

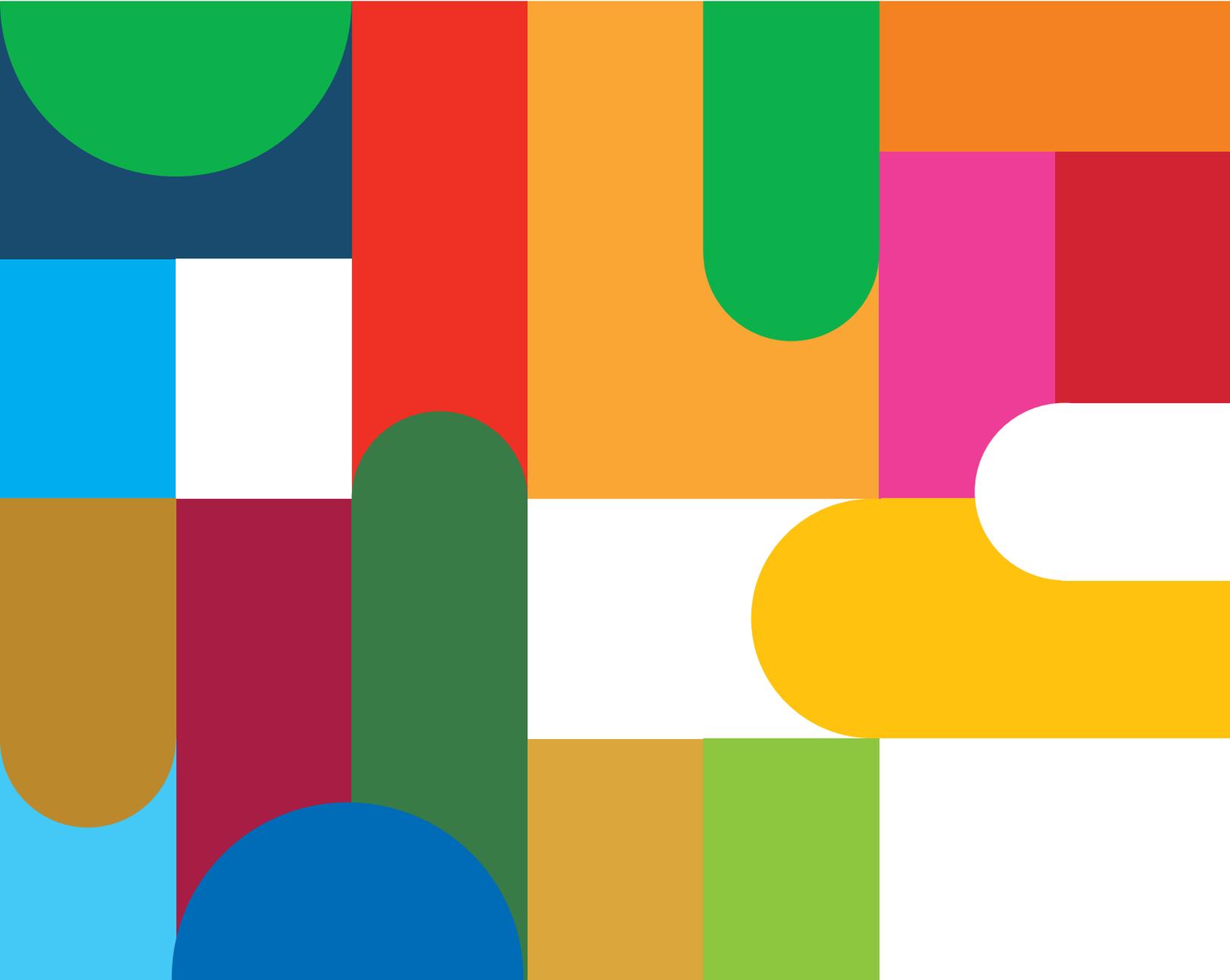
---

# Annual Report

2018: Building solid foundations



JOINT  
SDG  
FUND



# TABLE OF CONTENTS

INTRODUCTION .....	3
ESTABLISHING THE FUND.....	3
RENEWING THE TERMS OF REFERENCE.....	4
OPERATIONAL GUIDANCE .....	4
LAUNCHING THE JOINT SDG FUND .....	6
LINKS TO UN REFORM.....	6
PLANS FOR 2019 AND SOME EARLY PROGRESS: .....	7
CALL 1 ON INTEGRATED POLICY FOR SDG ACCELERATION, WITH THE FOCUS ON LEAVE NO-ONE BEHIND AND SOCIAL PROTECTION.....	7
CALL 2 ON STRATEGIC FINANCING AND CATALYTIC INVESTMENTS.....	7

## INTRODUCTION

Solid foundations for the launch of the Joint SDG Fund, including the Fund's overall design, governance and management structures and mechanisms, were put in place in 2018. The major milestones in the establishment of this inter-agency pooled fund, which both aligns to the United Nations development system reform effort and enjoys the support of all Member States, are outlined below.

## ESTABLISHING THE FUND

The establishment of the Joint SDG Fund aligned with best practices from the Multi-Partner Trust Fund Office which identifies the need to clearly articulate the function and added value of any new fund within the broader financing system, delineate its programmatic scope, articulate its theory of change to achieve its expected set of programmatic results as well as establish its results-based management and risk management strategies. The Joint SDG Fund incorporated essential lessons learned from other pooled funds into its design and operations, ensuring requisite oversight and transparency were embedded throughout its programme cycle, Secretariat role, Operational Steering Committee governance structure and Fund administration.

The overall aim of the Joint SDG Fund is to incentivize integrated and transformative policy shifts and support the United Nations in convening and creating SDG financing strategies, in order to spur catalytic investments that will enable countries to leapfrog in their development. Building on the [Terms of Reference of the Fund](#) and leveraging the opportunities available in this regard, the focus of the Fund will be to:

- **Identify and activate SDG policy tools:** The Joint SDG Fund will support UN Country Teams (UNCTs) in identification of policy levers, through an integrated and cross-sectoral approach, that unleash rapid progress across different goals and targets, based on data, assessments and analysis carried out by national and international partners.
- **Reinforce the SDG financing architecture and ecosystem:** The Joint SDG Fund will support UNCTs in their development of financing strategies for SDG investment. Work will include: i) strengthening the capacities of the national and sub-national SDG financing architecture, and ii) the production of multi-stakeholder financing strategies with the aim of dramatically increasing the scale and improving the focus of SDG investments.
- **Catalyze strategic programming and investments:** The Joint SDG Fund will support UNCTs in investing in specific initiatives that emerge from (i) and (ii), and leverage public and private financing to advance the SDGs. Initiatives will provide a demonstration of concept and be scalable in-country and elsewhere.

The Joint SDG Fund will focus on accelerating SDG progress and it will fund proposals that reflect the interdependent nature of the SDGs, leverage public and private financing, and/or lead to the development of new partnerships that steer investments towards the SDGs. The Joint SDG Fund will support initiatives that promote

innovative ways to create new coalitions and networks between governments, development banks, commercial banks, impact investors, funds<sup>1</sup>, and other sources of private and public capital.

## RENEWING THE TERMS OF REFERENCE

The initial Terms of Reference (TOR) was endorsed on 31<sup>st</sup> July 2017, by what was then known as the Joint Fund Board. The focus of this initial TOR was Integrated Policy Support to advance the Sustainable Development Goals (SDGs). Subsequent to the finalization of this TOR, the Joint SDG Fund was identified as a potentially critical instrument to support the United Nations development system reform effort, SDG acceleration and a new generation of Resident Coordinators and United Nations Country Teams. As a result, the Joint Fund Board agreed to re-examine the Terms of Reference to ensure alignment with this expanded objective.

The process for revising the Joint SDG Fund enjoyed high level support and attention from the Deputy Secretary-General and all UN Principals of the United Nations development system. Through a highly consultative process, the revised Terms of Reference was adjusted in the spring of 2018, adding the elements of strategic financing and catalytic investments to the earlier focus of integrated policy support. It was felt that for maximum impact the “what,” of policy, needed to be integrated with the “how,” of financing.

This new TOR was proposed to the Sustainable Development Group during their first ever meeting in May 2018. During this meeting, a number of Executive Directors had questions about the new Joint SDG Fund, which led the Deputy Secretary General to suggest the establishment of a group of Executive Directors to further review the Terms of Reference and improve where needed. This group was to be Chaired by the Head of the Economic Commission for Africa and included the UNDP Administrator and the Executive Directors from UNICEF, UNFPA, WFP and ILO. This group met twice with the Deputy Secretary-General to provide inputs which were collated and incorporated by the Executive Office of the Secretary General into a revised Terms of Reference.

In order to finalise a fully detailed Theory of Change and Results Framework, the Joint SDG Fund Secretariat convened experts from across the UN development system, including development partners and investors, for a two-day workshop in October 2018. Beyond finalizing the Theory of Change and developing a robust Results Framework, the engagement helped build consensus among the UNDS and development partners. The TOR was then approved by the Operational Steering Committee and the Strategic Advisory Group, (the SAG) at their initial meeting on October 26<sup>th</sup> 2018.

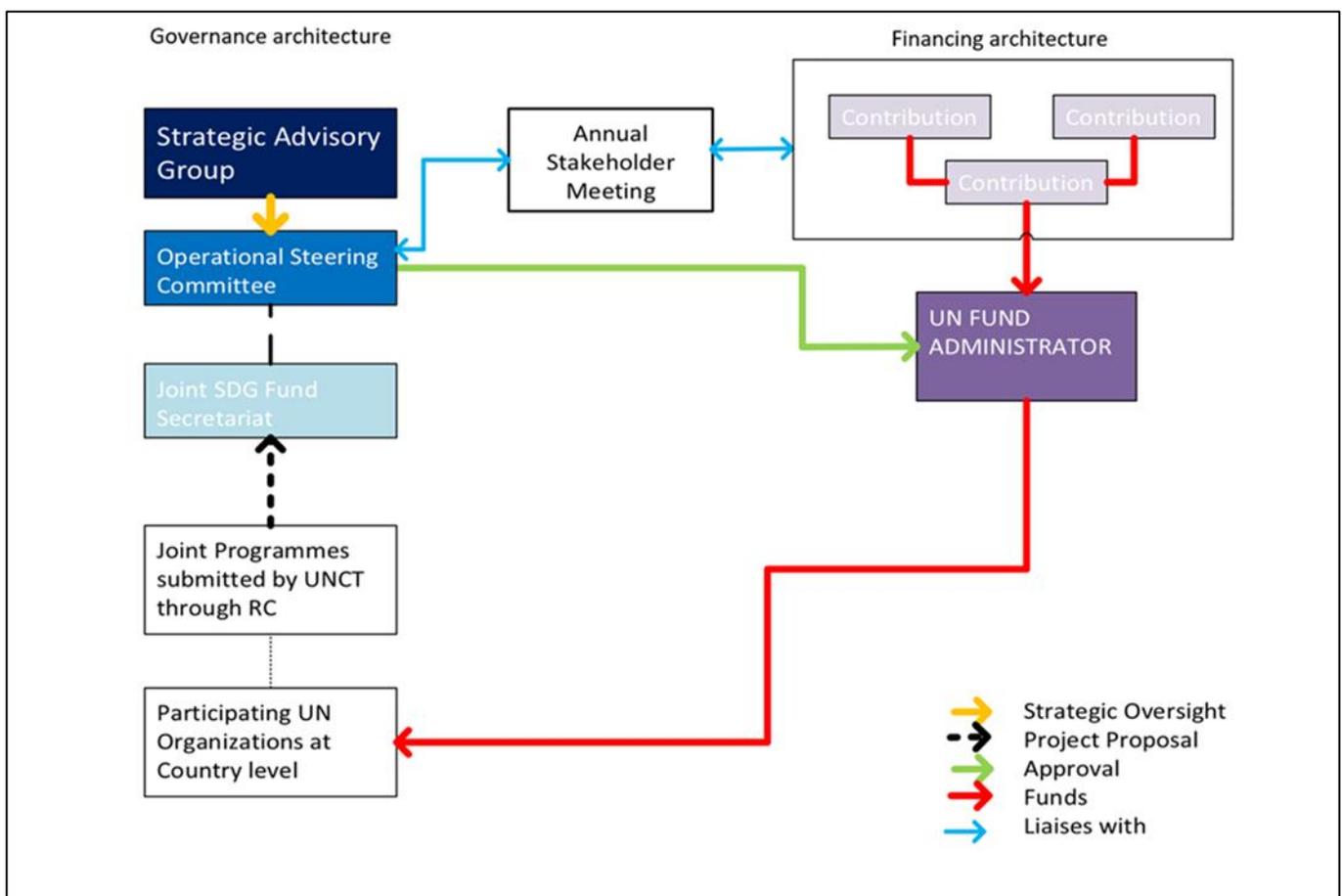
### OPERATIONAL GUIDANCE

---

<sup>1</sup> i.e. Pension Funds, Health Funds, Social Security Funds, Sovereign Wealth Funds, etc.

The operational guidance outlines the framework for operations, coordination and decision making for all aspects of the Joint SDG Fund operations. It was designed to elaborate on the approved Terms of Reference and provide the practical guidance necessary for the Operational Steering Committee and Joint SDG Fund Secretariat.

The Operational Guidance benefitted from significant input, in particular from the agencies of the Operational Steering Committee, (UNDP, UNFPA, UNICEF, WFP and ILO.) UN Women also ensured Gender aspects were fully incorporated. The final draft of the Operational Guidance was prepared by the end of December 2018 for discussion and decision of the Operational Steering Committee meeting in January 2019<sup>2</sup>.



The Operational Steering Committee has played a critical role in shaping the first call for proposals of the Joint SDG Fund focused on integrated policy support with a focus on Leave No One Behind and social protection (subsequently approved by the Operational Steering Committee on March 15, 2019).

As the Joint SDG Fund was in a startup phase, efforts were made to keep the Secretariat overhead to a minimum. As a result, the ad interim Head of the Joint SDG

<sup>2</sup> The Operational Steering Committee finally approved the operational guidance on 16<sup>th</sup> May 2019.

Fund was performed by the DOCO Funding and Financing Specialist. At the same time, the Norwegian Refugee Council generously funded the Head of Programme position and the Italian Government agreed to sponsor a JPO. Furthermore, UNICEF made a contribution of \$71,063 to cover the costs of a Communications consultant.

## LAUNCHING THE JOINT SDG FUND

Advocacy events to promote the Joint SDG Fund and its capitalization included a breakfast dialogue, hosted by the UNDP Administrator in July 2017. Entitled “Tackling Policy Bottlenecks to Unlock SDG Investment,” the dialogue was extremely useful in raising awareness of the Joint SDG Fund and in securing initial contributions from the Governments of Switzerland and Germany.

A formal launch of the Joint SDG Fund, on April 23<sup>rd</sup> 2018, aligned with the Economic and Social Council’s (ECOSOC) Forum on Financing for Development. Speakers included H.E. Ms. Marie Chatardova, the President of ECOSOC, the Deputy Secretary General, Spain, the European Union and the Permanent Representative of Colombia.

As of 31 May 2019, Member States contributions have capitalized the Joint SDG Fund to \$96,587,532, with details of these contributions noted below.

Contributions			
<input type="button" value="Refresh"/>	▼ 2017 ▼	to ▼ 2021 ▼	All amounts in US\$
Contributor/Partner	Commitments (real-time)	Deposits (real-time)	Deposit rate (real-time)
SWEDEN, Government of	35,130,953	35,130,953	100.00%
NETHERLANDS, Government of	28,409,091	11,036,025	38.85%
NORWAY, Government of	15,097,386	15,097,386	100.00%
SPAIN, Government of	10,000,000	10,000,000	100.00%
SWISS AGY FOR DEVELOPMENT & COOPERATION	3,052,814	3,052,814	100.00%
DENMARK, Government of	1,827,708	1,827,708	100.00%
LUXEMBOURG, Government of	1,133,728	564,900	49.83%
GERMANY, Government of	920,663	456,087	49.54%
IRELAND, Government of	562,476	562,476	100.00%
SDG Fund	230,047	230,047	100.00%
PRIVATE SECTOR	83,155	83,155	100.00%
UNITED NATIONS CHILDREN'S FUND	71,063	71,063	100.00%
MONACO, Government of	34,398	34,398	100.00%
PORTUGAL, Government of	34,050	34,050	100.00%
<b>Totals</b>	<b>96,587,532</b>	<b>78,181,062</b>	<b>80.94%</b>

## LINKS TO UN REFORM

The importance of pooled funding as a critical piece of the UN reform effort has been emphasized in recent documents, with the Joint SDG Fund specifically included in the

Secretary General's Report on the Repositioning of the United Nations development system, the General Assembly Resolution A/RES/72/279 and the Funding Compact.

The Secretary-General's December Report states:

*"We count on the support of Member States to financially incentivize scaled-up impact at the country level, driven by a more integrated United Nations response, through two key mechanisms: (a) the capitalization of the Joint Policy Fund to Advance the 2030 Agenda through Integrated Policy at \$290 million per annum; and (b) a quantum leap in contributions to the Peacebuilding Fund. The Joint Policy Fund is designed to provide the "muscle" for resident coordinators and a new generation of United Nations country teams to help countries deliver on the Sustainable Development Goals."*

General Assembly Resolution A/RES/72/279 of 31st May 2018

*"Invites Member States to contribute, on a voluntary basis, to the capitalization of the Joint Fund for the 2030 Agenda for Sustainable Development at 290 million dollars per annum;"*

The Funding Compact

*The Funding Compact has the following Indicator focused on the Joint SDG Fund: "Annual capitalization of the Joint Fund for Agenda 2030: Baseline (2018): 43 million; target (2020: \$290 million.)"*

## PLANS FOR 2019 AND SOME EARLY PROGRESS:

### CALL 1 ON INTEGRATED POLICY FOR SDG ACCELERATION, WITH THE FOCUS ON LEAVE NO-ONE BEHIND AND SOCIAL PROTECTION

The first call for proposals on Integrated policy support with a focus on Leave No One Behind and social protection was launched in March 2019. With applications submitted by 114 Resident Coordinators, this call will channel 60 million USD to a minimum of 30 countries for Joint Programmes (maximum of 2 million USD each.)

### CALL 2 ON STRATEGIC FINANCING AND CATALYTIC INVESTMENTS

The Joint SDG Fund will develop a call in Q4 2019 on strategic financing. In anticipation of this, a series of discussions with the global investment community, including representatives of the Global South, will ensure the call addresses the key bottlenecks to aligning financing with the SDGs where the UNDS has a clear comparative advantage.