



# Joint Programme 2021 Annual Progress Report

## SDG Financing Portfolio - Component 1

### Cover page

**UNCT/MCO:** Maldives

**Reporting Period:** 1 January - 31 December 2021

**JP title:** Operationalizing Integrated National Financing Framework in the Maldives to prioritize and mobilize financing for Climate Action and Quality Social Service Delivery to accelerate the achievement of Agenda 2030

**PUNOs:** UNDP, UNICEF, WHO, UNFPA

**Government partner:** Ministry of Finance

**Target SDGs:** SDGs 1, 3, 5, 7, 9, 10, 13, 15, 16, 17

**Gender Marker:** 2

**Approved budget:** USD 931,634

**Co-funding:** USD 540,900

**Total Disbursement by 2021:** USD 931,634

**Total estimated expenditures:** USD 380,660.8 (est. Delivery rate: 40.9%)

**Total estimated commitments** (including expenditures): USD 411,855.8 (est. Committed rate: 44.2%)

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### Executive Summary

The JP is making good progress in the diagnostic phase of implementing the INFF in the Maldives to mobilize resources for quality social protection and climate action, despite setbacks early in the program.

Costing and analysis of social sector: The National Transfer accounts and RMNCAH strategy which are considered as primary inputs for understanding the costing requirements for providing quality social sector services in the Maldives are now completed. The RMNCAH strategy estimated that the Maldives would require approximately \$26 million between 2022-30 to provide RMNCAH outcomes in Maldives, while National Transfer Account (NTA) established that public programs on health and social protection are not fiscally sustainable as Maldives social welfare spending as percentage of GDP is predicted to double by 2050 compared to current expenditure.

Costing of climate finance needs: The ongoing DFA has estimated that the Maldives would at least require \$941 million per annum by 2030 to meet its climate ambitions while the climate financing gap is estimated to be \$808

million per annum for the same period. The detailed findings of climate finance analysis is expected to be present in a special chapter, published as part of the DFA in early 2022.

Commencing INFF awareness and capacity building activities: Taking into consideration the novel architecture of the INFF, the PUNOs have also begun capacity building for major stakeholders starting with the Parliament of Maldives during October 2021, on global best practices for budgetary cycling and on developing equity and gender-based budgeting practices. This exercise is expected to be further scaled up during the INFF development phase to include private sector and additional line ministries in 2022.

## Annual Progress

### Overall JP self-assessment of 2021 progress:

Not-satisfactory (majority of expected results not yet achieved; over 3 months delay in implementation)

**Comments on self-assessment:** The JP commenced at the height of the Covid-19 pandemic in Maldives in June 2020, and faced challenges in delivery, as the nation quickly moved to combat the crisis. As a result of the delays experienced, the activities of the program were on average delayed by 3-6 months reported by implementing PUNOs in the third quarterly check-in with the Joint Fund. The total delivery reported by the PUNO due to the setback is low at 46.07% since program inception. A further challenging second wave from January-May 2021 hampered progress with Government partners working remotely.

Additionally, SDG costing (OP 1.1), the development of the proposed NHA and development of social sector analysis (OP 1.2) and the progress of the procurement of an e-platform (OP 2.2) for procurement and inventory management of medicines and medical products for the government experienced delays due to the ongoing pandemic due to travel restrictions and prioritization of national efforts towards vaccination drives in the country. As a result, the INFF development (Outcome 3) which is dependent on the successful completion of these diagnostics was also pushed forward for delivery in the latter half of 2022. To reflect these changes the OC decided to request for an extension of the program until 31 Dec 2022 to complete the INFF roll-out.

### Overall progress and key developments to date (3 key JP milestones)

Priority costings for quality social sector delivery and climate action in the Maldives These two knowledge products are considered as primary inputs for understanding the costing requirements for providing quality social sector services in the Maldives. The recently completed RMNCAH strategy estimated that the Maldives would approximately require \$26 million between 2022-30 to provide RMNCAH outcomes, under baseline scenarios. The already completed National Transfer Account (NTA) established that Maldives demographic dividend is short-lived, Maldives is spending lower on human capital (education and health) against its level of total fertility rate and established that counting women's unpaid work increases their economic contribution by 48% compared to current levels without factoring such work. The NTA also forecasted that public programs on health and social protection are not fiscally sustainable as Maldives social welfare spending as percentage of GDP is predicted to double by 2050 compared to current expenditure. Additionally, work on the costed social sector analysis has completed the first phase of the social sector analysis with an international firm visiting the country and carrying out field work visiting 6 islands in 2 atolls including the capital city Male' while the preliminary findings of National Health Accounts report, have been presented to Ministry of Health senior officials. With additional data from key stakeholders, the final report is expected to be completed in March 2022. In terms of estimating the climate finance requirements of Maldives, the preliminary figures suggest that the Maldives would at least require \$941 million per annum by 2030 to meet its climate ambitions while the climate financing gap is estimated to be \$808 million per annum for the same period.

INFF awareness and capacity building initiated The INFF is a novel concept in the Maldives which will bring together several sectoral stakeholders to determine development financing bottlenecks and how public and private funds should be allocated to national priorities in a manner which is gender-responsive and equity based. The PUNOs have already started capacity building for this concept, targeting the parliamentarians with an initial workshop already conducted in October 2021, improving budgeting transparency and covering principles of equity-based and

gender-based budgeting practices. Further, 17 government and CSO staff has been training on budget analysis and public finance for children. A one-day training was also carried out for the parliamentarians on budget scrutinization and public finance for children. Further, throughout the year, the JP has also provided coordination support to the Ministry of Finance by providing a dedicated staff member to undertake the coordination activities of the JP. Separately, the communications plans for INFF are also crafted with key messaging on the INFF set to start in the new year to coincide with INFF development in 2022.

Joint INFF development begins with participation from all PUNOs PUNOs collectively agreed to hire a single firm under one ToR to develop the financing strategy for social sector and climate action, to ensure coherence in strategy development and accelerate programme delivery. The TOR covers four key deliverables; refining and determination investment needs of the gender-responsive integrated financing strategy, development of an action-oriented gender-responsive and life-cycle based financing strategy and implementation model for social sector and climate action, developing a monitoring and evaluation framework for the INFF and providing capacity building for line ministries and private sector actors to introduce the INFF concept and how it will be rolled-out in the Maldives. These activities were initially designed to be implemented as standalones, and PUNOs have agreed to work jointly to develop the financing strategy on climate action and social sector delivery.

**Changes made to JP:** Changes were brought to outcome 1 to change scope of a full SDG costing to be rapid stock taking activity of financing landscape and trends in SDG financing and climate finance needs considering the impact of the ongoing Covid-19 pandemic. Further, the DFA will be primarily focused on climate financing where an overall climate financing needs and gaps required to achieve the SDGs and other international and national commitments will be identified. The key findings, financing needs estimates and the recommendations for enhancing the SDG financing will be the highlights of the published DFA. These recommendations will be accounted for in formulating the INFF roadmap to operationalize the INFF, which will subsequently translate into the Financing Strategy. Subsequently, the results framework has also been amended to reflect this change.

**Main Challenges:** All participating agencies experienced difficulties in the past year while gaining momentum on initiatives outlined in the workplan of the JP. Almost all deliverables for the first year included diagnostics and assessments that needed to be adjusted to incorporate crisis implications for it to be timely and well informed as we build on to the operationalization phase of the INFF. PUNOs had faced difficulties in engaging with government counterparts for discussions and finalization of ToRs and for data collection and consolidation. With an upsurge of new COVID-19 cases in the city during the first half of the year, further movement restrictions and curfews were re-enacted. Despite these challenges PUNOs adapted and conducted sessions virtually including stakeholder engagements, financing dialogues of the DFA and JP high-level OC meetings and stakeholder forums with high level participation from stakeholders.

## Updates on SDG financing framework

	Assessment	Financing Strategy	Monitoring	Governance
Inception phase	Diagnostics		Review	Coordination
Advancing (50-99%)	Advancing (50-99%)	Emerging (1-49%)	Emerging (1-49%)	Emerging (1-49%)

## Descriptions on progress by INFF building blocks

**Inception Phase:** NA

**Assessment & Diagnostics:** Costing of Reproductive, Maternal, Newborn, Child, and Adolescent Health (RMNCAH) strategy was endorsed by the Government in March 2021, and an international and national consultant to cost the government endorsed RMNCAH strategy were onboarded. The data analysis is completed, and validation workshop was held on 15 December 2021 with 25 key stakeholders. The final report draft is submitted. National Health Accounts (NHA): The initial stakeholder consultations were completed virtually and data collection template for

each stakeholder was shared based on the available data elements discussed during the meeting. WHO consultant received data from all stakeholders and based on SHA framework and HAPT tool data was analyzed and preliminary findings was presented to MOH senior officials. Based on the discussion, additional data is requested from MOH to finalize the report by Q1 of 2022.

**Financing Strategy:** The Financing Strategy (FS) in Maldives will be developed in 2022. The government would like the Maldives FS to be focused on social sector and climate action, and PUNOs are currently engaged in the diagnostics including carrying out costing and the identification of existing monitoring evaluation and governance and coordination mechanisms for operationalizing the FS in Maldives. In terms of sectoral focus, UNICEF, WHO and UNFPA will be focused on carrying out in-depth analysis of social sector, while the UNDP will carry out analysis on the climate sector and will identify existing governance and coordination structures currently in place which may be suitable for operationalizing the financing strategy as part of its Development Finance Assessment (DFA). The PUNOs have developed a ToR for securing international consultancy to develop the INFF in Maldives and will be focused on developing resource mobilization strategies and systemic reforms to unlock private and public capital for delivering quality social sector services and climate action. An international firm would be engaged to fully map out the investment scope and investment needs of the two priority sectors, develop the financing strategy and governance model and delivering the capacity building for INFF in Maldives by working with the JP OC and technical leads from various line ministries who are supporting the JP.

**Monitoring & Review:** NA

**Governance & Coordination:** The Joint Programme has a project level INFF Oversight Committee which will remain in place until the end of the JP in 2022. The Committee has membership from 13 government ministries and agencies and provides high-level project implementation support and advise to roll-out the INFF in the Maldives. The INFF development phase is scheduled to be undertaken in the 2022, with the help of an international firm and this work also includes the firm to provide strategic advisory to the Government and PUNOs on identifying a permanent structure to house the INFF oversight body as per the INFF methodology.

## Priority Cross-cutting Issues

### How did the JP adapt to the COVID-19 context

With pandemic response being the priority focus of the government, the initial efforts of the relevant parties concentrated on ensuring the economy and the wellbeing of citizens were secured during the pandemic. Concurrently, the UN agencies took this opportunity to advocate for the importance of going forward with the planned activities under the JP workplan in line with the UN priorities outlined in the UN Socioeconomic Response Framework (SERF). With JP also focusing on rebuilding the country post COVID-19, the planned JP activities once completed will draw the required attention and increased government intervention for a long-term achievement of the SDGs and the goals set in the Government's National Recovery and Resiliency Plan. Further additional studies were also conducted as the larger effort to collecting information for the DFA which includes the Rapid Livelihood Assessment and the Informal sector survey which has given valuable information on the impact of the pandemic on the formal and informal sector of Maldives

### How did the JP apply the Gender Marker

It is emphasized in the INFF Development TOR for the Firm to work with the Oversight Committee to determine the governance model for the implementation of the gender-responsive integrated financing strategy of Maldives, including identification of key actors, roles and responsibilities and the establishment of monitoring and review, and governance and coordination mechanism. The financing strategy would be gender-responsive, life cycle based, and equity based in delivering the social services, climate financing and other financing priorities highlighted by the Government of Maldives. The sitting Oversight Committee is gender balanced with 10 men and 11 women members from key government entities with strategic engagement and communication with government agencies known to mainstream gender equality. The working group membership from PUNOs and government ministries

during proposal writing phase to implementing phase has been gender balanced with primary focal points from PUNOs comprising of 3 women and 2 men and women as focal points from the government.

*Estimated % of overall disbursed funds spend on gender: 25%*

### **Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)**

The JP's work has been highly relevant for human rights, decent work and LNOB. As part of the efforts to collect information on the impact of the pandemic on SDGs in the Maldives, UNDP conducted two assessments during the programming cycle: the Rapid Livelihood Assessment (RLA) and the Maldives Informal Sector Survey 2021 to assess the impact of the pandemic both on formal and informal sector of the Maldives. The informal sector survey of 2021 is the first kind study of its nature focused on the informal sector which is home to many marginalized and vulnerable communities. These studies were conducted in partnership with the Ministry of Economic Development and the Maldives Bureau of Statistics which are both part of the JP's OC.

### **How did the JP work to build ownership and buy-in of key stakeholders**

Communication and engagement with key government agencies, CSOs and DPs. The main highlight of the engagement is with the key partners in the government. As such, the INFF oversight committee is co-chaired by the Minister of Finance.

The Maldives DFA utilizes the consultative structures in-built in the DFA and INFF process to communicate and validate the preliminary findings of the current financing landscape and preliminary recommendations of DFA with government entities and wider stakeholders through bilateral meetings and larger consultations such as the Stakeholders' Meetings and regional workshops.

## **Annual Reporting on Results**

### **Results achieved in promoting the priority thematic SDG agendas**

SDG 1- JP through operationalization of the INFF aims to support development of comprehensive social protection and crisis recovery measures that would accelerate investment towards poverty eradication. For the preliminary findings of the DFA, data collection efforts were focused on collecting and reviewing the most recent data available on vulnerable populations and crisis response. SDG 10 – In terms of understanding the financing assessments, the DFA will inform the climate financing gaps while the costed-social sector analysis will inform the social sector investment requirements. Both knowledge products are under development and will be completed in 2022 under the extended period of the JP. SDG 5: An international consulting firm is carrying out the social sector analysis and developing a social sector master plan. The objective of the exercise is to analyze the social services sector in the Maldives and support the relevant partners in developing a Social Sector Master Plan that will allow the Ministry of Gender, Family and Social Services (MoGFSS) and other relevant government agencies to better plan, budget, and implement a more holistic and rights-based social services system that promotes wellbeing of all vulnerable groups in an inclusive, non-discriminatory, and equity-based manner. JP supported formulating the NTA and RMNCAH strategy both of which are now developed. The NTA is already published, and the RMNCAH strategy is undergoing verification from the Government. This would also be completed in 2022.

### **JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)**

Development of an integrated financing strategy and the implementation of it with partners were targeted for 2021, however given the challenges faced during the year with COVID-19 this has now been moved as a target for 2022 to align with the no-cost extension.

## **Progress against JP-specific outcomes**

The Joint Program made important contributions to the Outcome 1, of the joint fund, as important diagnostic work, which will assist the Maldives to formulate the social sector and climate focused INFF are already either completed or nearing completion. This includes the climate finance chapter of the DFA, the NTA, RMNCAH strategy and the ongoing social sector analysis. In terms of Outcome 2, the INFF development expected to commence early 2022 is expected to result in the identification of financing solutions and reforms required to unlock additional financing to achieve the SDGs and could be reported by the end of 2022.

## **Progress against JP-specific outputs**

UNFPA: Costing of Reproductive, Maternal, Newborn, Child, and Adolescent Health (RMNCAH) strategy was endorsed by the Government at the end of March. The analysis is completed, and validation workshop was held on 15 December 2021 with 25 key stakeholders. The final report draft is submitted. WHO: National Health Accounts (NHA): Stakeholder consultations are completed and data collection template for each stakeholder is finalized based on the available data elements discussed during the meeting. Consultative process has been undertaken for key stakeholders. Preliminary data findings presented to MOH senior officials UNICEF: Completed the first series of INFF capacity building sessions to Parliamentarians and Civil Service on INFF architecture in October. UNDP: The first draft of the Climate finance chapter is also completed working with the Ministry of Environment, Climate Change and Technology. In addition, the UNDP also completed its informal sector survey which gives valuable information on how the pandemic affected the nation's informal sector.

## **JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts**

PUNOs are jointly mobilizing finance for the development of the INFF to combine agency level outputs into one effort. The remainder of works under the JP which include: the development of INFF for climate action and social sector delivery, training key line ministries on INFF, identification of structure for INFF operationalization, and developing an M&E framework for INFF. A TOR has been finalized for firm hire and targeting to onboard the firm in January 2022. The project in general has led to greater UN collaboration throughout the internal working group and joint reporting.

These activities that were initially designed to be implemented under separate PUNOs, the development of the financing strategy which covers both climate action and social sector financing will mutually accelerate the JP deliveries.

## **Strategic Partnerships, Documents and Communications**

### **How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space**

Under the JP PUNOs have collaborated with several key government stakeholders. UNDP has collaborated with the Ministry of Finance, the Ministry of Economic Development, President's Office, Maldives Monetary Authority, Capital Market Development Authority, the Ministry of Energy, Climate Change and Technology and the Parliament to engage these stakeholders in financing dialogues to collect critical information to develop the DFA's climate finance chapter and the governance and coordination mechanisms. UNDP also reached out to the ADB, IsDB and the World Bank to share information the INFF process in Maldives and also to identify and actively seek areas for collaboration. The WHO, UNICEF and UNFPA has primarily engaged with social sector ministries such as the Ministry of Gender and Family and Social Services, National Social Protection Agency and the Ministry of Health to conduct dialogues necessary for the development of NHA, NTA, RMNCAH strategy and the social sector analysis. Additionally, for the NHA health expenditure data collection, stakeholder engagements were arranged with the private hospitals and health insurance providers.

**Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:**

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	Yes	No

**Comments on additional financing secured:** Under the JP PUNOs have collaborated with several key government stakeholders. UNDP has collaborated with the Ministry of Finance, the Ministry of Economic Development, President’s Office, Maldives Monetary Authority, Capital Market Development Authority, the Ministry of Energy, Climate Change and Technology and the Parliament to engage these stakeholders in financing dialogues to collect critical information to develop the DFA’s climate finance chapter and the governance and coordination mechanisms. UNDP also reached out to the ADB, IsDB and the World Bank to share information the INFF process in Maldives and also to identify and actively seek areas for collaboration. The WHO, UNICEF and UNFPA has primarily engaged with social sector ministries such as the Ministry of Gender and Family and Social Services, National Social Protection Agency and the Ministry of Health to conduct dialogues necessary for the development of NHA, NTA, RMNCAH strategy and the social sector analysis. Additionally, for the NHA health expenditure data collection, stakeholder engagements were arranged with the private hospitals and health insurance providers.

**JP organized events in 2021**

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	Yes in 2021	Yes in 2021

*Number of strategic documents produced by the JP: 3*

*Number of strategic documents contributed by the JP: 3*

*Number of communication materials produced: 2*

## **2022 Plans & Way Forward**

### **JP priority activities & expected results for 2022**

The priorities are as follows: 1. The development and delivery of the INFF in Maldives and the identification of a governance model for operationalizing INFF 2. Completing the Social Sector Analysis 3. Report on the health financing review 4. National Health Accounts for 2018 to 2020 finalized and disseminated

### **3 major transformative results that will be achieved by the end of the JP**

The biggest transformative result the JP is expected to bring is the gender-responsive integrated financing strategy which would on a pilot basis bring together, the public and private sector to make financing decisions on social sector and climate action to reduce the siloed approach for development financing in the Maldives. Secondly, the JP is also expected to put in place mechanisms for monitoring and evaluation of the development financing landscape in the Maldives for both public and the private sector, which is currently lacking in the national budgetary processes. Thirdly, the JP is also expected to leverage additional financing for the achievement of SDGs in the Maldives through the development of financing solutions and reforms for social sector and climate action as part of the integrated financing strategy development.

**Estimated rate of completion for each result as of 31 Dec 2021**

Result.1	Result.2	Result.3
Emerging (1-49%)	Emerging (1-49%)	Emerging (1-49%)