



PROJECT DOCUMENT

Project Title:	<i>Orang Asli Farmers: Pioneering Circular Economy through Sustainable Poultry Farming</i>
Malaysia-UN SDG Trust Fund's Outcomes	Leaving no one behind, priorities are addressed by delivering project-based support to the marginalized & excluded populations and securing a whole of nation approach to the SDGs.
Duration (not exceeding 18 months):	<i>18 months</i>
Anticipated start and end dates:	Start: 1 Dec 2023 End: 31 May 2025
Project Team: Participating UN Organization (PUNO) or Non-UN Organization (NUNO) <i>Lead PUNO/NUNO:</i> <i>Partner PUNO/NUNO(s):</i>	<i>Lead: Global Peace Festival Malaysia</i>
Fund management modality:	Pass-through
» Administrative Agent: (Pass-through only)	MPTF Office
Total estimated budget:¹	<i>USD 211, 297.54</i>
Out of which:	
» Funded (e.g. self-funding or other sources, if any)	
» Un-funded (Including indicated Fund budget as per selection pending approval)	<i>USD 211, 297.54</i>
Source of funds:	Enter resource budgeted from various sources below (in USD) (mobilized and yet to mobilize): (remove whichever lines that are not applicable)
» Malaysia-UN SDG Trust Fund	<i>USD 211, 297.54</i>

¹ Includes project costs and indirect support costs

Declaration of commitment and signatures*

By signing this Project Document, all signatories commit to work together in a spirit of partnership to achieve the results identified in the **results framework, work plan and budget**.

UN Organization (s) (PUNOs) / Non-UN Organizations (NUNOs)	
<i>Cass Mah Chia May</i> <i>Senior Manager, Partnerships and Development</i>  <i>Date: 25 October 2023</i>	<i>Dr Teh Su Thye</i> <i>Chief Executive Officer</i>  <i>Date: 25 October 2023</i>

*Government's approval of the project will be indicated in the attached Fund Allocation Matrix

1. Rationale and theory of change

This section offers a brief rationale and [Theory of Change](#) for the project. At a minimum the section will describe:

- (1) The development challenges to be addressed with available, disaggregated data.

Project Background and Rationale

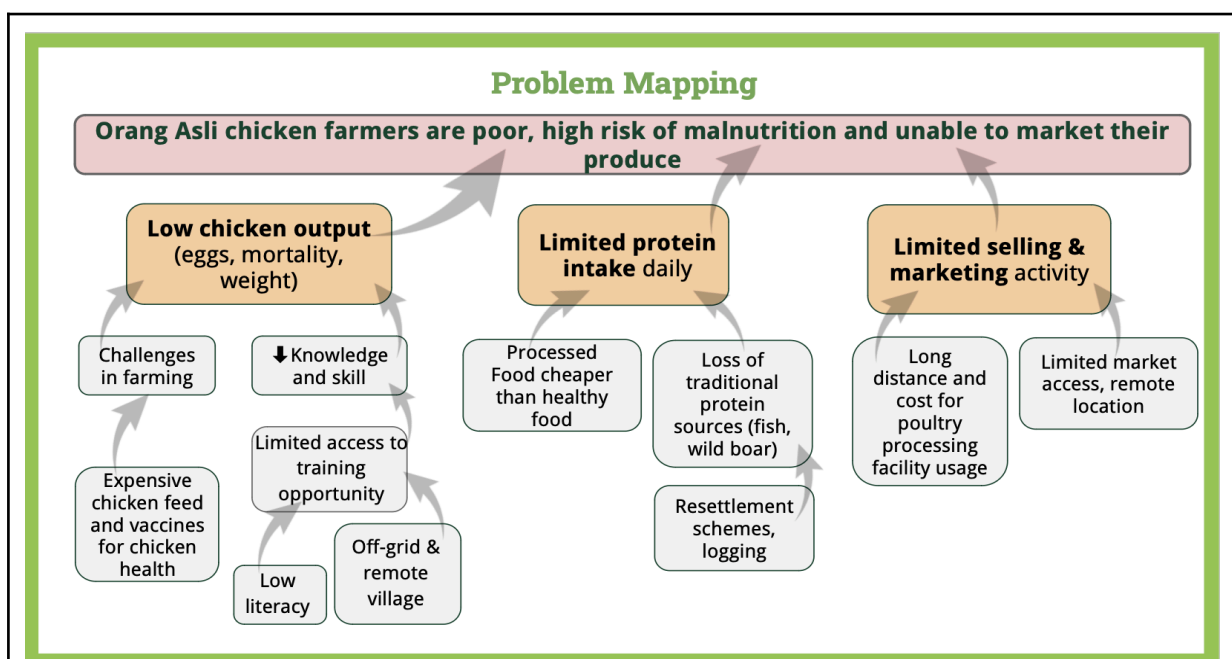
Since working with Orang Asli (OA) communities in 2014, Global Peace found many communities in Pekan, Rompin and Bera districts living in poverty with limited access to basic amenities and livelihood opportunities. These Jakun and Semelai villages are mostly situated within palm oil plantations or at the fringe of the forest. They are accessible by car, with distance from major tarred roads ranging from 20 - 40 minutes. Common livelihood of villagers includes farming, rubber tapping, forest gathering which provides income ranging from RM500 to RM1,200 monthly.

Their typical diet consists of rice, vegetables, chicken and fish. Their **protein intakes are infrequent depending on their cash level** and if they could forage them. Vegetables intake are limited to what is foraged in the village eg. sweet potato leaves, cassava shoots, tapioca. Based on recent surveys conducted by Global Peace, approximately **1 out of 3 OA households spent more than 40% of their monthly income on food (mainly chicken and fish)** alone.

This highlights the importance of chicken farming for food security and livelihood purposes.

This project aims to counteract the socioeconomic marginalization faced by Malaysia's Orang Asli (OA) community, who have been deeply affected by poverty and malnutrition due to the erosion of their traditional forest-based livelihoods. Our multi-pronged approach focuses on skill enhancement, capital support, and the introduction of sustainable chicken farming practices to boost the income of OA farmers.

This aligns seamlessly with the Fund's 'People and Prosperity' priority, thereby addressing multiple Sustainable Development Goals (SDGs) simultaneously. Specifically, we target the promotion of **work opportunities and skills training (SDG 8)** while also aiming to **reduce poverty (SDG 1)**. The prevalent malnutrition rates within the OA communities, largely due to inadequate protein intake, highlight an unmet need in achieving **SDG 2, Zero Hunger**. This challenge is further complicated by market inaccessibility, a consequence of the community's remote living conditions. Our initiative empowers the OA community to produce and market high-quality, free-range chickens, thus fostering inclusive and **sustainable economic growth in line with SDG 8**.



Global Peace has a proven track record in implementing sustainable agricultural programmes that directly benefit the Orang Asli community. Aside from our ongoing regenerative farming initiatives, we have piloted two chicken farming projects spanning from 2021 to 2023, involving more than 30 Orang Asli farmers in the Bera and Rompin districts of Pahang. These initiatives have shown promising results, with 84% of chickens sold, 14% of chickens consumed and a low mortality rate of 2%. Moreover, these projects have been instrumental in generating nearly RM30,000 in income for the participating farmers. This demonstrates the effectiveness of our approach in not only providing a sustainable source of income but also in promoting economic self-sufficiency within the community.

Added Value: As we successfully implement this project, it will serve as a catalyst for transformative change within the Orang Asli communities within 3 key areas:

1. Circular Economy in Action

Orang Asli farmers are not only cultivating crops but also cultivating a mindset of sustainability. Through organic crop farming, they not only produce nutritious food but also protect the environment from harmful chemicals. Additionally, the utilisation of chicken dung as farm compost not only enriches their soil but also reduces the need for expensive chemical fertilisers, making farm operations economical and environmentally sustainable.

2. Enterprise Development

Our vision extends to the creation of a cooperative that empowers the Orang Asli community to take charge of their economic destiny. As we diversify into areas such as egg production and feed production, we not only secure the livelihoods of our farmers but also position ourselves as a key player in the local agricultural ecosystem. The potential for further diversification, including exploring other types of poultry, demonstrates our agility and adaptability to changing market demands.

3. Inclusive Community Building:

Beyond the tangible economic benefits, this project is a catalyst for profound social transformation. We have already seen unity in action with the formation of the Farmers' Network (Jaringan Akar) committee, which saw the Jakun and Semelai tribes come together for a common purpose. Their confidence is growing, and individuals who were once marginalised are now active participants in their community's development. More importantly, we are creating a platform for youth and women to actively engage in this journey. They are not just beneficiaries but leaders, ensuring the continuity of

efforts.

Theory of Change:

Problem Statement	Inputs / Resources	Activities	Outputs	Outcomes
The Orang Asli farmers struggle with poverty, malnutrition, and face challenges in marketing their produce.	<ul style="list-style-type: none"> • Global Peace's technical and past project experiences in sustainable poultry and produce farming • Global Peace's community experience engaging Orang Asli villagers • Technical expertise of mentors • Commitment of OA communities to improve their chicken farms <p>Funding from grant bodies</p>	<p>Provision of training and subsidy for sustainable chicken farming models</p> <p>Provision of training and subsidy for planting of crops and seedlings via regenerative farming methods</p> <p>Development of poultry processing and packaging facilities</p>	<ul style="list-style-type: none"> • 60 OA farmers have acquired skills in 3 sustainable practices and produce high-yield, premium chickens • 60 OA farmers operated their farms sustainably, with at least 15% cost savings achieved through local feed cultivation • 100% of profits from sale of live birds goes back to Orang Asli farmers, with average of 15% sales margin 	<ul style="list-style-type: none"> • Improved capabilities of OA sustainable chicken farming • Improved cost efficiencies for chicken feed via mix of commercial and natural, organic feed • Enhanced efficiency in processing, packaging and marketing of poultry

- (2) Expected project results, with explanation about how people, and especially vulnerable groups, will benefit, providing details of estimated number of beneficiaries, and include number of women and girls as applicable.

Our targeted beneficiaries are 60 OA chicken farmers (of which 50% are women) located in districts of Bera, Pekan and Rompin in Pahang. Their common livelihoods are farming, rubber tapping and oil palm workers. These 60 OA chicken farmers are selected based on 6 criterias:

- Experience in Poultry Farming** - previous experience in any form of animal husbandry
- Economic Need** - Families with limited access to other forms of stable income
- Commitment and Reliability** - Availability to participate in all scheduled training sessions and program activities; and verbal / written commitment to following sustainable practices in farming
- Capability and Skills** - Physical ability to manage daily tasks associated with poultry farming
- Geographic Location** - Having space or land availability for setting up a small poultry farm
- Self Declaration*** - No assistance received from any other organisations for poultry farming initiatives

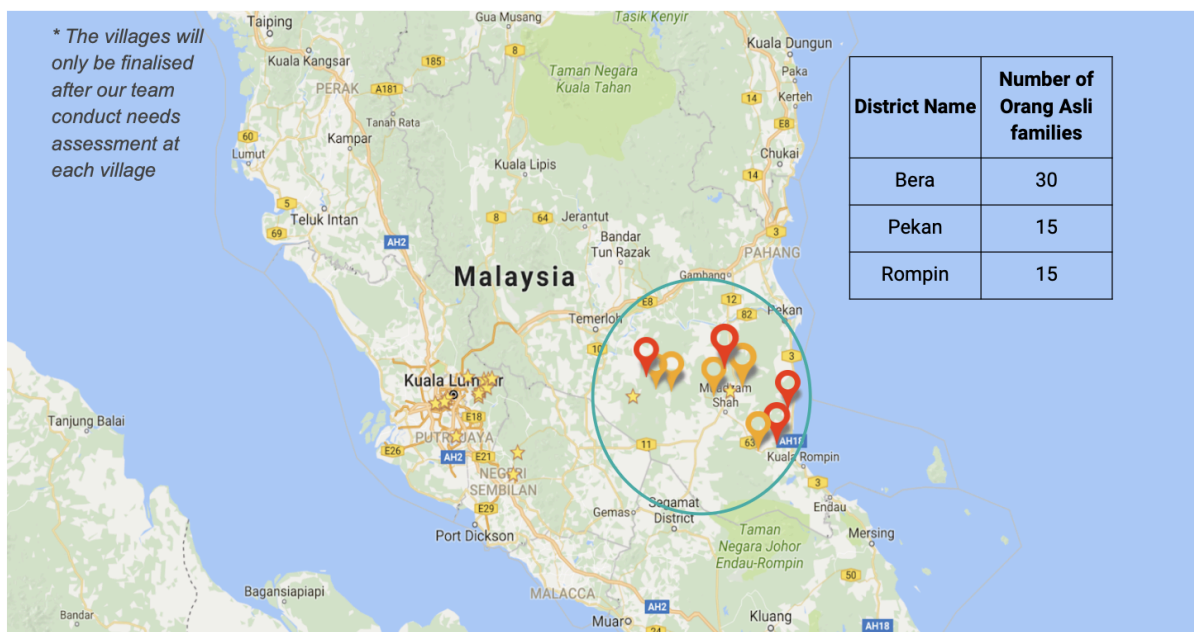
*Note : Global Peace will continue checking with the relevant government agencies on whether

assistance is provided to the selected beneficiaries as well.

The expected results for this project can be categorised into 3 key areas:

1. Skills and Capacity Building in sustainable poultry and produce farming

- 60 OA farmers (30 men, 30 women) have acquired skills in 3 sustainable practices and produce high-quality, premium chickens for personal intake (protein) and income generation.
- Training and subsidy provided on cultivation of premium free-range poultry (RM18/kg) vs normal poultry (RM9/kg)
- Integration of farmers into OA farmer's network



2. Improved cost efficiency in sustainable poultry farming

- All 60 OA farmers (30 men, 30 women) operated their farms sustainably, with at least 15% cost savings achieved through regenerative farming initiatives
- 60 OA farmers will save an estimated total RM30,000 (USD6,520) annually

3. Increased income of OA poultry farmers and other employed OA villagers

- Increased income received profits from adoption of sustainable free-range poultry farming model (breakdown details below)

Estimated Profit & Loss Statement (Annual) (for 60 farmers - 12,000 chicks sold via 4 production cycles)	
	Sustainable (free-range) poultry farming model (mix of commercial and natural feed)
Revenue (sale of live birds)	259,200
- Total Expenses:	219,600
Cost of Chicks	48,000
Commercial Feed	156,000

Natural Feed	6,000
Vaccine/Medicine	6,000
Contingency	3,600
Total Profit	39,600
Sales Margin	39600 / 259200 = 15%

- 100% of profits from sale of live birds goes back to Orang Asli farmers, with average of 15% sales margin (RM39,600 profit is estimated with 4 production cycles each year, based on sales revenue of RM259,200 earned from 60 OA farmers)
- Estimated savings of RM36,000 (USD 7,824) annually attributed to the set up of local Poultry Processing and Packing facility of (with estimated 4 production cycles each year)
 - Cost savings are in areas of logistics and payment to external processing facility
 - Marketing linkages to be developed collaboratively by Global Peace and Farmers' Network Committee
- 2 OA women/youth employed in the local poultry facilities with estimated total alternative income of RM36,000 yearly (USD 7,824 annually)

(3) Project strategies, major assumptions and risks and risk mitigation measures.

Project Strategies

Below are 3 key strategic approaches which are collectively implemented in this project:

1. **Community-Based Participatory Approach:** This core strategy places an emphasis on active engagement and collaboration with the OA community. It includes community involvement in decision-making processes, sustainable farming knowledge sharing, and traditional knowledge conservation.
2. **Climate Change Adaptation through Sustainable Poultry and Produce Farming:** This strategy focuses on building the OA community's resilience to climate change through the symbiotic benefits of poultry and produce farming. It incorporates circular ecosystem elements which improve resource efficiency and community wellbeing.
3. **Livelihood Empowerment and Diversification:** This economic strategy aims to improve the financial well-being of the OA community. It includes economic empowerment through skills training, income diversification and long term ownership of the end-to-end Poultry Farming value chain (from farm to market) by the OA themselves.

Below are the **risk and mitigation factors** identified for this project:

1. **Extreme Weather Events:** Coops in OA villages which are located at terrains which are susceptible to severe floods or droughts can be greatly affected, leading to a loss of investment and potentially discouraging participants. To mitigate this risk, this project will encourage the farmers on training on how to respond to such events, which includes installation of solar irrigation, or temporary livestock relocation.
2. **Commitment and Motivation of OA chicken farmers:** The success of the project also

depends on the commitment and motivation of the participants. If the farmers are not fully committed or lose motivation, it could lead to low participation rates and reduced effectiveness of the project. To keep motivation high, the project will include elements of community network building, create a supportive environment and provide recognition and incentives for participation.

3. **Psychology and Literacy Level of OA chicken farmers:** The effectiveness of the training provided will depend heavily on the understanding and application capabilities of the farmers. If the farmers have low literacy levels or struggle to grasp the concepts taught, it could hinder the progress of the project. To address this, the workshops will be conducted in simple Bahasa Malaysia terms with practical teaching methods.

Major Assumptions:

- **Policy and Regulatory Support:** It's assumed that local and national government policies will remain favourable, or at least not obstructive, towards sustainable farming and community development initiatives.
- **Community Social Dynamics:** The project assumes that the social fabric of the OA community will be conducive for collective action. This means that community members are willing to collaborate with each other and that there are no significant internal conflicts that would impede collective efforts.
- **Market Demand:** For livelihood diversification and economic sustainability, the project assumes that there is a stable or growing demand for the poultry that the OA community will be farming.

- (4) How project results and strategies will *complement* the efforts of other development partners and programmes working on the same problems.

Our project results and strategies will be strengthened by several collaborations. Firstly is with Satoyama Farm, the only certified organic, free-range chicken farm in Malaysia, which is based in Sarawak. In August 2023, we had a 7-day in-person training at Satoyama Farm to strengthen our knowledge and expertise in free-range poultry farming practices and management of poultry farming and production landscapes. Mr Yap, owner of Satoyama Farm shares our similar values in sustainable poultry farming and is our current mentor for our poultry farming team.

Our 2nd partnership would be with the Department of Veterinary Services (state or district level) to focus on ensuring optimal poultry health by providing regular check-ups, disease management solutions, and nutritional guidance.

Lastly would be our ongoing training partnership (since 2021) with A Little Wild, a Syntropic Agroforestry Farm located in Kota Tinggi, Johor. Our team's last visit to A Little Wild in September 2023 proved to be timely, as Will (co-founder of A Little Wild) shared about their experiences on incorporating chickens, cows as well as ducks on their farm. This completes the regenerative farming model by enhancing the symbiotic process between livestock and produce on a sustainable farm.

- (5) A brief description of how expected results from the project will be sustained beyond the project timeframe, including opportunities for scalability, replicability, spin-offs, and possible impact on policy.

1. Self Sufficiency and Community Ownership:

- To ensure sustainability, the poultry farming cost savings attributed to the funding provided by

the UN SDG Trust Fund will be channelled into a Farming and Livelihood Community Fund - managed by the elected Farmers' Network Committee Members, with oversight from Global Peace

- This is to provide a realistic view of profitability for OA farmers right from the beginning, as well as to create a self-sustaining loop to generate benefits long after the funding has been exhausted
- It is also key to continuously build and nurture ownership and leadership within the OA community. As the OA farmers become active participants and leaders in their community's development, they will take responsibility for the continued success of the project's outcomes.

2. Scalability and Replicability: As shown in our previous pilot projects, the success of the project will serve as a blueprint for scalability. As the 60 Orang Asli (OA) farmers become proficient in sustainable poultry farming, natural feed cultivation and poultry processing, their knowledge and skills can be leveraged to expand the initiative. New groups of OA farmers in other regions or communities can benefit from similar training and support, extending the positive impact to a wider audience.

3. Spin-Offs: The project's focus on regenerative farming, poultry processing, and market linkages can lead to spin-off businesses within the OA community. As the local Poultry Processing and Packing facility becomes established, it can serve as a hub for processing not only poultry but also other locally sourced products. These spin-offs can diversify income sources and create additional employment opportunities for community members.

4. Impact on Policy:

- **Local and Regional Policy:** The project can influence local and regional policies related to sustainable farming, environmental conservation, and community development. The demonstrated benefits of regenerative farming practices can encourage the adoption of similar approaches in neighbouring areas.
- **National Policy:** By showcasing the economic and social benefits of empowering indigenous communities through sustainable agriculture, the project can advocate for policy changes that support similar initiatives on a national scale. This may include policies related to rural development, indigenous rights, and sustainable agriculture.

2. Steering and management arrangements

This section describes steering and management arrangements for the project. It does not *substitute* for organization-specific arrangements required by the respective internal policies of the organization. It offers a brief description of key groups, their composition, and major roles and responsibilities. It should include:

- » **The Project Steering Committee (SC)**
- » **The Project Team**

The Steering Committee serves as the pivotal decision-making body for the regenerative chicken farming project, responsible for setting the strategic direction and resolving key challenges.

- Frequency of meeting : Quarterly (January, April, July, October) or on adhoc basis depending on need
- Key stakeholder groups, composition and roles:

No.	Stakeholder	No. of	Roles and Responsibilities
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	Group	pax	
1	Project Team (Lead and officers)	3	<ul style="list-style-type: none"> Project Lead chairs meetings and oversees overall project delivery Field Officers conduct project activities and community engagement
2	Management Team (CEO and Partnership Manager)	2	<ul style="list-style-type: none"> Ensures alignment with objectives, resource management, and external liaison, including interactions with funders.
3	OA farmers' network committee	7	<ul style="list-style-type: none"> Represents the voice of the local farming community Assist in disseminating information within network for ground-level implementation activities Advocate for community ownership of project Providing critical feedback to ensure strategies adapt to real situation on the ground
4	Satoyama Farm	1	<ul style="list-style-type: none"> Offering mentorship and technical advice on sustainable practices Contributes to farmer training modules development
	Total	12	

To supplement the Steering Committee's efforts, specialized working groups will be **formed by the Project Team** focusing on areas like **chicken care and growth, crop production and marketing**. These working groups report directly to the Project Team and may include additional stakeholders like the Department of Veterinary Services or local NGOs. This governance structure aims to be flexible yet comprehensive, designed to meet the project's dynamic needs while also being adaptable to the internal policies of collaborating organizations.

3. Monitoring, learning, and reporting

This section summarizes the arrangements for:

- (1) Monitoring and learning by the Project Team: This is done under the coordination and programmatic leadership of the lead organization, and includes data collection, reviews or studies, and joint field visits. For NUNOs that require HACT, this includes quality assurance, scheduled audit and HACT spot checks, as required.

Project monitoring and success measurement will be performed in a systematic and multi-layered manner, aligning with the detailed work plan. Each project activity will be measured based on its overarching key output indicator, allowing for quantitative and qualitative assessment of outcomes and comparison against baseline.

Monitoring Mechanisms:

- **Weekly Village Visitations and Reporting** : The Field Officers will conduct weekly visits to OA farmers (on a scheduled basis) to perform the planned activities ranging from coop materials delivery, to training planning and chicken processing. This will allow for real-time monitoring and immediate feedback. All weekly activities will be compiled in a weekly report to be shared with the Global Peace management and project team every Monday morning. During this meeting, qualitative and quantitative data is shared highlighting KPIs achieved as well as project challenges faced.

- **Monthly Check-ins:** The Programme Manager will conduct monthly physical check-ins with selected OA farmers to validate progress reported by Field Officers, answer queries (if any), and provide ongoing support to the team.
- **Data Collection Tools:** Surveys, focus groups, and one-on-one interviews will be employed to gather qualitative and quantitative data. This information will be stored and analyzed through a secure, cloud-based data management system
- **HACT scheduled visits / spot check:** Based on requirement from UN SDG, project team will assist to coordinate the necessary for HACT monitoring, and compile feedback from visits as part of monitoring report and feedback for project improvement.

Success Measurements:

- **Income Metrics:** Quarterly income data for OA farmers will be collected and analyzed to measure economic impact. Success in this area would be indicated by a sustained increase in individual and community income levels.
- **Sustainability Metrics:** Measurements will be taken to assess the environmental impact through sustainable farming practices. These include soil health, farm plot density i.e., number of plants) and chicken health.
- **Well-being Metrics:** Community wellbeing and social cohesion will be measured through surveys that gauge the level of community involvement, knowledge sharing, and overall well-being.

- (2) Reporting and communications: A consolidated, results-based annual report is produced that includes programmatic and narrative elements. It provides evidence about progress toward the project results, based upon monitoring reports and field missions, along with updated data for indicators (as available). A quarterly financial report and consolidated annual financial report will also be required to be submitted to the Administrative Agent for financial monitoring. When a separate report is required upon the request of the Steering Committee, the standard report template can be used. Due dates for respective reports are included in the NUNO Framework Agreement/PUNO Memorandum of Understanding (MOU).

Global Peace will adhere towards the dates and requirements of the report templates required. These reports will be made publicly available, and also adapted to the target audience for better understanding.

We will also share knowledge via (1) training videos and best practices on sustainable chicken farming which will be published on YouTube to educate OA communities. We'll maintain an (2) active social media presence on platforms like Facebook and Instagram to share project updates, success stories, and real-time feedback through engaging content like polls and infographics. On-the-ground community engagement will be fostered through (3) site visits, workshops, and meetings, enabling firsthand demonstrations and knowledge exchange. (4) Periodic newsletters will keep our donors, volunteers, and partners abreast of our achievements and challenges, while an (5) Annual Impact Review will summarize our year's activities and lay out plans for future improvements. These efforts will be publicly documented and shared across all communication platforms to ensure transparency and encourage wider participation.

- (3) Annual progress reviews: Arrangements, roles and responsibilities for conducting annual progress reviews.

Arrangements: Timing and Location

- 1st annual progress review will be held during the quarter Project Steering Committee meeting scheduled for October or November 2024.
- 2nd and final progress review will be scheduled post completion of the project in June or July 2025, in conjunction with the final evaluation report review.
- Dates for reviews will be announced at least 2 weeks in advance, allowing ample time for all stakeholders to prepare necessary documents, reports, and feedback.
- The specific location of the progress reviews will be determined at a later date but will be at a location which allows for physical and virtual meeting attendees to accommodate outstation participants.

Roles and Responsibilities:

The annual progress review meetings will be organised and chaired by the Global Peace Project team, with support from management.

In preparation of the annual progress review, assistance from OA farmers' representatives is crucial to ensuring the following are prepared objectively and accurately:

1. Review progress information, lessons, and good practices, including any adjustments made by the project team
2. Compare actual progress against expected project results
3. Consider the contribution to the project outcome, thematic priorities and related SDG targets
4. Review the sustainability plan and exit strategy and make adjustments (*as needed*).

4. Evaluation

This section describes arrangements, responsibilities, and timing for the project final evaluation (final project report), including how evaluation findings, and recommendations will be used by the project partners and other stakeholders.

The project final evaluation will be compiled by the project team, with oversight from the management team. Prior to submission to the UN SDG Fund Secretariat, the results will be presented to the Project Steering Committee (PSC) for comprehensive review. Reporting back to the PSC involves not just quantitative metrics but also qualitative reflections on the project's impact on the Orang Asli (OA) community. These reflections will be sourced from community representatives to include their firsthand experiences and perspectives. The PSC will also review sample of on-site monitoring reports against final evaluation report to ensure independence and no bias in reporting.

The final report, complete with its findings and recommendations, will be made publicly available on the Global Peace website, further underlining the project's commitment to transparent and unbiased reporting.

The timing for the project final evaluation will be within June 2025 - July 2025. This additional 2 months is required post project period to ensure sufficient time for data review and analysis, as well as to incorporate feedback from PSC upon review.

5. Integrated results framework, work plan and budget

Please see attachments (in email):

- (1) Project Budget by UNSDG Categories; and
- (2) Integrated Results Framework, Work Plan and Budget

6. Applicable clauses applicable to this Project Document

Please refer to the following attachment(s)

(1) Annex PUNO - Applicable for PUNO(s) Applicants

Annex 1: Standard Clauses for the Project Document for NUNOs

(Relevant clauses taken in part/adapted from the NUNO Framework Agreement and Standard Memorandum of Understanding for Malaysia-United Nations SDG Trust Fund Using Pass-Through Fund Management (MoU))

1. Acceptance of Funding for Project

- 1.1. The signing of the Project Document by the submitting Non-UN Organization (NUNO) and Participating UN Organization (PUNO) (collectively known as "Recipient") denotes the acceptance of the funds for implementation as indicated in the Project Document, as approved by the Steering Committee.

2. Responsibilities of the Fund Recipient – NUNO/PUNO

- 2.1. The Recipient shall (i) retain full programmatic accountability for achieving the results and outputs of the approved Project, (ii) retain financial accountability for the use of the funding made available to it from the Fund (the "funding"), and (ii) adhere to any decision(s) of the Malaysia-UN SDG Trust Fund's Steering Committee in its implementation of the approved Project.
- 2.2. For NUNOs: iii) comply with the NUNO Framework Agreement and the NUNO Financing Agreement for the approved Project,
- 2.3. The Administrative Agent does not have any programmatic or financial accountability with respect to the funding disbursed to the Recipient and the latter's use of the funding, nor for the Recipient's programmatic activities with respect to and under approved Project.

3. Financial matters of the Recipient

- 3.1. The Recipient will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by the Recipient in accordance with its own regulations, rules, policies and procedures, including those relating to interest.
- 3.2. The Recipient will use the funds disbursed to it by the Administrative Agent from the Fund Account, as well as any accrued interest thereon, to carry out the activities for which it is responsible as set out in the project document for the approved Project, as well as for its indirect costs. The Recipient will commence and continue to conduct operations and/or activities financed by the Fund only upon receipt of disbursements made by the Administrative Agent. The Recipient will not make any commitments above the amount disbursed against the project document for the approved Project. If there is a need to exceed the amount disbursed, the Recipient will submit a supplementary budget request to the Malaysia-UN SDG Trust Fund's Steering Committee ("Steering Committee") showing that further financing will be necessary. If no such further financing is available, the activities to be carried out under the project document for the approved Project may be reduced or, if necessary, terminated by the Recipient.
- 3.3. Recipient shall return all balances upon operational closure, in accordance with the NUNO Framework Agreement (for NUNOs) or the Standard Memorandum of Understanding for Malaysia-United Nations SDG Trust Fund using Pass-Through Fund Management (MoU) (for PUNOs) (collectively known as "Agreements") as applicable.

- 3.4. The Recipient accepts and recognizes that each of the donors who provide financial support to the Fund by signing a Standard Administrative Arrangement with the Administrative Agent ("Administrative Arrangement"), may have reserved the right to discontinue future deposits of their contribution if there is: (i) failure to fulfil any obligations under the Standard Administrative Arrangement (ii) if there are substantial revisions of the Terms of Reference (TOR); or (iii) if there are credible allegations of improper use of the funds in accordance with Section VIII of the Administrative Agreement; provided however that before doing so, the Administrative Agent, the Steering Committee and the respective donor(s) will consult with a view to promptly resolving the matter.
- 3.5. Indirect costs of the Recipient recovered through programme support costs will be seven percent (7%). All other costs incurred by the Recipient, in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

4. Activities of the Recipient

Implementation of approved Projects

- 4.1. The implementation of the programmatic activities under the project document for each approved Project will be the responsibility of the Recipient and will be carried out by the Recipient in accordance with its own applicable regulations, rules, policies and procedures.

For NUNOs: Notwithstanding the foregoing, procurement activities shall be conducted by the Recipient in accordance with the principles of best value for money, transparency, economy and efficiency and such procurement will be based on the assessment of competitive quotations, bids or other proposals.

- 4.2. Ownership of equipment and supplies procured, and intellectual property rights associated with works produced, using funds transferred to the Recipient will be determined in accordance with the regulations, rules, policies and procedures applicable to the Recipient, including any agreement with the relevant programme government(s), if applicable.
- 4.3. The Recipient will establish appropriate programmatic safeguard measures in the design and implementation of its approved programmatic activities, promoting the values, norms and standards of the United Nations system. These measures may include, as applicable, the respect of international conventions on the environment, on children's rights, and internationally agreed core labour standards.
- 4.4. Any modifications to the scope of the project document for the approved Project, including as to its nature, content, sequencing or the duration thereof by the Recipient, will be subject to the approval of the Steering Committee. The Recipient will promptly notify the Administrative Agent through the Steering Committee of any change in the budget as set out in the project document of an approved Project.
- 4.5. The Recipient shall notify the Steering Committee about any expected budget variations resulting or relating to the modifications referred to in clause 4.4, above, as part of its request for approval.
- 4.6. The Recipient shall be authorized to make variations not exceeding twenty (20) per cent on any one budget line item in the Work Plan, provided that the maximum amount allocated by the Steering Committee is not exceeded. Any variations exceeding twenty (20) per cent on any one budget line item that may be necessary for the proper and successful implementation of

activities shall be subject to prior consultations with, and written approval by the Steering Committee.

- 4.7. Where the Recipient wishes to carry out its activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other PUNO, nor the Administrative Agent, will be responsible for doing so.
- 4.8. In carrying out its activities, the Recipient shall not be considered an agent of the Administrative Agent, and thus, the personnel of the Recipient shall not be considered as staff members, personnel or agents of the Administrative Agent or no other PUNO.
- 4.9. The Recipient shall ensure that programmatic activities are completed by the operational completion date specified in the project document for the approved Project. The Recipient will ensure the Administrative Agent is advised in writing when all activities for which it is responsible under such project document have been operationally completed.
- 4.10. Recipient shall return all balances upon operational closure, in accordance with the NUNO Framework Agreement (for NUNOs) or the Standard Memorandum of Understanding for Malaysia-United Nations SDG Trust Fund using Pass-Through Fund Management (MoU) (for PUNOs) as applicable.

Special Provisions regarding Financing of Terrorism

- 4.11. Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Recipient affirms that it is firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, the Recipient recognizes its obligation to comply with any applicable sanctions imposed by the UN Security Council. The Recipient will use all reasonable efforts to ensure that the funds transferred to it is not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of the Agreements, the Recipient determines that there are credible allegations that funds transferred to it in accordance with the Agreements have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime, it will as soon as it becomes aware of it inform the Steering Committee, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.

5. Reporting, Monitoring and Evaluation

- 5.1. The Recipient shall provide financial and narrative progress reporting to the Administrative Agent in accordance with the NUNO Framework Agreement (for NUNOs) and the MoU (for PUNOs).
- 5.2. For NUNOs:
Financial Reports: The financial statements and reports of the Recipient NUNO has be prepared in accordance with the reporting procedures as set forth in the NUNO Framework Agreement, including an external audit report of the separate ledger account for each approved Project, according to International Standards of Auditing.

The Recipient NUNO will provide the Administrative Agent with the following financial statements and reports with respect to each approved Project:

- (a) Annual financial report as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than 28 February of the next calendar year.
- (b) Quarterly financial reports to be provided in accordance with the following time frames:
 - i. 30 April, report 1st quarter expenses (January to March)
 - ii. 31 July, report 2nd quarter expenses (January to June)
 - iii. 31 October, report 3rd quarter expenses (January to September); and
 - iv. 28 February, report 4th quarter expenses (January to December of the previous calendar year).
- (c) Certified final financial statements and final audited financial reports after the completion of the activities in the project document of each approved Project, including the final year of the activities in the project document of each approved Project, to be provided 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 project document of each approved Project occurs, or according to the time period specified in the financial regulations and rules of the Recipient NUNO, whichever is earlier.

Narrative Reports: The Recipient NUNO will provide the Administrative Agent with the following narrative reports prepared in accordance with the reporting procedures with respect to each approved Project:

- (a) Annual narrative progress reports, to be provided no later than three (3) months (31 March) after the end of the calendar year; and
- (b) Final narrative reports, after the completion of the activities in the project document of each approved Project, including the final year of the activities in the project document of each approved Project, to be provided no later than four months (30 April) after the end of the calendar year in which the operational closure of the activities in the project document of each approved Project occurs.

- 5.3. The rights of Administrative Agent and Recipient towards the monitoring and evaluation of the Fund will be in accordance with the respective NUNO Framework Agreement (for NUNOs) and MoU (for PUNOs).

6. Audit

External and Internal Audit

- 6.1. The activities of the Recipient in relation to the Fund will be audited by its internal and external auditors in accordance with its own financial regulations and rules.
- 6.2. The corresponding external and internal audit reports will be provided by the NUNO to the Steering Committee while for PUNOs the corresponding external and internal audit reports will be disclosed publicly unless the relevant policies and procedures of each of the relevant PUNOs provide otherwise.
- 6.3. For NUNOs: The Recipient NUNO shall cooperate and comply with any requests made by donor(s) and/or the Administrative Agent further to their right to demand that an external audit or investigation be conducted of the use of funding and control systems of the Recipient NUNO. The donor(s) and/or Administrative Agent shall be given access to the Recipient NUNO's auditor and the auditor's assessments of all information pertaining to the approved Project(s).

Cost of Internal Audit

- 6.4. The total costs of internal audit activities in relation to the Malaysia-UN SDG Trust Fund will be borne in accordance with the NUNO Framework Agreement (for NUNOs) or the MoU (for PUNOs) as applicable.

Audits of Implementing Partners

- 6.5. The part of the contribution transferred by the Recipient to its implementing partners for activities related to the implementation of the activities under any approved Project will be audited as provided under the Recipient's financial regulations and rules, as well as its policies and procedures.

7. Fraud, Corruption and Unethical Behaviour

- 7.1. For NUNOs: The Recipient shall practice zero tolerance against corruption and other financial irregularities within and related to the approved Project(s). The zero-tolerance policy applies to all employees, staff members, consultants and other non-staff personnel and to cooperating partners and beneficiaries of the approved Project(s).
- 7.2. The Recipient shall take all necessary precautions to avoid and address all forms of financial irregularities, including but not limited to things such as, corrupt, fraudulent, collusive, coercive, unethical, or obstructive practices. The Recipient recognizes that it is important that all of its employees, staff, individual contractors, implementing partners, vendors and any third parties which are involved in programmatic activities (such individuals and entities being hereinafter referred to, together, as the "Individuals/Entities", and individually as the "Individual/Entity") must adhere to the highest standard of integrity, in line with, but not less than those of the Fund. To this end, the Recipient shall maintain standards of conduct that govern the performance of the Individuals/Entities, to prohibit practices which are contrary to this highest standard in any activity related to the Fund. The Individuals/Entities must not engage in corrupt, fraudulent, collusive, coercive, unethical, or obstructive practices, as defined below.
- 7.3. In this Project Document,
- (a) "Corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another individual or entity;
 - (b) "Fraudulent practice" means any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, an individual or an entity to obtain a financial or other benefit, or to avoid an obligation;
 - (c) "Collusive practice" means an arrangement between two or more individuals and/or entities designed to achieve an improper purpose, including influencing improperly the actions of another individual or entity;
 - (d) "Coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any individual or entity or the property of the individual or entity to influence improperly the actions of an individual or entity;
 - (e) "Unethical practice" means the conduct of behavior that is contrary to staff or supplier codes of conduct such as those relating to conflict of interest, gifts and hospitality, and post-employment provisions; and
 - (f) "Obstructive practice" means acts or omissions intended to materially impede the exercise of contractual rights of audit, investigation and access to information, including destruction, falsification, alteration or concealment of evidence material to an investigation into allegations of fraud and corruption.

Investigations

7.4.

- (a) Investigations of allegations of wrongdoing by Individuals/Entities involved in the approved Project(s) which are contracted by the Recipient will be carried out by the investigation service of the Recipient with which the potential subject of investigation is contracted, in accordance with the Recipient's internal policies and procedures.
- (b)
 - (i) In the event that the investigation service of the Recipient determines that an allegation in relation to the implementation of activities for which the Recipient is accountable is credible enough to warrant an investigation, it will promptly notify the Steering Committee and the Administrative Agent of the Fund.
 - (ii) In the case of such notification, it is the responsibility of the Steering Committee and the Administrative Agent to communicate promptly with the relevant anti-fraud offices (or equivalent) of the donor(s).
 - (iii) In case of a credible allegation, the Recipient will take timely and appropriate action in accordance with its regulations, rules, policies and procedures, which may include withholding further disbursements to the Individual(s)/Entity(ies) allegedly involved in the corrupt, fraudulent, collusive, coercive, unethical or obstructive practices as defined above.
- (c)
 - (i) The Recipient's investigation service reviewing the credibility of an allegation or conducting the investigation will share information as appropriate with the counterpart investigative services of the PUNOs/other NUNOs receiving funding from the Fund ("Counterpart Party or Counterpart Parties") to determine the best path towards resolution of the investigation and whether the alleged wrongdoing is limited to the Recipient or whether at least one Counterpart Party may also be affected. If the relevant investigation services determine that the Recipient and at least one Counterpart Party could be affected by the alleged wrongdoing, they will follow the procedure described below in clause (ii).
 - (ii) Where a potential subject of an investigation is contracted by the Recipient and at least one Counterpart Party, the investigation services of the Recipient and the Counterpart Party(ies) concerned may consider conducting joint or coordinated investigations, determining which investigation framework to use.
 - (iii) For NUNOs: The joint or coordinated investigations in clause (ii), is subject to the appropriate arrangements being put in place, such as a Memorandum of Understanding addressing matters such as confidentiality. Any such arrangements to conduct joint or coordinated investigations referred to herein shall be without prejudice to the respective privileges and immunities of the Counterpart Party(ies), which are specifically reserved and which may be invoked at any time.
- (d) Upon completion of the internal reporting on its investigation by the Recipient as established in its respective internal policies and procedures, the Recipient will provide information on the results of its investigation(s) to the Administrative Agent and the Steering Committee. Following such receipt of information on the results of the investigation(s), it is the responsibility of the Steering Committee and the Administrative Agent to communicate promptly with the relevant anti-fraud offices (or equivalent) of the donor(s).
- (e) The Recipient will determine what disciplinary and/or administrative measures, including referral to national authorities, may be taken as a result of its investigation, according to its internal policies and procedures on disciplinary and/or administrative measures, including its vendor sanction mechanism, as appropriate. The Recipient concerned will share information on measures taken as a result of the investigation(s) with the Administrative

Agent and the Steering Committee of the Fund. Following such receipt of information on measures taken as a result of the investigation(s), it is the responsibility of the Steering Committee and the Administrative Agent to communicate promptly with the relevant anti-fraud offices (or equivalent) of the donor(s).

Recovery of Funds

- 7.5. For NUNOs: If there is evidence of improper use of funds as determined after an investigation, or by the external audit report or an investigation fails to show that the funds have been used as intended, the Fund shall be entitled to a refund from the Recipient for any amounts not shown by audits and investigations to have been used in accordance with the terms and conditions of this Agreement. The donor(s) may request that such funds be returned to them in proportion to their contribution to the Fund, in which case the Recipient would credit that portion of the funds so recovered to the Fund Account and the Administrative Agent would return that portion of such funds to the donor(s).

8. Sexual Exploitation and/or Sexual Abuse, and/or Sexual Harassment

- 8.1. The Recipient has zero tolerance for and is firmly committed to take all necessary measures to prevent and address instances of sexual exploitation and sexual abuse in programming activities, and sexual harassment. The Recipient recognizes that it is important that all Individuals and Entities will adhere to the highest standards of integrity and conduct in line with, but not less than those of the Recipient Organization. The Individuals/Entities will not engage in Sexual Exploitation, Sexual Abuse and Sexual Harassment, as defined below.

8.2. Definitions:

- (a) "Sexual Exploitation" means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;
- (b) "Sexual Abuse" means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions; and
- (c) "Sexual Harassment" means any unwelcome conduct of a sexual nature, that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. Sexual harassment may occur in the workplace or in connection with work. While typically involving a pattern of conduct, sexual harassment may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

Investigation and reporting:

- (a) Investigation:
 - (i) Investigations of allegations of Sexual Exploitation and/or Sexual Abuse arising in programmatic activities in approved Projects funded by the Fund, will, where appropriate, be carried out by the investigation service of the Recipient in accordance with its rules, regulations, policies and procedures. In cases where the Recipient is not conducting the investigation itself, the Recipient will require that the implementing partner of that funded programmatic activity and its responsible parties, sub-recipients and other entities engaged to provide services in relation to programmatic activities, investigate allegations of Sexual Exploitation and Sexual Abuse credible enough to warrant an investigation.

Investigations of allegations of Sexual Harassment by the Recipient's staff and personnel involved in the Fund and contracted by the Recipient will be carried out by the investigation service of the Recipient in accordance with its rules, regulations, policies and procedures.

(b) Reporting on allegations investigated by the Recipient and their implementing partners.

- (i) The Steering Committee, the Administrative Agent of the Fund and the donors will be promptly notified of allegations of Sexual Exploitation and/or Sexual Abuse received/under investigation by the Recipient, as well as of any allegations credible enough to warrant an investigation received from the Recipient's implementing partners, through the Recipient's normal method of reporting of such matters to their relevant governing bodies. The level of detail of information shared by the Recipient will be the no less than that contained in the Secretary-General's reporting mechanism on Sexual Exploitation and Sexual Abuse (the "Report")².

(c) Reporting on credible allegations and measures taken following an investigation

- (i) The Steering Committee, the Administrative Agent of the Fund and the donors will be promptly notified of credible allegations of Sexual Exploitation and/or Sexual Abuse investigated by the Recipient, as well as of any credible allegations that have been investigated by and received from the Recipient's implementing partners, through the Recipient's normal method of reporting of such matters to their relevant governing bodies.
- (ii) In those cases where the Recipient determined that a case would have significant impact on a Recipient's partnership with the Fund and/or with the donor(s), the Recipient will promptly provide information containing the level of detail as found in the Report, on the results of their investigation(s) or the investigations conducted by its implementing partners that they are aware of, with respect to the cases in the Report relating to the activities funded by the Fund, which resulted in a finding of Sexual Exploitation and/or Sexual Abuse, to the Administrative Agent and the Steering Committee. Following such receipt of information on the results of the investigation(s), it is the responsibility of the Administrative Agent to communicate promptly with the relevant integrity / investigation offices (or equivalent) of the donor.
- (iii) Following a determination of a credible allegation of Sexual Exploitation and/or Sexual Abuse, the Recipient will determine what contractual, disciplinary and/or administrative measures, including referral to national authorities, may be taken as a result of an investigation, according to its internal regulations, rules, policies and procedures on disciplinary and/or administrative measures, as appropriate. The Recipient will share information on measures taken as a result of the credible allegation of Sexual Exploitation and/or Sexual Abuse in its programmatic activities financed by the Fund with the Administrative Agent and the Steering Committee.
- (iv) With respect to credible allegations of Sexual Harassment (regarding the Recipient's internal activities) the Recipient will share information on measures taken with the Administrative Agent, the Steering Committee and the donors of the Fund through their regular reporting to their relevant governing bodies.

8.3. Any information provided by the Recipient in accordance with the foregoing paragraphs, will be shared in accordance with their respective regulations, rules, policies and procedures and

² The level of detail of information included in the Report at different stages of the investigation process can be seen [at https://www.un.org/preventing-sexual-exploitation-and-abuse/content/data-allegations-un-system-wide](https://www.un.org/preventing-sexual-exploitation-and-abuse/content/data-allegations-un-system-wide).

without prejudice to the safety, security, privacy and due process rights of concerned individuals.

9. Communication and Transparency

- 9.1. Subject to the regulations, rules, policies and procedures of the Recipient and the Administrative Agent and subject to their approval, the Recipient will take appropriate measures to publicize the Fund and to give due credit to other PUNOs and NUNOs (as applicable) and Administrative Agent. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will highlight the results achieved and acknowledge the role of the programme government(s), the donors, the other PUNOs and NUNOs (as applicable), the Administrative Agent, the Recipient and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each recipient and national partner in all external communications relating to the Fund.
- 9.2. The Administrative Agent in consultation with the PUNOs will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund are posted, where appropriate, for public information on the websites of the Administrative Agent. Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, Fund level annual financial and progress reports and external evaluations, as appropriate.
- 9.3. The Recipient is committed to principles of transparency with regard to its role in the implementation of the Fund, consistent with its regulations, rules, policies and procedures. The Recipient will consult with the other PUNOs (as applicable), Administrative Agent and the programme government(s), if applicable, prior to publication or release of information regarded as sensitive.

10. Expiration, Modification and Termination

- 10.1. The rights of Administrative Agent and Recipient towards the expiration, modification, termination and unspent balances will be in accordance with the respective NUNO Framework Agreement (for NUNOs) and MoU (for PUNOs).

11. Dispute Settlement

- 11.1. The rights of Administrative Agent and Recipient towards the expiration, modification, termination and unspent balances will be in accordance with the respective NUNO Framework Agreement (for NUNOs) and MoU (for PUNOs).