



**JOINT
SDG
FUND**

Paths to SDG Acceleration

**United Nations Joint SDG Fund
2020 Annual Consolidated Narrative Report**

Executive Summary

UNEDITED VERSION

May 2021

Year in Numbers



39

countries

advancing integrated policies on social protection and leaving no one behind.



69

countries

developing and implementing SDG financing strategies aligned with national plans/priorities.



59

financial instruments

designed and structured with the aim to leverage financing for the SDGs at scale.



17

SDGs

being advanced with commitments from the Joint SDG Fund through the Joint Programmes.



24

UN entities

jointly working together to accelerate the SDGs in the Joint Programme countries.



\$166m

in commitments

approved for SDG acceleration and financing through the 125 Joint Programmes.



87m

People

became eligible in the national social registries to receive social protection and to leave no one behind.



90%

Joint Programmes

reported positive contribution to enhancing United Nations coherence at the country level.



14.8%

resource target

of \$290 million per annum received in 2020, with only \$42.96 million in contributions from donor partners.



115%

funds allocated

to the 125 Joint Programmes / Proposals in light of future pledged contributions.

The United Nations Joint Sustainable Development Goals (SDG) Fund is an innovative instrument that identifies and promotes transformative policy solutions and catalyses strategic investments required to accelerate the progress to meet the 17 SDGs by 2030. The Joint Fund is also a key component of the UN Development System (UNDS) reform, serving as the “muscle” for the new generation of **UN Resident Coordinators (RCs) and UN Country Teams (UNCTs)** to enhance UN coherence, efficiency, and delivering as one for SDG acceleration at the country level.

Amidst the unprecedentedly global challenge posed by the COVID-19 pandemic, the **Joint SDG Fund in 2020 has approved commitments worth \$166.4 million**, in a diverse portfolio of multi-year joint programmes designed to promote integrated policy change in social protection and leaving no one behind and in developing SDG financing strategies and catalytic investments. The commitments accounts for **115 per cent of the capitalized funds of \$144 million**, which has been contributed by 2020 out of \$190 million in contributions pledged to date. That said, **this is well below the full capitalization of \$290 million per annum that is required to fully implement the mandate of the Joint SDG Fund** as requested by the UN Secretary-General and endorsed by the UN General Assembly resolution [A/RES/72/279](#).

Outcome 1: Integrated Multi-Sectoral Policy Solutions

Under Outcome 1, the Joint SDG Fund has **approved investments worth \$70 million, mobilizing \$32 million in programme co-funding, in a portfolio of 35 joint programmes operational in 39 countries.** The Joint Programmes aim to devise and implement integrated policy solutions for social protection with a focus on leaving no one behind (LNOB). With twelve months of implementation, the Joint Programmes have made notable progress in **strengthening national capacities to implement integrated cross-sectoral SDG acceleration.** The Joint Programmes are linking and contributing to advancing social protection against a wide range of cross-cutting thematic areas of food security, healthcare, childcare, employment, disaster risk mitigation, education, labour markets, domestic care work and migration.

The majority of the Joint Programmes focused particularly on **designing, piloting, and improving the social registries that enable the outreach, identification, and registration for social protection schemes.** This integrated and cross-sectoral approach to social protection policy formation has **contributed to some 87 million people becoming eligible in the social registries to be covered by national social protection schemes.**

The Joint Programmes under Outcome 1 were launched in January 2020 at the onset of the COVID-19 pandemic. Early on, the Fund allowed the Joint Programmes to **re-purpose 20 per cent of their budget for COVID-19 response**, which was used by a third of the programmes in addressing the socio-economic impact of the pandemic. Furthermore, all other Joint Programmes **adapted their interventions to respond to the changed context and quickly pivoted to rolling out digital and other solutions to continue implementation.** COVID-19 also partially affected the timely financial delivery of the portfolio, with the average delivery rate being 40.9 per cent in 2020. That said, with the inception phase complete, the programmes are showing signs of accelerated delivery in 2021.

There have been some countries – **13 out of the 35 Joint Programmes – that have reported increases in the amount of national spending on social protection.** The Joint Programmes have been instrumental in supporting the Governments to devise social protection packages responding to the socio-economic impact of the global pandemic by addressing vulnerabilities and ensuring that no one is left behind. The Joint Programmes will work with the Government and local partners to sustain these increases in social protection budgets post-COVID.

Outcome 2: Additional Finance Leveraged to Accelerate SDG Achievement

Under Outcome 2, the Joint SDG Fund operates two separate, but interlinked components aimed at re-aligning public and private investments to bridge the financing gap to achieve the SDGs. In Component 1, the Joint SDG Fund **has approved investments worth \$59 million, which has been matched with \$28 million in programme co-funding, in 62 Joint Programmes operational in 69 countries.** The Joint Programmes develop and implement **a new wave of SDG-aligned financing strategies, called Integrated National Financing Frameworks (INFF), to spearhead SDG acceleration by leveraging public and private financing.** With six months of implementation in 2020, the majority of the Joint Programmes are on-track for laying down the foundation for devising the SDG financing strategies in partnership with Governments and other public and private sector partners.

Successful SDG financing strategies require dedicated governance arrangements to ensure national ownership and oversight. In 2020, **the Joint Programmes in 35 countries have supported the establishment of the INFF oversight committees or are in the process of negotiating the governance structures.** Most of the national oversight committees are chaired by the Ministry of Finance, President or Prime Minister Office, or Ministry of Planning, and include a wide range of partners from public entities, private sector, development partners and international financial institutions.

The SDG financing strategy is at the centre of an INFF, providing a framework that connects plans for recovery and sustainable development with the financing policies that will mobilise the investments needed to realise them. With support from the Joint Programmes, **30 countries announced that they would develop a new SDG financing strategy, while 21 countries committed to strengthen existing ones.** The majority of the Joint Programmes plan to use the INFF to build a more integrated, holistic approach to financing the national plan, expanding partnerships with private financing.

Although early in its implementation, the Fund is seeing positive signs of resource mobilization for the full implementation of the financing strategies. **One-third of the Joint Programmes were able to mobilize \$8.6 million in additional resources in relation to the implementation of their SDG financing strategies.** Overall, the Joint Programmes under component 1 have provided the foundation of devising and implementing SDG financing strategies, despite unprecedented challenges posed by the COVID-19 pandemic, that will help drive financing for a greener, more inclusive recovery from the pandemic and eventually for accelerating the SDGs.

Under Component 2, the Joint SDG Fund launched **an innovative call to source, design, and structure proposals from UNCTs with potential to leverage public and private finance at scale for the SDGs.** Out of 155 proposals submitted, the Fund selected 28 proposals from the UNCTs, providing them with design-stage grants of up to \$200,000 each to further develop and test their concepts and instruments. Through this exercise, **the UNCTs designed 59 financial vehicles/instruments along with 27 complementary technical assistance facilities.** The most common financial instruments were guarantees and credit enhancement facilities, followed by impact funds, green banks and other financial institutions, which in many cases were combined. To facilitate the design process, the Joint Fund and the UNCTs set up an Investor Advisory Group **engaging with over 330 partners from international financial institutions to private investors** that helps in finetuning the instruments and identifying co-investment opportunities.

The design process led to the **selection of four country proposals from Fiji, Indonesia, Malawi, Uruguay for the Joint Fund’s initial funding cycle**. The Fund also **manages an additional 12 proposals as an active pipeline**. Together, these joint proposals request a total of \$125.9 million in funding from the Joint SDG Fund with plans to match this with \$130.2 million in programme co-funding, which in turn hope to leverage over \$5 billion in additional financial leverage from public and private investors.

An independent analysis of the Joint SDG Fund’s Component 2 has found **the Joint Fund’s investments to have a distinct comparative advantage in sourcing and structuring blended finance initiatives in sectors and countries that have previously struggled to attract investments**. Over one third of the investment proposals were sourced from LDCs and one-quarter from SIDS, which have not seen a significant amount of blended finance activities so far. The investments also showed a strong commitment to gender equality with 63 per cent of the proposals targeting Goal 5.

How we made the progress: Operational performance of the Joint SDG Fund

The Joint SDG Fund is designed as a country-focused instrument reinforcing the new generation of UNRCs and UNCTs to deliver as one to accelerate the SDGs. In a survey of the Joint Programmes under implementation, **90 per cent of the Joint Programmes reported to have made positive contributions to UN coherence and collaboration**. Enhanced coordination and communication among the UN partners have resulted in improved policy coherence and an UN-wide concerted engagement with the Government on the SDGs. For instance, the SDG financing strategy is informing the development of common UN frameworks at the country level including the UN Sustainable Development Cooperation Framework (UNSDCF) and the COVID-19 Socio-Economic Responses Plans (SERPs).

In terms of reducing transaction costs across the UN Development System, **47 per cent of the Joint Programmes reported positive outcomes**. Several Joint Programmes reported positive developments in sharing common approaches and streamlining parallel coordination structures. The Joint Programmes have also seen operational efficiency gains in terms of organizing joint meetings, field missions and assessment as well as streamlining procurement and using common implementation tools such as sharing of long-term agreements.

The role of **the UNRCs has been recognized to be highly relevant and effective in promoting UN coherence and coordination for the Joint Programmes**. In the integrated policy portfolio, for instance, the UNRCs provided weight to the politically charged social protection agenda and facilitated cross-sectoral coordination internally and externally. The UNRCs also provided a direct channel of contact with prime ministers, line ministers, and finance, which resulted in the setup of inter-ministerial collaboration structures including committees on SDG financing and cross-sectoral collaboration on social protection.

The Joint SDG Fund’s operations have been **guided by the leadership and strategic direction set by the Strategic Advisory Group (SAG)**. The operations of the Joint Fund are **managed by the Operational Steering Committee (OSC) that ensures the operational efficiency** of the Fund and its close collaboration with the UN Development System at large and the UNRCs and UNCTs at the country levels. The OSC has held meetings at least once every two months or more providing directions and decisions on the operations of the Fund.

In terms of delivery, **the Joint Fund, as of 2020, transferred a total of \$76.4 million to the approved Joint Programmes, among which \$22.7 million, 30 per cent, has been expended**. It is important to note that it was the first year of implementation for all 97 full Joint Programmes, among which 62 programmes had

less than six months of implementation. Also, some programmes did experience challenges in accelerating delivery due to the impact of the COVID-19 pandemic. That said, the Joint Fund recognized acceleration in programme delivery starting in the first quarter of 2021, with planned budget commitments accounting for 54 per cent of the disbursed funds at the end of the year.

Resource contributions to the Joint SDG Fund has met significant challenges in 2020 with the COVID-19 pandemic and its effect on private and official donors as well as international financial institutions. With emerging demands domestically in terms of loss of lives and livelihoods, donor governments and private sector partners alike have redirected new allocations of development financing to domestic matters as well as in responses to the global health crisis. Despite such challenges, **the Joint Fund has raised \$42.9 million in additional resources in 2020 with a total capitalization of \$144.6 million since 2017** out of a total of some \$190 million pledged by the donors to date.

The full replenishment of the Joint SDG Fund of \$290 million per annum is paramount for maintaining the momentum generated towards SDG acceleration and ensuring demonstration effects from the SDG investments. The gap in funding also weakens the Fund's ability to serve as the enabler for the UN Development System reform by enhancing the role and capacities of the UN RCs and UNCTs in contributing to the SDGs.

In 2020, the Joint SDG Fund has made **major in-roads in positioning the Fund as a key driver of SDGs.** As part of the Joint SDG Fund's effort to increase its visibility and expand its donor base, the Fund organized over 100 events including at the margins of the 2020 United Nations General Assembly, as well as the 2020 High-Level Political Forum, and the 2020 Financing for Development Forum. The Fund officially launched its website – www.jointsdgifund.org – and increased its digital presence. The Fund also launched a podcast series called a 'A Time to Act' that emphasized the role and potential of leveraging finance towards the SDGs.

Conclusion: Urgent call for SDG Acceleration

Despite the unprecedented developmental and operational challenges faced in 2020 due to the COVID-19 pandemic, the Joint SDG Fund has made major headways in its path toward SDG acceleration. The portfolio on integrated policies for social protection and leaving no one behind **highlights the comparative edge that the UN jointly has in promoting cross-sectoral integrated policy solutions.** It also validates the assumption of social protection as one of the pillar activities that has potential in providing contributions to advancing a wide range of SDGs. The SDG financing portfolio **has set the stage for strong coordination and cooperation among the Government, private sector actors, UN agencies and other partners in forming a concerted effort towards financing the SDGs** based on national priorities and needs. Furthermore, the catalytic investments identified and structured through SDG Invest highlights the **comparative edge that UNCT-sourced programmes combined with technical assistance from international and local expert groups can have in designing SDG-aligned financial vehicles/instruments** that has potential in accelerating the SDGs.

However, this path towards SDG acceleration and support to the leaving no one behind agenda can only be possible with continued support and dedication to the Joint SDG Fund by its partners. **The replenishment of \$290 million per annum as called by the UN Secretary-General is imperative in ensuring the success of the Joint Fund's mission.** Leveraging the partners, resources and expertise of its stakeholders, the Joint SDG Fund will work to advance the momentum in its journey towards SDG acceleration and UN reforms going forward.