

UN Multi-Partner Trust Fund Office

UN Pooled Funds Stakeholder Discussion Forumⁱ

SUMMARY OF TOPICS DISCUSSED

13 December 2023

Objective of the meeting

The Stakeholder Forum on UN Pooled Funds brought together a wide range of global stakeholders to strategize the future course of interagency pooled funds within the UN system. The forum facilitated in-depth discussions on the evolution, effectiveness, and potential of pooled funding mechanisms to tackle global challenges like development, humanitarian crises, climate action, and peacebuilding. The objective was to catalyze a forward-looking dialogue to align funds with evolving global needs, enhance efficiency and accountability, and leverage innovative finance models and partnerships. Overall, the forum aimed to maximize the role and contribution of pooled funds in global development and crisis response by fostering a collaborative environment and embracing diverse perspectives. Since 2024 will mark the 20th anniversary of the establishment of the MPTF Office and the first pooled fund administered by MPTFO, the forum was a particularly good occasion to take stock and continue the discussion on the way forward.

Status and update on pooled funding

According to the latest data presented in the background paper (shared ahead of the discussion forum), pooled funds have been on an upward trend since the introduction of the SDGs and the Funding Compact. UN pooled funding is showing signs of shifting growth patterns and evolving targets. According to the 2023 UN Secretary-General's report on the implementation of the Quadrennial Comprehensive Policy Review (QCPR), figures on UN pooled funding from 2020 demonstrate a positive direction of sustainable growth. Notably, these funds now account for 12.3% of all non-core funding for development activities, exceeding the Funding Compact target of 10% for the second consecutive year. This upward trajectory underscores the increasing significance of pooled funding in advancing the UN's development and reform agenda.

However, despite this overall positive trend, there have been notable shifts in the volume of UN development-related inter-agency pooled funds in 2022. Preliminary data indicates a considerable decrease in funding, with contributions dropping from \$1.6 billion in 2021 to \$1.3 billion in 2022. This change in growth patterns suggests a need for continued monitoring and strategic adaptation to ensure sustained momentum in pooled funding initiatives. Additionally, the Funding Compact targets related to the percentage of non-core contributions channeled through pooled funding were achieved ahead of the 2023 expected date, reflecting the accelerated pace of utilization and reliance on this joint financing instrument.

The anticipation for the new Funding Compact in 2024 presents an opportunity to re-examine and further optimize UN financing mechanisms, including inter-agency pooled funds. This underscores the ongoing commitment to enhance the quality and effectiveness of UN joint work through innovative

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financing approaches. As the UN continues to navigate evolving global challenges and development priorities, the adaptability and responsiveness of pooled funding mechanisms will be crucial in ensuring sustained support for high-impact transformative initiatives and the achievement of the Sustainable Development Goals (SDGs).

UN pooled funds at the midpoint of SDG Agenda

At the mid-point of the 2030 agenda, the UN inter-agency pooled funds have emerged as pivotal instruments directly linked to the implementation of initiatives supporting the UN's ability to accomplish the SDGs. The emphasis placed on accelerating the achievement of the SDGs, particularly highlighted during the SDG Summit in September 2023, underscores the integral role of pooled funds in facilitating effective coordination and collaboration across various entities within the UN development system and their diverse partners. As the UN Secretary-General emphasizes the need for more flexible and predictable funding, there is a growing recognition of the importance of enhancing "core-like" resources, such as contributions to inter-agency pooled funds, to support the interconnected and indivisible nature of the SDGs. This accentuates the continued relevance and potential of UN pooled funding as a vital component in driving progress towards the SDGs and supporting countries in recovering from global challenges and development crises.

Country-level UN pooled funds.

Ukraine, Malaysia, Malawi, and Montenegro have strategically leveraged UN pooled funds to address diverse challenges and drive sustainable development within their respective contexts. The UN Resident Coordinators from these four countries joined virtually to share their experiences.

In **Ukraine**, the utilization of pooled funds, including the recently established Ukraine Community Recovery Fund, is facilitating a coordinated approach among UN agencies operating in the country. By aligning priorities through programmatic frameworks, these funds have enabled collaborative initiatives that harness the synergies of various agencies, leading to impactful interventions in areas such as peacebuilding, humanitarian assistance, and sustainable development, with a strong focus in communities and their different needs. The unique flexibility and adaptability offered by pooled funds have allowed Ukraine to effectively address multifaceted challenges, demonstrating the instrumental role of these mechanisms in fostering coherence and maximizing impact across different sectors.

In **Malawi**, a country grappling with a range of challenges, including climate-related adversities and macroeconomic strains, the strategic utilization of UN pooled funds, including global funds such as the Joint SDG Fund and Peacebuilding Fund, and the SDG Acceleration Fund has been instrumental in supporting critical interventions. These funds have played a pivotal role in addressing key priorities such as peace, inclusion, effective institutions, and population management, aligning with the country's development imperatives. The Malawi experience, with long standing UN pooled funding experience, highlights the transformative potential of pooled funds in bolstering resilience and fostering inclusive development, particularly in vulnerable contexts.

The **Malaysia** MySDG Fund, established in 2022, has a hybrid structure that includes a private sector window, enabling the leveraging of private sector investments to catalyze change and promote

scalability. The fund has a strong governance arrangement, with the MySDG Foundation serving as the main donor and the UN serving as the Secretariat. The fund's long-term vision is aligned with the UN focus on leaving no one behind, including a strong emphasis on evidence-based interventions that address gaps in the country's development landscape. The Resident Coordinator emphasized the importance of innovation and adaptation in driving sustainable development outcomes, highlighting the fund as an example of a mechanism that can effectively leverage private sector investments to drive impactful initiatives.

In **Montenegro**, the UN is optimally emphasizing UN pooled funds to enhance public-private partnerships, engage with the diaspora and new donors, including the national government, thus amplifying the contributors base and, consequently, the development initiatives' impact. Leveraging these funds has facilitated collaborations uniting the expertise of diverse partners and resources for sustainable development. Pooled fund flexibility has enabled innovative partnerships, especially with private sector and now also exploring with the diaspora, to stimulate private funding and align public and private investments, enhancing resource mobilization. Montenegro is exploring how the Fund could help channel an estimated 600 million euros per year from the diaspora towards targeted initiatives, and their effective use for sustainable development and priority areas. Starting in 2024, all households in Montenegro will receive information through the electricity bills on the UN funds in the country and options for action. This strategic use of pooled funds underscores their transformative potential in catalyzing partnerships and leveraging resources, demonstrating their pivotal role in driving inclusive, impactful initiatives through diverse stakeholder partnerships.

Innovation and leverage

An important part of the discussion centered around innovation in pooled funding. Examples were provided of several MPTFs that have become platforms for leveraging the mandates of different UN organizations towards the mobilization of diverse streams of financial resources, fostering greater leverage and expanded partnerships with international public and private stakeholders (at country level, but also global funds such as Central African Forest Initiative, Global Fund for Coral Reefs, Systematic Observation Financing Facility, Joint SDG Fund or Peacebuilding Fund). These MPTFs have facilitated the design and establishment of innovative financial instruments. The emphasis on innovation reflects a commitment to addressing complex development challenges and leveraging the comparative advantages of UN agencies and their partners to drive transformative change and sustainable development, while at the same time relying in the strong accountability basis of UN pooled funds.

Furthermore, the nature of MPTFs has provided a conducive platform for attracting private capital and utilizing blended finance, leading to the funding of initiatives that align with the SDGs and design innovations. The increasing involvement of non-UN entities, including NGOs and multilateral development banks (in funds such as SOFF), in implementing programs under the MPTFs has expanded the breadth of access and impact for transformational results. As a result, MPTFs have emerged as dynamic mechanisms for fostering innovation, attracting diverse funding sources, and driving collaborative action towards the acceleration of progress on the SDGs, reflecting the evolving

landscape of development finance and the imperative of leveraging innovative approaches to address global challenges.

Moving forward: scaling up ambition in UN pooled funds.

Embracing a forward-looking approach, stakeholders emphasized the importance of strengthening governance systems and allocation processes to enhance the agility and flexibility of pooled funds ensuring different functions (administration, allocation decisions and implementation are independent). The discussion underscored the need to adapt pooled funding mechanisms to the dynamic development landscape, ensuring that they remain responsive to emerging priorities and crises.

The future trajectory of pooled funding calls for enhanced engagement with donor partners at the country level, fostering transparency, and accountability. Stakeholders emphasized the imperative of engaging donor partners in joint steering committees at the country level, ensuring their active involvement in decision-making processes. By facilitating meaningful engagement with donor partners, pooled funding mechanisms can enhance visibility and accountability, thereby strengthening the trust and confidence of contributors. This collaborative approach underscores the significance of inclusive partnerships in driving the future of pooled funding, aligning with the overarching goal of maximizing the impact of these mechanisms in advancing sustainable development, peacebuilding, and humanitarian assistance.

Potential areas to cover in future meetings

Participants expressed interest in having an earlier forum next year following the release of the MPTF Office Annual Report, due to the importance of the debate and topics for further exploration raised during the discussion. Key areas for consideration include learning more about how MPTFs are leveraging resources, establishing alignment in governance structures across country pooled funds, achieving equilibrium between global and country-level funding, improving evaluation processes, and offering more information on impact and results. Participants underscored the importance of streamlining governance structures to ensure consistent, transparent, and accountable resource allocation and decision-making. They also highlighted the significance of balancing global and local funding dynamics to maximize impact and aligning with other streams of funding. Similarly, improved evaluation procedures and in-depth reporting on outcomes were identified as vital elements to uphold accountability and transparency, and to showcase the efficiency and importance of pooled funding initiatives.

Recording of the 2023 meeting is available at: <https://youtu.be/j943HaJzp4s>

ⁱThis document presents a brief summary of key topics discussed during the third multi-stakeholder discussion forum on UN pooled funds organized by the Multi Partner Trust Fund Office. The forum was established per recommendation of the independent evaluation of [UNDP inter-agency pooled financing services](#) (September, 2018). This summary has been prepared to support future discussions and address questions and suggestions raised during the forum. The document is for information purposes only and by no means represents the views of the UN, its Member States or its entities.

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