Pooled funding milestones, trends and MPTFO 2023 Annual Report

Stakeholder Forum
15 May 2024
UN Inter-Agency Pooled funding trends

Key features & standards

MPTFO portfolio: 2023 Annual Report

Looking Forward 2024 +
UN system funding and financing instruments

Inter-agency pooled funds promote flexibility and collaboration

UN funding is highly earmarked and fragmented.

Total UN revenue by financing instrument 2022

- UN system total revenue: $74.3 billion
- Assessed contributions: 18% ($13.3 B)
- Voluntary core contributions: 8% ($6.1 B)
- Earmarked contributions: 7% ($5.2 B)
- Revenue from other activities: 67% ($49.6 B)

Earmarked contributions to the UN 2018-2022

- 2018: 75%
- 2019: 75%
- 2020: 70%
- 2021: 70%
- 2022: 75%

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<tr>
<th>Year</th>
<th>Project/Programme specific</th>
<th>Local resources</th>
<th>In-kind</th>
<th>Global vertical funds</th>
<th>Single-agency thematic funds</th>
<th>UN inter-agency pooled funds</th>
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<tbody>
<tr>
<td>2018</td>
<td>7%</td>
<td>3%</td>
<td>6%</td>
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<td>2019</td>
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<td>2020</td>
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<td>8%</td>
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<td>2021</td>
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<td>2022</td>
<td>6%</td>
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Trends in UN inter-agency pooled fund deposits by thematic area, 2016 - 2022

- Important growth to 3.3 US$ billion in 2022, second highest ever.

- 8.9% of all earmarked resources for development-related assistance was channeled through inter-agency pooled funds in 2022.

- Climate and environment funds have grown from a modest US$ 43 million in 2015 to US$ 231 million in 2022.
Delivered through established UNSDG standards, legal frameworks, roles, systems.

Pooled funds have 3 Characteristics:

- **Fund design and administration**: designed to support a clearly defined programmatic purpose and results framework through contributions.
- **Joint Governance/Fund operations**: Decisions on project / programmatic allocations are made by a UN-led governance mechanism.
- **Fund implementation**: Fund implementation is (fully or largely) entrusted to UN entities that assume the programmatic and financial accountability for the resources received.
Distinct functions and accountabilities

Flexible non-core funding to the UN system for joint action

Administrative Agent (Trustee): Sign/maintain MoUs and SAAs/Contribution agreements per UN standards/Protocols; receive and administer donor funds; timely disbursements; consolidate financial statements and reports; provide final reporting. Administrative Agent role firewalled from participating organizations who implement the approved programmes. Fund design support.

Steering Committee. Inclusive composition (UN, Government, contributors, private sector and civil society). Provide overall guidance and direction and takes allocation decisions.

Fund Secretariat. Operational body of the Fund, responsible of programmatic coordination and monitoring. Different hosting arrangements.

Participating Organizations. UN Entities assume full programmatic and financial accountability using own regulations, directives and procedures (e.g. on audits). Diverse implementing partners engaged by PUNOS: Government, NGOs.
20 years of MPTFO administered pooled funds

Diversification, standards and innovation

- 2004: UN Iraq Trust Fund
- 2006: UN Iraq Trust Fund Office becomes the Multi-Donor Trust Fund Office
- 2007: MDG Achievement Fund
- 2008: Delivering as One Funds
- 2009: Peacebuilding Fund
- 2011: Common Humanitarian Funds
- 2012: 1st UN global climate fund, the UN REDD Programme Fund
- 2013: 1st national climate fund in Mali
- 2014: 1st first multi-window fund in Somalia
- 2015: CAFI Central African Forest Initiative
- 2016: “Designing Pooled Funds for Performance” manual
- 2017: Joint SDG Fund
- 2018: Spotlight Initiative
- 2019: Migration MPTF
- 2020: Global Fund for Coral Reefs
- 2021: UN COVID-19 MPTF
- 2022: Uzbekistan Vision 2030 Fund (Asset restitution)
- 2023: Infrastructure Resilience Accelerator Fund
- 2024: Ukraine Community Recovery Fund

Assessed contributions for PBF
20 years of pooled funding
Key Trends in 2023

- A robust portfolio that emphasizes climate, development, and peace funds.

- Strong investments in quality standards, knowledge management, and innovation.

- Expanding a coalition of multi-stakeholder partnerships.

- Operational efficiency and effectiveness across the MPTF Office portfolio.
Highlights and Achievements in 2023
Providing high-quality services to the UN System

- A diversified, innovative, well-balanced fund portfolio.
- Greater emphasis on climate, development and transition financing
- Bridging finance across the humanitarian-peace-development nexus and across sectors.

>US$19 billion cumulative portfolio

>107 programme countries received resources

19 new pooled financial instruments in 2023

73 contributors including Member States, private sector, foundations, and civil society

$1B & >$1B in deposits & in transfers

>50 UN organizations and a growing number of non-UN entities

US$234 million invested in climate and environment funds
MPTF Office portfolio since 2010
Growth, diversity and recent contractions

- A portfolio mix including humanitarian, development, environment, and peacebuilding.
- Significant increase in the portfolio from 2015 with a peak in 2021.
- Reduction in contributions in 2023 largely due to humanitarian CBPF changes.
Contributions to global and regional multi-partner trust funds

Increase in share of global funds in 2023

- In 2023, MPTFO portfolio was administering 26 global and 2 regional funds.

- Top 5 global funds:
  - Peacebuilding Fund
  - Central African Forest Initiative
  - Joint SDG Fund
  - Women Peace and Humanitarian Fund.
  - Global Fund for Coral Reefs

- Contributions to global and regional funds reached US$ 570 million, 6.9% increase from 2022

- Contributors to global funds increased from 62 to 73 in 2023.
Country level multi-partner trust funds, 2023
Supporting joint action aligned with UNSDCF, HRP and national development priorities

- **Top 5 country-level funds**
  - Afghanistan Humanitarian Fund
  - Sudan Humanitarian Fund
  - Somalia Joint Fund
  - Special Trust Fund for Afghanistan
  - Malawi SDG Acceleration Fund

- **In 2023, MPTFO received contributions for 29 country level pooled funds**
  - 17 development funds
  - 6 humanitarian funds
  - 6 peace and transition funds.

- **Contributions to country-level pooled funds reached US$ 312 million in 2023, proportionately less than 2022.**
Top 10 contributors, 2023
Partnerships for strategic, flexible and inclusive approach to pooled financing

- Thanks to top 10 contributors in 2023 invested US$ 793 million (over 81% of inter-agency pooled funds in the MPTF Office).

- Germany and Norway maintained contributions of more than US$ 100 million for six consecutive years.
Top 10 UN participating organizations, 2023

- **UNDP, OCHA, UNICEF, IOM, and UN Women** were the top 5 PUNOs in 2023.
- **IOM and UN WOMEN** moved into top 5 in 2023.
- **Transfers to OCHA reduced by 67% in 2023 compared to 2022.**
New Funds in 2023

• Supported design and development of 19 new pooled funds.
  o 4 Global Funds
  o 6 Country level pooled funds
  o 9 Joint Programmes

• The new funding instruments cover climate and environment, peace and transition and development, plus data and analytics.

• Africa and Asia have most new funds

• 4 funds are 2nd Phases of previous funding instruments (building on results and achievements).
2023 Key Performance Indicators
Focus on efficiency and effectiveness

MPTFO applies a set of key performance indicators to monitor and track performance. In 2023,

- 90% of transfers within 5 days
- 98% of annual consolidated reports issued by 31 May
- 100% Certified Sources and Uses of Funds Statements issued by 31 May
- 648 projects financially closed

UN Decade on Ecosystem Restoration Fund in Sri Lanka has increased the survival rate of its mangroves. Photo by Todd Brown/UNEP.
Investments in evidence-based innovation, knowledge management and efficiency gains

- Publication with Dag Hammarskjöld Foundation “Financing the UN Development System: Choices in Uncertain Times”.

- Continuous investment in GATEWAY 2.0, the data platform that enhances transparency and fosters stakeholder engagement.

- Support to Funding Compact commitments on the quality of pooled funding feeding into the UN QCPR report.

- Study on innovative finance opportunities in multi-partner trust funds

Joint Programme DRC Fight Against Gender Based Violence: Supporting and empowering women emerging from vulnerable states and isolated settings. Photo by Josue Mulamba.
Evaluations
Critical tool to successful planning, implementation, and learning

- PUNOs evaluate programmatic initiatives according to their rules and regulations.
- 20 fund evaluations were conducted between 2018 and 2023, six funds were evaluated in 2023.
- All evaluation reports are posted publicly on MPTF Office Gateway and uploaded to the United Nations Evaluation Group (UNEG) database.
Looking Ahead 2024 and beyond
Delivering on the Ambition of SDGs and Funding Compact

➢ Expanding investment on global instruments

➢ Harnessing the potential of country-level pooled funds

➢ Scaling up standardization of common management features

➢ Optimizing evidence on results

➢ Aligning around best practices on gender, LNOB and Social and Environmental Standards

➢ Broadening coalitions for leveraging, scale and impact

Joint SDG Fund in Albania: A new social inclusion protection policy developed to address gaps in social services and advancements in disability and child-care. Photo from UNDP Albania
Multi-Partner Trust Fund Office
The United Nations center of expertise on pooled funding mechanisms

Thank-you
Visit the MPTFO Gateway – mptf.undp.org