

LEAVING NO ONE BEHIND – THE INTERNAL DISPLACEMENT SOLUTIONS FUND (IDSF)

TERMS OF REFERENCE

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**Internal Displacement
Solutions Fund**



**United Nations
MPTF Office**

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Key Terms and Acronyms

For the purposes of this Terms of Reference, the following terms and acronyms are used as follows:

UNSDCF	United Nations Sustainable Development Cooperation Framework
Fund	The Internal Displacement Solutions Fund (IDSF)
HCT	Humanitarian Country Team
IFI	International Financial Institution
JP	Joint Programme
MAF	Management and Accountability Framework of the UN Development and Resident Coordinator System
M&E	Monitoring & Evaluation
MOU	Memorandum of Understanding 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.
MPTF	Multi-Partner Trust Fund
MPTFO	UN Multi-Partner Trust Fund Office
PUNO	Participating UN Organization
SAA	A Standard Administrative Agreement signed between the Administrative Agent and the contributing donor, setting out the terms and conditions governing the receipt and administration of the contribution by the Administrative Agent, the transfer to the Participating UN Organisations, and related provisions.
SC	Steering Committee
SDGs	Sustainable Development Goals
TOR	Terms of Reference of the Internal Displacement Solutions Fund (IDSF)
UN	United Nations
UNCT	UN Country Team
UNEG	United Nations Evaluation Group
UNRC	United Nations Resident Coordinator
UNSDG	United Nations Sustainable Development Group

1. Introduction

By the end of 2022 there were over 71 million internally displaced people across 110 countries and territories, with 62.5 million as a result of conflict and violence, and 8.7 million as a result of disasters¹. The majority of those in camps or crowded urban settlements were forcibly displaced from their homes and livelihoods due to political conflicts, ethnic or religious clashes, economic imperatives or increasing climate and man-made disasters. Millions of internally displaced persons face poor or no social services access, declining health and nutritional standards, food insecurity, widespread violence and violations of human rights, disruption of livelihoods and lack access to basic services. While it is still early to assess the comprehensive impact of the Covid crisis on IDPs, there is no doubt that the pandemic has further compounded the vulnerability of IDPs today. Many Member States are calling for significant improvements in the way protracted internal displacement is tackled to enable solutions, while also recognizing that inaction will undermine national and global efforts to achieve the 2030 Agenda. In this regard many States also recognize that any future sustainable solution for IDPs must go beyond crisis response and humanitarian action and be part of a national development prioritization that integrates humanitarian, peacebuilding, human rights, disaster risk reduction efforts and climate action. Moreover, facilitating any durable solution requires that all stakeholders, including national and local authorities as well as humanitarian, peace and development actors, work together to identify the right strategies and activities.

UN Response: Recognizing that States and the UN system must re-focus and find ways to significantly shift their approach to internal displacement, and in response to an appeal from Member States, the UN Secretary-General set up a **High-Level Panel on Internal Displacement** and developed an **Action Agenda on Internal Displacement** as a follow-up to the Panel report of 2021. Launched in 2022, the Action Agenda sets out a common vision for stepped-up action to promote solutions to internal displacement, prevent future displacement crises from emerging, and ensure that individuals who are currently internally displaced have access to protection, assistance and early solutions. As women and children represent the vast majority of those internally displaced, both the High-Level Panel and the Action Agenda highlight the need to have specific, tailored approaches to their needs.

The Action Agenda emphasizes that making progress on solutions is key to the achievement of the SDGs and that action to resolve internal displacement must be recognized as a priority of inclusive development, with “leaving no one behind” being a central promise of the 2030 Agenda.² Internal displacement, whether due to conflict or disaster and the impact of climate change, affects all regions of the world. It needs to be addressed to make progress across all key SDG goals to alleviate poverty, end hunger, ensure inclusive access to basic services, end discrimination and gender inequality, restore social cohesion, and ensure sustainable urban development through the 2030 Agenda. In practice, this requires a development-lead approach, support via UN Sustainable Development Cooperation Frameworks, increased development financing, and private sector engagement. To facilitate this, among its 31 commitments for the UN system, the Action Agenda identifies Resident Coordinators (RCs) as the UN’s lead on solutions at country-level, who will lead work between the Government, agencies, organizations, and other stakeholders to support States in developing and implementing a whole-of-government approach that embeds solutions to internal displacement in national and local development plans. The interlinkages between internal displacement and the SDGs are elaborated in Annex C.

Given the impact on the SDGs, the Action Agenda also underlines that solutions to internal displacement require a *step-change* in the ability of the UN’s various ‘pillars’ to collaborate. Solutions to internal displacement will not be found without operationalizing the triple ‘nexus’ whereby all three pillars of the UN system work together seamlessly in the interests of some of the most vulnerable people on the planet – the internally displaced.

¹ Global Report on Internal Displacement 2023, IDMC

² Internally displaced persons are mentioned as one of the groups explicitly included in the 2030 Agenda.

While States bear the primary responsibility to exercise leadership in implementing solutions for IDPs, across its institutional lines, a “whole-of-government” approach must also be mirrored by a “whole of UN” effort. Work in this area requires not only a more effective UN Country Team (UNCT) under RC leadership, but also improved engagement between the UNCT, Humanitarian Country Team (HCT) and peace and security mechanisms at the global, regional and/or country level. Strengthening this cross-pillar interaction is another key goal in the Secretary-General’s reform ambition. In this regard, the new call by the Action Agenda, in effect, asks for a *comprehensive evolution* that can concretely bridge the humanitarian-development-peace divide.

The High-Level Panel on internal displacement and the SG’s Action Agenda recognize the importance of humanitarian responses to address immediate needs and for development and peace actors to be engaged early on to lay the groundwork for sustainable solutions as soon as possible. This posture has implications for the type of programming needed and includes interventions that help people recover their self-sufficiency and reduce their reliance on humanitarian assistance, through access to education, to healthcare, to documentation, to livelihood opportunities and to mental health and psycho-social support.

To support RCs and to drive stepped-up, one-UN, approaches on solutions at the global level, the Secretary-General appointed a Special Adviser on Solutions to Internal Displacement, supported by a small team. The Special Adviser reports to the Secretary-General’s office and works closely with an interagency Steering Group on Solutions. A key priority for the Special Adviser and Steering Group will be to work with UNCTs to systematize the inclusion of solutions in Development Cooperation Frameworks.

The Action Agenda also committed to the establishment of a dedicated financing mechanism on Solutions to Internal Displacement with the aim of providing dedicated resources to UNCT/HCTs under the leadership of the RC to pursue development-oriented action on solutions to internal displacement. While the original thinking was to embed this mechanism within the wider global Joint SDG Fund, it was subsequently decided that a nimble, stand-alone Multi-Partner Trust Fund will offer the most efficient and effective vehicle for channeling resources to Country Teams for this purpose without losing critical SDG alignment.

1.1. UN value added

The focus on joint UN action enables UNCTs to develop systemic responses that simultaneously address policy, capacity, and connectivity needs for transformation. At the country level, the UN brings to the table the ability to draw from global expertise and experiences, both on solutions transformation as well as on specific subject matter areas that include, amongst others, social protection, agriculture, climate adaptation and mitigation, early warning, food security, etc.

The UN provides four distinct advantages as an IDP Solutions transformation partner to Governments:

1. A non-commercial, human-centric, and planet-focused approach for Governments. Working with the UN allows governments to separate transformation advice and planning from implementation and ensures that solutions transformation is designed to deliver the best value for money for people and the planet. Governments sometimes struggle to get unbiased and people-centered advice from commercial consultancies and businesses which may have a vested interest in designing initiatives that make use of their own products or services.

2. The ability to convene and align stakeholders across Government, the private sector, civil society and concerned individuals and communities. Successful solutions transformations often require coordination across multiple ministries and Government agencies. However, the lead ministry or agency for IDP solutions transformation often needs the support of a neutral third party to convene inter-ministerial coordination. The UN is also in a strong position to convene and align inputs from the private sector and civil society to support solutions transformation.

3. A focus on inclusion. At the core of the UN’s approach is ensuring that services include those who are most vulnerable, not just those who are easiest to access. Working with the UN, countries do best with a holistic approach that creates benefits for those who need them the most. Strengthened access to services for the

most vulnerable is complemented with capacities and incentives to ensure people are empowered and in a position to benefit from that access.

4. Implementation capacity and field presence. The UN system and its partners are often present in remote areas where solutions efforts are underway. This presence can be leveraged to support and build capacity of local communities and local Government and municipalities to plan, coordinate and implement local solutions strategies. Where necessary, the UN and its partners are also able to support operational implementation of specific activities building on both local knowledge of the field and global experience.

1.2 Rationale

The Internal Displacement Solutions Fund (IDSF) will support strategic, collaborative and coherent engagement of UNCTs through joint programmes led by RCs and implemented by participating UN organizations (PUNOs) at the country level. Joint programmes will support SDG-propulsive national priorities as reflected in the Cooperation Frameworks.³

Justification for the new IDSF include the fact that:

1. *Protracted internal displacement*, among others, exacerbates the existing impoverishment of those affected and adds extra strain to already-overstretched infrastructure and services in hosting areas and represents a significant growing trend that needs to be counteracted in order to safeguard progress on the SDGs. At the same time, conflict and insecurity can leave communities less resilient to cope with the consequences of climate change. The Fund's focus on solutions is therefore important.
2. There is a need to *improve coherence and coordination* in (Solutions) programming, something the Fund can foster.
3. There is currently *no flexible financing instrument* in place to allow UN Country Teams to move rapidly, and collaboratively to advance solutions strategies at scale, under strong RC leadership.

2. Scope and strategic approach




Objectives - Enabling Transformative Action

The overall objective of the Fund is to advance solutions to internal displacement at country-level by enabling joint action that builds on the views, needs, and capacities of IDPs and host communities and promotes sustainable, nationally-owned solutions. In line with the Action Agenda, the Fund will enable a whole-of-UN approach to resolving internal displacement and will empower RCs to demonstrate greater leadership on this issue through improving access to expertise and catalytic financing to support the UNCT and relevant stakeholders with solutions work – with the intent of eventually phasing out and moving towards inclusive development financing directly by national and local systems through other financing channels.

The Fund has three overarching goals that leverage different instruments based on global best practices (Figure 1).

³ This implies that expected results for joint programmes are taken from CFs (or UNDAFs, where CF has not yet been introduced).

Figure 1. Fund Goals and Supported Instruments and Activities

Overall IDSF Objective: Advance solutions to internal displacement at country-level by enabling joint action that builds on the views, needs, and capacities of IDPs and host communities and promotes sustainable, nationally-owned solutions		
 Promote nationally owned solutions to internal displacement	 Leverage a whole-of-UN response to displacement	 Build IDP solutions investment cases
IDP Solutions Strategies	Accountability Frameworks	Solutions Financing Frameworks
<ul style="list-style-type: none"> Expert policy advice and technical assistance for “whole of government” approaches embedding internal displacement in national and local development plans Strategic engagement of local actors in development of policies and laws Establishment of multi-stakeholder national coordination mechanisms 	<ul style="list-style-type: none"> RC-led accountability frameworks to strengthen multi-agency and partner coordination, accountability and reporting Frameworks should articulate key policy changes, required technical expertise, and the roles and responsibilities across UN humanitarian and development agencies, inclusive of collaborating partners 	<ul style="list-style-type: none"> Assessments and development-oriented financing roadmaps Rapid business cases promoting innovative financing options Sustainable national financing solutions (e.g. improved tax administration, tax policy reforms, diaspora mobilization) Review and piloting of private sector partnerships

1. IDP Solutions Strategies: Promote nationally owned solutions to internal displacement.

Funding will be prioritized for contexts that are conducive for **nationally-owned solutions** – namely, where the government or relevant local authorities have shown a willingness to take action to uphold the rights of IDPs and facilitate solutions to their displacement. A context analysis with a strong protection and conflict-sensitivity component will be a prerequisite for consideration. Country operations must have an inclusive coordination mechanism in place for solutions in which all relevant operational actors participate, including local level linkages and IDP representation as well as receiving communities.

Example activities that could be supported:

- Support development and implementation of **national solutions strategies** that embed long-term solution efforts in the wider development and SDG plans of the country, particularly vis-à-vis the goal of Leaving No One Behind. National solutions strategies should be costed, draw on existing or planned UNSDCFs, and leverage complementarities with HRPs where they exist.
- Facilitate a **national consultative process** that engages whole of society participants and is inclusive of IDPs, host communities/communities in return areas and other concerned populations (rural and urban).
- Providing dedicated **specialized expert advice** to UNCTs and government offices to assist in the development and implementation of relevant policies, strategies, and legal frameworks on solutions to internal displacement. This could include programmatic audits and/or surveys on existing IDP-related policy frameworks at national and sub-national levels to assess the impact of ongoing efforts, develop laws and policies sensitive to multi-sector-engaged solutions – including participation of local actors (NGOs/CBOs) as strategic rather than just implementing partners.
- Support national and local authorities’ efforts **to facilitate the integration of IDPs into public systems, services, and labor markets** based on integrated policy innovation, legal reform and/or institutional change, thereby enabling whole-of-government approaches to embed internal displacement in national and local development plans and costed strategies/ national financing frameworks.

- Establish a **multi-stakeholder national coordination mechanism**, based on international best practice, to support the oversight of integrated strategy development, implementation, and monitoring.
- Conduct **joint assessments**, including through data collection and analysis, such as socio-economic gains and political analysis assessments, as well as profiling of IDPs and host communities (i.e., IDP numbers, demographics socioeconomic dynamics, trends, IDP data systems, protection, and assistance systems) and overall standardized disaggregation of data by displacement status across sectors (e.g. food security, nutrition etc.).
- **Provide seed funding or pilot initiatives** that create the conditions (including preparing local communities) for the voluntary, safe, and dignified return, integration, or settlement of IDPs in line with international standards. Activities could support research and development activities that ensure evidence-based solutions programming and results (e.g. for building management capacities of local authorities, testing prototypes of innovative housing units, local authority zoning, solutions-oriented credit-funds, etc).

2. Accountability Frameworks: Leverage a whole-of-UN response to displacement

In line with the UN Development System reforms, IDP solutions’ measures must be anchored in the wider SDG efforts of the UN system and underpinned by strong UN Agency coherence signalling the importance of UN-wide ownership, and inter-ministerial coordination. Activities under this objective relate to the development and implementation of accountability frameworks.

- Develop and implement a **UNCT accountability framework** – led by the RC – that maps and defines respective roles, responsibilities and available capacities across UN humanitarian and development agencies and collaborating partners including ministries and other national entities at different levels of government, including the participatory role of local responders. Reflecting strengthened and more unified efforts by the UNCT, an accountability framework should outline **harmonized responsibilities and tasks**, underlining contributions by the various pillars of the UN system to these solutions efforts. A UNCT accountability framework should include an **inclusive development-oriented accountability matrix** to articulate and advance, inter alia, key policy changes, required technical expertise and programme operations.

3. Solutions Financing Frameworks: Build IDP solutions investment cases

A key determinant of success of IDP solutions is the extent to which they are linked to longer-term development planning and financing. Evidence-based data IDP solutions investment cases can incentivize national priority re-setting and drive more **effective national budgeting and planning** processes by linking the prevailing needs for protracted displacement with potential social and economic development gains. Moreover, linking development financing with humanitarian planning⁴ can optimize inter-ministerial financing and planning linkages, resulting in a step-change in improved national and sub-national resources’ management and forecasting, set alongside crises resources’ management processes. As such, under this priority the Fund will support activities that build an **“IDP development investment case”** to promote a more development-oriented national actions and foster government buy-in, leadership and political commitment **for IDP solutions**.

Example activities that could be supported:

- Provide expertise for assessments and/or formulation of a **development-oriented financing roadmap** that articulates, inter alia, costed current and prospective national and international financial resources and innovative financing instruments.
- Develop **rapid business cases** promoting innovative financing options
- Provide expert policy advice to government for **sustainable national financing solutions** to address IDP solutions, i.e. through improved tax administration or tax policy reforms or diaspora mobilization;

- **Review and pilot private sector partnerships** that support recovery of livelihoods contributing to (urban/rural) community resilience, urban planning for IDP settlements, housing/land compensation and restitution schemes, etc.

Cross-cutting considerations:

The Fund will place a high premium on **accountability to displaced persons** themselves. For all activities supported by the Fund, it will be a requirement that IDPs are engaged and driving these initiatives from the beginning of strategy development to the final evaluation. The Fund needs to model the highest standard of giving voice to IDPs themselves, in defining and implementing their own solutions.

Investments by the IDSF will be designed to support **holistic, cross-sectoral approaches** that are tailored to the local context. Programmes funded by the IDSF will respond to the specific barriers to solutions for IDPs in the given location, as identified through initial analyses, strategies, and costed plans. They will be age and gender sensitive and ensure the meaningful consultation and participation of IDPs and host communities, including internally displaced women and children, in their design and realization.

The main instrument will be **joint programmes led by the RC and implemented by PUNOs** at the country level. A joint programme is intended to *achieve a catalytic development result* that relies on the comparative advantages of two or more participating UN organizations (PUNOs). As an integrated-team, inclusive of other partners, joint programme design is predicated on the principles that results will be delivered through i) the contribution to one or more Cooperation Framework outcomes, national development priorities related to SDGs and ii) focus on one or more policy levers with the potential to catalyse systematic change.⁵ Joint programmes will be developed and implemented based on quality standards established by the Fund, with technical support provided by expertise at regional and global level as outlined in agencies Institutional plans for addressing internal displacement. The overall joint programme cycle includes technical review of proposals, quality assurance, monitoring and reporting, and evaluation.

JP teams will be expected to systematically **document IDP solutions’ methodologies, effective policy change approaches, and lessons learned**. To support this effort, dedicated expert advice to RC Offices is also envisaged to further the goals of the Fund. The aim is to ensure the analysis, collation and sharing of “solutions-oriented” results, incubating knowledge for wider dissemination on enhanced HDP and UNCT collaboration through actionable results.

Funding would be available to country operations that have either addressed solutions explicitly in the Cooperation Frameworks or, if the Cooperation Framework cycle is approaching renewal, have outlined an internal displacement solutions strategy that clarifies how the development system will support solutions.

The Fund will take a “bottom-up” approach to allow for a diversity of country contexts on internal displacement transformation needs across countries. While country-level initiatives will have their own unique results, the Fund will identify a limited set of core results that can be aggregated across all JPs. The “bottom-up” nature of the Fund and the range of transformation needs it will serve make it impractical to prescribe a detailed framework a priori.

⁵ Guidance Note on Joint Programmes Implementing a new generation of Joint Programmes, UNSDG, July 2022, p.2

3. Governance Arrangements

Steering Committee

The Steering Committee (SC) is the decision-making body of the Fund and ensures overall coordination. It 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.
- Review and approve the criteria for the allocation of available resources (the 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 updates 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 and at a minimum of once a year. The chair can convene extraordinary meetings if deemed necessary. The consultation can occur through face-to-face or virtual meetings or by email, including non-objection. The Steering Committee endeavors 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.

In its incubation phase (2023-2024) the Steering Committee's composition will be as follows:

- Chair - The United Nations Special Adviser to the Secretary General on Solutions to Internal Displacement [Until December 2024]
- Five PUNOs which would normally always include UNDP, IOM and UNHCR plus two (three if UNDP, IOM or UNHCR is the chair) additional UN Organizations
- Representatives of two (2) contributing development partners
- Representatives of two (2) programme countries affected by internal displacement
- Fund Secretariat (*ex officio member*)
- Administrative Agent (*ex officio member*)
- OCHA (*ex officio member* - provider of oversight of humanitarian pooled funds)
- DCO (*ex officio member* – provider of oversight of SDG pooled fund and incoming secretariat)

The MPTF's Steering Committee's UN membership is drawn from the UN membership of the Steering Group on Solutions to Internal Displacement chaired by the Special Adviser, currently UNDP, UNHCR, IOM, OCHA, UNICEF, DPPA and DPO. UN-Habitat will also be invited to participate. At the conclusion of the Steering Group's role (with the closure of the Special Adviser's mandate), UN membership in the Fund's Steering Committee will be drawn from the pool of PUNOs.

The Chair of the Fund is expected to rotate between UNDP, IOM and UNHCR after the closure of the Special Adviser's mandate and be maintained at an ASG level. Steering Committee membership will rotate on an annual basis. Rotation will be staggered for PUNOs and contributing donors. Membership is at senior leadership level.

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 chair of the Steering Committee.

The Secretariat 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 Expressions of Interest/Joint Programmes.
- Support the technical design of high-quality Joint Programmes (focusing on Theories of Change and Results Framework).
- Lead the project appraisal process including technical review and selection of proposals (Expressions of Interest; Joint Programmes).
- Provide support to Joint Programme implementation, including strategic communication, learning, strategic events and knowledge management.
- 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.
- Coordinate closely with OCHA at the HQ and country level, to capture potential synergies between the Fund's investments and any country Humanitarian Pooled Funds
- Coordinate closely with DCO at the HQ and RC Offices at the country level, to align the Fund's investments and governance to any country pooled fund associated with the UN Sustainable Development Cooperation Framework
- 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 Adviser for the first 18 months incubation phase and then is expected to transfer to the Development Coordination Office (DCO).

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. No full-time staff are expected in the Secretariat until the Fund reaches a minimum of \$20 million in contributions.

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 PUNOs.
- 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 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 (PUNOs)

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

Each PUNO will assume full programmatic and financial accountability for the funds disbursed to the Administrative Agent. Each PUNO will administer such funds in accordance with its own regulations, rules, directives and procedures. Indirect costs/remuneration of the PUNO recovered through programme support costs will be seven per cent (7%), with exceptions in line with UNSDG agreements, e.g., for WFP and UNHCR. 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 USD 100,000 per individual transfer to a PUNO will be instituted though flexibility will be applied upon justification.

National government, local authorities, civil society, including community-based organizations, academia and private sector are all potential implementing partners that can receive funding through the PUNOs.

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 contribution will be subject to approval of the partnership by the Steering Committee. The risk assessment will be presented to the MPTF Office, will ensure that the planned contributions are in line with relevant United Nations policies, for decision.

A guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year resources. No earmarking is offered within this Fund. (In line with UNSDG guidance, earmarking to a PUNO 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 UN operational exchange type in effect of the date of payment.

3.1 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 PUNOs must be signed by all UN Organizations implementing activities.

A Standard Administrative Agreement signed between the Administrative Agent and the contributing donor sets out the terms and conditions governing the receipt and administration of the contribution by the Administrative Agent, the transfer to the PUNOs, and related provisions.

4. Funding allocation process

The scale and significance of addressing IDP solutions at the country level as an opportunity to transform social and economic systems will require an ambitious funding envelope and specific and strategic scope to match – while ensuring a “bottom-up” approach and an emphasis on reaching the most vulnerable and hard-to-reach affected populations.

Funding will be used primarily for country-level impact through the implementation of Joint Programmes led by RCs at the UNCT level. Joint Programmes are programmes implemented by at least two UN entities. UN entities, Government agencies, and other partners may provide co-funding of Joint Programmes at the country level, while other related funding and financing initiatives linked by the nexus approach will be leveraged to ensure *catalytic impact* and “solutions-oriented” results at scale. The Fund’s catalytic funding will prioritize opportunities that (a) lead to transformative results in an accelerated timeline, with the intention of catalyzing systemic change and (b) mobilize finance from the Government, private sector, IFIs, and/or other in-country stakeholders.

The Fund is anticipated to have a multi-year funding envelope of USD \$100 million over an initial 5 years (2023-2028), with an average annual resource envelope of USD \$20 million and will be implemented in two phases.

- **Phase I Joint/Pilot Programmes.** In this funding envelope, all 15 pilot countries⁶ that meet the country selection criteria of the funding round will be invited to submit one, simplified Joint Programme proposal. All proposals meeting quality threshold, and within financial limits, will be funded within the overall Phase I envelope. With sufficient funding mobilized for Phase I, pilot countries with top quality Joint Programme proposals (one per country) that meet the quality threshold may be funded on a rolling basis to expedite joint programme launch and implementation.
- **Phase II Joint Programmes.** Once Phase I funding envelope has been attained, subsequent funding releases will be made to support investments in additional countries also showing potential to development solutions pathways. This pathway is competitive and only a limited number of top-quality proposals, selected on a ranking basis, will proceed with the formulation of a simplified Joint Programme and must meet the quality threshold.

After submitting Joint Programme proposals, the countries that meet the selection criteria will elaborate their Joint Programme documents based on the feedback provided, and upon successful quality assurance by the Secretariat, will receive the funding. Any unsuccessful **Phase I** Joint Programmes applicants may be invited to revise and re-submit within the Phase I funding cycle or instead be invited to apply to later **Phase II funding**, as relevant. Phase II funding will be a competitive process with technical review of proposals based on technical criteria.

In addition, and to support Resident Coordinator (RC) leadership on solutions to internal displacement, as per the Action Agenda on Internal Displacement, UNDP has set up a UN Solutions Advisers Deployment Facility to deploy Advisers in relevant RCOs, at the request of RCs. Solutions Advisers provide dedicated support to RCs to enhance UN support to governments at the national and local levels on development solutions strategies to address internal displacement, initially for the 15 Pilot countries.

⁶ The 15 pilot countries have been identified by the Special Adviser and Steering Group on Solutions to Internal Displacement and includes: CAR, Chad, Colombia, Ethiopia, Iraq, Libya, Mozambique, Niger, Nigeria, Somalia, South Sudan, Sudan, Vanuatu and Yemen. Afghanistan is also included with a number of caveats.

Phase I



Phase II



**Phase II funding round will commence as additional resources are mobilized.*

Fig 1.0: Funding Envelopes for the LNOB- Internal Displacement Solutions Fund

Specific approach to each funding round will be presented in the Funding Round Description, which will also include detailed guidance for proposals and explanation of the overall process. This will also specify the overall founding round budget and the expected number of Joint Programmes the funding envelope. However, an overall typical approach for 1–3 year programmes, under a 5-year cycle is presented below.

Funding Phase:	Tentative number of Joint Programmes	Typical Funding	Total
Phase I Joint Programme to deliver IDP solutions transformation and produce tangible results at scale that improve the situation of the most vulnerable.	15 pilot countries	Up to USD 3 million for 1-3 years	USD 40-45 million
Phase II Joint Programme to incubate and/or prepare EOIs for Joint Programme development, as funding is made available.	a) up to 8 countries	Up to USD 2-3 million for 1-3 years	USD 20 million
	b) up to 8 countries	Up to 2-3 million for 1-3 years	USD 20 million
	c) up to 8 countries	Up to USD 2-3 million for 1-3 years	USD 15-20 million

Total	Up to total of 40 countries	1–3 year programmes over 5-year cycle	USD 100 million (target)
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All Joint Programmes will be developed and implemented with technical support and quality assurance provided through an inter-agency coordination mechanism at the country level—and with the support of **Steering Group on Solutions to Internal Displacement**⁷. Joint Programmes will be designed based on quality standards established by the Fund, which are aligned with the new UNSDG Joint Programme Guidance Note.

5. 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 6-monthly indicator reporting and expenditure progress.
Financial	Donors may not be as forthcoming as expected to provide support to the IDSF	Medium	The Special Adviser will be in close contact with the Group of Friends to explain the importance of catalytic financing to jump start solutions
Political	Impacted Governments’ political engagement may change due to a number of factors (change in leadership, unexpected disasters/conflict, etc. which require a change in priorities)	High	This proposal targeted 15 countries at first, to take into account potential changes in political commitments, so some of the countries may not be eligible due to changed political and security circumstances
Organizational	Some of the Steering Committee members may not sustain their commitments throughout the project	Medium	Target the organizations most likely to commit throughout the project

Specific risk mitigation strategies will be developed by applicants for each project that is funded, as part of the submission of the proposal. Risks will be considered and provisions for the identification, monitoring, tolerances, and risk responses will be elaborated. Risks will be outlined specific to each project and constitute a criterion for consideration.

6. Reporting

⁷ Steering Group on Solutions to Internal Displacement members currently include IOM, DCO, UNDP, UNHCR, OCHA, DPPA, DPO, UNICEF and WB as observer.

Narrative reports

For every joint programme, each PUNO will submit the following reports to the Secretariat for consolidation and further transmission the Steering Committee, donors and PUNOs:

1. Annual narrative progress reports, to be provided no more than three months (31 March) after the end of the calendar year; and
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 (30 April) in the following year after the operational 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 Steering Committee, donors and PUNOs no more than five months (31 May) after the end of the calendar year.

Financial Reports

For each joint programme, each PUNO will submit the following financial statements and reports to the Administrative Agent:

1. Annual financial reports as of 31 December, regarding resources released by the Fund to them; these shall be provided no more than four months (30 April) 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 (31 May) in the following year after the financial closure of the project.

The annual and final financial reports providing information on the use of financial resources against the outputs and outcomes in the agreed results framework will be submitted to the Fund Secretariat.

Based on these reports, the Administrative Agent will prepare consolidated financial reports which will submit to each of the Fund's Contributors and to the Steering Committee no more than five months (31 May) after the end of the calendar year.

In addition to the annual financial report set in the MOU, all PUNOs 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).

7. 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.

8. 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 PUNO 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.

9. 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 **30 June 2028**. The dissemination of the final narrative report will be 30 June 2029. All PUNOs 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 PUNO, 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.

10. Annexes

Annex A. Overview of Joint Programme approach

Supporting UN Development System reform and the need to facilitate an integrated approach to SDG acceleration, the Fund will provide funding through the modality of Joint Programmes. Under the common umbrella of the UN Cooperation Framework, Joint Programmes support the development and implementation of national priorities for coherent action towards systemic change, transformative results at scale, acceleration of the SDGs, and facilitation of UN Development System reform.

As mentioned in the UNSDG Guidance Note on Joint Programmes, “A joint programme is a cooperation strategy. It is a way to achieve a catalytic development result that depends upon the comparative advantages of two or more PUNOs working together with partners as a team in a highly coordinated and integrated manner. The joint programme has a strategic intent and strong programmatic rationale: Expected results: a) contribute to one or more CF outcomes, national development priorities and related SDGs and b) focus on one or more policy levers, with the potential to catalyze systemic change.”⁸

The selection of PUNOs will be based on the criteria outlined in the UNSDG Guidance Note on a New Generation Joint Programmes ([Annex B2](#))⁹

Typically, Joint Programmes are managed by Joint Programme Steering Committees, or a related mechanism comprising of UN RC, UN entities involved in implementation, Government representatives, and other local and international partners. There will be a possibility for local partners contributing with a certain amount/percentage of co-funding of the Joint Programme (e.g., USD 20 million or more) to become a member of the country-level Joint Programme Steering Committee. To the extent possible, existing structures will be prioritized to anchor Joint Programmes, and its management arrangements at the country level streamlined to avoid fragmentation and duplication of structures and processes. It is expected that one implementing UN entity agency takes the lead in the Joint Programme implementation, depending on allocation of roles and responsibilities amongst UN entities taking part in the Joint Programmes, and the broader organization of the UN Country Team.

Annex B. List of Rotating Chairs

Rotating Chair organization	Year
Office of Special Adviser	2023/2024
IOM	2025
UNDP	2026
UNHCR	2027

Annex C. Interlinkages between internal displacement and SDGs

Goal 1: No Poverty: IDPs often experience heightened poverty due to displacement. Addressing their unique needs, providing access to basic services, livelihood opportunities, and social protection can help lift them out of poverty.

⁸ UNSDG Guidance on a new generation of Joint Programmes, October 2022

⁹ Final - ANNEXES to UNSDG Guidance Note on a New Generation Joint Programmes.pdf

Goal 2: Zero Hunger: IDPs frequently face food insecurity and limited access to nutritious food. Ensuring their access to adequate and sustainable food sources, promoting agricultural productivity, and improving food distribution systems are crucial.

Goal 3: Good Health and Well-being: IDPs often lack access to adequate healthcare, face health risks in temporary settlements, and suffer from mental health issues. Prioritizing their healthcare needs, including physical and mental well-being, is essential.

Goal 4: Quality Education: IDP children often face disruptions in education due to displacement. Ensuring uninterrupted access to quality education, establishing temporary learning spaces, and providing psychosocial support are vital for their educational development.

Goal 5: Gender Equality: IDP women and girls are particularly vulnerable to gender-based violence and discrimination. Promoting gender equality, addressing gender-based violence, and empowering female IDPs are critical for their well-being and empowerment.

Goal 6: Clean Water and Sanitation: IDPs often lack access to safe water and sanitation facilities, leading to health risks. Providing clean water, adequate sanitation, and promoting hygiene practices are crucial for their health and well-being.

Goal 7: Affordable and Clean Energy: Access to affordable and clean energy is important for IDP settlements, improving living conditions, and supporting income-generating activities.

Goal 8: Decent Work and Economic Growth: IDPs often struggle to find employment and face precarious working conditions. Creating inclusive economic opportunities, providing vocational training, and supporting their economic empowerment are important for their integration and self-reliance.

Goal 9: Industry, Innovation, and Infrastructure: IDP settlements often lack adequate infrastructure and basic services. Ensuring their access to essential infrastructure, including housing, healthcare facilities, and transportation, is crucial for their well-being.

Goal 10: Reduced Inequalities: IDPs often face social exclusion and marginalization. Promoting inclusivity, addressing discrimination, and ensuring their equal access to services and opportunities are important to reduce inequalities.

Goal 11: Sustainable Cities and Communities: Displacement can result in the rapid growth of informal settlements. Providing adequate housing, basic services, and infrastructure in IDP-hosting areas is vital for their integration and creating sustainable communities.

Goal 12: Responsible Consumption and Production: Ensuring responsible consumption and production patterns in IDP settlements can help reduce waste, environmental impact, and promote sustainable resource management.

Goal 13: Climate Action: IDPs are particularly vulnerable to climate-related displacement. Integrating their needs and vulnerabilities into climate adaptation and mitigation strategies is crucial for their protection and resilience.

Goal 14: Life Below Water: Protecting coastal areas and marine resources is important, as some IDP populations may reside in these areas. Ensuring sustainable use and conservation of marine ecosystems is vital to reduce displacement risks, particularly in SIDS.

Goal 15: Life on Land: Addressing the impact of displacement on land ecosystems and promoting sustainable land use practices are important for the well-being and resilience of IDPs, many of whom are indigenous communities who are displaced and/or at risk of displacement.

Goal 16: Peace, Justice, and Strong Institutions: Addressing the root causes of internal displacement, protecting the rights of IDPs, and ensuring access to justice and legal identity are vital for their protection and long-term solutions.

Goal 17: Partnerships for the Goals: Building strong partnerships among governments, international organizations, civil society, and the private sector is crucial to effectively address the specific needs of IDPs and ensure their inclusion in sustainable development efforts.

Annex D IDSF Signature Indicators

Outcome	Signature Indicators	Data source	Frequency
IDP Solutions Strategies: Promote nationally owned solutions to internal displacement	# of national strategies or local development and/or climate action plans that have embedded long-term solutions for internal displacement, as a result of IDSF support	National strategies & local development plans shared by JP teams	Annually
	# of national or sub-national solutions strategies for internal displacement developed and endorsed by government	Solutions strategies shared by JP teams with evidence of government endorsement	Annually
	# participants in inclusive national consultative processes on IDP solutions carried out with IDSF support (disaggregated by gender, IDPs, and members of host communities)	JP Team reporting on consultative processes	Annually
Leverage a whole-of-UN response to displacement	# of UNCTs that have mapped and defined roles, responsibilities, and capacities to deliver IDP Solutions Strategies, with IDSF support	Reporting by JP teams	Annually
	Increased # of agencies reporting displacement-related activities through Joint Work Plans (under cooperation frameworks)	UN INFO reporting / reporting by JP teams	Annually
Solutions Financing Frameworks: Build IDP solutions investment cases	# of instruments produced to inform financing of IDP Solutions (e.g. assessments, financing roadmaps, rapid business cases)	Deliverables shared by JP teams	Annually
	# of sustainable national financing solutions strategies adopted by governments with IDSF support	JP team reporting with evidence of government adopted solutions strategies	Annually
Cross-cutting	# of countries with strengthened data collection systems on displacement to inform solutions	JP team reporting with evidence of data collection systems strengthening	Annually