

Terms of Reference: Nature, Climate and Energy Funding Window

1. The Administrator hereby establishes a Trust Fund titled "**Nature, Climate and Energy**" (hereinafter referred to as "the Funding Window") under the financial regulations and rules of UNDP for the receipt and administration of the funds to mobilize additional resources needed to enhance UNDP programme activities described in the attached document "UNDP Thematic Funding Windows" which forms an integral part of this Terms of Reference.
2. Financial resources pledged will be managed under the authority of the Administrator. Activities financed by the Funding Window shall be carried out within these terms of reference.
3. UNDP will designate an Executing Entity or Implementing Partner (hereinafter referred to as "the Executing Entity") for the implementation of each activity financed under the Funding Window.

I. Contributions to the Funding Window

1. Contributions to the Funding Window, in cash or in kind, may be accepted by UNDP from Governments of Member States of the United Nations and of the Specialized Agencies or from intergovernmental or non-governmental organizations, foundations, or from private sources.
2. Contributions to the Funding Window may be made in any of the following forms:
 - a) As voluntary contribution to the **Funding Window**, without any limitation
 - b) As voluntary contribution to the Funding Window, but limited to a geographic location (country/countries or region)
 - c) As a voluntary contribution to the Funding Window, but limited to a particular project.
3. Contributions in cash to the Funding Window may be accepted by the Administrator in fully convertible currency or in any other currency, which the Administrator determines can be readily utilized. Such contributions shall be deposited into bank accounts designated by UNDP.
4. 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. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the contribution-payment, the value of the balance of funds still held at that time will be adjusted accordingly.
5. All financial accounts and statements shall be expressed in United States dollars.

II. Utilization of the resources in the Funding Window

1. UNDP shall utilize the resources in the Funding Window for the purpose of achieving the results contained in the Results Framework under these terms of reference.

2. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources and Direct Project Costing³, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. Contribution towards GMS shall be charged a fee equal to 7% when contributions are at the level of Funding Window, and 8% when contributions are at the level of named projects. All direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
3. Any interest income derived from contributions to the Funding Window shall be credited to the Funding Window in accordance with the applicable UNDP regulations, rules and policies and procedures.

III. Administration of the Funding Window

1. The Funding Window shall be administered by the UNDP in accordance with UNDP financial regulations, rules, policies and procedures.
2. Project management and expenditures shall be governed by the regulations, rules and policies and procedures of the UNDP and, where applicable, the regulations, rules and directives of the executing entities or implementing partners

IV. Implementation and Budgeting of Funding Window

1. The aggregate of the amounts budgeted for the projects together with any estimated payments in respect of support services shall not exceed the total resources available to the Funding Window.
2. If unforeseen increases in commitments or expenditures are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the assistance to be provided under the Funding Window may be reduced, suspended or terminated by UNDP.

V. Ownership of Equipment, Supplies and Other Property

1. Ownership of equipment, supplies and other property financed from the Funding Window shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with applicable policies and procedures of UNDP.

VI. Audit

1. The contributions shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules policies and procedures of UNDP and the relevant audit reports can be consulted by the donor. The annual Audit Report of Auditors (external auditors) to UNDP governing body is a publicly available document. Similarly, audit reports issued by UNDP internal audit services are also available on the public website of UNDP.

VII. Reporting

³ EB Document 12 February 2013, DP/2013/10

1. UNDP will provide contributing partners an annual report which will include a section for each Funding Window, including programmatic results, lessons learned and challenges, and a financial breakdown of contributions, allocations and expenditures.
2. UNDP will issue per donor, an annual certified financial statement as of 31 December every year, in June of the following year. The report will provide the consolidated amount received per donor for each Fund, and the total expenditure per Fund.

VIII. Other matters

1. Notwithstanding the completion of the projects financed from the Funding Window, any unutilized balances shall continue to be held in the Funding Window account until all commitments and liabilities incurred in execution/implementation of the projects have been satisfied and project activities have been brought to an orderly conclusion.
2. The Funding Window shall terminate upon completion of all projects identified pursuant to this Terms of Reference and after satisfaction of all commitments and liabilities arising therefrom. Any balance then remaining shall be disposed of by the UNDP in consultation with the Donor(s).

Associate Administrator



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Date: 17 July 2019