1. Fund Administration (MPTF Office)
2. Fund Management (Steering Committee, Secretariat, Technical Committee)
3. Fund Implementation (Participating United Nations Organizations)

Figure V shows all participants in the Fund's governance, and their respective roles.

Figure V: Digital Cooperation Fund Governance Structure



*Fund Secretariat also functions as the Technical Committee of the Fund

Steering Committee

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

Strategy

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

Review results

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

- Review periodic progress reports consolidated by the Secretariat and the MPTFO based on progress reports submitted by implementing organizations.

Fund management

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

The Steering Committee meets on an ad-hoc basis, but at minimum once a year. Extraordinary meetings can be convened if necessary. The consultation can occur through face-to-face or virtual meetings or by email, including non-objection. The Steering Committee endeavours to reach an agreement by consensus. When consensus cannot be reached, the chair makes the final decision and instructs the Secretariat and Administrative Agent accordingly.

The Steering Committee's composition will include a senior representative from the following Organizations:

- UN Secretary-General's Envoy on Technology as the Steering Committee Chair
- UN University
- United Nations Development Programme
- MPTF Office as the Fund administrator (ex-officio member with no right to vote)

Other Participating UN Organizations can be invited to participate as observers.

Secretariat

The Secretariat is the entity responsible for the operational functioning of the Fund. The Secretariat provides technical and administrative support to the Steering Committee and follows up on all aspects of the allocation and project cycles within the Fund. The head of the Secretariat reports to the Secretary-General's Envoy on Technology as Chair of the Steering Committee.

The Secretariat's main functions are:

Policy and Technical Advice

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

Programme Cycle Management

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

Administration and Coordination

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

The Fund Secretariat will be housed in the Office of the Special Envoy for Technology. The costs of the Secretariat will be charged to the Fund as direct costs. The Secretariat's budget will be annually agreed and approved by the Steering Committee.

Technical Committees

The Fund Secretariat will also function as the Technical Committee of the Fund. It can reach out to experts to:

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

Administrative Agent

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

The MPTFO is responsible for the following functions:

- Provide support to the design of the Fund.
- Sign a Memorandum of Understanding (MOU) with United Nations Participating Organizations.
- Sign Standard Administrative Agreements with donors that wish to contribute financially to the Fund.
- Receive and manage funds including those of the Fund's closure.
- Invest and reinvest Fund's resources according to investment policies, practices and procedures. Any profits will be added to the Fund's resources and will not be credited to the contributions of a particular donor.
- Provide updated information to the Steering Committee regarding the regular resource availability.
- Subject to the availability of resources, transfer funds to recipient organizations per the Steering Committee's advice and authorized decisions by the United Nations co-chair.
- Ensure the preparation of consolidated narrative annual and final reports submitted by implementing entities and present the consolidated report to the Steering Committee and each of the Fund's contributors.
- Provide a Fund's final financial report, which includes a notice of the Fund's closure.
- Release funds as direct costs for the running of the Secretariat, based on Steering Committee decisions.
- Release funds for additional expenses that the Steering Committee decided to allocate.
- Provide tools for fund management to ensure transparency and accountability.

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

Participating UN Organizations

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

Each Participating UN Organisation will assume full programmatic and financial accountability for the funds disbursed to the Administrative Agent. Each Participating UN

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

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

National government, civil society, academia and private sector are all potential implementing partners that can receive funding through the Participating UN Organisations.

Contributors

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

Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General's guidelines: <https://www.un.org/en/ethics/assets/pdfs/Guidelines-on-Cooperation-with-the-Business-Sector.pdf>) and will be subject to the outcome of applicable due diligence processes. A risk assessment will be conducted by the fund secretariat and will include approval of the partnership by the Steering Committee. The risk assessment will be presented to the MPTF Office for decision in accordance with the Administrative Agent policies and procedures on private sector due diligence.

A guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year unearmarked resources. Earmarking is generally discouraged, and donors are asked to contribute unearmarked funds to the degree possible. Unearmarked funding allows for the implementation of cross-pillar projects. However, if this is not possible, earmarking at the pillar level may be accepted. Earmarking to a Participating UN Organization or to a specific project is not possible.

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

Project Advisory Groups

The Steering Committee may invite donors and other stakeholders to form Advisory Groups per project, as appropriate. These Advisory Groups shall be advisory in nature only and have no decision-making role(s).

5. Summary of the Legal Structure

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

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

6. Funding allocation process

Projects can only be developed based on a request from the Steering Committee. Projects are then reviewed by the Technical Secretariat before being presented for approval to the Steering Committee, which can be done electronically and on a no-objection basis.

Fund transfer

The Secretariat shall prepare a fund transfer request for each program or project and budget allocation approved by the Steering Committee. The MPTFO will carry out transfers approved by the Steering Committee to implementing entities no later than five (5) working days after the request submittal. Upon completion of the transfer, the representative of the receiving organization and the Secretariat will be notified through electronic mail.

7. Programmatic arrangements

Minimum requirements

All projects require a gender equality marker (GEM) based on a four-level scale, to set targets for allocations to programmes serving women and girls, and to allow the monitoring of the share of allocations serving women and girls. The fund will work towards having 15% of project resources allocated to projects supporting gender equality/women's empowerment as the principal objective.

Project provisions

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

8. Risk management

A Risk Management Strategy will be developed by the Fund Secretariat and reviewed regularly by the Steering Committee. Its purpose is to provide guidance regarding the management of risks to support the achievement of the Fund's objectives. The strategy will articulate the shared understanding of risk tolerance and risk sharing between the partners, provide a holistic analysis of the risks related to the attainment of the Fund's objectives, and evaluate the possible trade-offs to achieve these.

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

Risk Category	Risk	Level (low-medium-high-very high)	Mitigation Strategies
Operational	Initial project results fail to demonstrate impact in a timely manner	Medium	Close monitoring of progress and rapid course correction
Financial	Delayed or lack of visibility over financing	Medium	Close engagement with prospective funders through intake process
Political	Reputational risk from acceptance of funding from sources not aligned with UN values	High	Compliance with due diligence procedures for vetting of unknown prospective funders
Political	Reputational risk from non-UN entities that are not aligned with UN values joining projects financed by the Fund	Medium	Compliance with due diligence procedures for vetting prospective non-UN organizations as a mandatory pre-requisite for them joining projects
Organizational	Low stakeholder interest or engagement in initiatives	Low	Concerted outreach to and engagement of key stakeholders

Specific risk mitigation strategies will be developed by applicants for each project that is funded, as part of the submission of the proposal.

9. Reporting

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

Narrative reports

For each project, the Participating Organizations will submit the following reports to the Secretariat for consolidation and further transmission the Administrative Agent:

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

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

Financial Reports

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

1. Annual financial reports to December 31st, regarding released resources by the Fund to them; these shall be provided no more than four months (April 30th) after the ending of the calendar year.
2. Final certified financial statements and financial reports after the completion of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than five months (May 31st) in the following year after the financial closure of the project.

Based on these reports, the Administrative Agent will prepare consolidated narrative and financial reports which will submit to each of the Fund's Contributors and to the Steering Committee as per the schedule established in the Standard Administrative Agreement. In addition to the annual financial report set in the MOU, all Participating Organizations are encouraged to provide each quarter financial reports on expenditure incurred as of 31

March (Q1), 30 June (Q2) and 30 September (Q3) in each calendar year through the Administrative Agent's reporting system (UNEX).

10. Monitoring and Evaluation

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

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

11. Audit

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

12. Public Disclosure

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

The Secretariat and the MPTFO will ensure that the Fund's operations are posted on the Gateway. Further, in accordance with the Funding Compact, the Fund should specifically mention individual contributors in all results reporting. Each Participating Organization will take appropriate measures to promote the Fund. Information shared with the media regarding beneficiaries of funding, official press releases, reports and publications will acknowledge the role of the Fund.

13. Amendments, duration and termination

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

Completion of all operational activities will be 31 December 2028. The dissemination of the final narrative report will be 30 June 2029. All Participating Organizations will provide certified final financial reports on financially closed projects by no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the period specified in the financial regulations and rules of the Participating Organization, whichever is earlier. The dissemination of the certified final financial statement ("Source and Use of Funds") is to be provided no later than seven months after the end of the calendar year in which the financial closing of the Fund.

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