

# **UN Palestine Recovery Trust Fund**

*Building a Bridge to Recovery & Reconstruction*

**Terms of Reference**

*December 2025*

## Table of Contents

Definitions.....	1
List of Acronyms.....	1
1. Introduction, Context & Rationale.....	2
2. Functions of the UN Palestine Recovery Trust Fund .....	3
3. Programmatic Scope and Theory of Change.....	3
Early Recovery Joint Programming .....	4
Emergency support for SMEs and investment generation .....	6
Reform, Institutional Development, Governance, and Social Protection .....	7
Table: Fund Results Framework.....	7
*All indicators, where relevant, will ensure proper disaggregation by gender.....	11
4. Governance Arrangements.....	11
Fund Operations .....	12
Fund Administration .....	15
Participating UN Organizations.....	16
5. Project Approval Cycle .....	16
Call for Proposals (CfP).....	16
Direct Designation by the Steering Committee .....	17
6. Risk management.....	17
7. Contributions .....	19
8. Reporting.....	20
9. Monitoring and Evaluation .....	21
10. Audit.....	21
11. Public Disclosure .....	22
12. Amendments, duration and termination.....	23

## Definitions

**Participating Organizations:** Organizations that receive funds directly from the fund account.

**Implementing Partners:** Organizations engaged by Participating UN Organizations to implement projects. These could be NGOs, government entities, or others who work with Participating Organizations in the implementation of projects. PUNOs are accountable for the selection and engagement of implementing partners.

## List of Acronyms

AA: Administrative Agent  
CERF: Central Emergency Response Fund  
CFP: Calls for Proposals  
CSOs: civil society organisations  
DIM: Direct Implementation Modality  
FTR: Fund Transfer Request  
GBV: Gender-based Violence  
GRRD: Gaza Recovery and Reconstruction Plan  
HCT: Humanitarian Country team  
HRP: Humanitarian Response Plan  
IDPs: Internally Displaced Persons  
IFGs: Investment Facilitation Guarantees  
LTAs: Long Term Agreements  
MFIs: Microfinance Institutions  
MoF & P: Ministry of Finance and Planning  
MoU: Memorandum of Understanding  
MPTF: Multi-Partner Trust Fund  
MPTFO: Multi-Partner Trust Fund Office  
MSMEs: Micro-Small Medium Enterprises  
NGOs: non-governmental organisations  
oPt: Occupied Palestinian Territories  
PMT: Programme Management Team  
PO: Participating Organization  
PUNOs: Participating United Nations Organisations  
PWDs: Persons with Disabilities  
RBM: Results Based Management  
RC: Resident Coordinator  
RCO: Resident Coordinator's Office  
SAA: Standard Administrative Arrangement  
SC: Steering Committee  
SDGs: Sustainable Development Goals  
TA: Temporary Assistance  
TCWG: Technical Coordination Working Group  
TFMU: Trust Fund Management Unit  
TOC: Theory of Change  
TOR: Terms of Reference  
UN AFPs: United Nations Agencies, Funds, and Programmes  
UNCT: United Nations Country Team  
UNDG: United Nations Development Group  
UNDS: United Nations Development System  
UNEG: United Nations Evaluation Group  
UNSDCF: United Nations Sustainable Development Cooperation Framework  
UXOs: Unexploded Ordnance

## 1. Introduction, Context & Rationale

Following more than two years of the escalation in Gaza Strip, a ceasefire agreement was signed on October 10, 2025. This ceasefire has opened a critical window for the realization of the hopes and ambitions of the Palestinian people, in Gaza, to lead a life in peace, security and dignity. Security Council Resolution (2025) 2803 offers a transitional administrative and security framework to consolidate the ceasefire and advance lasting peace and recovery in the Gaza Strip. To this end, the UN and its partners are committed to swiftly build upon and expand their current focus in Gaza – from life-saving humanitarian assistance to increased early recovery activities that help create conditions for expanded aid flows, restoring hope and building much needed stability for investment and reconstruction, including restoration of livelihoods and economic activity, access to essential services, housing and social protection and strengthening governance, institutional capacity and protection systems. The UN is committed to roll out high- and quick-impact programming that integrates protection principles while tangibly and swiftly improving living conditions. This will set the stage for Palestinian-led recovery, as a contribution to Security Council resolution (2025) 2803, the US 20-Point Plan, the Arab Islamic Plan for Gaza reconstruction, the associated State of Palestine -led implementation plan, and the New York Declaration.

The **UN Palestine Recovery Trust Fund** will provide a coordinated framework for recovery, with a primary focus on Gaza. It will support early recovery and resilience-building efforts, including restoration of critical infrastructure, economic revitalization, livelihood recovery, and governance strengthening to promote social cohesion and stability. The Fund aligns with UN development frameworks and Palestinian national priorities, serving as a platform for strategic donor coordination and collective impact. It will operate through three funding windows: (i) Early Recovery; (ii) Emergency Support for SMEs and Investment Generation; and (iii) Reform Agenda, Institutional Development, and Governance. By consolidating donor resources under a transparent, unified mechanism, the Fund will enhance inter-agency coordination, reduce duplication, and optimize the use of limited resources. Leveraging the UN's operational presence across the oPt, the Fund will scale up recovery, strengthen institutional capacity, and mobilize private-sector and civil society engagement. Through joint programming, it will maximize technical expertise, share risks among donors, and improve service delivery, governance reform, and community resilience—ensuring recovery efforts are coherent, impactful, and sustainable.

The United Nations General Assembly Resolution 72/729, adopted in 2018 aims to better position the United Nations development system (UNDS) to address the full range of human rights, peacebuilding, humanitarian, and development challenges and opportunities. It also aims to align its functions and capacities with the 2030 Agenda to be more strategic, accountable, transparent, collaborative, efficient, effective, and results oriented. The Resolution promotes the use of pooled funding mechanisms to ensure an impactful contribution at country level and shape the country-based programming, aligned with the Cooperation Framework. This Multi-Partner Trust Fund (MPTF) aims to finance actions that provide catalytic support to the Cooperation Framework priorities aligned with the National Policy Framework and Sustainable Development Goals (SDGs). Following the Resolution, a Funding Compact was agreed between Member States and the UN to implement the inter-dependent nature of the reform. Regarding pooled funding, Member States committed to double the level of resources channelled through inter-agency pooled funds and agency-specific thematic funds. In addition, the UN agreed to common management features, namely, well-articulated strategy, including innovation features where relevant, clear theories of change, solid Results-Based Management systems, well-functioning governance bodies supported by effective secretariats, quality assurance on issues of United Nations norms and values; risk management systems and strategies; operational effectiveness/reporting/visibility/transparency standards; and planning and funding for joint and system wide evaluations that meet UN Evaluation Group (UNEG) norms and standards.

## 2. Functions of the UN Palestine Recovery Trust Fund

The UN Palestine Recovery Trust Fund is designed to serve as the cornerstone of a coordinated, transparent, and impactful recovery effort—transforming fragmented responses into a unified mechanism that accelerates reconstruction, resilience, and sustainable development. Acting as a central platform, the Fund will coordinate, consolidate, and strategically allocate resources for early and medium-term recovery across the occupied Palestinian territory, with a primary focus on Gaza Recovery and Reconstruction. It will strengthen alignment and coordination among stakeholders, promote coherence by fostering synergies across UN agencies, government institutions, and partners, and reduce duplication through pooled financing that complements agency-specific funding. By consolidating resources, the Fund will minimize fragmentation, create complementarities with other funding streams, and serve as the principal investment vehicle for recovery. Strategic resource allocation will be guided by an inclusive and transparent governance structure, ensuring evidence-based decisions and broad stakeholder participation. The Fund will broaden the financial base by attracting contributions from traditional and emerging donors, including non-resident partners, while providing consolidated reporting for accountability and visibility. Its flexible design will allow adaptation to evolving needs, new thematic areas, and additional participating organizations, while leveraging innovative financing instruments—such as blended finance and private-sector engagement—to accelerate delivery and scale up recovery efforts. By pooling resources and channeling them through joint programming, the Fund will place local communities at the center of recovery, incentivize locally led strategies, and ensure interventions are tailored to the unique conditions of Gaza and the wider oPt. This approach transforms funding from a fragmented process into a strategic enabler of collective impact, delivering transparent, accountable, and high-value results for Palestinians while reinforcing national ownership and resilience.

## 3. Programmatic Scope and Theory of Change

The **strategic goal** is to contribute to inclusive early recovery and reconstruction for Palestinians in the Gaza Strip.

The UN's support will be nested within the Early Recovery Approach and Action Plan, designed for UN joint programming, emergency support for SMEs and investment generation, and the Government of Palestine reform agenda, institutional development, governance and social protection. The vision is to move from the focus of 'saving lives' to 'securing and sustaining lives', restoring a sense of normalcy in the Gaza Strip, and rebuilding social cohesion.

The **objectives** are to lay the foundations for early recovery, reconstruction, and sustainable development in the medium term.

The **approach** is to implement urgent measures starting in Q4 2025 for an initial period of three years, within the Early Recovery Approach and Action Plan as well as the UNSDCF. These actions would maximize the impact of humanitarian (lifesaving) assistance and recovery and reconstruction. This would help strengthen the capacity of the Palestinian Government in terms of reform, institutional development, and social protection.

The **overarching guiding principles** are: (1) State of Palestine leadership & ownership; (2) alignment with the Ceasefire Agreement and the Early Recovery Approach and Action Plan; (3) leaving no one behind, especially the most-conflict impacted and vulnerable; (4) HDP nexus Alignment; (5) transparency and accountability.

The **programme design principles** are: (1) integrated with the State of Palestine governorates but also through the one-UN and area-based approach; (2) reliant on coordination with the Government of Palestine and Line Ministries; (3) leveraging the UN's as well as NGO/CSOs operational presence; (4) catalyst for UN/multilateral coherence, coordination, and collaboration ('triple C'); (5) gender inclusive and responsive; (6) conflict-sensitive, centered on 'doing no harm', and (7) joint programming shall be the

default modality for the fund, ensuring complementarity, balanced participation, and the effective use of UN comparative advantages.

The fund shall adopt a comparative advantage–based approach to implementation, ensuring that agencies contribute according to their distinct mandates and operational strengths, particularly in infrastructure, procurement, governance, social protection, livelihoods, and service delivery.

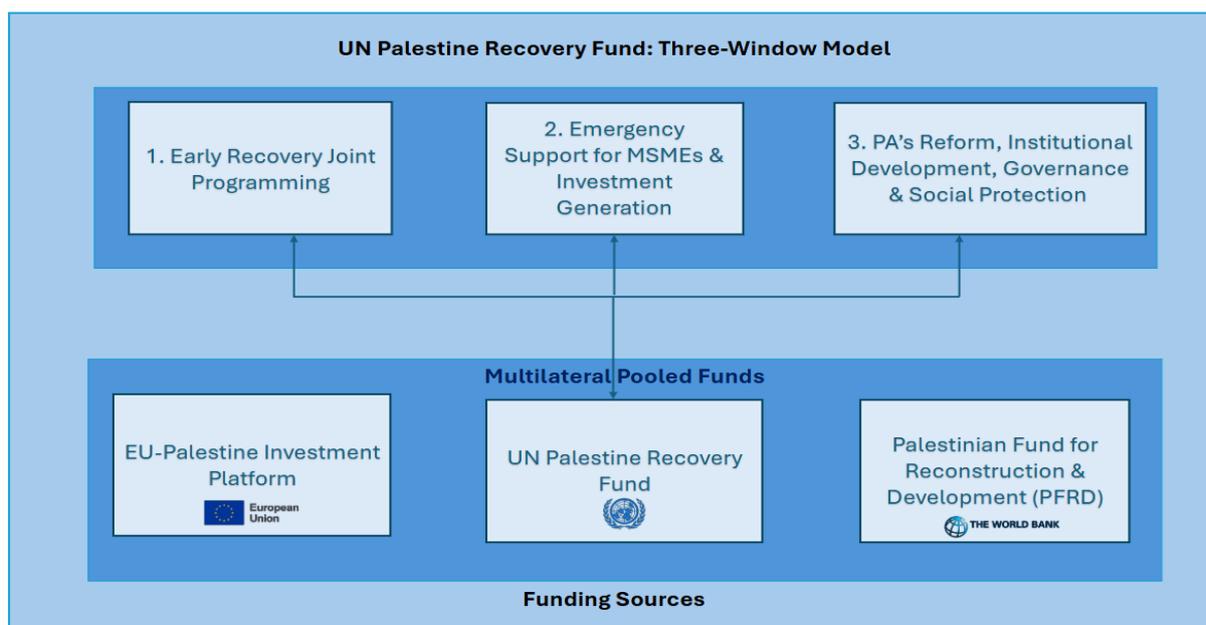
The **geographic focus** is primarily on the Gaza Strip, with a potential extension to East Jerusalem and the West Bank.

The **target population groups** applying the principle of leaving no one behind, would be women and children, persons with disabilities (PWDs), victims and survivors of gender-based violence (GBV), returning internally displaced persons (IDPs). The likely target population could reach approximately 2 million people.

A **gender marker** will be integrated into the Trust Fund to set targets for allocations to programmes serving women and girls, and to monitor the share of allocations serving women and girls. A minimum of 15% of project resources will be allocated for gender equality and the empowerment of women.

The **Theory of Change** is predicated on sustained commitment by the Government of Israel and Hamas and other armed groups, to uphold and implement the ceasefire agreement, the absence of major destabilizing developments in the short term, and the availability of security and access conditions necessary for timely and effective implementation. Within this enabling environment, if the State of Palestine, the United Nations, and international and national partners work in a coordinated, transparent, and mutually accountable manner to rapidly identify, prioritize, resource, and implement critical interventions that deliver: the following three outcomes: (1) **People live safely with sustainable livelihoods**; (2) **A stable and sustainable Palestinian economy**; (3) **Strengthened Palestinian leadership and institutional ownership**. Collectively, these short-term results will contribute to medium- and long-term outcomes of greater political stability across the State of Palestine and renewed progress toward peaceful, inclusive, and sustainable development, placing the State of Palestine firmly on a trajectory of recovery, resilience, and long-term growth.

### **Proposed Intervention Strategy: Three-window funding model**



Early Recovery Joint Programming

Outcome statement: **People live safely with sustainable livelihoods.**

The Early Recovery Joint Programming will create systems **that support safe and stable lives and livelihoods**. The program will support the return of internally displaced persons (IDPs) to their places of origin, helping them regain a sense of normalcy in their lives. Social cohesion will be reinforced within and between communities as the Government of Palestine improves its services and delivery. This window will also strengthen the partnership between the Government of Palestine and the international community, fostering long-term collaboration and stability.

The **Early Recovery Joint** Programme window focuses on priority recovery sectors and initiatives that sustain and expand basic services and infrastructure as well as strengthen early recovery and long-term resilience (e.g., reconstruction, municipal infrastructure, and renewable energy). These strategies are designed to address the immediate needs across critical sectors, including infrastructure, health, education, water, and livelihoods, while promoting long-term resilience and development. This Multi-Partner Trust Fund (MPTF) will have both integrated as well as sector/thematic based approaches. While basic social services require multisectoral approaches, they also require sector specific governance and implementation, harmonised with and in support of recovery planning by the Government of Palestine line ministries. These early recovery sectors will generate both economic and social returns, directly supporting livelihoods while strengthening Palestinian self-reliance. The 2025 WB-EU-UN Interim Rapid Damage and Needs Assessment (IRDNA) highlights the importance of a Gender-Responsive and Inclusive Recovery and underscores Gender-Based Violence (GBV) services as a critical component of any comprehensive recovery strategy. In line with this, the Fund will explicitly integrate GBV prevention and response measures, alongside Mental Health and Psychosocial Support (MHPSS), into its framework. Infrastructure rehabilitation, engineering assessments, rapid procurement, debris removal, and restoration of essential public service infrastructure shall constitute core components of early recovery.

This approach ensures that the recovery efforts address the specific needs of women, children, and vulnerable populations, promoting a holistic, inclusive recovery that supports both physical and psychological well-being.

The UNCT will pursue a comprehensive recovery strategy, building on the Gaza recovery strategy. While this strategy will treat Gaza and the West Bank as interconnected, Gaza will remain the first and immediate priority for recovery efforts. This approach will leverage the West Bank as a base to support early recovery and reconstruction in Gaza, thereby stimulating economic recovery in the West Bank itself while fostering a unified and cohesive recovery across the oPt. This joint programming focuses on UN support to the Government of Palestine for implementation of recovery in Gaza in alignment with the Gaza Recovery & Reconstruction Plan and of recovery planning, national relief, and reconstruction.

The UNCT will adopt distinct programming approaches for the West Bank and Gaza to address the specific situational contexts. In Gaza, recovery efforts will prioritize rebuilding infrastructure, ensuring basic services, and addressing the immediate needs of the population following recurrent conflicts, as well as managing the increased risks cause by the conflict. In the West Bank, programming will focus on strengthening resilience, improving livelihoods, and addressing the socio-economic impacts of occupation and settlement expansion. The timelines for programming for the West Bank and Gaza will reflect challenges in each area. For Gaza, this will require an accelerated timeline (1-3 years minimum) for urgent recovery interventions, particularly in infrastructure and basic service restoration, as well as environmental risk reduction, due to the immediate and severe impacts of the war. The West Bank recovery activities will require a medium-term timeline (3-5 years minimum) to align with the broader development framework, addressing systemic vulnerabilities.

### Outcome statement: **A stable and sustainable Palestinian economy**

Emergency support for Micro, Small, and Medium Enterprises (MSMEs) and investment generation will play a critical role in **stabilizing the Palestinian economy**. By boosting economic resilience, it will help ensure that lives are saved, secured, and sustained, particularly by providing economic opportunities to those in need. The initiative will contribute to economic recovery efforts and strengthen the partnership between the Government of Palestine and the international community working together to enhance investment, restore livelihoods, and foster long-term economic growth.

The ***Emergency support for SMEs and investment generation*** window aims to enhance access to finance and activate financing as a tool for development, stabilizing, and building resilience in the Palestinian financial sector, namely for MSMEs. Palestinian financial institutions, constrained by low liquidity and heightened risk perceptions, have become increasingly reluctant to lend. This has created a financing gap that threatens the survival of and thereby also the resilience of the broader economy. MSMEs have been disproportionately affected, while entrepreneurs and young graduates face shrinking opportunities to start or sustain businesses. Despite the considerable efforts undertaken by the PMA, structural barriers are hindering MSMEs from accessing finance. The current crisis has amplified conservative bank lending practices, fragmented guarantee schemes with limited coverage, and sharply cut lending to MSME. This is due to client displacement, asset destruction and delayed repayments.

Addressing this gap requires innovative funding approaches that can mobilize private capital and reduce the risks associated with lending, especially in high-risk, low-liquidity environments such as in the State of Palestine. Investment Facilitation Guarantees (IFGs) for crowding in investor liquidity to financial institutions – a wholesale, investor-facing guarantee that mobilizes medium- to long-term liquidity for banks and MFIs, de-risking private capital and encouraging participating financial institutions to resume and expand on lending. IFGs encourage institutions to resume lending and mobilize capital for viable segments, including MSMEs, while complementing PMA measures. These include MSME loan guarantees and complementary instruments to help MSME credit-readiness and loan productivity. The MSME Portfolio Guarantee Facility as a de-risking instrument for MSMEs in collaboration with the PMA to encourage financial institutions to increase lending to MSMEs, particularly those with higher perceived risk, while enforcing clear eligibility, caps, pricing and M&E requirements. Restoring the financial sector will enable banks and microfinance institutions (MFIs) to resume lending and mobilize capital. These mechanisms will adopt grants to support programs to maintain financial sustainability of MSMEs. By facilitating funds to Palestinian banks and increasing their lending capacities, this will enable MSMEs to access international finances through Palestinian financial institutions. MSMEs are critical to sustaining employment, maintaining supply chains, and driving economic recovery. Without these mechanisms, many MSMEs risk permanent closure, leading to even more job losses, reducing Palestinian household incomes, and prolonging the economic stagnation. For the Public-Private-Partnerships (PPP) / Investment Generation, there will be targeted support to crowd in private investment into priority sectors and projects (including PPPs) through upstream project preparation/transaction support and risk mitigation instruments (e.g., subordinated/guarantee tranches) and time-bound viability gap or performance-based grants. Without this, the financial sector cannot fulfil its role of rebuilding businesses, supporting job creation, and fostering sustainable growth, and actively participating in driving economic recovery. This investment will guarantee MSMEs recovery and growth through access to finance, restored employment, opportunities, and livelihoods, thereby contributing to long-term economic recovery. Physical rehabilitation of marketplaces, utilities, and connectivity infrastructure will complement financial mechanisms to restore MSME operations and strengthen value chains.

Outcome statement: **Strengthened Palestinian leadership and institutional ownership**

The Government of Palestine Reform, Institutional Development, Governance, and Social Protection window will enhance the Government of Palestine capacity, **ensuring strong Palestinian ownership and leadership** in the Palestinian National Reform Agenda. By strengthening institutions and governance structures, the initiative will reinforce public trust and confidence in the Palestinian Authority. This window will also strengthen the partnership between the Government of Palestine and the international community, fostering a collaborative environment for broader social and governance reforms.

The **Reform agenda, Institutional Development, Governance, and Social Protection** window encompasses governance recovery through reform and institutional development, capacity strengthening and coordination support as well as mainstreaming its human rights obligations, principles of good governance, accountability and transparency, enhancing public sector administration and strengthening rule of law. This includes rights to access basic services, gender equality and inclusion objectives mainstreamed into the funds’ delivery action to ensure that good governance is a central pillar of every intervention. The window will be implemented through the reform of the local government sector and support core government functions to provide rapid and responsive services to Palestinian People Good governance includes sustainable financial management and strengthening capacity to coordinate basic services accessible to at risk population with a major focus on women and children. This will be enabled through advisory capacities and technical expertise of UN AFPs. This will be done by establishing shared incentives by linking funding inputs to performance and good governance outcomes to foster activity which aligns donors’ and the Government of Palestine intent. This is also to assure donors that the political, legal, financial and reputational risks of funding the Government of Palestine Line Ministries and CSOs are being managed in a way which sustains donor confidence and funding. To strengthen the intervention strategy, it will be essential to broaden the focus beyond governance to encompass social protection, recognizing its importance as a core pillar for supporting governance and other reforms at the onset. Additionally, emphasis will be placed on human capital development —including education, health, and women and youth employment —as well as civic engagement and trust-building to promote social cohesion. These elements are critical for building resilience, and capacity strengthening across each of these areas must occur in parallel to achieve the long-term impact intended for sustainable recovery and development.

Table: Fund Results Framework

<u>Windows/ Outcome</u>	<u>Outputs</u>	<u>Indicators*</u>
<b>1. Early Recovery Joint Programming</b>		
<b>People live safely with sustainable livelihoods.</b>	<ul style="list-style-type: none"> <li>• Basic services are restored, enabling improved access to essential health, education, and social protection services including GBV services. Delivery of essential health and nutrition services to vulnerable populations is strengthened, access to safe and reliable water sources is enhanced, and school attendance is restored for affected children.                             <ul style="list-style-type: none"> <li>○ Basic social infrastructure is rehabilitated through addressing municipal, and governorate, and national-level</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• % of coverage of priority essential quality and prioritisation of Emergency response health services restored.</li> <li>• Number of high priority WASH systems restored</li> <li>• Number of children accessing inclusive quality education (disaggregated by sex).</li> </ul>

	<p>infrastructure gaps to restore essential services for affected communities.</p> <ul style="list-style-type: none"> <li>○ Emergency preparedness and response to public health emergencies' capacities are strengthened, through community engagement, prevention health promotion and environmental risk reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Enable access to energy through a number of local (renewable) energy production infrastructures that are reconstructed.</li> <li>• Distribution, water and desalination</li> <li>• % of restoration of production and income to pre-conflict levels.</li> <li>• % of restoration of health coverage.</li> <li>• % of access to basic services.</li> <li>• Surveillance, early warning, Alert and response systems, including malnutrition risks for public health emergencies functioning in all municipalities</li> </ul>
	<ul style="list-style-type: none"> <li>• Protection and support for vulnerable and displaced populations are enhanced, fostering greater social cohesion. <ul style="list-style-type: none"> <li>○ Support provided for voluntary return of displaced populations to their areas of origin, aligned with durable solutions and longer-term development principles.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• % of IDPs offered durable solutions (disaggregated by sex).</li> <li>• number of IDPs being able to return to places of origin before displacement (disaggregated by sex).</li> <li>• risk managed debris removal and exposure, clearance of UXOs</li> <li>• Re-housing population</li> </ul>
<b>2. Emergency support for SMEs and investment generation</b>		
<b>A stable and sustainable Palestinian economy</b>	<ul style="list-style-type: none"> <li>• Micro, small, and medium enterprises (MSMEs) are restored and strengthened as a core driver of local economic recovery.</li> <li>• Livelihoods and job opportunities are restored through the provision of</li> </ul>	<ul style="list-style-type: none"> <li>• % of micro, small, and medium-sized enterprises are revitalized, with a target to ensure 50% are owned and/or managed by women.</li> </ul>

	targeted economic support and employment initiatives.	
	<ul style="list-style-type: none"> <li>• Vulnerable populations gain access to equitable livelihood opportunities that enhance their economic resilience and self-reliance. <ul style="list-style-type: none"> <li>○ Provision of targeted economic opportunities to support livelihood recovery and job creation, especially among youth.</li> <li>○ Affected and marginalized groups are equipped with skills, training, and business development opportunities to improve employability and income generation.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• % of the most vulnerable groups in priority areas receive some form of livelihood support such as direct grants (of whom at least half will be women)</li> <li>• Create job opportunities</li> </ul>
	<ul style="list-style-type: none"> <li>• Local financial institutions and Palestinian banks to ensure sustained access to financial services at the community level are revitalised and their capacity are strengthened <ul style="list-style-type: none"> <li>○ Reinstatement of clearance revenue flows to enhance fiscal space and support essential public expenditure.</li> <li>○ Deployment of equity financing mechanisms to bolster bank liquidity and expand access to capital for qualified borrowers.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• All local level financial institutions become fully operational</li> <li>• Deal with non-performing loans and create new credit lines for households and businesses.</li> </ul>

	<ul style="list-style-type: none"> <li>• Palestinian access to Israeli and regional markets, enabling renewed trade flows, cross-border economic activity, and improved mobility for goods and labor are restored. <ul style="list-style-type: none"> <li>○ Development and prioritization of strategic investment pipeline to attract capital and advance transformative economic projects.</li> <li>○ Strengthening and showcasing the operational capacity, governance standards, and credibility of the Palestinian private sector and broader investment ecosystem to enhance investor confidence.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Re-establish work permits, visas, goods, transit</li> <li>• High-quality support on project finance structuring</li> <li>• Provision of guarantees and credits to support foreign investment support.</li> </ul>
--	--	---

**3. Reform agenda , Institutional Development, Governance and Social Protection: ensuring strong Palestinian ownership and leadership**

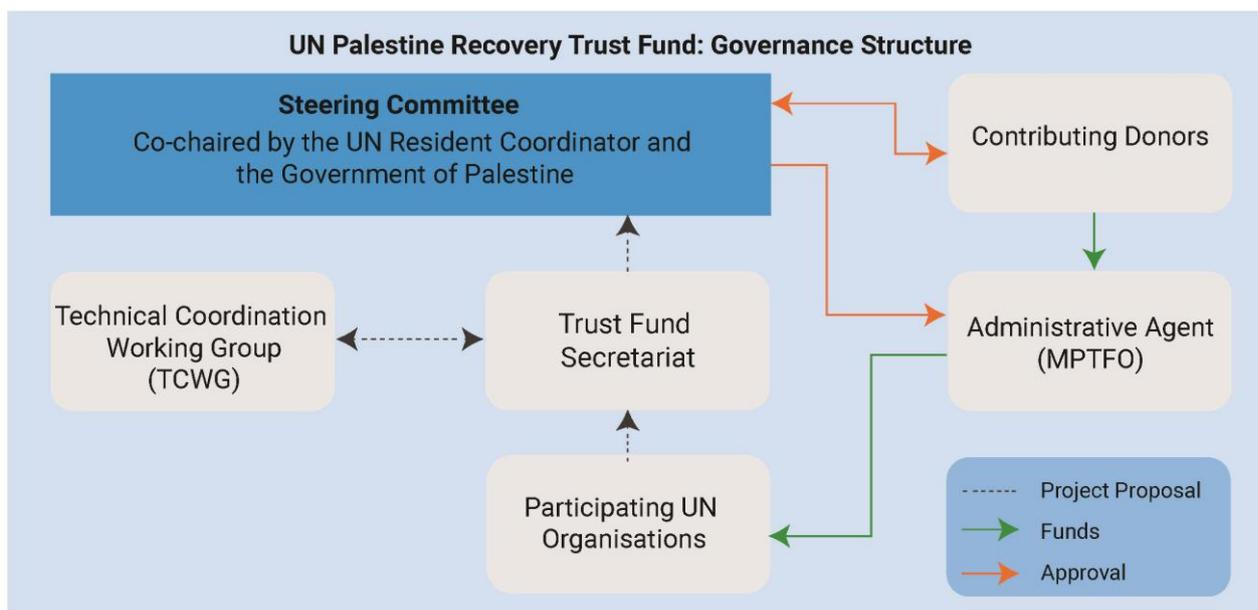
<p><b>Strengthened Palestinian leadership and institutional ownership</b></p>	<ul style="list-style-type: none"> <li>• Key governance functions for recovery through reform and institutional development is restored</li> <li>• Trust, peace and social cohesion is rebuilt</li> <li>• Human rights, gender equality, rule of law and social protection as part of governance recovery is embedded</li> </ul>	<ul style="list-style-type: none"> <li>• Functional civilian security, rule of law and access to justice in priority areas</li> <li>• Improved access to justice including legal aid and access to civil documentation for IDPs and returnees</li> <li>• Restoration of housing, land and property rights of returnees</li> <li>• Working with existing authorities, building on their capacities, namely of local authorities and (defacto) line ministries for ownership of sectoral programming</li> </ul>
---	--	---

		<ul style="list-style-type: none"> <li>• Improved access to protection and accountability for human rights violations, including GBV</li> <li>• Steadily rebuilt social cohesion based on trust, confidence, and positive interactions.</li> </ul>
--	--	--

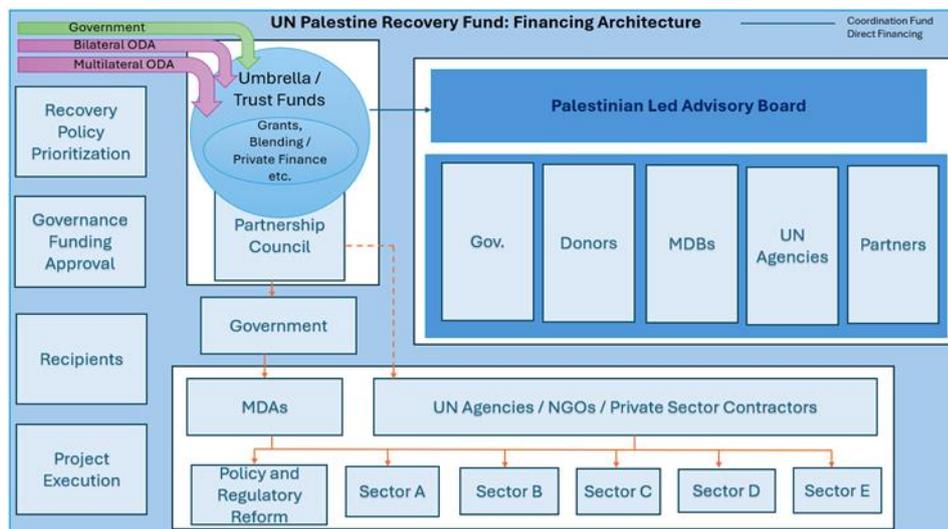
\*All indicators, where relevant, will ensure proper disaggregation by gender.

#### 4. Governance Arrangements

The governance structure of the Fund allows a wide range of partners (UN Agencies, Funds and Programmes, along with the donors) to collectively agree on priorities and strategies through a consensus-based approach. The UN Palestine Recovery Trust Fund will have a two-tier decision-making and coordination structure. The Fund will be led by the Steering Committee which provides oversight and strategic direction. It leads on the mobilisation of resources, approves programmes for funding, and oversees progress against expected results. Participating UN Organisations implement the approved programmes for which they are financially and programmatically accountable. For specific sectors that require sector dedicated allocations, dedicated governance mechanisms will be established under the TFMU. Administrative Agent functions will be performed by the UN MPTF Office. Decision-making will rest with the Steering Committee, supported through the secretariat functions as reflected below.



The Fund will work in *complementarity* with the [World Bank’s Palestinian Fund for Reconstruction and Development \(PFRD\)](#) and the [European Investment Bank’s EU-Palestine Investment Platform](#) financing mechanisms. The UN is committed to collaborate with other stakeholders and partners. The UN joint programming will be coordinated with existing UN initiatives to ensure *complementarity* of the programs based on new realities and to avoid duplication. The fund will work in *complementarity* with the [Palestine Humanitarian Fund](#) and the [Central Emergency Response Fund for oPt](#) by laying foundations and supporting efforts for sustainable recovery and long-term development. The UN will work in close coordination with the Government of Palestine to engage in a coherent financing architecture as proposed below:



## Fund Operations

### Steering Committee

The **Steering Committee (SC)** serves as the principal governance body of the Fund, providing overall strategic direction, high-level oversight, and guidance to ensure the Fund's alignment with national priorities, UN mandates, and donor commitments.

The SC will be **co-chaired by the UN Resident Coordinator (RC)** and the **Minister of Finance and Planning** and will include **rotating representatives from contributing donors and UN agencies**. Membership will consist of:

- **Up to three representatives of contributing donors;**
- **Up to three representatives from the most relevant UN Country Team (UNCT) entities;** SC representation will rotate based on thematic relevance and comparative advantage for the upcoming year's allocation priorities;
- Other key stakeholders, as agreed by the co-chairs

The **Secretariat** and the **Administrative Agent (AA)** will serve as **ex-officio members** of the Committee.

To enhance coherence across international financing instruments and strengthen strategic alignment, the **Head of the CERF Secretariat** will be invited to participate as an **observer**. The **Heads of the World Bank** and the **EU–Palestine Investment Platform** will likewise be invited to attend Steering Committee meetings in an observer capacity.

The Steering Committee is responsible for:

- Reviewing and approving the final TOR of the Fund at its first Steering Committee meeting.
- Providing oversight and exercising overall accountability of the Fund.
- Approving funding priorities defined by a regularly updated funds strategy.
- Reviewing and approving funding for joint UN programmes after vetting by the Fund Secretariat, ensuring their conformity with the scope and requirements of the Fund.
- Leading the development and maintenance of partnership and resource mobilization efforts.
- Instructing the Administrative Agent to disburse the resources to the Participating UN Organizations.
- Reviewing the Fund status and its overall progress.
- Reviewing and approving the periodic progress reports (programmatic and financial) consolidated by the Fund Secretariat and the Administrative Agent, based on the progress reports submitted by the Participating UN Organizations.
- Commissioning reviews and "lessons learned" reports on the performance of the Fund; and

- Approving amendments to the Terms of Reference of the Fund, as required after due consultation with stakeholders.

The Steering Committee meets when deemed necessary, and it regularly meets every three months (virtually or face-to-face) and makes funding and programming decisions by consensus. Decisions can also be made electronically. In the case of non-consensus, the UN co-chair makes the final decision<sup>1</sup>, in close consultation with the government co-chair and based on consultation with SC members. The SC has a quorum when 2/3 of its membership is present.

### ***The UN Resident Coordinator as Co-Chair of the Steering Committee***

The Resident Coordinator will provide governance and oversight of the Fund, by co-chairing the Steering Committee with the host Government counterpart. As co-chair of the Steering Committee, the Resident Coordinator will be responsible for:

- Providing strategic leadership of the Fund;
- Ensuring that the fund aligns with UNSDCF, national development needs, and priorities and the 2030 Agenda;
- Leading on mobilizing resources and partnerships for the Fund in coordination with the UNCT, based on the UNSDCF resource mobilization strategy;
- Oversee management of the Fund, including making funding allocations;
- Signing all Fund Transfer Requests and other documents addressed to the Administrative Agent on behalf of the Fund, based on decisions taken by the Fund's Steering Committee;
- Supervising the Secretariat of the Fund and deploy best efforts to host the staff members comprising the Secretariat within the premises of the Resident Coordinator's Office, notwithstanding the fact that the Secretariat Support project will be under PUNO implementation.
- Implementation will be undertaken by the Participating UN Organizations and maximizing the use of the Direct Implementation Modality (DIM) or similar modalities in line with participating UN organizations rules and regulations, including the direct contracting of third-party implementers. Third-party implementers include the Government of Palestine at central and local level, non-governmental organizations (NGOs), local community groups, private vendors, and financial service providers.

### ***Secretariat – The Trust Fund Management Unit (TFMU)***

The TFMU will hereinafter be referred to as the Secretariat. The Secretariat is headed initially by the head of the RCO. A dedicated Fund Manager and team will be recruited following approval by the Steering Committee. The Secretariat is the entity responsible for the operational functioning of the Fund. The Secretariat provides technical and management support to the Steering Committee. The Secretariat function will be provided by the Resident Coordinator Office with the head of the Fund Secretariat directly reporting to the Resident Coordinator as co-chair of the Fund Steering Committee.

As per the MPTF MOU/SAA, the costs of such support may be charged as direct costs to the MPTF through a project approved by the Steering Committee, and the administrative functions will be managed by one of the PUNOs selected by the UNCT.

The Secretariat will ensure complementarity and coordination with the relevant humanitarian clusters.

The Secretariat performs the following functions:

---

<sup>1</sup>(From the MAF paragraph 2.1 In the absence of consensus within the UNCT regarding the strategic objectives in the UN Cooperation Framework or related allocation of UNCT-wide pooled funding the RC will take the final decision

- Advise the Steering Committee on strategic priorities, programmatic and financial allocations (based on the inputs of inter-agency working groups/technical committee, if applicable);
- Provide logistical and operational support to the Steering Committee, including recording minutes and ensuring they are made available to all stakeholders, i.e., by posting onto the Gateway;
- Organize calls for proposals and appraisal processes;
- Ensure the monitoring of the operational risks and Fund performance;
- Consolidate annual and final narrative reports provided by the POs and share with the Steering Committee for review as well as with Administrative Agent;
- Facilitate collaboration and communication between POs to ensure programs are implemented effectively;
- Manage project revision requests (e.g.: follow-up and support on budget revisions, reprogramming, no-cost extensions, etc.);
- Liaise with the Administrative Agent on developing a fund Operations Manual which would include, for example, fund administration issues, including submitting the funds transfer requests and issues related to project/ Fund extensions and project/Fund closure;
- Organize the review of project proposals for submission to the Steering Committee;
- Monitor financial closure, ensuring that projects are operationally closed within 18 months from their operational closure. Submits final project reports to the Administrative Agent for operational closure.
- Develop a Fund's communication strategy (including maintaining the fund's website, and ensure proper visibility of all the fund partners, including contributors and participating organizations
- Develop the Fund's resource mobilization strategy and implementing under the leadership of the Resident Coordinator, and in consultation with the Steering Committee and implementing under the leadership of the Resident Coordinator, and in consultation with the Steering Committee

The Secretariat can also use informal mechanisms to interact with donors at the technical level to prepare for the Steering Committee meetings.

The costs of the Secretariat will be charged to the Fund as direct costs to the Fund, which are categorized separately from programmatic activities. The budget for the Secretariat is submitted to the Steering Committee on an annual basis, and the Secretariat staffing structure is adjusted by the Steering Committee as per needs and budget availability.

### ***Technical Coordination Working Group (TCWG)***

At the technical level, programming will be coordinated by the Programme Management Team (PMT) accordingly, overseeing the Fund. The Technical Coordination Working Group will be composed of representatives of UN agencies and donors. It will be tasked to prepare and regularly review / update recommendations for the Fund's 'Allocation Strategy', including geographic, sectoral and thematic prioritization criteria, for the consideration of, and final decision by, the Steering Committee. The TCWG will, in this process, ensure that prioritization criteria are well informed by actual needs reported from the field, as well as with relevant Humanitarian coordination mechanisms (under the Flash Appeal (FA)/Humanitarian Response Plan (HRP)), with a view to leverage their needs assessments and ensure complementarities in the prioritization exercise.

Following the approval of the 'Allocation Note', the TCWG will coordinate the technical review of the thematic components for each region. Such a review will be preceded by a pre-screening exercise led by TFMU, which will ensure minimum quality standards are met prior to submission to the TCWG. Upon completion of the technical review, the TCWG will, through the Fund Secretariat, make recommendations to the Steering Committee based on the pre-established. There will be specific sector coordination with technical working groups under this TCWG, responsible for sectoral coordination and implementation, as indicated for specific sectors, in close collaboration with Government of Palestine and relevant ministries.

'Allocation Strategy' to finance the highest priority components of each of the joint programmes – this entails that different components of each joint programme will be funded in the first round, based on the technical, financial, and time sensitivity consideration. It will also provide technical guidance and high-level oversight to ongoing projects and make recommendations to ensure synergies and efficiencies are capitalized across thematic windows and/or areas as much as possible – with a view to minimizing potential duplications and facilitating/promoting collaboration, complementarities, and economies of scale, and supportive of the state of Palestine systems and ministries.

The Technical Committee can be consulted by the Fund Secretariat to obtain advice on:

- priorities for allocations.
- project proposal reviews (both technical and financial) submitted for funding, ensuring technical quality, relevance and conformity with the programme priorities in the call for proposals, the Fund guiding principles and programmatic approaches as well as ensuring coordination with existing activities and, if relevant, national institutions.
- periodic progress reports submitted by the Participating Organizations.

The Technical Committee meets when required and is convened by the Fund Secretariat. It consists of representatives of the UN, Government, contributing donors, civil society organisations and a Fund's Secretariat representative. Depending on the project's subject matter, representatives from other entities with relevant knowledge could be invited.

Parties subject to a potential conflict of interest in a discussion must declare the conflict of interest and leave the discussion.

## Fund Administration

### ***The Administrative Agent***

The Fund is administered by the UN MPTF Office under the pass-through management modality. The Fund's administration services, whose costs are 1% of received contributions, include:

The Fund's establishment:

- support to the Fund's design (Terms of Reference (ToRs) and Operation Manual), and development of legal instruments.

The Fund's administration:

- receipt, administration and release of funds to POs in accordance with decisions from the Steering Committee, and financial report consolidation.

The Administrative Agent is responsible for the following functions:

- Provide support to the design of the Fund
- Sign a Memorandum of Understanding (MOU) with Participating UN Organizations
- Sign SAAs with donors and receive contributions from donors that wish to provide financial support to the Fund/Programme through the AA. It is noted that the AA cannot enter into any other agreements with donors that would impose responsibilities on PUNOs without their prior written consent;
- Administer such funds received in accordance with its regulations, policies and procedures, as well as the relevant MOU and Fund Terms of Reference (TOR) and SAA, including the provisions relating to winding up the Fund account and related matters;

- Subject to availability of funds, disburse such funds to each of the PUNOs in accordance with decisions from the Steering Committee (SC), taking into account the budget set out in the approved programmatic documents
- Ensure consolidation of statements and reports<sup>2</sup>, based on submissions provided by each PUNO, as set forth in the TOR and provide these to each donor that has contributed to the Fund/Programme account and to the SC; And Agencies?
- Provide final reporting, including notification that the Fund has been operationally completed;
- Disburse funds to any PUNOs for any additional costs of the task that the SC may decide in accordance with the approved programmatic document.
- Provide tools for fund management to ensure transparency and accountability

### Participating UN Organizations

Resources will be allocated to Participating UN Organizations (PUNO), i.e. the UN - AFPs that have signed the Memorandum of Understanding with the Administrative Agent, based on joint UN programmes and allocation-specific work plans submitted by a designated convening agency on behalf of PUNOs that are part of the joint programme. While each PUNO will assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent, the designated convening agency will be responsible for coordination of interventions between PUNOs. These convening agencies usually have a similar lead agency responsibility for humanitarian coordination through the cluster, allowing them to ensure complementarity with the sectoral/thematic humanitarian response. Allocated funds will be administered by each PUNO in accordance with its own regulations, rules, directives and procedures. Implementing Partners can receive funding from the Fund through the PUNOs.

Participating Organizations sign a Memorandum of Understanding with the MPTF Office.

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

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%<sup>3</sup>. All other costs incurred by each Participating Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

## 5. Project Approval Cycle

The Fund may approve projects through two main modalities:

- (1) a **Call for Proposals** process, and
- (2) **Direct Designation** by the Steering Committee.

### Call for Proposals (CfP)

This modality is used when the Steering Committee decides to allocate funding through a competitive or semi-competitive process.

#### Step 1: Launch of Call for Proposals

<sup>2</sup> The actual consolidation of narrative reports before submitting to the AA will normally be the responsibility of the Fund Secretariat (MDTFs), Convening Agent (Joint Programme), or RC Office (One UN Funds).

<sup>3</sup> Some UN Organizations' governing bodies have approved indirect support costs below 7%. In no cases shall indirect support costs exceed 7%.

The Steering Committee, based on strategic priorities and available resources, requests the Secretariat to prepare a Call for Proposals. The draft CfP is reviewed and approved by the Steering Committee and shared with eligible Participating UN Organizations (PUNOs).

### **Step 2: Submission of Proposals**

PUNOs submit project proposals (or optionally, concept notes first) in response to the CfP. If concept notes are used, they are reviewed for strategic alignment before full proposals are developed.

### **Step 3: Review Process**

- **Secretariat Review:** Checks administrative completeness and alignment with CfP criteria.
- **Technical Committee Review:** Assesses technical quality, strategic relevance, and alignment with fund priorities using agreed criteria (e.g., gender, sustainability, innovation, results-based management (RBM)). Ensures policy and programmatic coherence across the UNCT.

### **Step 4: Steering Committee Decision**

The Secretariat consolidates review findings and submits a recommendation package to the Steering Committee. The Steering Committee may:

- i) approve;
- ii) approve with recommendations;
- iii) reject proposals.

Recommendations must be addressed before fund transfer.

### **Step 5: Fund Transfer**

The Secretariat prepares the Fund Transfer Request (FTR), signed by the UN co-chair. The Administrative Agent transfers funds within five working days of receiving the FTR.

## **Direct Designation by the Steering Committee**

This modality allows the Steering Committee to directly identify and designate projects or joint programmes for funding, based on strategic needs or urgent priorities.

### **Step 1: Project Identification**

The Steering Committee identifies priority interventions aligned with the Fund's strategic framework and invites designated PUNOs to submit concept notes or full proposals.

### **Step 2: Review and Endorsement**

The Secretariat and Technical Committee review the submissions for quality and alignment, following the same review steps as under the CfP modality.

### **Step 3: Approval and Fund Transfer**

The Steering Committee approves the proposals, and the Secretariat processes the fund transfer as outlined above.

## **6. Risk management**

Recovery and reconstruction will have to be pursued in a setting where there might be actions by potential spoilers who may want to thwart progress towards sustainable development; lingering tensions; continuing conflict, that might complicate the situation; high expectations among conflict-impacted populations and; and a still challenging local and global economic environment.

The Fund is a risk-sharing mechanism among all stakeholders. This mechanism can also assist in establishing a common understanding of risks and can provide risk mitigation and adaptation measures more efficiently and strategically. Risk sharing is a key element of the due diligence and operationalization of the Fund, and it is understood that the residual risk is shared among all stakeholders. –Different types of risks will be

considered, and provisions for identification, monitoring, tolerances, and risk responses will be elaborated as part of the risk management strategy. On this basis, a Risk Management and Mitigation Strategy will be developed following close consultations with the donor community and participating UN organizations and will be updated on a regular basis.

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

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

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

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

Every program or project approved by the Fund shall comply with the risk management strategy. The fulfillment of such a strategy will be one of the selection criteria during the process of project evaluation.

The main risks to *inaction* identified at the start of the Fund are:

- UN and development partners failing to step in and to cooperate effectively to stabilize a very fragile situation;
- Of overlooking the chance to make Gaza's and the West Bank's including East Jerusalem's ongoing transition less volatile;
- Of entrenching long-term, structural, dependence on humanitarian assistance; and
- Of adversely affecting the development of partnership with Government of Palestine at a crucial moment.

*Actions* too will come with risks including:

- Managing expectations;
- Practicing conflict-sensitivity in a highly polarized context, making sure to 'do no harm'
- Handling the operational challenges of working in settings where infrastructure and services are damaged or unavailable;
- Delivering on adaptive programming, to remain relevant even as conditions shift on the ground; and
- Avoid any unauthorized re-purposing of funds.

Mitigation and management measures will include:

- Firmly respecting the State of Palestine leadership and coordination role in different areas and sectors;
- Maintaining a close and trusted relationship with counterparts and other stakeholders;
- Being sensitive to donor concerns about speed of work as well as the transparency and effectiveness of resource management;
- Pursuing an inclusive approach to planning and implementation that brings together all key stakeholders;
- Using country systems and emphasizing local ownership that roots efforts in communities and local governance;

- Building operational capacities in country institutions as an integral part of peace support;
- Active use of risk management protocols in place already across UN agencies to ensure that risks are tracked carefully, addressed and if needed, escalated;
- Open and transparent operations backed by regular communication on efforts; and
- Regular engagement with the public.

The Secretariat will prepare a complete project-level Risk Register, inclusive of risk analysis, prioritization, mitigation and adaptation measures, assigned risk ownership and monitoring arrangements, within two months of the Fund becoming operational.

## 7. Contributions

Contributions to the Fund may be accepted by the Member States, regional bodies, inter-governmental organizations, non-governmental organizations, businesses, foundations, and individuals. Contributors are encouraged to provide un-earmarked contributions, which will be programmed by the Steering Committee, supported by the Fund Secretariat. If due to specific donor preferences, the un-earmarked contributions are not feasible; contributors may earmark their contribution towards specific sectoral and/or thematic windows or geographic regions.

Contributions may be accepted in a fully convertible currency. Such contributions will be deposited into the bank account designated by MPTFO. The value of contribution payment, if made in other than US dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

In support of the overarching aim of the Fund, and to ensure maximum flexibility and adaptation to national priorities, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled/unearmarked resources. Earmarking is generally discouraged, and donors are asked to contribute unearmarked funds to the degree possible. However, if this is not possible, earmarking at the outcome level ((1) Early Recovery Joint Programming; (2) Emergency support for SMEs and investment generation; (3) Government of Palestine Reform, Institutional Development, Governance and Social Protection) may be accepted. For each of the outcomes, it will be possible to contribute to both Gaza and West Bank through sub-windows of each window. Earmarking at the PUNO or on a specific project is not possible.

Donors are encouraged to contribute with multi-year, unearmarked resources for pooling in the Fund. Funds should be provided in fully convertible currency and shall be deposited in the bank accounts designated by the MPTF Office as Administrative Agent. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

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

## 8. Reporting

For each joint UN programme/project approved for funding, each Participating UN Organization will provide regular narrative and financial reporting to the designated lead/convening agency in accordance with their accounting and reporting procedures and as per the provisions on the programme document and the Memorandum of Understanding signed. The lead/convening agency will compile the annual and final programme narrative report for each joint programme and submit it to the Fund Secretariat and the Administrative Agent, as agreed upon in the legal agreements signed with the Administrative Agent. The annual and final reports will be results-oriented and evidence-based. The reports will give a summary of results and achievements compared to the expected result in the project document. The Administrative Agent will receive from each Participating UN Organization and consolidate the annual and final financial reports. Programmatic performance indicators will be monitored at the outcome and output levels.

Reports will be used by the Steering Committee to review the overall progress against expected results and assess the achievement of performance targets.

### Narrative reports

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

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

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

### Financial Reports

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

- (a) Annual financial statements and reports by December 31st, regarding released resources by the Fund to them; these shall be provided no more than four months (April 30th) after the end of the calendar year.
- (b) 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 six months (June 30th) in the following year after the financial closure of the project.

Based on these reports, the Administrative Agent will prepare consolidated narrative and financial reports which will submit to each of the Fund's Contributors and to the Steering Committee as per the schedule established in the Standard Administrative Agreement.

In addition to the annual financial report set in the MOU, all 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). The Administrative Agent will timely inform all PUNOs on the actual dates when UNEX opens for quarterly financial reporting.

## 9. Monitoring and Evaluation

Monitoring and Evaluation of the agency-specific projects and joint programmes funded under the Fund will be undertaken in accordance with the provision contained in the agency-specific projects and joint programmes submitted by concerned Participating UN Organizations, which are consistent with the respective rules, regulations, and procedures of the Participating UN Organizations. The TFMU will oversee the delivery of M&E by participating UN organizations, ensuring that all monitoring, analysis and reporting are carried out to the required standards and timeframes. This is a compliance function, in which the FMU M&E unit exercises quality assurance oversight. The M&E system will include a robust network of third-party monitors as well as an integrated (remote, ICT, and community-based) monitoring mechanism. Where applicable, sector specific TPM may be managed separately, as sectoral expertise may be required for it.

To monitor the changing situation in the country and the related risks of implementing the activities resourced through the Fund and the Fund's Secretariat will continuously assess and manage risks which can also support activities of other PUNOs. This action-oriented capacity is meant to ensure a consistent "DO NO HARM" approach to interventions, and to support the agile adaptation of programmes given the rapidly changing context.

The main purpose of the Unit is to take stock of and analyze the risks and mitigation measures identified and report them to the Steering Committee to support timely evidence-based decision-making for programme planning and implementation. Donor partners will be regularly informed and consulted through the Steering Committee about the risks faced by the Fund, and the proposed mitigation measures. The Risk Management Unit could support the activities of the UN participating organisations of the PRF, closely working with the UN RC office. The Fund will continuously monitor and adjust its activities as conditions on the ground evolve.

The Steering Committee will commission an independent review/evaluation/lesson learned exercise on the overall performance of the Fund. The aim of this evaluation will be to study the various performance measurements of the Fund and provide specific recommendations to the Steering Committee for possible adjustments to the functioning of the Fund.

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

The Secretariat will monitor and evaluate the implementation of programmes against the programmatic framework of the Fund, consolidate all reporting submitted by PUNOs, and send consolidated reports to the Steering Committee.

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

## 10. Audit

In line with the audit provisions in the standard MOU and SAA, the Administrative Agent, Participating UN Organizations will be audited according to their own rules and financial regulations and in line with the framework for joint 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 PUNOs and endorsed by the UNDG in 2014. The details are included in the Fund MOU.

## **11. Public Disclosure**

The Fund Secretariat and the Administrative Agent ensure that the Fund operations are well disseminated. Information posted on the website shall include contributions received, funds transferred, annual certified expenditures, summaries of proposed and approved programmes and Fund progress reports.

In line with the standard MOU and SAA, all stakeholders should take appropriate measures to promote the GRF/UNSDCF Strategy. Information shared with the press regarding fund beneficiaries, official notices, reports, and publications shall acknowledge the Fund's role. More specifically, the Fund Secretariat and the Administrative Agent shall ensure that the role of the contributors and relevant stakeholders is fully acknowledged in all external communications related to the Fund.

Due account will be given to protecting the beneficiaries of the funds.

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 of 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.

## 12. Amendments, duration and termination

The Fund has been established for a duration of an initial two years, after which an assessment of the situation on the ground and the efficiency and effectiveness of the Fund will be conducted to inform the recommendation provided by an external expert to the Steering Committee, for approval of extension.

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 programmes have been satisfied, and programme activities have been brought to an orderly conclusion.

As per the standard MOU and SAA, any balance remaining in the Fund Account upon completion of the Fund will be used for a purpose mutually agreed upon or returned to the Donor in proportion to its contribution to the Fund as decided upon by the Donor and the Steering Committee.

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 programmatic activities will be by 31 December 2029. The last date to transfer funds to Participating Organizations will be March 2029. Note that the duration of the fund will be open to multiple year extensions to implement and deliver on recovery activities. The dissemination of the final narrative report will be 30 June 2030, which is 6 months after the close of the Fund. All PUNOOs will provide certified final financial reports on financially closed projects by no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the period specified in the financial regulations and rules of the Participating Organization, whichever is earlier. The dissemination of the certified final financial statement ("Source and Use of Funds") is to be provided no later than seven months after the end of the calendar year in which the financial closing of the Fund occurs.

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.

