



**MULTI-PARTNER TRUST FUND
BUILDING A STRATEGY FOR FINANCING THE 2030 AGENDA
PROJECT PROPOSAL SUBMISSION FORM**

| Part A. Meeting Information (To be completed by the Fund Secretariat) | | |
|---|---|--|
| OSC Meeting No: | Project¹ No: | |
| Date of Meeting: | | |
| Part B. Project Summary (To be completed by the Participating UN Organization) | | |
| Date of Submission: | Participating UN Organization(s): United Nations Development Programme | |
| Focal Point of the Participating UN Organization(s): Name: Michele Candotti E-mail: michele.candotti@undp.org | Project Title: Building a Strategy for Financing the 2030 Agenda - Country Engagement and Support to the Digital Finance Initiative of the Secretary-General's Finance Strategy | |
| Project Description: <i>One sentence describing the project's scope and focus</i> | Project Duration: Start: 1 January 2018 End: 31 December 2019 | Extension date: Not applicable Projected new end date: |
| This Multi Partner Trust Fund for Building a Strategy for Financing the 2030 Agenda is designed to accelerate the sustainable finance reform agenda globally and harness the power of the global financial system to support the realization of the 2030 Agenda and the Paris Agreement on Climate. | Total Project Budget*: US \$ 695,019 <i>MPTF funds to be released in tranches upon funds availability</i> <i>* Including programme costs and indirect support costs</i> | |
| Milestones for the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change to which the proposal is contributing: M3 UN Mobilisation and Alignment of Finance: Regional/thematic aspects of climate finance developed and acted upon M4 Initiatives: Digital Task Force established and work plan agreed for UN system approach and engagement with Belt and Road designed and implemented. M12 UN-hosted task force on digital finance and the 2030 Agenda/ Paris Agreement agreed to and set up June 2018 | | |
| Participating UN Organization(s): United Nations Development Programme | Chair: Executive Office of the Secretary-General (Deputy Secretary-General or her representative) | |
| <i>Name of the Agency Representative:</i> <i>Signature</i> <i>Date and Seal</i> | <i>Name:</i> <i>Signature</i> <i>Date and Seal</i> | |

¹ The term "project" is used for projects, programmes and joint programmes.

Narrative Summary

1. Overview

a. Provide a brief overview of the project, including overall goals and objectives, key strategies, expected results, and intended beneficiaries.

This Multi Partner Trust Fund for Building a Strategy for Financing the 2030 Agenda is designed to accelerate the sustainable finance reform agenda globally and harness the power of the global financial system to support the realization of the 2030 Agenda and the Paris Agreement on Climate. The pathways, or theory of change statement, to achieve this are:

If both international and country level financial and economic policy making are better aligned to the 2030 Agenda, a number of strategic financing initiatives are supported in the 2018-2019 period, and the convening power of the UN is used to change the narrative around financing for the 2030 Agenda, then the UN will have accelerated the global sustainable finance reform agenda and the power of financing will be more effectively harnessed to support the realization of the 2030 Agenda and the Paris Agreement on Climate.

This project for the Multi-Partner Trust Fund on Building a Strategy for Financing the 2030 Agenda will focus on the following activities:

Core Support to the Financing Strategy

Budget: US\$62,900

To support the core Finance Strategy team based in the Executive Office of the Secretary-General, responsible to the Deputy Secretary-General, several members will be based in the United Nations Development Programme. These team members will be particularly focused on orchestrating the initial country pilots (separate from the country engagement work) and the policy analysis associated with this. Given the key need to orchestrate the financing strategy across the UN, and the limited internal coordination and leadership on finance currently within most entities, spreading the core team across different UN organisations will be a way of mitigating this.

Task Force on Digital Finance

US\$ 331,800

The UN has had a long history of working on financial inclusion. Most recently, Her Majesty Queen Máxima of the Netherlands in her role as the UN Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) since 2009, has been championing the issue. A natural extension of this work is to consider the increasing role of digital finance in achieving sustainable development. Following consultations with H.M Queen Maxima, UN leaders including the Deputy Secretary-General and the UNDP Administrator as well as private sector actors, most notably Ms. Lucy Peng, Chairman of Ant Financial Services, it has been proposed to establish a UN Task Force on Digital Finance to identify how best to harness the potential of digital in financing the 2030 Agenda, and the commitments made under the Paris Agreement on climate.

The Task Force will focus on three core themes and potential areas for action including: identify ways in which the application of digital finance can support the 2030 Agenda; identify the possible role of the UN system in supporting the deployment of digital finance in member states; and ensure the development of protocols and standards to align the wider development of a digital financial system with the 2030 Agenda. It will be organised along the following lines:

- To be co-Chaired by two people, a senior UN official, a senior private sector executive, proposed to be Achim Steiner, the UNDP Administrator, and Lucy Peng, the Chairwoman of ANT Financial Services
- To be overseen by Queen Maxima of the Netherlands, the Special Envoy on Financial Inclusion.

- Comprise 15-20 public and private actors, including financing regulators, leading digital companies, member states, UN officials, experts and interested stakeholders.
- A UN Reference Group will be organised of key entities already involved in progressing aspects of digital finance.
- Be overseen by the EOSG's finance team and supported by UNDP as secretariat.
- Will report to the Secretary-General as part of his strategy on financing the 2030 Agenda.

The Task Force's process will be as follows:

- Begin in January 2018 and report out at the Secretary-General's High-Level Meeting on Financing the 2030 Agenda in September 2018.
- Several work streams will be established, each with co-Chairs, members of the Task Force, and additional experts and stakeholders as required.
 - o Stream 1: Identify high-impact digital finance opportunities for each element of the 2030 Agenda and their relationship by mapping existing practice and projecting future developments.
 - o Stream 2: Identify the critical policy, regulatory and standards needed to align digital finance with the 2030 Agenda, and the actors and processes that need to be developed or engaged in to ensure such alignment.
 - o Stream 3: Identify in which aspects of digital finance the UN can play a high impact role, and what actions are needed to make this possible.

Finance Initiatives: Invest4Climate

Budget: US\$142,000

The Secretary-General can champion international attention and action on frontier issues and opportunities in the financing area where concerted effort could help generate significant multiplier outcomes. One such initiative is Invest4Climate which was launched on 20 September 2017, on the sidelines of the UN General Assembly in New York. The Invest4Climate platform is designed to bring together national governments, financial institutions, private sector investors, philanthropies, and multilateral banks to support transformational climate action in line with the Paris Agreement. The platform will bring together investors with high-impact opportunities in developing countries such as large-scale development of battery storage, electric cars, and low emission air conditioning. It will also facilitate such investments through the development of risk mitigation instruments and, based on demand, will work with national governments to improve policy environments. The platform had follow up meeting in Washington DC during the World Bank/IMF Annual Meetings and UNFCCC COP23 in Bonn.

Country Engagements

Budget US\$ 112,800

Member States today face an increasingly complex financing context. Financing needs are evolving rapidly as people and economies have to be retooled to cope with changing climatic, political and market circumstances. The Secretary-General will encourage the UN system as a whole, in the context of the forthcoming reforms of the UN development system that will provide a stronger 'One UN' approach to Member States' engagement, to enhance its financing related services to Member States, individually and also regionally.

The Country Engagement work will focus on providing advice to Member States (including LDC's, SIDS and emerging economies) on finance related issues including in existing areas such as the financing aspects of implementing INDCs and the INFFs and growing areas such as sustainable finance roadmaps and the deployment of specific financial sector processes and instruments, such as green bonds, and development funds and institutions.

Developing such support is a priority that requires the whole development system, with many partners, to work in a more integrated fashion in offering a flexible, effective service on the ground. Building such capabilities at the international, regional and country levels will be required, along with a suite of tools to support consistent, effective outcomes. The work will be overseen by the EOSG's finance team and supported by UNDP as secretariat.

2. Explain how the Participating UN Organisation(s) submitting the proposal has the institutional capacity to successfully achieve the proposed objectives.

The United Nations Development Programme sits at the heart of the UN development system as it works in about 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. The organization helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.

Further, the UNDP Administrator is the Vice-Chair of the UN Development Group (UNDG), which unites the funds, programmes, specialized agencies, departments and offices of the UN system that play a role in development. Created by former UN Secretary-General Kofi Annan and endorsed by the General Assembly, the UNDG is the main UNDS internal coordination mechanism at the global level. It is instrumental in enabling action on the ground and ensuring that United Nations Country Teams (UNCTs) have the support, guidance and impartial oversight required as they assist governments to deliver on the 2030 Agenda. As Vice-Chair, the UNDP Administrator is responsible for the coordination of UNDG operations, including its working groups, as well as day to day management of the Resident Coordinator system.

3. Describe the overall management structure of this project.

The Executive Office of the Secretary-General will provide the major orchestration of this work, particularly during the build-up of the implementation and will ensure that it is fully-owned and implemented by the UN development system as a whole. The UNDP will be responsible for the management and strategic direction of the projects in this proposal.

4. Explain how the proposal will be monitored and evaluated.

The United Nations Development Programme will provide the Administrative Agent with narrative and financial reports prepared in accordance with the relevant reporting procedures and timelines set out in the MOU. The United Nations Development Programme will endeavour to harmonize their reporting formats with those of the other participating UN organisations to the extent possible.

The MPTF Office in their role as Administrative Agent for the Trust Fund will ensure the preparation of consolidated narrative progress and financial reports, in accordance with the reporting provisions and timelines as set forth in the MOU, and will provide these consolidated reports to each Donor that has contributed to the Fund, as well as the Governing Body and Operational Steering Committee, in accordance with the timetable established in the Administrative Arrangement.

The Operational Steering Committee will monitor the Fund's implementation and performance, based on the inputs prepared by the Secretariat. The Governing Body will review the Fund's status and the overall progress against expected results on at least a six-monthly basis. A financial provision has been made for an evaluation of the Fund during the second half of 2019.

Budget Summary

1. Budget: breakdown by activity

| Budget (US\$) | UNDP (2018 Q1-Q2) | Total (2018) | Total (2018-2019) |
|--|----------------------|------------------|----------------------|
| <u>Items</u> | | | |
| 1. Core Team: | 62,950 | 757,200 | 1,454,400 |
| 2. International Policy Engagement: | 0 | 72,000 | 144,000 |
| 3. Task Force on Digital Finance: | 331,800 | 527,600 | 612,600 |
| 4. Finance Initiatives: | 142,000 | 292,000 | 434,000 |
| 5. Convening on Finance: | 0 | 920,300 | 1,209,700 |
| 6. Country Engagement | 112,800 | 229,800 | 499,600 |
| 7. Other: | 0 | 100,000 | 275,000 |
| Sub-Total | 649,550 | 2,898,900 | 4,629,300 |
| Indirect Costs (7%) | 45,469 | 202,923 | 324,051 |
| Total | 695,019 | 3,101,823 | 4,953,351 |