**A1.1. Engagement Facility**

1. The engagement facility provides a rapid and flexible response mechanism to support upstream policy results, evaluation and assessments, crisis responses and the testing of innovations with scale-up potential. It must support results identified in the UNDP Strategic Plan and relevant country or regional programme documents.
2. Any country office, regional hub or Bureau may establish one or more engagement facilities in accordance with this policy. Resources can be committed by the programme manager/Resident Representative by signing the updated multi-year workplan maintained for the engagement facility. The facility always uses direct implementation. Terms of reference and concept notes, as relevant, are required to justify and detail expected results.
3. There is no prescribed maximum funding level for the engagement facility. Funding may come from an annual spending limit (ASL) for the facility (formerly the DSS ASL), and from a variety of core/TRAC and non-core resources, such as the programme cost-sharing account (11888 account), blanket contributions to the country programme, regional and global core programme resource lines, residual cost-sharing income balances (donor agreement must be secured), and direct government and third-party cost-sharing contributions. Any eligible funds remaining at the end of the programme can be rolled into the engagement facility and used for the next country programme.
4. All policies on corporate and country-level reporting, the SESP, audit and risk management equally apply to the engagement facility.
5. The following is a list of activities/expenses that the engagement facility may and may not fund.

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| **Can Fund** | **Cannot Fund** |
| Consultants, UNVs—local, regional or international | Low-value or micro-capital grants |
| UNDP staff directly supporting related activities | Activities not consistent with other relevant UNDP policies, including the SES |
| Publications | Infrastructure |
| Workshops, conferences, learning events | Cash transfers to responsible parties |
| South-South and/or triangular cooperation |  |
| Policy, academic or research ties between institutions |  |
| Impact evaluations after project closure  |  |