UN MULTI-PARTNER TRUST FUND
BUILDING A STRATEGY FOR FINANCING THE 2030 AGENDA

ANNUAL NARRATIVE PROGRESS REPORT
2018

Fund Secretariat in the Executive Office of the Secretary-General & Multi-Partner Trust Fund Office
http://mptf.undp.org/factsheet/fund/FSA00
IMPLEMENTING AGENCIES

EOSG
Executive Office of the Secretary-General

UNDP
United Nations Development Programme

UNEP
United Nations Environment Programme

CONTRIBUTORS

GERMANY

ITALY
1. **INTRODUCTION**

Realizing the 2030 Agenda and meeting the long-term objectives of the Paris Agreement on climate requires a major shift in the financing landscape and investment flows. The financing gap remain large at trillions of dollars per annum, while annual global savings of more than US$7 trillion are not being effectively channeled to sustainable, productive and financially-rewarding uses. There are multiple factors that constrains the closing of the financing gap, including: weaknesses in recipient countries’ enabling environment and investment pipeline; insufficient public finance to meet financing needs; policy and market failures across the financial system itself, and international, economic conditions and policy approaches that do not advance sustainable development. At the same time, increased and SDG aligned Official Development Assistance flows and strengthened domestic resource mobilization are also critical in financing for sustainable development.

The UN has a mandate to support action on financing the 2030 Agenda, as outlined in the Monterrey Consensus and the Addis Ababa Action Agenda. Building on this, the Inter-Agency Task Force on Financing for Development has on-going reviews of practice and undertakes policy debate through inter-governmental and wider dialogue, research, and the development of options for policy and market innovations. While the UN already plays a critical role in advancing financing for the 2030 Agenda, more urgent and a concerted effort is required to mobilize financing for Sustainable Development Goals. To secure inclusive, balanced growth and sustainable development it is crucial that the global financial system more effectively fulfils its purpose in mobilizing and channeling both private and public finance. Therefore, action is needed on policy, cooperation and market developments at both the domestic and international level, including:

- Boosting domestic public and private savings, as the most important source of financing for the 2030 Agenda in most countries.
- Generating a broader array of international financing options to provide countries with greater options for achieving the 2030 Agenda and goals of the Paris Agreement.
- Aligning national financial systems with the 2030 Agenda and article 2.1. (c) of the Paris Agreement, through cooperative policies, regulations, standards and non-statutory norms.
- Aligning international economic and financial policy-making with the above three priorities and the rest of the 2030 Agenda.
- Harnessing major shifts in the financing landscape to the needs of the 2030 Agenda and in line with article 2.1. (c) of the Paris Agreement.

To address these challenges, the Secretary-General’s Strategy on Financing the 2030 Agenda will build on the UN’s substantial financing work, and seek to accelerate progress in areas where the Secretary-General’s leadership can make a significant difference, notably in promoting seven spheres of action towards realising the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change:

1. A narrative for a ‘fair globalization’ that identifies the practical links with financial and economic policy-making and architecture.
2. Enabling conditions that supports the mobilisation and effective use of finance.
3. Financial and economic policy-making and architecture.
4. Financial innovations that support the flow of financing.
5. The power of digitalisation to mobilise and align financing.
6. The alignment of major investment initiatives.
7. The end of illicit financial flows resulting from weak tax cooperation and other shortfalls in the governance of the international financial system.

As a contribution to advancing these seven spheres for action, this Multi-Partner Trust Fund on Building a Strategy for Financing the 2030 Agenda focuses on developing and implementing the Secretary-General’s Strategy for Financing the 2030 Agenda. Hence, the tripartite implementation of ‘Building a Strategy for Financing the 2030 Agenda’ commenced in early 2018, with the Executive Office of the Secretary-General (EOSG), the UN Development Programme (UNDP) and the UN Environment Programme (UNEP) each supporting key elements of the Secretary-General’s Strategy for Financing the 2030 Agenda for Sustainable Development. Overall, project work has progressed well, albeit on a delayed time-line, especially due to the longer than expected time taken to recruit the EOSG’s core team.

Following this introduction, section 2 provides a snapshot of the Fund and the projects approved in 2018. Section 3 presents a review of progress of the Fund supported activities carried out in 2018, while section 4 highlights the key achievements during the year.
2. **FUND FACTS**

![Image](https://example.com/image.jpg)

**KEY FIGURES**

<table>
<thead>
<tr>
<th>COMMITMENTS</th>
<th>DEPOSITS</th>
<th>APPROVED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 5,076,487</td>
<td>$ 3,731,700</td>
<td>$ 1,409,405</td>
</tr>
</tbody>
</table>

**PROJECT INFORMATION**

<table>
<thead>
<tr>
<th>PROJECT ID</th>
<th>TITLE</th>
<th>IMPLEMENTING AGENCIES</th>
<th>START DATE</th>
<th>AMOUNT ALLOCATED</th>
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<tr>
<td>00110011</td>
<td>Support for implementation of the Secretary-General's Finance Strategy</td>
<td>EOSG</td>
<td>10 Apr 2018</td>
<td>$ 475,401</td>
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<td>00110012</td>
<td>Country Engagement and Support to the Digital Finance Initiative of the Secretary-General’s Finance Strategy</td>
<td>UNDP</td>
<td>11 Apr 2018</td>
<td>$ 695,019</td>
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<td>00110013</td>
<td>Finance Initiatives and Core Support to the Secretary-General’s Finance Strategy</td>
<td>UNEP</td>
<td>01 Jan 2018*</td>
<td>$ 238,985</td>
</tr>
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* procedural exception on start date granted by Advisory Board
3. **Main Activities**

**I. THE UN SECRETARY GENERAL’S STRATEGY FOR FINANCING THE 2030 AGENDA**

On 24 September 2018, the Secretary-General launched his Strategy for Financing the 2030 Agenda at the High-Level Meeting on Financing the 2030 Agenda. The Strategy guides and accelerates the work of the UN system on financing the 2030 Agenda. It aims to foster longer-term investments from the private sector and philanthropic organizations, promote innovative sources of finance, and complement the efforts of stakeholders championing financing for sustainable development. A core group composed of DESA, UNDP, UNEP, and UNCTAD, guided by the Deputy Secretary-General, led the drafting of the Strategy for Financing the 2030 Agenda. The key events leading to the Financing Strategy and key messages from the High-Level Meeting are presented in Box 1 and Box 2. The Strategy, a concept note, and the agenda, and summary of the High-level Meeting are accessible at: https://www.un.org/sustainabledevelopment/financing-2030/.

Under the guidance of the Deputy Secretary-General, the EOSG core team in coordination with key partners, is developing a three-year roadmap of actions and initiatives to enable implementation of the Secretary General’s Strategy. The roadmap builds on current and future activities of key stakeholders to mobilize investments and support for financing the 2030 Agenda. In particular, it enhances the work by the UN system and strengthens the UN’s collaboration with International Financial Institutions (IFIs), notably the World Bank and the IMF. In September 2019, the UN High-Level Dialogue on Financing for Development, the High-Level Political Forum under UN General Assembly auspices, and the Secretary-General’s Climate Summit will be important milestones in this work.

A core team established within the EOSG functions as the Secretariat for the Multi-Partner Trust Fund "Building a Strategy for Financing the 2030 Agenda" and supports the formulation and the implementation of the Secretary General’s Financing Strategy. The core team will develop the roadmap to implement the Strategy and orchestrate a coherent delivery of the Strategy in collaboration with key partners, within and outside the UN system. From January to March 2018, UNEP assisted the EOSG by acting as the Secretariat for the MPTF in advance of the organization of the core team. UNEP also provided support to the development of the Financing Strategy. From March to October 2018, a Senior Economic Affairs Officer in EOSG supported the preparation of the High-Level Meeting and Financing Strategy. In October 2018, a Principal Officer was appointed to lead the core team in EOSG and a Senior Programme Officer and a Team Assistant joined the team in January 2019. In May 2018, UNDP put in place a project team, which also leveraged UNDP’s Senior Advisor on Strategy and other technical experts. Administrative and operational arrangements for disbursement and implementation of the MPTF’s first tranche of funding were also finalized.
BOX 1:

Roadmap to Secretary-General’s High-Level Meeting on Financing the 2030 Agenda for Sustainable Development

2017
- MAY/JUL: IMF/WBG Annual Meetings, Davos
- IMF/WBG Spring Meetings, Global Infrastructure Forum, DC
- ECOSOC FFD Forum, NY

2018
- JAN/SEP: WEF Annual Meeting, Davos
- IMF/WBG Annual Meetings, DC
- OECD DAC High-Level Meeting, Paris
- WTO Ministerial Conference, Buenos Aires
- IMF/WBG Spring Meetings, DC
- ECOSOC FFD Forum, SDG Investment Fair, NY

2019
- JUN: SDG’s High-level Meeting on Financing the 2030 Agenda 24 Sep, NY
- G7 Leaders Summit, Hamburg
- G7 Leaders Summit, Quebec
- PGA Financing for SDGs, NY
- HLPF, NY

2019
- NOV
- G20 Leaders Summit, 30 Nov-1 Dec, Buenos Aires

2019
- WEF Annual Meeting, 22-25 Jan, Davos
- IMF/WBG Spring Meetings, 12-14 Apr, DC
- ECOSOC FFD Forum, SDG Investment Fair, 15-18 Apr, NY
- HLPF, July, NY
- SG’s Climate Summit, NY
- HLPF (GA) 24-25 Sep, NY
The Secretary-General launched his Strategy for Financing the 2030 Agenda at the High-Level Meeting on 24 September 2018. The strategy sets out key elements of the UN’s role in supporting the mobilization of SDG finance.

**3 OBJECTIVES**

1. Promote the alignment of global financial and economic policies with the 2030 Agenda;
2. Enhance sustainable financing strategies and investments at the national and regional levels; and
3. Encourage financial innovations, new technologies and digitalization to provide equitable access to finance, especially among women and youth.

**KEY MESSAGES**

**Achieving the SDGs requires a surge in financing and investments.** The SG’s new financing strategy will guide the work of the UN system to help accelerate progress and complement efforts being made by champions of financing for sustainable development and longer-term investments from the private sector, philanthropy and other sources of innovation.

**Domestic resources are the most sustainable source of investment in national development priorities over the long term, and demand is growing for effective, integrated national financing frameworks for the 2030 Agenda.** Global partners—and an enabling global economic and financial environment—are critical in supporting national efforts and reducing risks.

**Sustainable business models and private finance are major drivers of change for the SDGs, but much more remains to be done to effect the necessary systemic change.** Making the case for a virtuous circle of sustainability and profitability, leaders from the private sector are transitioning to business models and longer-term investments that support the SDGs. The role of data and reporting, based on clear standards around sustainability, needs to be strengthened.

**Taking financing successes to scale requires innovative instruments and new technologies that expand financial opportunities for people being left behind.** Those hardest to reach require solutions that go far beyond conventional approaches. At the same time, solutions must be flexible in response to economic and other shocks, build on community priorities and consider regulations that empower the consumer while stemming abusive business practices.
II. INTERNATIONAL POLICY ENGAGEMENT

As called for by the Financing Strategy, the UN, and in the scope of this project, the EOSG, worked closely with global policymakers and regulators to better align economic and financial policies with the SDGs and to promote sustainable financial systems. The EOSG sought collaboration and sound analytical work with partners, including the International Monetary Fund (IMF) and the World Bank (WB) to enhance understanding of the benefits of aligning financial and economic policymaking with the 2030 Agenda. Given the importance of identifying the financing gap in achieving the SDGs, the EOSG supported the work undertaken by the IMF and UN Sustainable Development Network (SDSN) on SDG Costing and Macroeconomics. The work focuses on estimating baseline costs for achieving key SDG thresholds in the healthcare, education, and infrastructure sectors. It also included an analysis of LIDCs’ additional spending needs as measured against multiple country growth scenarios through 2030.

The EOSG organized the UN Secretary-General’s High-level Meeting on Financing the 2030 Agenda, which was held in September 2018 in the margins of the General Assembly. During the High-level Meeting, representatives of governments, academia and the private sector highlighted several important issues and areas such as: the need to focus investments on long-term gains; the financing needs of most vulnerable countries and sectors; better data for measuring both the SDGs and sustainability at large; mobilizing private investments at scale; and developing innovative financing mechanisms.

To further strengthen collaboration with the World Bank, the UN-World Bank Strategic Partnership Framework for the 2030 Agenda was signed on 18 May 2018. The partnership identified areas of potential collaboration between the two institutions to advance implementation of the SDGs.

The Partnership’s initiatives will focus on:

- Effectively mobilizing finance and implementation capacity for the SDGs;
- Transformational climate action to achieve the commitment of the Paris Agreement;
- Improving implementation through joint initiatives and local capacity building;
- Supporting action at the nexus between peacebuilding, humanitarian action, and development assistance;
- Collecting and utilizing data in a way that supports greater targeting for development impact.

The UN and the WB agreed to take joint action through:

- Partnerships with private investors and other financial actors to mobilize financing for the 2030 Agenda, including climate finance;
- Support to governments to improve domestic resource mobilization, including through tax reform, carbon pricing and curbing illicit financial flows; and
- Support to enhance the capacities of countries to attract and manage increased private sector investments for maximum development impact.

III. TASK FORCE ON DIGITAL FINANCING OF THE SUSTAINABLE DEVELOPMENT GOALS

A core part of the Secretary-General’s Strategy is to seize the potential of financial innovations, new technologies and digitalization to provide equitable access to finance. In September 2018, the Secretary-General announced the formation of the Task Force on Digital Financing of the SDGs (TFDF) at the High-Level Meeting on Financing the 2030 Agenda to specifically help answer the question “how do we unlock the potential of digitalization of finance and manage the risks?”. The Deputy Secretary-General also referenced the Task Force in her speech at the closing of the High-Level Meeting, particularly thanking Germany and Italy for their financial support.
The Task Force was launched in November 2018 and consists of leaders from a range of sectors from both developed and developing countries. It is co-chaired by Maria Ramos, Chief Executive Officer of the Absa Group Ltd. (South Africa) and Achim Steiner, Administrator of the United Nations Development Programme. UNDP (with UNCDF) established a Secretariat for the Task Force and put in place mechanisms for coordination with other UN initiatives (such as the UN High-Level Panel on Digital Cooperation).

The first meeting of the Task Force took place on 23 January 2019, on the margins of the World Economic Forum Annual Meeting in Davos. The timing of this initial meeting provided an opportunity for the Task Force to build on the ideas and discussions generated during the High-Level Meeting on Financing the 2030 Agenda. Draft research and work programme for the Task Force were also developed in consultation with the Task Force members. The Task Force will provide an interim report to the Secretary-General by August 2019, ahead of the High-Level Dialogue on Financing for Development and the High-Level Policy Forum convened under the auspices of the General Assembly in September 2019. The Task Force will conclude its work and produce a set of recommendations by March 2020, which will put forward recommendations on harnessing digital finance to advance the SDGs, with practical, actionable strategies for policy and market actors.

IV. STRATEGIC GLOBAL FINANCIAL INITIATIVES

The UNEP worked with Organisation for Economic Co-operation and Development (OECD) and the World Bank to support certain components of the finance initiatives that came out of the G20 Hamburg Climate and Energy Action Plan for Growth (adopted in 2017 under Germany’s Presidency of the G20). The project, entitled “Financing Climate Futures – Rethinking Infrastructure” (FCF), involved a series of engagements and research cumulating in a final report that was launched in Q4 2018.

The OECD took the lead in preparing the “Financing Climate Futures Report” with the World Bank Group and UNEP providing substantive support. A synthesis report, including key messages from the project, was prepared for a high-level discussion which took place on the sidelines of the UN General Assembly in New York in September 2018. Following this, the final version of the report (along with an accompanying Policy Highlights paper) was prepared and launched on the sidelines of the G20 Sherpa’s Meeting in Buenos Aires on 28 November 2018.

The UNEP Inquiry took the lead on the framing paper entitled “Financing Climate Futures – Rethinking Infrastructure: Shifting the Lens”. This report was based on the foresight approach which was tested during a workshop held in Washington D.C. in April 2018. The process and findings were then used to prepare a briefing paper for the Financing Climate Futures discussion held on the sidelines of the UN General Assembly and were also included as a background article in the final FCF report.

UNEP also undertook a case study on how digital finance empowers citizens to enter the value chain and invest in sustainable and resilient infrastructure. Its purpose was to ensure that the two important trends of digitalisation and citizens empowerment were included in the Financing Climate Futures work. The research and engagement process included interviews with experts, and the finalisation of the case study and key messages. These key messages were then presented through a case study box in the final FCF report. They were also presented to the public during a panel discussion on sustainable finance at the Singapore Fintech Festival in November 2018, the UNEP FI Global Roundtable in November 2018, and the UNFCCC COP24 in December 2018. UNEP will formally share this work as a contribution to the UN Secretary-General’s Task Force on Digital Financing of Sustainable Development.
UNEP also undertook research to determine the importance and modalities for advancing climate smart infrastructure investment along the Belt and Road Initiative. The research methodology and initial findings were tested during two workshops – one in Beijing on 14 October 2018, and the second in London on 3 November 2018. Research findings were reflected in the FCF report.

As part of the UN’s engagement with the World Bank on mobilizing climate finance, UNDP worked with the World Bank to take forward the Invest4Climate (I4C platform). Invest4Climate was launched by the UN Secretary-General and World Bank President as a mechanism to crowd-in finance for climate outcomes. UNDP prepared a document on its representational role for the UN system and shared it with the Climate Sherpas’ Group in June 2018. In that same month, UNDP and the World Bank jointly represented Invest4Climate initiatives at the Innovate for Climate Conference held in Frankfurt. In October, UNDP and the World Bank finalized a plan of action for Invest4Climate for October 2018-December 2019. The institutions also organized an Invest4Climate investment event at UNFCCC COP24, which attracted more than 250 delegates from government, finance, business, technology and philanthropy in a day-long programme including interactive workshops, panel discussions and a “showcase” session featuring 12 private sector projects, funds, and instruments. A full plan for the rollout of the I4C in 2019 and beyond has been developed.

V. CONVENING ON FINANCE

Working through the Group of UN Climate Principals (consisting of heads of selected UN Organizations, whose work relate to climate action) and other mechanisms, EOSG and UNDP worked with a broad array of climate actors, especially the World Bank, and concluded that the climate finance agenda is a high impact transformational area to be prioritized by Secretary-General’s 2019 Climate Summit. UNDP is also contributing to the Climate Investment and Finance work-stream. In September 2018, UNDP provided inputs on how to include digital finance within climate work at the Global Climate Action Summit in San Francisco. UNDP used its leverage and global role to champion climate-related finance, including championing financing for climate within the Climate Principals group.

The High-Level Dialogue on Financing for Development, the High-Level Political Forum under the auspices of UN General Assembly, and the Secretary-General’s Climate Summit—all in September 2019—will be important venues for discussion of global issues and take concrete actions to achieve the Paris Agreement on Climate and the 2030 Agenda for sustainable development, while building momentum on implementing the Addis Ababa Action Agenda on financing for development.

Work on climate finance, as a key pillar of the Secretary-General’s 2019 Climate Summit, will focus on three key areas of strategic importance:

1. Increase private investment in climate action, and mobilize private investors, including insurers and banks, to align their policies with the goals of the Paris Agreement.
2. Support the Secretary General’s initiative on the $100 billion pledge per year by 2020. A technical team is in place and will prepare a report with options on how to meet this pledge, for launch by the 2019 Summit.
3. Connect national financial sector strategies with Nationally Determined Contributions (NDC) implementation.
4. **Key Achievements**

- Organized a High-Level Meeting on Financing the 2030 Agenda during the United Nations General Assembly high level week, on 24th September 2014. Key highlights of the meeting are:
  - Strategy for Financing the 2030 Agenda launched by the Secretary General.
  - The keynote speech given by the Managing Director of the International Monetary Fund presented data on cost of achieving the SDGs in a subset of 49 developing countries— focusing on health, education, water and sanitation, roads and electricity— which amounted to an additional US$ 520 billion a year, or an increase of 14 percentage points of GDP on average.
  - Global leaders from government, business, philanthropy, civil society and multilateral institutions identified impediments and proposed solutions to mobilizing investments for the 2030 Agenda.
- The UN-WB Strategic Partnership Framework for the 2030 Agenda was signed on 18 May 2018.
- The Secretary-General established a 16 member Task Force on Digital Financing of the Sustainable Development Goals (DFTF), with Maria Ramos, Chief Executive Officer of the Absa Group Ltd. (South Africa) and Achim Steiner, Administrator of the UNDP as co-chairs.
- A number of finance initiatives in collaboration with other institutions were undertaken which includes: Financing Climate Futures Report; Financing Climate Futures – Rethinking Infrastructure: Shifting the Lens; a case study of digital finance; and research on the Belt and Road Initiative.
- Collaboration between the World Bank and the UNDP for the Invest4Climate Platform were further developed and a plan of action for Invest4Climate finalized for October 2018-December 2019.
- Invest4Climate events were held at the Innovate for Climate Conference in Germany in June 2018 and at COP24 in Poland in December 2018.
- A joint UN Communications and Advocacy Strategy for the Climate Summit, which includes a component on youth engagement was developed. The Strategy is being rolled out by the Department for Public Information (DPI).
- UNDP led an inter-agency process to develop a joint UN approach to support Nationally Determined Contributions (NDCs) under the Paris Agreement.
- UNDP and the United Kingdom are co-leading the “Resilience and Adaptation” transformational area for the Climate Summit. In July 2018, a two-day “deep dive” discussion was held with key stakeholders to discuss priorities and identify ideas for the Climate Summit.
Consolidated Annual Financial Report of the Administrative Agent for the period 1 January to 31 December 2018

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme

GATEWAY: http://mptf.undp.org
DEFINITIONS

Allocation
Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme
A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment
Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit
Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate
The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs
A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount
Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization
A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure
The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure
A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure
A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date
Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget
This represents the cumulative amount of allocations approved by the Steering Committee.

US Dollar Amount
The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.
INTRODUCTION

This Consolidated Annual Financial Report of the Financing Strategy 2030 Agenda Fund is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December 2018 and provides financial data on progress made in the implementation of projects of the Financing Strategy 2030 Agenda Fund. It is posted on the MPTF Office GATEWAY (http://mptf.undp.org/factsheet/fund/FSA00).

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.
2018 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Financing Strategy 2030 Agenda Fund using the pass-through funding modality as of 31 December 2018. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: http://mptf.undp.org/factsheet/fund/FSA00.

1. SOURCES AND USES OF FUNDS

As of 31 December 2018, 2 contributors deposited US$ 3,731,700 in contributions and US$ 45,288 was earned in interest. The cumulative source of funds was US$ 3,776,988.

Of this amount, US$ 1,409,405 has been net funded to 3 Participating Organizations, of which US$ 771,694 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US$ 37,317.

Table 1 provides an overview of the overall sources, uses, and balance of the Financing Strategy 2030 Agenda Fund as of 31 December 2018.

### Table 1. Financial Overview, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Annual 2018</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions from donors</td>
<td>3,731,700</td>
<td>3,731,700</td>
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<tr>
<td>Fund Earned Interest and Investment Income</td>
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<td>45,288</td>
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<tr>
<td>Interest Income received from Participating Organizations</td>
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<tr>
<td>Refunds by Administrative Agent to Contributors</td>
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<td>-</td>
</tr>
<tr>
<td>Fund balance transferred to another MDTF</td>
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<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total: Sources of Funds</strong></td>
<td><strong>3,776,988</strong></td>
<td><strong>3,776,988</strong></td>
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<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>Annual 2018</th>
<th>Cumulative</th>
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<tbody>
<tr>
<td>Transfers to Participating Organizations</td>
<td>1,409,405</td>
<td>1,409,405</td>
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<tr>
<td>Refunds received from Participating Organizations</td>
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<td>-</td>
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<td><strong>Net Funded Amount</strong></td>
<td><strong>1,409,405</strong></td>
<td><strong>1,409,405</strong></td>
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<td>Administrative Agent Fees</td>
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<td>37,317</td>
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<td>Direct Costs: (Steering Committee, Secretariat...etc.)</td>
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<td>Bank Charges</td>
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<td>148</td>
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<td>Other Expenditures</td>
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<td>-</td>
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<tr>
<td><strong>Total: Uses of Funds</strong></td>
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<th>Change in Fund cash balance with Administrative Agent</th>
<th>Annual 2018</th>
<th>Cumulative</th>
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<tr>
<td>Opening Fund balance (1 January)</td>
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<td>Closing Fund balance (31 December)</td>
<td>2,330,117</td>
<td>2,330,117</td>
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<td>Net Funded Amount (Includes Direct Cost)</td>
<td>1,409,405</td>
<td>1,409,405</td>
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<tr>
<td>Participating Organizations’ Expenditure (Includes Direct Cost)</td>
<td>771,694</td>
<td>771,694</td>
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<td><strong>Balance of Funds with Participating Organizations</strong></td>
<td></td>
<td><strong>637,711</strong></td>
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</tbody>
</table>


2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2018.

The Financing Strategy 2030 Agenda Fund is currently being financed by 2 contributors, as listed in the table below.

Table 2. Contributors' Commitments and Deposits, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Contributors</th>
<th>Total Commitments</th>
<th>Current Year Jan-Dec-2018 Deposits</th>
<th>Total Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of GERMANY</td>
<td>2,500,000</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Government of ITALY</td>
<td>2,061,084</td>
<td>1,231,700</td>
<td>1,231,700</td>
</tr>
<tr>
<td>Grand Total</td>
<td>4,561,084</td>
<td>3,731,700</td>
<td>3,731,700</td>
</tr>
</tbody>
</table>

3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent (Fund earned interest), and 2) on the balance of funds held by the Participating Organizations (Agency earned interest) where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December 2018, Fund earned interest amounts to US$ 45,288.

Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Interest Earned</th>
<th>Prior Years as of 31-Dec-2017</th>
<th>Current Year Jan-Dec-2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Agent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Earned Interest and Investment Income</td>
<td></td>
<td>45,288</td>
<td>45,288</td>
</tr>
<tr>
<td>Total: Fund Earned Interest</td>
<td></td>
<td></td>
<td>45,288</td>
</tr>
<tr>
<td>Participating Organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total: Agency earned interest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td>45,288</td>
</tr>
</tbody>
</table>
4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2018, the AA has transferred US$ 1,409,405 to 3 Participating Organizations (see list below).

4.1 TRANSFER BY PARTICIPATING ORGANIZATION

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Participating Organization</th>
<th>Current Year Jan-Dec-2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transfers</td>
<td>Refunds</td>
</tr>
<tr>
<td>EOSG</td>
<td>475,401</td>
<td>475,401</td>
</tr>
<tr>
<td>UNDP</td>
<td>695,019</td>
<td>695,019</td>
</tr>
<tr>
<td>UNEP</td>
<td>238,985</td>
<td>238,985</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,409,405</td>
<td>1,409,405</td>
</tr>
</tbody>
</table>

Figure 2: Transfers amount by Participating Organization for the period of 1 January to 31 December 2018
5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2018 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The 2018 expenditure data has been posted on the MPTF Office GATEWAY at http://mptf.undp.org/factsheet/fund/FSA00.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In 2018, US$ 1,409,405 was net funded to Participating Organizations, and US$ 771,694 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US$ 1,409,405 and cumulative expenditures reported by the Participating Organizations amount to US$ 771,694. This equates to an overall Fund expenditure delivery rate of 55 percent.

The delivery rates of the agencies are: UNEP (100%), UNDP (64%) and EOSG (18%)

Table 5.1 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Participating Organization</th>
<th>Approved Amount</th>
<th>Net Funded Amount</th>
<th>Expenditure</th>
<th>Delivery Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Current Year</td>
<td>Cumulative</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Jan-Dec-2018</td>
<td></td>
</tr>
<tr>
<td>EOSG</td>
<td>475,401</td>
<td>475,401</td>
<td>85,833</td>
<td>85,833</td>
</tr>
<tr>
<td>UNDP</td>
<td>695,019</td>
<td>695,019</td>
<td>446,876</td>
<td>446,876</td>
</tr>
<tr>
<td>UNEP</td>
<td>238,985</td>
<td>238,985</td>
<td>238,985</td>
<td>238,985</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,409,405</td>
<td>1,409,405</td>
<td>771,694</td>
<td>771,694</td>
</tr>
</tbody>
</table>

5.2 EXPENDITURE BY PROJECT

Table 5.2 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 5.2 Expenditure by Project, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Project No. and Project Title</th>
<th>Participating Organization</th>
<th>Project Status</th>
<th>Total Approved Amount</th>
<th>Net Funded Amount</th>
<th>Total Expenditure</th>
<th>Delivery Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Strategy 2030 Agenda</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>00110011 SUPPORT FOR IMPLEMENTATION OF THE SECRETARY-GENERAL’S FINANCE STRATEGY</td>
<td>EOSG</td>
<td>On Going</td>
<td>475,401</td>
<td>475,401</td>
<td>85,833</td>
<td>18.05</td>
</tr>
<tr>
<td>00110012 COUNTRY ENGAGEMENT &amp; SUPPORT TO THE DIGITAL FINANCE INITIATIVE OF THE SECRETARY-GENERAL’S FINANCE STRATEGY</td>
<td>UNDP</td>
<td>On Going</td>
<td>695,019</td>
<td>695,019</td>
<td>446,876</td>
<td>64.30</td>
</tr>
<tr>
<td>00110013 FINANCE INITIATIVES AND CORE SUPPORT TO THE SECRETARY-GENERAL’S FINANCE STRATEGY</td>
<td>UNEP</td>
<td>On Going</td>
<td>238,985</td>
<td>238,985</td>
<td>238,985</td>
<td>100.00</td>
</tr>
<tr>
<td>Financing Strategy 2030 Agenda: Total</td>
<td></td>
<td></td>
<td>1,409,405</td>
<td>1,409,405</td>
<td>771,694</td>
<td>54.75</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td>1,409,405</td>
<td>1,409,405</td>
<td>771,694</td>
<td>54.75</td>
</tr>
</tbody>
</table>

1 The delivery rate of 18% was due primarily to the fact that the Principal Officer of the core team at EOSG funded through this contribution came on board on the 29 October 2018. The two other team members joined in early 2019.
5.3 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. Effective 1 January 2012, the UN Chief Executive Board (CEB) approve eight categories as a result of IPSAS adoption. All expenditures are reported in eight categories. See table below.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

Table 5.3 Expenditure by UNDG Budget Category, as of 31 December 2018 (in US Dollars)

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditure</th>
<th>Percentage of Total Programme Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Year Jan-Dec-2018</td>
<td>Total</td>
</tr>
<tr>
<td>Staff and personnel costs</td>
<td>200,708</td>
<td>200,708</td>
</tr>
<tr>
<td>Supplies, commodities and materials</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equipment, vehicles, furniture and depreciation</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>165,522</td>
<td>165,522</td>
</tr>
<tr>
<td>Travel</td>
<td>44,525</td>
<td>44,525</td>
</tr>
<tr>
<td>Transfers and Grants</td>
<td>262,230</td>
<td>262,230</td>
</tr>
<tr>
<td>General Operating</td>
<td>47,224</td>
<td>47,224</td>
</tr>
<tr>
<td><strong>Programme Costs Total</strong></td>
<td><strong>721,209</strong></td>
<td><strong>721,209</strong></td>
</tr>
<tr>
<td>² Indirect Support Costs Total</td>
<td>50,484</td>
<td>50,484</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>771,694</strong></td>
<td><strong>771,694</strong></td>
</tr>
</tbody>
</table>

² Indirect Support Costs charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.
6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December 2018, were as follows:

- **The Administrative Agent (AA) fee**: 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US$ 37,317 was deducted in AA-fees. Cumulatively, as of 31 December 2018, US$ 37,317 has been charged in AA-fees.

- **Indirect Costs of Participating Organizations**: Participating Organizations may charge 7% indirect costs. In the current reporting period US$ 50,484 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US$ 50,484 as of 31 December 2018.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway ([http://mptf.undp.org](http://mptf.undp.org)). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.