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**Allocation of TRAC 3 resources for Crisis Engagements**

# Purpose

UNDP’s Crisis Offer seeks to advance development solutions that invest in hope for people throughout the occurrence of crises, that prevent loss of development gains, and that find sustainable pathways from crisis and vulnerability. In addition, the Crisis Offer also seeks to contribute to a shift in culture from reaction to prevention, through boosting corporate prevention efforts and anticipatory investments, based on early warning, horizon scanning and foresight; and to support countries in protracted crisis to move out of fragility through multidimensional risk analysis and integrated systems approaches.

The purpose of TRAC 3 resources, aligned to the Strategic Plan is to address crisis more holistically and effectively at an organizational level, as defined in the Crisis Offer, by investing in UNDP’s efforts to support countries in anticipating, preventing, responding to and recovering from the impact of crisis and shocks; thereby ensuring continuous progress towards achieving the SDGs. TRAC 3 resources also serve as catalytic or see d funding for country offices to mobilize and secure additional resources for implementing development solutions to crisis and fragility.

TRAC 3 resources are earmarked to support the following categories of objectives:

1. Response and Recovery
2. Anticipation and Prevention Contexts
3. Protracted and Fragile Contexts
4. Technical accompaniment and deployment support

# Support Contexts

TRAC3 resources can be used to support swift UNDP engagement in the 3 contexts supported by the UNDP Crisis Offer. Each of the three contexts has specific provisions with regards to process and amounts.

## Response and Recovery

Response and recovery resources can be requested for different events within the same country. There are two types of allocations that can be made to support UNDP’s response to immediate crisis: funding for immediately required action, and funding to kick-start emergency programme activities. Amounts allocated depend on the crisis level (see below). In exceptional circumstances, the Director of the Crisis Bureau and the Director of the Regional Bureau may jointly approve an amount higher or lower than prescribed by the Crisis Response SOP and this guidance.

TRAC 3 funding for most immediate actions is released based on the signed crisis board minutes and an allocation letter, while emergency allocations to kick-start emergency programme activities and funded through all applicable sources (including TRAC3 if appropriate) additionally requires a short concept note, which can be approved by the CMST or the 2nd Crisis Board.

**Trac 3 (category 1): Immediate action funding**

1. Under this category, resources are used in response to sudden crises response and recovery on a no regrets basis. Indicative activities include conducting or participating in needs assessments (e.g. Multi-Sector Initial Rapid Assessment, Post Disaster Needs Assessment, Recovery, and Peacebuilding Assessment), coordinating the response, visibility and communication, short term capacity enhancements, immediate programmatic support, and establishing early recovery frameworks and other tools for recovery planning.
2. These resources are allocated following the declaration of a crisis (in line with UNDP’s Standard Operating Procedure for Crisis SOP) and in situations where the national response capacity and scale warrant financial resources. These resources are not meant to support response to events such as industrial disasters, civil accidents, and security incidents unless in exceptional circumstances.
3. The allocation amount will be determined according to the level of the crisis:

|  |  |
| --- | --- |
| **Type of Crisis** | **Amount** |
| Crisis Response Level 3 | Up to $200,000 |
| Crisis Response Level 2 | Up to $150,000 |
| Crisis Response Level 1 | Up to $100,000 |
| No crisis response level declared | Up to $100,000 |

1. Allocations will be made subject to Crisis Bureau confirmation of resources availability and per the following processes:

For Crisis Response Levels 2 and 3: In line with the Standard Operating Procedure for Immediate Crisis Response, the Crisis Board will approve the allocation of immediate action resources, following agreement on the level of the crisis (up to $150,000 for Level 2, and up to $200,000 for Level 3).

For Level 1 Crises: With the declaration of a Level 1 crisis (in line with the Standard Operating Procedure for Immediate Crisis Response - SOP), the Crisis Bureau and the relevant Regional Bureau will agree on the amount of immediate action resources to be allocated, up to $100,000.

Events with no Crisis Response Level declared: With no crisis response level declared (in line with the Standard Operating Procedure for Immediate Crisis Response - SOP), the Crisis Bureau and the relevant Regional Bureau can allocate resources for immediate action amounting up to $100,000, if the request is considered a priority and resources are available.

In all the above cases, immediately following an event that warrants immediate emergency support, the Resident Representative sends a request to the Crisis Bureau, copied to the respective Regional Bureau, for an emergency allocation. The request should be accompanied by the following indicative documents as applicable:

* The latest situation report (SitRep);
* The declaration of a State of Emergency
* The official request for support from the Government
* Planned outputs and activities, including a high-level breakdown of the budget.

The Crisis Bureau reviews the request and decides on allocations based on an analysis of the information presented.

**Trac 3 (category 2): Programme emergency funding**

1. Immediately following the crisis declaration, the CO and HQ Bureaux will undertake critical actions to kick start the recovery process. The CO will assess its programme portfolio and identify programmes which can be reoriented towards or combined with recovery initiatives. The CO will then begin recovery programming for time-critical response activities.
2. Programme emergency funding can be used to start immediate programme activities and/or to prepare the ground for the Recovery Programme.
3. The allocation amount will be determined according to the level of the crisis:

|  |  |
| --- | --- |
| **Type of Crisis** | **Amount** |
| Crisis Response Level 3 | Up to $1,000,000 |
| Crisis Response Level 2 | Up to $500,000 |
| Crisis Response Level 1 | Up to $200,000 |

1. While emergency allocations to kick-start emergency programme activities can be requested at any moment of the crisis response, they should be requested as early as possible. The request can be made by email to the CB Deputy Director, submitting a short concept note. The concept note will be vetted and approved by the CMST or the Crisis Board (CB Deputy Director for Level 1 responses).

## **Anticipation and Prevention Contexts**

Under the Anticipation and Prevention contexts, TRAC 3 resources can be used to support policy and programme efforts to get ahead of the curve of future crises by mitigating risk to development progress, as well as addressing drivers and root causes of conflicts, disasters, and other types of crises. Prevention is at the heart of UNDP’s development mandate, anchored in its mission to reduce development deficits, fight inequalities, and foster inclusion. While this can apply broadly to all programme countries, the focus is on contexts where risks of conflict and other man-made shocks are increasing, or which are exposed to high levels of recurrent risk (see s anticipation and prevention supplementary protocols for additional details).

1. Supported by the Country Support Group (CSG), the CO will prepare a Prevention Action Plan (PAP) and budget breakdown based on the recommendations of a joint CB/RB assessment mission, as well as related Funding Window Proposals (FWP) with an implementation period up to 12 months. The PAP and FWPs will be approved by the level-related governance structure. Actions will be prioritized based on their nature as specific risk mitigation actions and in view of related timelines.
2. The Regional Bureau, the Crisis Bureau and Central Bureaus as adequate will agree on an integrated resources envelope in support of the PAP to mitigate the identified crisis risk. As part of this envelope, the Crisis Bureau will allocate, if available, an adequate amount of TRAC-3 to ensure the swift launch of preparedness and prevention programmatic actions.
3. In addition, Funding Windows resources[[1]](#footnote-2) will be prioritized as needed, within the limitations of existing donor commitments and earmarking. For Regional and Central Bureaus, it can include any available resources including TRAC2, Regional Emergency Reserve and other specific funds (Security Office funds, Communications Office funds, etc.).

## **Protracted and Fragile contexts**

As a development actor present before and throughout protracted crisis and fragility, UNDP brings a long-term view towards the governance and socio-economic conditions necessary for countries to break the cycle, exit from fragility, and resume progress towards the SDGs and 2030 Agenda. UNDP’s engagements aim to achieve the structural transformations needed to address the underlying and root causes of protracted crises and fragility, strengthen the social contract and promote risk-informed, resilient recovery for the furthest behind, leading to more sustainable pathways from fragility.

Whilst UNDP is universally present on the ground in all countries categorized by the OECD-DAC as fragile, specific priority countries are agreed in Annual Prioritization consultations undertaken between the CB and RBx. Analysis leading into the annual consultations will assess levels of fragility based in extant indices of fragility, as against the Human Development Index, and where progress towards the SDGs is most seriously at risk of being delayed or not progressed at all. The prioritization of countries should also be influenced by the following criteria: new development planning cycle; new peace/political mandate discussions, or mission renewals, are underway; and opportunity to reduce humanitarian need.

1. UNDP will in these contexts prioritize provision of seed funding for new or scalable initiatives within these new portfolios. To that end, an integrated resource envelope accompanying the CEP will be defined including Regional Bureau, Country Office and Crisis Bureau resources.
2. Priority will be given to funding through the Funding Windows, as well as through Global Programmes, on a predictable annual basis for the duration of the Country Engagement Plan. TRAC 3 will only be allocated in exceptional cases in protracted and fragile contexts to support missions and deployments.
   1. TRAC 3 resources can be specifically used to support the development of multi-year integrated Country Engagement Plans (CEPs) guiding corporate engagements typically spanning 2-4 years and annually reviewed. CEPs should be linked to Country Programming cycles and articulate policy, technical (Surge and deployments), and financial support needs of the Country Office from HQ and the Regional Hubs.
   2. TRAC3 can also be used to fund short-term technical and advisory support to programme design and development, in line with proposed out-of-fragility strategies. This will be done in coordination with the BPPS Strategic Innovation Teams at HQ and Regional Hubs to ensure systems-based portfolio approaches are applied. These portfolios should provide cost-effective integrated development solutions that are ambitious, bespoke, principled and at-scale, addressing root causes of protracted fragility.

# Monitoring, Evaluation and Reporting Requirements

Upon approval of the request under any of the above contexts, the Crisis Bureau will send an allocation letter to the Country Office confirming the amount released and the respective fund code. The allocation duration will be specified in the allocation letter. The Country Office is responsible for delivery of the funds within the stipulated time, and any outstanding balance will be transferred back if the funds are not spent within the allocated duration. As TRAC 3 resources are not allowed to be rolled over, annual allocations generally cannot be extended. Only in exceptional circumstances, they can be extended at the discretion of the Crisis Bureau Director but not beyond the fiscal year and subject to the availability of funds.

The Crisis Bureau is responsible for the timely approval of funding requests for resources. The Country Offices are responsible for ensuring that UNDP programme and project management policies and procedures in the [Programme and Project Management Section of the Programme and Operations Policies and Procedures](https://popp.undp.org/programme-and-project-management) are complied with and that the approved resources are used in line with the conditions and instructions of Crisis Bureau outlined in the allocation letter, as well as in accordance with UNDP financial rules and regulations as set out in the [Financial Resources management Section of the Programme and Operations Policies and Procedures.](https://popp.undp.org/financial-resources-management)

Standard project monitoring, evaluation and reporting procedures as outlined in the POPP Programme and Operations Policies and Procedures apply to projects funded by TRAC 3 resources. The Country Offices are responsible for meeting corporate reporting requirements. The Crisis Bureau, in coordination with the respective Regional Bureau, provides corporate oversight, including monitoring of financial delivery of TRAC 3 resources within the established resource-planning framework.

Report on funds TRAC 3 shall be submitted within 3 months at most from the end of the allocation or the fiscal year for TRAC 3 allocation, which ever come first.  For the report template, please click [here.](https://undp.sharepoint.com/:w:/s/CSMTCrisisBureau/EXIZoJ86osRAqnc3jn2Zpd8B99ENrkECFKQvmiS_HKq3VQ?e=eXK1X2)

1. Principally from the Governance, Peacebuilding, Crisis and Resilience (GPCR) window, but also potentially through others such as the Nature, Climate, Energy (NCE) window. [↑](#footnote-ref-2)