



ONE UN IMPACT FUND for the I.R. of IRAN

Terms of Reference

Table of Contents

Introduction.....	3
Rationale.....	4
Purpose.....	6
Theory of Change	8
Governance and Coordination Structure	9
Contributions.....	15
Programme and Project Identification and Approval Process	16
Monitoring, Evaluation and Risk Management	19
Audit	19
Reporting	20
Accountability and Transparency	21
Termination of the One UN Impact Fund.....	22
Other matters.....	22
Annex.....	22

Introduction

1. Unprecedented global crises have negatively impacted hard-won development gains made by countries around the world and significantly widened development funding gaps. And the solutions to get development trajectories back on track are increasingly more complex and interconnected, cutting across sectors and mandates. The One UN Impact Fund is therefore, established to deliver better results and impact on the ground by optimizing and effectively channelling donor funding to integrated solutioning and collective action of UN entities in the Islamic Republic (I. R.) of Iran - to respond to national priorities in an evidence-based, agile and cost- effective manner.
2. Sustainable development has been prioritised by the Government in its medium- and long-term national visions and plans, including the Constitution, the 20-Year Vision Document, the series of Five-Year Economic, Cultural and Social Development Plans, and annual budgets.
3. Despite considerable achievements in terms of accessibility, universal coverage of education, health, energy and sanitation in recent years, multiple factors have impeded targeted results.
4. In order to effectively drive attainment of Sustainable Development Goal (SDG) targets and address development issues in the country, integrated solutions and a shift in donors' support modality from tightly earmarked contributions to multi-year flexible funding are needed.
5. In consultation with the Government of the I.R of Iran, five priority areas (Pillars) have been identified for the new UN Sustainable Development Cooperation Framework (UNSDCF) 2023 – 2027: a) *Socio-economic resilience*, b) *Public health management*, c) *Environmental protection, integrated natural resources management and addressing climate change*, d) *Disaster Risk Reduction and Management*, e) *Drug Control*.
6. Total five-year funding requirements of the UNSDCF are estimated at USD 387,600,000. Annual Funding Frameworks (AFF) that are developed as part of Joint Work Plans provide more accurate projections of annual financial resource requirements, funding availability and funding gaps for each programme year of the UNSDCF.
7. The United Nation's vision for support to Iran's development is based on equitable, inclusive, resilient, and sustainable growth and development, underpinned by key principles of the sustainable development goals. The UNSDCF is designed to support socio-economic development, health, environmental sustainability, mitigation and management of disaster risks, and control of drugs, in line with priorities of the National Development Plan. The expected development outcomes and the national vision for development are based on economic resilience, human capital development, social inclusion and protection, health for all, the management and reduction of risks, and sustainability for the country's development path.
8. Guided by the principle of national ownership and leadership, the United Nations Development System in Iran is recognized by the Government as being well-positioned to collaborate in knowledge and technical support, and to facilitate high-quality solutions through multi-sector and multi-partner coordination.

9. In line with the UN Development System reform and Government requests to enhance UN system's capacity to provide integrated development solutions, emphasis will be on joint programming that pool capacities, knowledge and resources to deliver high quality and holistic solutions.
10. The One Impact Fund will be a vehicle for pooled donor resources channelled to priority areas where the UN has comparative advantage and where multi-agency cooperation supports the achievement of more sustainable results. The Fund will facilitate the realization of the UNSDCF outcomes by strengthening the system wide planning and coordination processes and channelling consistent and predictable funding towards highest priority needs determined by strong evidence-based analysis. The Fund will optimize the work and funding of UN agencies, funds and programmes, reducing redundancy/overlaps, and facilitating integrated solutions. Areas of focus will be guided by the strategic priority areas of the overarching UNSDCF reflected also in agencies' country programmes.
11. The UN One Impact Fund will support the UNSDCF 2023-2027 and its programme cycle. The Fund TOR may be revised from time to time should there be substantive changes agreed with the Fund's governing body, the Board, and as per request of the Government and the donor community.
12. The Fund structure will align with the UNSDCF and will have the **following thematic windows**: *a) Socio-economic resilience, b) Public health management, c) Environmental protection, integrated natural resources management and addressing climate change, d) Disaster Risk Reduction and Management, e) Drug Control*. In addition, the Board may decide to open new Window(s) to meet new priorities, requests from the government and the UN system in Iran and adapt to new working environments. The Fund's Board will assess and agree on new windows as well as revised governance arrangements, if necessary.
13. The One UN Impact Fund will be set-up on the basis of the MOU between Participating UN Organizations (PUNOs), who are members of the UNCT, and the Fiduciary Administrative Agent (Multi-Partner Trust Fund Office, MPTFO) and between donors and the Fiduciary Administrative Agent (MPTFO) that follows well-established set-up. These are set out in this TOR, which also details the scope of the Fund, its theory of change, the thematic windows, and the governance and related provisions for the operation of the Fund.

Rationale

1. Core to UN Reform is *enabling joint work of the UNCT to ensure effective coordination of country-level activities to deliver on the strategic results agreed in the UN Cooperation Framework*. This is further set out in the Management Accountability Framework (MAF) that requires UN Resident Coordinators and UNCT members to "promote pooled funds and other funding arrangements incentivizing more programmatic cooperation, in line with the Funding Compact". The [Funding Compact 2019](#) commits member states to *doubling of resources channelled through development-related inter-agency pooled funds and single-agency thematic funds, while UN entities commit to accelerating results for countries on the ground by working jointly towards common objectives; improved*

transparency through reporting on needs, resources, results and impact; and increased efficiency and coherence.

2. 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 issues, including 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.
3. 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. The MPTFO aims to finance actions that provide catalytic support to the Cooperation Framework priorities aligned with the National Policy Framework and SDGs.
4. 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 UNEG norms and standards.
5. The United Nations Funding Compact (2019) contains a set of pledges made by the UN and Member States to raise the quality of funding and delivery of development assistance. The Compact includes specific targets on inter-agency pooled funding where 10% of earmarked resources from Member States are committed to development-related activities and channelled through inter-agency pooled funds. United Nations commitments to the Compact include increased efficiency and effectiveness in using development-related inter-agency pooled funds.
6. The 2020 UN quadrennial comprehensive policy review (QCPR) reiterated the importance of providing flexible non-core funding, giving priority to pooled, thematic, and joint funding mechanisms. The UNSDG established a 15% target for development expenditures via joint activities—along with clear funding frameworks for cooperation and common management structures across pooled funds.
7. The new generation cooperation frameworks drive all UN development activities and processes at a country level. This includes strategic planning, funding, implementation, monitoring, learning, reporting and evaluation.
8. Inter-agency pooled funds are recognised as an instrument to support UN reform and promote collaboration and efficient coordination across the UNDS. They can be described as ‘core-like’ financing to the UN system as a whole, providing the equivalent of the core funding given to its constituent entities. Gathering together stakeholders and pooling funds for the purposes of a thematic or country strategy allows for greater flexibility and

coordination in achieving SDG implementation¹. Member state contributions to inter-agency pooled funding has tripled from 2010 to 2019i, given its proven ability to increase synergies and collaboration between UN entities for efficiency gains and better results.

9. In an environment with limited public and private resources, advancing sustainable development will require comprehensive and integrated interventions that ensure no one is left behind and an ecosystem that fosters synergies, complementarity, and cross-sectoral approaches.
10. UN Iran faces a complex funding environment, influenced by the geopolitical environment and the imposition of unilateral sanctions, characterized by strong support for humanitarian response, unpredictability and a rising share of earmarked funds for specific activities. These patterns increase transaction costs, fragmentation, volatility and competition among UN entities. They also constitute lost opportunities, by hindering the UN System's ability to respond in an integrated, flexible and dynamic way to pressing challenges in line with national priorities and the achievement of development goals. Furthermore, the current and future global and regional humanitarian crises will likely impact the future financial resources available for Iran, so pooling resources to promote flexible and predictable funding will be crucial for donor supported development in Iran in the next years.

Purpose

1. The One UN Impact Fund (the Fund) is a UN Multi-Partner Trust Fund accessible to members of the UN Sustainable Development Group to carry out joint efforts that support a strategic vision, as outlined in the UNSDCF and national development plans.
2. The Fund will be a mechanism for channelling resources to priority areas, where the UN has the comparative advantage and where multi-agency cooperation supports the achievement of strategic results by:
 - combining, aligning and coordinating resources to deliver in an integrated manner,
 - bringing together complementary resources and instruments,
 - convening diverse, holistic range of actors,
 - raising the level of knowledge, expertise and capacity among agencies,
 - creating new services, approaches, service modalities,
 - taking successful programmes to scale and enhancing the scale of impact from resources available,
 - building trust and catalysing collaborative action also for future responses.

¹ Financing the UN Development System ,Joint Responsibilities in a World of Disarray, Hammarhjöld Foundation, United Nations Multi-Partner Trust Fund Office, 2022

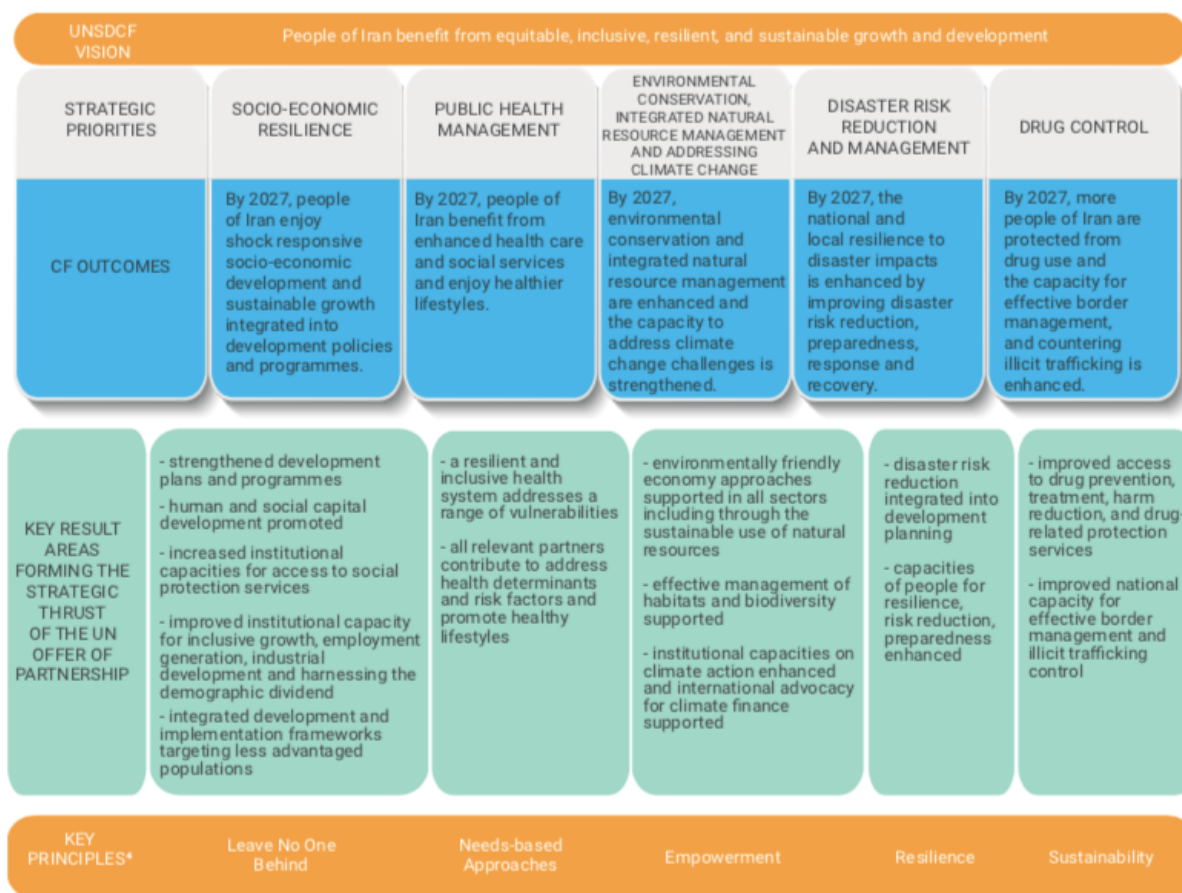
3. The Fund is a country-based pooled fund providing a vehicle to enable UNCT members to make strategic investments in accelerating the implementation of UNSDCF results and advance sustainable development in the country. The Fund draws on multi-sectoral expertise inside the UN to enhance cross-sectoral implementation of programmes in line with global best practice and the highest standards of aid effectiveness and transparency.
4. The scope of the Fund is defined by the five pillars of the UNSDCF. Within this scope annual strategic priorities will be identified between the UN, the donor community and the Government of the I.R. of Iran. Transversal and cross-cutting priorities aligned with the UNSDCF will also be covered by the Fund. In addition to the five windows, the Humanitarian/Emergency/Disaster response (DR) Window will be established.
5. The Fund operates in the spirit of the UN Development System reform and the relevant Strategic Partnership Frameworks between the UN and UN Specialized Agencies for Agenda 2030, and it is grounded in the following principles:
 - *Coherence*: The Fund will support policy and programme coherence, ensuring robust inter-ministerial and development partner coordination in the focus areas of all interventions, as well as by striving to fill critical gaps and supporting underfinanced priorities.
 - *Cooperation*: The Fund will enhance cooperation and collaboration among various internal and external stakeholders to deliver on a wide range of areas under the UNSDCF, including leveraging of resources.
 - *Strategic alignment*: The donors and PUNOs are members of the One UN Impact Fund Board thus supporting strategic alignment of development priorities, regular exchange of information and joint endorsement of strategic approaches and programmatic interventions in full alignment with the national priorities.
 - *Normative standards*: The Fund will apply the highest normative standards and mainstream core principles of leaving no one behind, resilience, sustainability, transparency and accountability.
 - *Risk management*: It will reduce risks to governments and financial contributors through a comprehensive risk and results-based management system.
 - *Strengthening national systems*: The Fund strengthens national systems through technical assistance in specific areas aligned to the UNSDCF.
 - *Innovation*: It provides a mechanism for clear attribution and transparency from sources of finance.
6. The purpose of the Fund is to benefit the people in Iran and will be managed in accordance with provisions of the MoU and SAA, including regarding fraud, corruption and unethical behaviour. All actors are firmly committed to take all necessary precautions to avoid and address corrupt, fraudulent, collusive, coercive, unethical, or obstructive practices.
7. The Fund can provide opportunities for the international community to deliver more coherent and flexible, comprehensive and effective joint support in response to challenges within thematic priorities that have been agreed in the UNSDCF. It represents excellent value for money investment for the donor community with low transaction costs, and offer the potential to catalyse integrated programming.

8. The One UN Impact Fund will complement UNCT core and non-core resources that are committed to the achievement of results under the UNSDCF by providing the UNSCDF a UN system wide mechanism to mobilize resources to support priority interventions of the UNCT.
9. The Fund will provide visibility for contributors at the country level and will compliment resources available through agencies-resource mobilization efforts. The publicity material, official notices, reports and publications of the Fund will acknowledge the role of the UN and the contributors to the One UN Impact Fund.

Theory of Change

1. The goal of the fund is to support the implementation of the Government of the I.R of Iran – United Nations Sustainable Development Cooperation Framework (2023-2027). The multi-partner trust fund is aligned to the UNSDCF outcomes and priority needs.
2. In addition, a(n) Humanitarian/Emergency/Disaster response (DR) window will be established to quickly support humanitarian action in response to onset emergencies.
 - It is understood that in case of natural hazards, responding to humanitarian needs of populations is the responsibility of the Government of the I.R. of Iran. However, the DR window is a rapid and flexible funding mechanism that can be made available to help respond to shocks and meet the needs of vulnerable communities.
 - The emergency/DR window will thus be used where the government has requested or welcomed support via request to the Resident Coordinator. The Resident Coordinator in consultation with the Disaster Management Team/OCHA and UNCT, may request the Board to consider funding allocations to respond to onset crises.
3. In addition, the Board may decide to open new Windows to meet new priorities, needs, requests from the government and the UN system in Iran, and adapt to new working environments. The Fund's Board will decide which windows to allocate funding to.

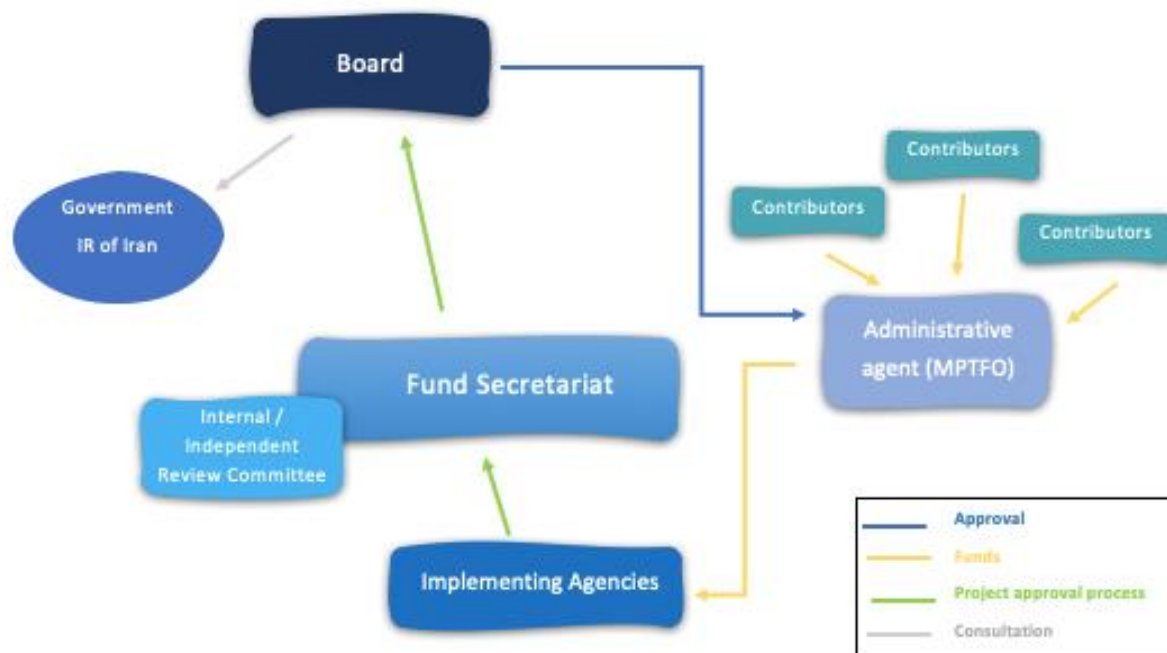
STRATEGIC OVERVIEW REFLECTING THE UNSDCF DEVELOPMENT PATHWAY



- The UNSDCF strategic priorities and outcomes were informed by the Common Country Analysis (CCA) and validated by consultations with country partners. In 2021, the United Nations Country Team engaged in consultations internally and with a wide range of national partners to discuss the development trajectory for the country. This identified several significant findings that served as the evidence base for the prioritization of development needs and opportunities for the new UNSDCF. The strategic priorities for the UNSDCF were discussed in November 2021 at a wide-ranging consultation meeting of over 200 stakeholders representing national partners, including Government Ministries. The priorities, outcomes, and strategies were further elaborated by the UNCT and agreed with the Government of the Islamic Republic of Iran. These elements form the theory of change for cooperation including expected outcomes and intermediate outputs, implementation strategies, major assumptions and risks, and indicators of success.

Governance and Coordination Structure

The One UN Impact Fund governance involves three levels: *Operation (Board, Secretariat, Independent/Internal Review Committee)*, *Fiduciary Administrative Agent (MPTF Office)* and *Implementation (Participating Agencies- PUNOs)*. The following visuals shows the different bodies of the suggested governance structure as well as their different processes (project approval process, final approval and endorsement by the Board and donor funding).



Operations

Board

1. The Board is the decision-making body of the Fund and ensures overall coordination. It will play a critical role in overseeing the fund in a dynamic manner. The responsibilities of the Board are to:
 - Review and approve Fund Terms of Reference and Operations Manual, and update and/or modify them, as necessary;
 - Approve the Fund risk management strategy and review risk monitoring regularly;
 - Provide strategic guidance and oversight of the Fund implementation, including providing recommendations on operational challenges;
 - Review and revise the fund's theory of change and expected results over the life-cycle of the fund and Fund Results Framework;
 - Ensure ongoing alignment and coordination between the Fund results, the UNSDCF priorities and national sustainable development priorities;
 - Approval of call for proposals and selection of recipients;
 - Review the assessment and recommendations on concept notes and full fledged proposals provided by the *Internal Review Committee (IRC,)* and agree on the final award list of recipients against set criteria listed in calls for proposals;
 - Review and approve proposals from Agencies submitted for funding; ensure their conformity with the requirements of the Fund agreements (MOUs SAA).
 - Ensure the quality of proposals to receive funding from the Fund; discuss the Fund requirements and priorities concerning programme/project management, incl. consistent and common approaches to programme/project costing, cost recovery, implementation modalities, results-based reporting and impact assessment;

- Allocate financial resources of the One UN Impact Fund to selected programmatic activities/solutions to be implemented by PUNOs; approve direct costs related to fund operations, including the Secretariat costs;
- Request fund transfers to the Administrative Agent signed off by the Chair;
- To capitalize the Fund, facilitate partnership opportunities and endorse and implement the Resource Allocation Strategy that will be drafted by the Secretariat;
- Review and endorse the annual and final financial and narrative reports submitted by the Secretariat and MPTF Office.
- Review Fund status and oversee the overall progress against the results framework through monitoring, reporting and evaluation`
- Review findings of the summary audit reports consolidated by the internal audit service of the Administrative Agent.
- Highlight lessons learnt and periodically discuss follow up by Participating Agencies on recommended actions that have Fund-wide impact;
- Commission mid-term and final independent evaluations on the overall performance of the Fund;
- Agree on the scope and frequency of the independent “lessons-learned and review” of the Fund commissioned by the Board;
- Review the draft/final reports on lessons learnt, ensure the implementation of recommendations.

2. Board’s composition will be as follows:

- Resident Coordinator,
- Three Representatives from UNCT,
- Two Representatives from the donor community contributing to the Fund.
- A representative of the Administrative Agent, as the ex-officio member

3. The seats for the UNCT and the donor community will be on a rotational basis, with a one-year tenure. At the beginning of each year, after consultation with the government and the Results Groups on priorities for the call for proposals, the Resident Coordinator in consultation with the UNCT will discuss and agree on the Board composition taking into account criterions such as:

- UNCT agency expertise and mandate;
- UNCT agency capacity and interest;
- Overall level of contribution to UN Iran;
- Strategic partnership;
- Size of funding allocated to the Fund;
- Political sensitivities.

4. The Government will be engaged and consulted throughout the process in a regular and effective manner to ensure national ownership and support of the One UN Fund. It is foreseen that before the launch of a call for proposals, the Chair of the Board (Resident Coordinator) will engage in consultations with the government on the needs and priorities in the country. Every proposal to be eligible for funding will require a support letter from the Government. In addition, the government will be informed about awarded initiatives as per decision of the Board of the Fund. The Resident Coordinator in coordination with the Board and the UNCT will report annually to the government through the UNSCDF annual review process and ad hoc meetings.

5. The Board will be chaired by the UN Resident Coordinator. The Board will meet at least once a year with the participation of UN Country Team members and the donor's community.
6. The Board may decide to open new Windows to meet new priorities, needs, requests from the government and the UN system in Iran, and adapt to new working environments. The Fund's Board will decide which windows to allocate funding to.
7. In case of natural disasters, the Resident Coordinator might request the Board to meet to discuss and approve the activation of a specific Humanitarian/Emergency/Disaster response (DR) to launch a rapid funding call for proposals.
8. Decisions of the Board on selected proposals will be reached by consensus.
9. The Secretariat will facilitate the organization of the Boards meetings, including the logistics and minutes writing.
10. The composition of the Board might be revised at a later stage.

The Resident Coordinator as Chair of the Board

1. The overall management of the One UN Impact Fund from the UN will be led and coordinated by the Resident Coordinator in consultation with PUNOs. In line with the strengthened authority of the Resident Coordinator to lead the UN to deliver more effectively at the country level, the Resident Coordinator will be responsible for:
 - Strategic leadership of the One UN Impact Fund on the basis of the UNSDCF, ensuring the Fund aligns national development needs and priorities, and the 2030 Agenda, ;
 - Maintaining standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts;
 - Mobilizing resources and partnerships for the Fund in collaboration with PUNOs, based on the UNSDCF resource mobilization strategy.
 - Oversee management of the Fund, including making funding allocations Sign all Fund Transfer Requests and other documents addressed to the Administrative Agent on behalf of the Fund, on the basis of decisions taken by the Board.
 - Supervise 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.

Fund Secretariat

1. The Fund Secretariat function will be hosted by the Resident Coordinator's Office, under PUNO implementation. The Secretariat will provide technical and administrative support to the Board and will be responsible for the day-to-day operations of the Fund.
2. The Secretariat will be responsible for:
 - Advising the Board on strategic priorities, programmatic and financial allocations (based on the inputs of the Internal/Independent Review Committee and the Fiduciary Administrative Agent);

- Providing logistical and operational support to the Board and Internal/Independent Review Committee, including recording minutes / summary of decisions;
 - Organizing calls for proposals and coordinate appraisal processes in collaboration with the Internal/Independent Review Committee;
 - Ensuring the monitoring of the operational risks and Fund performance;
 - Consolidating annual and final narrative reports provided by the PUNOs and share with the Board for review as well as with Fiduciary Administrative Agent for preparation of consolidated narrative and financial reports;
 - Facilitating collaboration and communication between PUNOs to ensure programmes are implemented effectively;
 - Drafting a resource mobilization strategy for the Fund and implementing under the leadership of the Resident Coordinator, and in consultation with the Board;
 - Developing a Fund Operations Manual
 - Liaising with the Fiduciary Administrative Agent on fund administration issues, including issues related to project/ fund extensions and project/fund closure. Reviewing and clearing proposals for submission to the Board
 - Developing a Fund's communication strategy (incl. maintaining the Fund's website, and ensuring proper visibility of all the fund partners, including contributors and participating organizations)
 - Submitting final project reports to the Administrative Agent for operational closure
3. As per request and instructions from the Board, the Secretariat will liaise with applicants and provide feedback to those PUNOs whose concept note have been pre-selected for funding for them to finalize and submit quality full fledged Concept Notes and later on Project Documents to the Board for final approval. The Secretariat may also share Boards' comments with non-successful applicants as a capacity building activity for UN Iran agencies in the country.
 4. The Secretariat will engage with contributing partners at the country level and will be the main liaison between the MPTFO, implementing PUNOs, and other stakeholders. The Secretariat will be responsible for the overall visibility of the Fund, including acknowledging the donors' support.
 5. The costs of the Secretariat will be charged to the Fund as direct costs. The Secretariat's budget will be annually shared with the Board for endorsement; the Secretariat structure can be reviewed and adjusted by the Board in line with needs and budget availability.

Internal/independent Review Committee (IRC)

1. The Internal/independent Review Committee will be an advisory body to the Board that will serve as a platform for discussion, with the purpose to enhance quality and impact of the Fund, and advise the Board on the key decision. IRC will provide recommendations for the Board's review and approval of proposals submitted by interested PUNOs.
2. The establishment of the IRC would bear no costs.

3. Members of the IRC will include:
 - One staff from the Resident Coordinator Office.
 - One Representatives from each Result Group, the Gender Theme Group and the PMEL Group;
 - One Representative from the UNCT.
4. The seats for the representatives of the UNCT and Results Groups (including the PMEL group) will be on a rotational annual basis. Once the call for proposal is launched, the Resident Coordinator in consultation with the UNCT will select and appoint the IRC members, taking account criteria such as:
 - Expertise and mandate;
 - Capacity and interest in the evaluation process;
 - Endorsement from the respective UNCT Representatives (for Result Groups' members).

The Result Groups/UNCT members whose proposals are submitted will excuse themselves from assessment of their own proposals to avoid any conflict of interest.
5. IRC will meet as often as necessary and requested by the Board to appraise concept notes and fully fledged proposals received by applicants in response to the call for proposals and provide recommendations to the Board. IRC will be supported by the Secretariat that will be responsible for the organization of the evaluation meetings (logistics, preparatory work for the programmes appraisal, minutes drafting and dissemination).

Fiduciary Administration

1. The One UN Impact Fund is financially administered by the MPTFO under the pass-through management modality. The Fund's administration services, whose costs are 1% of received contributions, include:
 - The Fund's setting up: support to the Fund's design, and development of legal instruments; and
 - Fund administration: receipt of contributions by donors, administration and release of funds to implementing entities in accordance with decisions from the Board, and consolidated financial report reporting.
2. The MPTFO is responsible for the following functions:
 - Provide support to the design of the Fund;
 - Sign a Memorandum of Understanding (MOU) with PUNOs;
 - Sign Standard Administrative Agreements with donors that wish to contribute financially to the Fund;
 - Receive and administer funds including those of the Fund's closure;
 - Provide updated information to the Board regarding the regular resource availability;
 - Subject to the availability of resources, transfer funds to PUNOs in accordance with the Board decisions;
 - Consolidate the financial annual and final reports submitted by the PUNOs and present the consolidated report to the Board and to each of the Fund's contributors.
 - Provide a Fund's final financial report which included a notice of the Fund's closure;
 - Release funds as direct costs for the running of the Secretariat, based on the Board decisions.
 - Release funds for additional expenses that the Board decide to allocate;

- Provide tools for fund management to ensure transparency and accountability.

Implementation

1. The Fund will be implemented by Participating UN Organizations. To become PUNO, the Organization signs the Memorandum of Understanding with the Administrative Agent for the Fund. Each PUNO is programmatically and financially responsible for funds received in accordance with its own regulations, rules, policies and procedures, including those related to public procurement, as well as recruitment and evaluation of executing partners. PUNOs will be entitled to charge as indirect costs, seven percent (7%) of the amount received for project implementation.
2. The Board will hold the Representatives of PUNOs accountable for their agency/organization's components of the results of initiatives funded through the One UN Impact Fund.
3. UNSDCF Results Group Chairs might facilitate and guide the development of joint programmes; the lead agency of the Joint Programme will be identified and nominated by the Participating UN Agencies after discussions and internal considerations on capacity, expertise, and experience in leading joint programmes.

Contributions

1. Contributions to the One UN Impact Fund may be accepted from governments of Member States of the United Nations. At a later stage, contributions from other partners such the government, private sector, Trust Fund, and IFIs may be considered as well.
2. The Resident Coordinator in collaboration with the UNCT will lead the resource mobilization efforts for the Fund's capitalization. In the first year of implementation of the Fund, the Secretariat will develop and present to the UNCT a resource mobilization strategy that will be updated on a regular basis to reflect possible new financial flows and partnership opportunities.
3. To respond to a sudden onset emergency, upon the Board's decision, the Fund may allocate resources to the Humanitarian/Emergency/Disaster response (DR) window to launch a rapid call for proposal. In addition, the Resident Coordinator, in coordination with the UNCT, can engage in additional and targeted resource mobilization activities that complement opportunities from OCHA- Central Emergency Response Fund (CERF). As such, the donors may earmark their contribution to this Window.
4. Regular engagement with the diplomatic and donor's community in Iran will be important for a successful capitalization of the One UN Impact Fund's regular and rapid cycle. Consultations will be organized by the Secretariat under the leadership of the Resident Coordinator and in coordination with the UNCT to report on the results of the Fund, broaden the donor's base and advocate for financial support. Outreach to other partners can be explored in consultation with the UNCT and the Board.
5. 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. It is recommended that contributions from the private sector are approved by the Board, or Participating Organizations in case some PUNOs have specific conditions that limit acceptance of contributions from certain types of private sector entities. The Fund Operations Manual can elaborate the process for reviewing private sector contributions.

6. The Fund's resources will be used to finance or co-finance projects, programs and operations approved by the Fund's Board. In support of the overarching aim of the One UN Impact 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/ un-earmarked resources. However, if this is not possible, earmarking at the level of outcome in the UNSDCF 2023-2027 / Window of the Fund will be accepted.
7. Only PUNOs that have signed the MOU with the MPTF Office can receive funds from the One UN Impact Fund. Implementing Partners will have access to resources from the Fund through the PUNOs.
8. The Fund receives contributions in fully convertible currency or any other currency that can be readily used. Such contributions will be deposited to the bank account designated by the MPTFO. The value of the contributions, if made in a currency other than US dollars will be determined by applying the UN operational exchange type in effect of the date of payment. Profit or loss due to currency exchange rate is registered in the Fund's account set by the MPTFO and will be taken on by the Fund.

Programme and Project Identification and Approval Process

1. All participating agencies, signatory of the Fund's MoU and that contribute towards the achievement of result areas in the results framework of the UNSDCF, are eligible to submit concept notes/project proposals, and work together in joint programmes.
2. Every year funding priorities will be identified in the framework of the UNSDCF after consultation with the government, the donor community and the UN system in the country. Emerging needs and national priorities will be taken into account and one or more calls for proposals will be launched by the Board, subject to the availability of funds. The One UN Impact Fund will allocate funding to UN implementing agencies and joint programs in a flexible and timely manner.
3. Before the launch of calls for proposals, the Resident Coordinator will request the Results Groups to discuss, prioritize, identify and report back on priority programming needs and opportunities that align to the UNSDCF and national priorities. This strategic feedback from the Results Groups will inform the Board's discussions and decisions on the priority area(s) of the calls for proposals.
4. It is envisioned that resources from the Fund will be allocated at least once a year but may be adjusted based on the specific agreements with donors to the One UN Impact Fund.

5. Two types of funding approval cycles are proposed:
 - Regular cycle: includes phases of project identification, presentation, review and approval.
 - Rapid cycle: the approval phases are shorter (total duration is a maximum 10 days), to prioritize approval of critical initiatives of short-term implementation to respond to sudden-onset emergencies. Decisions on rapid cycle will be initiated by the Resident Coordinator in consultation with the UNCT, for the Board's decision.
6. After consultations with the Board, the Secretariat will develop and launch the Call for proposals with detailed information about eligibility criteria (e.g. priority sector(s) of the call, minimum and maximum budget of programmes, co-financing, etc.) as well evaluation criteria used by the Fund governance bodies for assessing concept notes and proposals received by applicants, and overall quality assurance. To make final decisions, the One UN Impact will make use of the following categories of evaluation criteria, among others:
 - *alignment to UNSDCF outcomes and cross cutting/thematic priorities,*
 - *alignment to the call for proposal focus,*
 - *relevance of the action,*
 - *demonstrated capacity of the applicant/consortium members,*
 - *budget and cost-effectiveness of the action,*
 - *Delivering as One (joint approach by two or more PUNOs) and aid effectiveness.*
7. UNSDCF Results Groups' members are encouraged to identify priority programming to be implemented in a joint manner, through joint programmes.
8. The proposed project funding process for the regular cycle is as follows:
 - Stage 1: Announcing the Call: Upon the decision of the Board, the Secretariat develops the call for Proposals, based on the Fund's Terms of Reference. Upon the approval of the Board, the Secretariat announces the Call and shares it with all PUNOs.
 - Stage 2: Submission of the Concept Note. PUNOs are invited to submit concept notes to respond to the Call for Proposal.
 - Stage 3: Assessment of the Concept Notes. The Board assesses the concept notes received based on criteria listed in the call for concept notes. The Board finalizes the list of pre-selected concept notes with the advisory support of the IRC.
 - Stage 4: Developing project proposal. As per request and instructions of the Board, the Secretariat informs pre-selected applicants and invite them to develop and submit full fledged proposals. PUNOs submit proposals for the Board's final revision and approval of funding allocations.
 - Stage 5: Funding allocation. As per Board's instructions, the Secretariat officially informs MPTFO of the Board's decision on funding allocation. The Secretariat also informs awarded PUNOs as per Board's outcome of the review process.
 - Stage 6: Funding transfer: Awarded PUNOs signs Project / Joint Programme Documents (ProDocs) and the Board's Chair signs the Fund Transfer Request which

is submitted to MPTF Office for the funding disbursement, and to start with the implementation.

9. Interested PUNOs can submit more than one project proposal. Joint submission by two or more PUNOs will be prioritized. The aim of the One UN Impact Fund is finance great ideas that are implemented in a collaborative manner and convincingly demonstrate that they can move the needle on the SDG targets in the country.
10. All proposals should demonstrate a positive contribution to advancing sustainable development in the I.R of Iran and conform to the best practices of development cooperation and aid effectiveness, with a specific emphasis on delivering real and measurable impact, including: integration of comprehensive anti-corruption practices, inclusion of risk management strategies, demonstrated contribution to achieving the Fund's theory of change, and working in synergy with other relevant national and development partner initiatives, having strong emphasis on leaving no one behind, and limiting the creation of new structures and services that cannot be sustained by the Host Government.
11. The Fund wishes to ensure that the counterpart agency in the government is fully supportive and requesting assistance to work in the area applied for. A letter of support from the relevant national counterpart(s) confirming endorsement of the programmatic activity and commitment to the achievement of its objectives will need to be submitted along with the full-fledged proposal to the Secretariat. No funds will be transferred to projects if Government endorsement has not been received by the Secretariat.
12. For the rapid cycle, the Humanitarian Country Team (HCT) or the Disaster Management Team (DMT) will support the prioritization of needs and agree on priorities to be targeted in an emergency. Under the leadership of the HRC/RC, the HCT or DMT will ensure that the submitted proposals to the Board are based on agreed assessments and prioritization at the cluster (if activated) or DMT or Results Groups level.
13. To speed up the evaluation process, approval and funding disbursement process, applicants will submit a brief project proposal (template will be included in the call for proposal) to the Secretariat for the final evaluation and approval by the Board. IRC will
14. The rapid cycle will be used exceptionally, in circumstances where the government has officially requested or welcomed support for the UNCT, and the Board considers the rapid launching of interventions necessary, e.g., to respond to onset natural hazards. For the rapid cycle, the Board will identify additional evaluation criteria that will be listed in the call for proposal.
15. Final allocation decisions for both the regular and rapid cycles should be agreed by consensus. In case that agreement is not reached by the Board on the allocation of financial resources available in the One UN Impact Fund the matter will be referred to the UN Resident Coordinator for ultimate decision with documented process and rationale for the decisions. As per the above, One UN Impact Fund reinforces the importance of country-level decisions and enables quick and flexible funding in response to changing priorities.

16. For both the regular and rapid cycle, through the Secretariat, the Board will officially share with the MPTFO the list of approved programmes and request the funding disbursement.

Monitoring, Evaluation and Risk Management

1. Monitoring and Evaluation of the initiatives funded under the One UN Impact Fund will follow Standard Monitoring and Evaluation procedures described in the UNSDCF 2023-2027.
2. Donors, the Resident Coordinator, the Fiduciary Administrative Agent and the PUNOs will hold annual consultations, as appropriate, to review the status of the One UN Impact Fund. These consultations will be part of the Annual Progress Reviews of the UNSDCF.
3. In addition, the Board may commission a regular, independent lessons learned and review exercise relating to the Fund.
4. At the project/programme level, PUNOs assume full programmatic and financial accountability for the funds disbursed to them by the Fiduciary Administrative Agent and undertake Monitoring and Evaluation in accordance with their own regulations, rules, directives and procedures.
5. Fiduciary monitoring of the One UN Impact Fund will follow the UN Standard Monitoring and Evaluation procedures.
6. In consultation with the UNCT, a Risk Mapping—Multi-Dimensional Risk Analysis is provided in Annex 1. The matrix identifies risks that might impact the overall implementation of the Fund. The Board will ensure that the One UN Impact Fund meets its objectives, mitigates risks and ensures sustainable financing of projects throughout its life cycle.
7. The Secretariat will develop the Risk Management Strategy of the Fund whose main objectives are to accelerate Fund implementation and increase its impact, ensure compliance with sanctions, ensure that the Fund's interventions meet the "Do no harm" principles, verify that resources are used for foreseen purposes and improve risk management capacity of national institutions. The objective of a 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.
8. 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.

Audit

1. Agency-specific auditing will be subject exclusively to the internal and external procedures provided for in the financial regulations, rules and directives of the respective PUNOs.
2. The activities of the Fiduciary Administrative Agent will be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.
3. The Fiduciary Administrative Agent and PUNOs will be audited in accordance with their own Financial Regulations and Rules and, in accordance with the 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.

Reporting

1. Reporting activities are carried out in accordance with the MOU and SAA.
2. Each Participating UN Organization shall prepare and provide:
 - i. To the Secretariat and to the Administrative Agent:
 - a. Annual Narrative Reports on the activities in the approved projects/programmes, no later than three months (31 March) after the end of the calendar year;
 - b. Final Narrative Reports on the activities in the approved projects/programmes, no later than four months (30 April) after the end of the calendar year in which the operational closure of the activities in the approved project/programme occurs.
 - ii. To the Administrative Agent:
 - a. Annual Financial Reports with respect to the funds disbursed to it from the Fund Account, no later than four months (30 April) after the end of the calendar year; and
 - b. Certified Final Financial Statements and Final Financial Reports, no later than five months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs.
3. The Secretariat shall prepare and, after approval by the UN Resident Coordinator, provide to the Administrative Agent:
 - i. Consolidated Annual Narrative Reports, based on the Annual Narrative Reports of the PUNOs (including the Final Narrative Reports submitted during the year) no later than four and a half months (15 May) after the end of the calendar year;
 - ii. A Consolidated Final Narrative Report, no later than five months (31 May) after the end of the calendar year in which the operational closure of the Fund occurs.
4. The Administrative Agent shall prepare and provide to the Board:
 - i. Annual Consolidated Fund Reports, no later than five months (31 May) after the end of the calendar year. The Annual Consolidated Fund Report consists of:
 - a. The Consolidated Annual Narrative Report prepared by the Secretariat; and

- b. An Annual Consolidated Financial Report based on the Annual Financial Reports provided by the Implementing Organizations;
 - ii. Reports on its Activities as Administrative Agent:
 - c. A Certified Annual Financial Statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
 - d. A Certified Final Financial Statement (“Source and Use of Funds”) to be provided no later than five months (31 May) after the end of the calendar year in which the financial closing of the Fund occurs.
 - iii. A Final Consolidated Narrative Report, based on the Consolidated Final Narrative Report provided by the Secretariat, no later than six months (30 June) after the end of the calendar year in which the operational closure of the Fund occurs;
 - iv. A Final Consolidated Financial Report, based on Certified Final Financial Statements and Final Financial Reports received from Implementing Organizations, no later than five months (31 May) after the end of the calendar year in which the financial closure of the Fund occurs
- 5. Consolidated One UN Impact Fund documents and reports will be posted on the websites of the UN Iran and the MPTFO (<http://mptf.undp.org>) .

Accountability and Transparency

1. The legal instruments that will govern the Fund (MOU and SAA) detail the following clauses:
 - **Accountability:** The UN system will provide implementation services in accordance with its own financial regulations, rules and policies. For each project or programme approved for funding, each implementing entity will provide the Secretariat and the MPTFO annual and final reports and financial statements prepared in accordance with their accounting system and reporting procedures, as stated in the legal agreements signed with the Fiduciary Administrative Agent.

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 Participating UN Organizations and endorsed by the UNDG in 2014. The details are included in the Fund MOU.

 - **Transparency:** The MPTFO website, Gateway, is a web-based service portal that provides real-time financial data issued directly from the MPTF Office accounting system. Once established, the Fund will have a separate page on the Gateway portal 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 portal. From its side, each implementing entity 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 and the support received from the donors of the Fund.

Termination of the One UN Impact Fund

1. The One UN Impact Fund will have the same duration and terminate upon completion of the UNSDCF 2023-2027. The Fund will terminate upon completion of all programmes funded through the One Impact Fund and after satisfaction of all commitments and liabilities. The Fund's duration may be extended by the decision of the Board.
2. Notwithstanding the completion of the initiatives financed from the One UN Impact 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.
3. Any balance remaining in the One UN Impact Fund Account or in the individual PUNOs' separate ledger accounts shall be used for a purpose mutually agreed upon by the Board, the contributing donors, the PUNOs and the Fiduciary Administrative Agent.
4. The last date to transfer funds to PUNOs will be 31 December of the penultimate year of the programmatic cycle (i.e., 31 December 2026). Completion of all operational activities will be 31 December of the end year of the programme (i.e., 31 December 2027). The dissemination of the final narrative report will be 30 June of the year following the operational closure of the Fund.

Other matters

1. The present TOR may be modified at any time. Such modifications are approved by the Board.

Annex 1

Risk Mapping

Risk areas	Key risk factors	Impact/Probability (high, medium, low)	Countermeasures / Management response	Owner
Funding environment, increased competition for finite resources, donor fatigue, growing politicization of aid.	<ul style="list-style-type: none"> Donors are not able to maintain their funding level due to different crises and priorities at regional and global level. Increasing concerns and caution among donors about funding UN Iran, with some deciding 	<p>1.The Fund is not well capitalized and operates below full capacity</p> <p>Probability: 3 Impact: Moderate (3)</p> <p>2.Secretariat costs are not covered</p>	<ul style="list-style-type: none"> A Resource mobilization strategy that is agreed upon UNCT for coordinating outreach efforts and contribute to a good capitalization of the Fund is developed. Increased investment in diversifying donor base and exploring new funding streams to decrease financial risk. 	Board PUNOs

	<p>to significantly reduce the overall funding allocations to Iran.</p> <ul style="list-style-type: none"> Impact on operational capacity of agencies. 	<p>Probability: 3</p> <p>Impact: Moderate (3)</p>	<ul style="list-style-type: none"> Strengthened strategic communication to improve UN Iran brand and its work among donors globally, including by better positioning UN Iran with donors' interest and priorities and strengthen messages on UN Iran's comparative advantages. Development and dissemination of key messages and human interest story to focus on raising awareness about needs in Iran. 	
Political and economic stability in the I.R of Iran	<ul style="list-style-type: none"> Change in government priorities and impact on cooperation with UN Iran. 	<p>1.Limited operational space and capacity of PUNOs and project implementation is delayed and delivery below target</p> <p>Probability:3</p> <p>Impact: Major (4)</p> <p>3.The Fund funding remain unspent</p> <p>Probability: 3</p> <p>Impact: Major (4)</p>	<ul style="list-style-type: none"> Support legal framework development and implementation for vulnerable groups. Signing of the UNSDCF for ensuring UN's operational space during challenging times. Continuous engagement with the government and key partners to ensure uninterrupted implementation of the UNSDCF and agencies' country programs, responses and work plans. Accelerate delivery. Close monitoring and review of projects' duration, logframes and workplans. 	Board PUNOs

Probability/likelihood: Very Likely (5), Likely (4), Possible (3), Unlikely (2), Rare (1)

Impact: Insignificant (1), Minor (2), Moderate (3), Major (4), Extreme (5)

ⁱ <https://mptf.undp.org/page/un-pooled-funding-trends>