

# MALAYSIA-UN SDG TRUST FUND

## 2023 ANNUAL REPORT



**MALAYSIA-UN  
SDG TRUST FUND**





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The Malaysia-UN SDG Trust Fund is supported by:



Government of Malaysia



United Nations in Malaysia



Yayasan Matlamat Pembangunan  
Mampan Malaysia (MySDG Foundation)

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# Malaysia-UN SDG Trust Fund

## Introduction

Malaysia is fully committed to the 2030 Agenda and the 17 Global Sustainable Development Goals (SDGs). Efforts to deliver on this commitment and accelerate implementation in line with the UN Decade of Action have become even more urgent as the country addresses the socioeconomic aftermath of the COVID-19 pandemic, responds to the ongoing globally-driven costs of living crisis, and embarks on its path to sustainable recovery.

The Government of Malaysia, primarily the Ministry of Finance, through the MySDG Foundation, agreed to contribute as the primary donor to the Malaysia-UN SDG Trust Fund (the Fund) and collaborate with the Office of the United Nations Resident Coordinator (UN RCO) and the UN Country Team in Malaysia to support programmes and projects that address national priorities through a multi-stakeholder approach which fosters partnerships for innovative SDG solutions reaching those further behind.

The Fund supports catalytic interventions which target those groups at risk of being left behind. It promotes partnerships and a whole-of-society approach to create equitable and inclusive pathways for sustainable development. With an emphasis on local action, the Fund will contribute to improve lives and livelihoods across regions and communities, and more broadly to SDG progress in Malaysia.

The year to December 2023 was a momentous one for the Fund, marking its first full year of substantive operations. The major activity being the launch and completion of the first call for proposals (CFP-2023) and the subsequent determination of awards.

## Establishment of the Malaysia-UN SDG Trust Fund

With signing of the Standard Administrative Arrangement for the Malaysia-UN SDG Trust Fund using Pass-Through Fund Management on 13 March 2023 between the Multi-Partner Trust Fund (MPTF) Office as the Administrative Agent for the Fund, and the MySDG Foundation as Donor, witnessed by the United Nations Resident Coordinator in Malaysia, Singapore and Brunei Darussalam, the Malaysia-UN SDG Trust Fund was established with an initial contribution by the Donor of USD 4 million to capitalize the Fund.

The Fund garnered wide interest from the UN Country Team with 14 of the 22 UN entities active in Malaysia, becoming signatories to the Fund's Memorandum of Understanding (MOU).

To support the implementation of the Malaysia-UN SDG Trust Fund, the Secretariat was established, and is overseen, by the UN RCO, while being administratively hosted by the United Nations Development Programme (UNDP). The Secretariat supports the Fund's Steering Committee and coordinates substantive, operational and logistical matters related to the day-to-day management of the Fund.

The Malaysia-UN SDG Trust Fund Secretariat organized 4 Steering Committee (SC) Meetings during 2023. These enabled the approval of key documents for management of the Fund; the Fund Operations Manual (FOM), the 2023 Call for Proposals (CFP-2023), the Project Proposal

and Project Document Templates, and the Fund Allocation Matrix (FAM), amongst others. Crucially also, with the Secretariat support, the SC deliberated and reached decisions on the proposals received from UN and non-UN organizations.

## Call for Proposals 2023 (CFP-2023)

### Launch and Promotion of CFP-2023

The Call for Proposals 2023 (CFP-2023) was duly approved by the SC with an allocation of USD3.6 million and was launched on 1 June 2023.

The announcement was widely disseminated nationwide. A Virtual Information Session for interested Non-UN Organizations (NUNOs) was convened by the Fund Secretariat with over 250 interested participants, while a briefing was conducted for the UN Country Team separately.

At close of the CFP-2023 on 14 July 2023, 23:59 PM Malaysia Time (MYT), 233 project proposals were received with a total funding request of USD66.3 million. 223 proposals were submitted by NUNOs and 10 by Participating UN Organizations (PUNOs). Below are statistics related to the 223 project proposals:

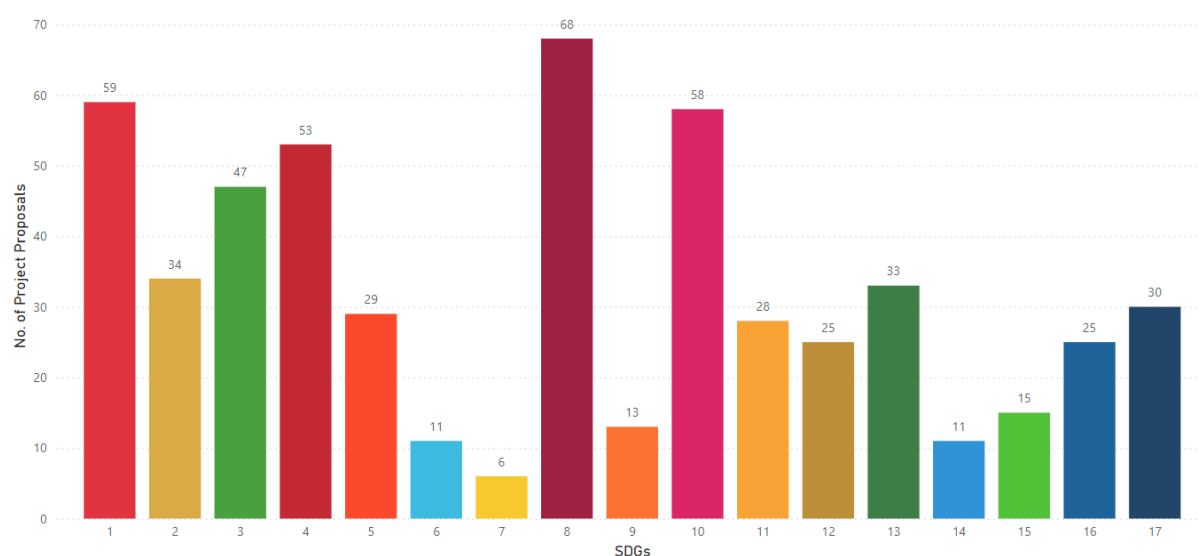


Figure 1: Number of Project Proposals Received by Targeted SDGs



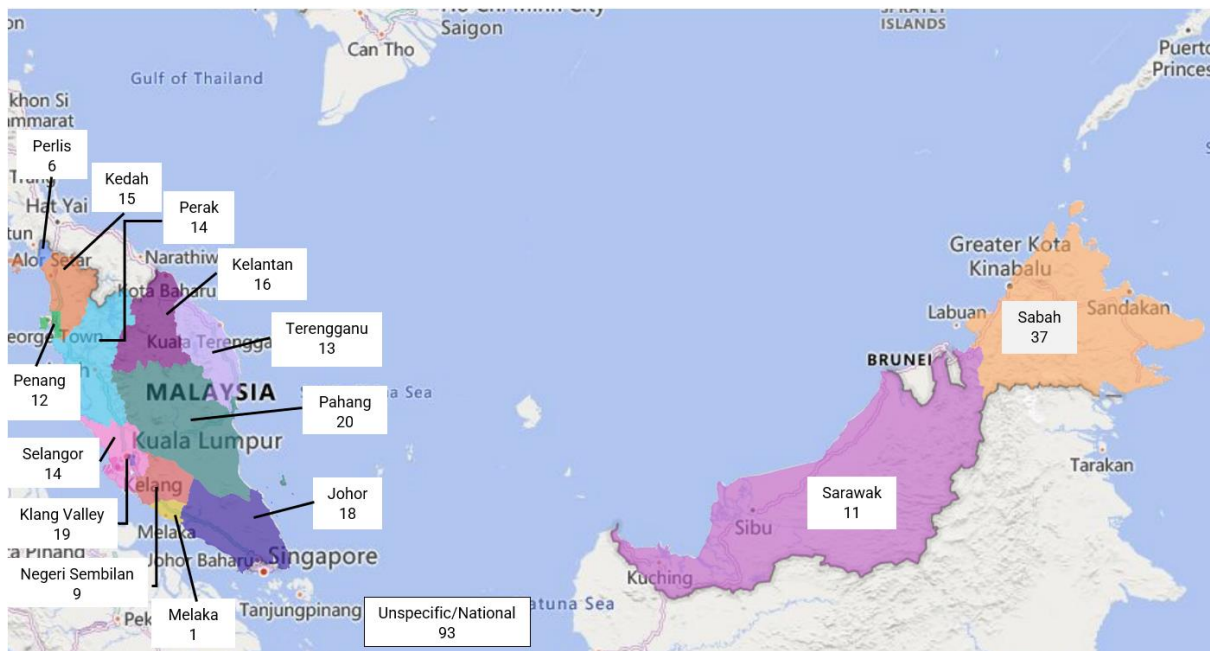


Figure 2: Breakdown of Project Proposals by Targeted Locations

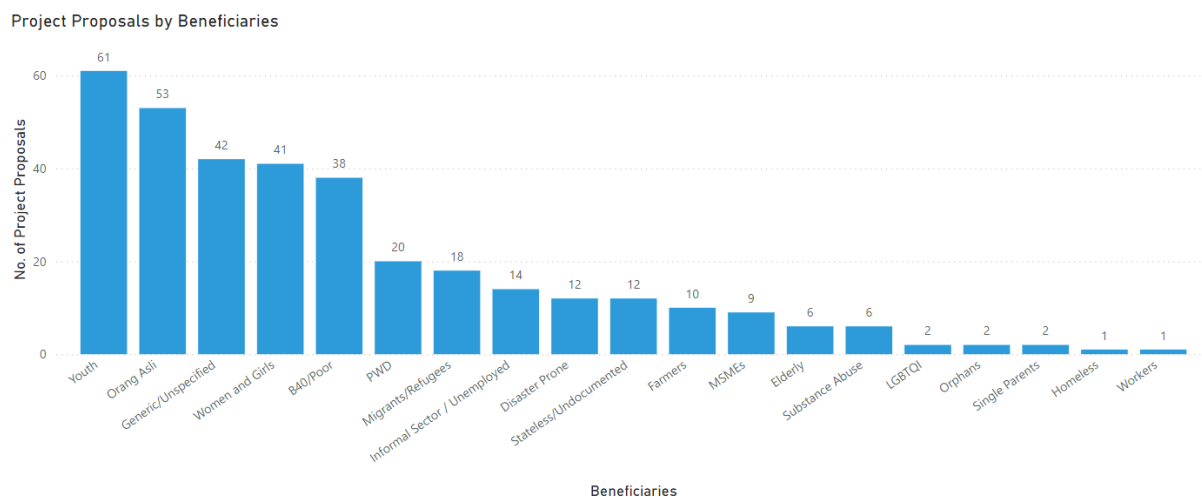


Figure 3: Breakdown of Project Proposals by Targeted Beneficiaries

As shown above, project proposals were received from across the country, with the highest number of applications for projects in Sabah, followed by Pahang, the Klang Valley and Selangor. In terms of proposed targeted beneficiaries, youth, Orang Asli (Indigenous Peoples), and women and girls topped the list, followed by the Bottom-40 (B40/poor), persons with disabilities and migrants/refugees. The top 5 SDGs targeted were SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), SDG 1 (End poverty in all its forms everywhere), SDG 10 (Reduce inequality within and among countries), SDG 4 (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all) and SDG 3 (Ensure healthy lives and promote well-being for all at all ages).

## Selection of Project Proposals and Project Document Development

An initial pre-vetting exercise was carried out for project proposals that met the criteria set in the CFP-2023 guidance, and those from a reserve list that were deemed close to meeting the criteria. These project proposals were then assessed and scored in line with the approved *Project Evaluation and Scoring Matrix*.

The scored project proposals were then presented to the Steering Committee, who selected 14 Project Proposals to proceed to the next step of Project Document development and full vetting process. In all, 3 Project Proposals selected were joint submissions from PUNOs while the remaining 11 were from NUNOs.

The Secretariat subsequently notified the selected applicants of the results of the selection process and organized an orientation session for the selected applicants to provide guidance on the Project Document development and kick start the full vetting process.

The Project Documents were then submitted to the Steering Committee, at which point only 1 NUNO Project Document was approved while the remaining projects required revisions following comments from SC members and the Secretariat. These issues were subsequently resolved.

## Vetting Process

### Harmonized Approach to Cash Transfers (HACT) micro assessment

The HACT micro assessment assesses the NUNO's financial management capacity (i.e., the adequacy of and assurance activities) and is undertaken by a qualified third-party provider to ensure independence and technical expertise. The current HACT assessment evaluates the NUNO in 8 sections covered by 100 evidence-based questions and assigns an overall risk rating as low, moderate, significant or high.

The rigorous assessment alongside MPTF Office's comprehensive due diligence process is required as a direct cash transfer modality is used, whereby the funds are transferred by MPTF Office to the grantee.

Following capacity building, the overall risk rating for virtually all of the selected NUNOs was low.

### Prevention of Sexual Exploitation and Abuse (PSEA) Assessment

Based on the documentation submitted during the project proposal phase, 2 NUNOs had previously been assessed by UNHCR, 3 were assessed to have full PSEA capacity, 4 with partial capacity (6 – 8 PSEA standards met) and 1 NUNO was scored at low capacity.

In addition to the recommendations provided by the Secretariat and the UN National PSEA Coordinator, the Secretariat organized a PSEA training session for NUNOs specifically addressing gaps that were identified during the assessment of the NUNOs' PSEA capacity. Following capacity building, all NUNOs successfully reached full PSEA capacity.

## Disbursement and Reporting

Additional PUNO contributions leveraged, as a result of the fund, approached an average of 14% of project grant requests (USD117,000); while NUNO contributions reached 0.3% of project grant requests (USD7,000).

Given the time taken for capacity building e.g., for high quality project document development, HACT and PSEA, no funds had been disbursed as of 31 December 2023, and are therefore not reported here. These will be reported on in future years.

## Implementation, challenges, lessons learned & best practices

Referring to the Risk Management Log Frame, three implementation challenges have been identified:

- 1) The Fund has yet to mobilize sufficient resources from contributors to reach optimal operational levels
  - a. As the fund is in startup phase, the initial funding of USD4 million was adequate for the CFP-2023. However, future funding has yet to be secured, and efforts are underway to secure the funding for the second Call for Proposals.
- 2) Project implementation delay
  - a. Project implementation by successful applicants are delayed as funds were not disbursed during 2023.
  - b. Sources for the delay included the inadequate quality of project documentation as well as the time needed to meet the HACT and PSEA standards. Ensuring high quality project documentation involved specifying Theories of Change, budgets and Results Frameworks. Capacity building was needed to enable this as well as meeting HACT and PSEA assessment requirements.
- 3) Political commitment towards the SDGs and the Fund
  - a. The Government of Malaysia's commitment to the SDGs remains high, reflected also in the establishment of the National SDG Centre in the Ministry of Economy.
  - b. The Government of Malaysia and the Donor, the MySDG Foundation are committed to the Fund's sustainability and to enhancing the capacities of potential fund recipients.
  - c. The Steering Committee is looking to improve processes for the next call for proposals to ensure that disbursements to successful applicants can be made within 6 months following the launch of the call for proposals.

## Conclusion

The Malaysia-UN SDG Trust Fund offers a novel blueprint for other upper-middle-income countries facing similar challenges in closing SDG gaps and addressing disparities faced by hard-to-reach groups and communities. It adopts an innovative funding model with key development actors coming together to deliver on the promise of the SDGs, especially for those left furthest behind.



Please refer to the link below on the Malaysia-UN SDG Trust Fund story captured in the UN SDG Blog.

[UNSDG | Reaching Those Furthest Behind: Malaysia's new SDG Trust Fund](https://unsdg.un.org/latest/blog/reaching-those-furthest-behind-malaysia%E2%80%99s-new-sdg-trust-fund)

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