

TRANSFORMING OUR WORLD

**Terms of Reference for  
the Joint Fund for the 2030 Agenda (the Joint SDG Fund)  
Revised on October 2024**

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# 1. INTRODUCTION

The **2030 Agenda for Sustainable Development** calls for a paradigm shift to put the world on a path of sustainable development. The goals respect planetary boundaries and ensure that all people can enjoy the benefits of sustained progress while living in peaceful, just and inclusive societies. To ensure that the implementation of the 2030 Agenda ‘Leaves No One Behind’ the global community must make concerted efforts to meet its financing needs. It is estimated that at current levels of investment in SDG-relevant sectors, developing countries face an annual gap of \$2.5 trillion.

Although an ambitious task, bridging such a financing gap is possible. Adopted at the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13-16 July 2015) the [Addis Ababa Action Agenda](#) (the “Action Agenda”, or “AAAA”) provides a global framework for financing sustainable development by aligning financing flows and policies with economic, social and environmental priorities.

Achieving the 2030 Agenda and the Action Agenda will demand a profound change in both policymaking and sustainable development financing. The SDGs have served to highlight the interconnected nature of sustainable development and the need to approach policymaking in a holistic manner. It will be necessary for governments and other stakeholders to identify and trigger those policy levers that can contribute to a smart and accelerated achievement of the integrated SDG agenda at national level. At the same time, to meet the investment needs of the SDGs, the global community needs to move the discussion from “billions” in ODA to the “trillions” in investments of all kinds: public and private, national and international.

Through the **2016 Decision on the Quadrennial Comprehensive Policy Review (QCPR)**, Member States requested a United Nations development system (UNDS) that is better positioned “to support countries in their efforts to implement the 2030 Agenda for Sustainable Development in a coherent and integrated manner”. They also recognized that “this requires a United Nations development system that is more strategic, accountable, transparent, collaborative, efficient, effective and results-oriented”. The 2016 QCPR decision also emphasized the need for well-designed pooled funding mechanisms to support common, cross-cutting UN approaches at country level.

As a follow-up to the QCPR decision, the UNDS, under the leadership of the Deputy Secretary General, is taking steps to ensure a more cohesive and integrated UNDS. Within the broader context of the 2030 Agenda, the Action Agenda and the QCPR, the UNDS has come together to develop a major new initiative that will support Governments to advance the SDGs: *the Joint Fund for the 2030 Agenda*, (herein shortened to the Joint SDG Fund). The Joint SDG Fund will build on the UN’s ability to convene diverse stakeholders and help develop national capacity to work across policy domains in an integrated manner and to stimulate an enabling environment for SDG investments. The substantive focus of the Joint SDG Fund reflects areas in which the UN, as a smart investor, expects to achieve the greatest impact by allocating its resources wisely. The Fund reflects the UN’s financing approach, outlined in the UNDG companion piece, “Funding to Financing”, including the need to use limited UN resources as a catalyst to influence much larger financing flows.

The Joint SDG Fund is seen by the **Secretary General** as a key piece of the **reform of the UNDS**. The Secretary General referred, in his December 2017 report, to the Joint SDG Fund as the “muscle” for Resident Coordinators and a new generation of United Nations Country Teams to help countries to deliver the SDGs, through catalyzing integrated, transformative policy change and innovative financial investment.

The **General Assembly resolution on the repositioning of the United Nations development system**, in the context of the QCPR, invites Member States to contribute on a voluntary basis to the capitalization of the United Nations Joint SDG Fund for the 2030 Agenda at \$290 million per annum.

The Joint SDG Fund will be a country-focused instrument, supporting priority inter-agency efforts towards

joined up implementation on the ground. The Joint SDG Fund approach will focus on the integration of UN Agencies at Country, Regional and Global level, and of a next generation of Resident Coordinators and UN Country Teams with Governments, national stakeholders, and the private sector. By doing so, the Fund will support initiatives that reflect the complexity, inter-dependence, and non-linear nature of the SDGs. Furthermore, it will facilitate bottom-up priorities and social innovation.

The Joint SDG Fund will draw on the multi-sectoral expertise inside and outside the UN to enhance cross-sectoral government approaches to national and sub-national policymaking and policy implementation. The Fund will also help Country Teams create the financing strategies that dramatically increase funding for the SDGs through convening networks and consortia comprised of government, international development banks and the private sector. The Fund will also enable Country Teams to make strategic investments enabled by the UN's integrated policy work and convening power.

The UNDS recognizes that it will need to use a mix of financing instruments to support the achievement of the SDGs, including UN agency core/assessed resources, agency thematic funds, and other agency-specific non-core resources. The Joint SDG Fund is not intended to replace regular, individual agency specific, SDG targeted and financed activities. Rather, the Fund will complement these resources and activities by: *i*) providing targeted resources for multi-agency initiatives that strengthen national capacities for integrated policy; *ii*) developing a country's SDG financing ecosystem; *iii*) implementing catalytic SDG programming and investments; *iv*) ensuring effective and sustainable development results **at national and sub-national levels**. The Joint SDG Fund will complement other pooled funding instruments, in particular, the Central Emergency Response Fund (CERF) and Peacebuilding Fund (PBF), and further strengthen and accelerate the path to sustainable development in weak and fragile states. When the Joint SDG Fund works in the same geographical areas as the CERF and PBF, care will be taken to ensure synergy. In the case of a CERF/ Joint SDG Fund partnership, this will include a focus on the humanitarian-development nexus and resilience building. In the case of a Peacebuilding Fund/Joint SDG Fund partnership, the focus of the Joint SDG Fund will be on ensuring integrated policies are in place and additional capital flows help support a peace dividend. A well-designed, and fully capitalized Joint SDG Fund is expected to reduce fragmentation of policy and financing efforts.

In short, the overall aim of the Fund is to incentivize integrated and transformative policy shifts, and to support the UN's key role in convening and creating SDG financing strategies, and to then make catalytic investments that enable countries to leapfrog in their development.

## 2. FUNCTIONS OF THE JOINT SDG FUND

The Joint SDG Fund will perform the following functions:

1. ***Identify and activate SDG “accelerators”***: The Joint SDG Fund will identify policy levers, through an integrated and cross-sectoral approach, that unleash rapid progress across different goals and targets, based on data, assessments and analysis carried out by national and international partners;
2. ***Reinforce the SDG financing architecture and ecosystem***: The Joint SDG Fund will support the development of financing strategies for SDG investment. This work will include: *i*) convening and creating networks with partners, including the Government, development banks, institutional investors and the private sector; *ii*) strengthening the capacities of the national and sub-national SDG financing architecture; *iii*) the production of multi-stakeholder financing strategies with the aim of dramatically increasing the scale and improving the focus of SDG investments.
3. ***Catalyze strategic programming and investments***: the Joint SDG Fund will invest in key initiatives that emerge from functions (1) and (2), and that leverage public and private financing in order to advance the SDGs. These initiatives will provide a demonstration of concept and will be scalable

both in country and elsewhere.

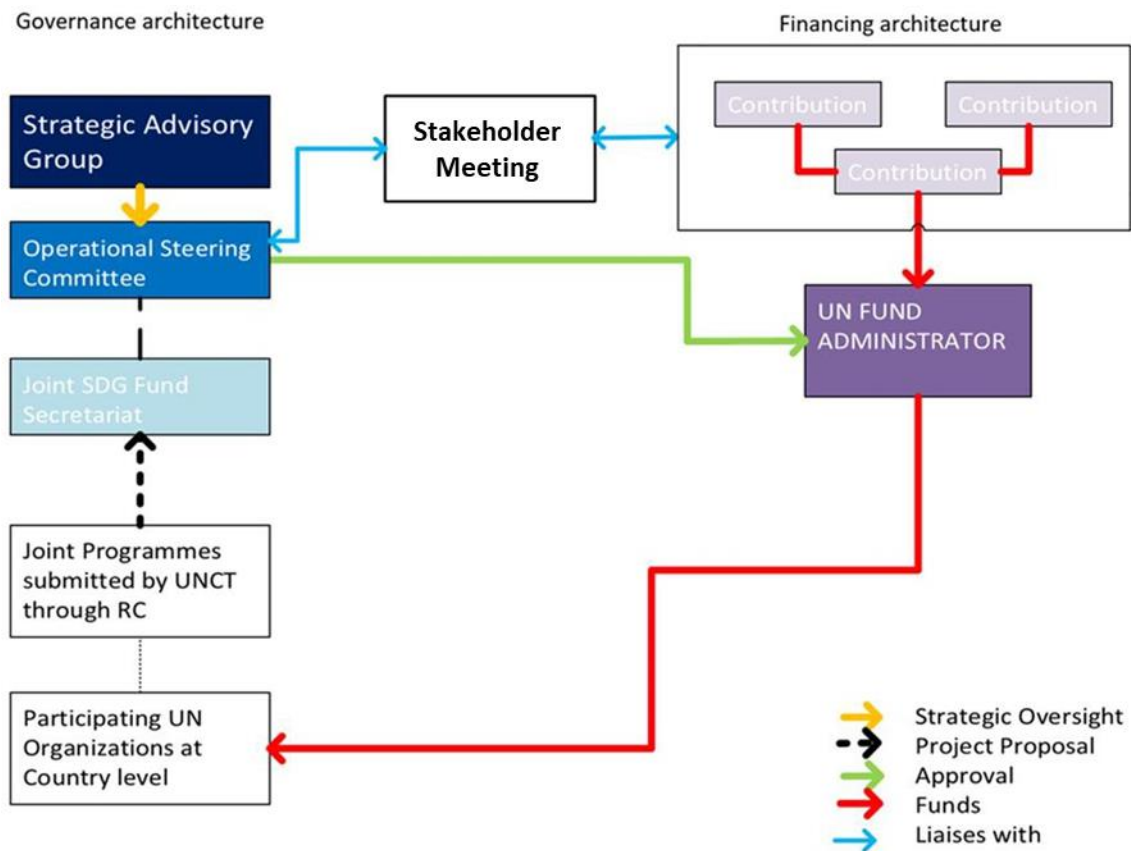
### 3. PROGRAMMATIC SCOPE AND THEORY OF CHANGE

#### 3.1. Problem Analysis and Summary of Theory of Change

The UN and development partners have traditionally supported policy development by sector, mandate, or area of specialization. Despite efforts at policy collaboration, country-level work is often affected by inadequate integration within complementary result areas. Furthermore, the challenge of the SDGs requires a fundamentally new set of inclusive financing strategies. The UN is uniquely positioned to leverage its convening power to support the development and implementation of financing strategies through a much broader set of partners than it has in the past. If we are to transform billions of dollars into trillions worth of SDG investments, the UN needs to both invest in strategic investments vital to the SDGs, and – working with partners - create new financing models that help us achieve the SDGs faster.

The Joint SDG Fund will operate in three interwoven domains of change: *unleashing policy accelerators to catalyse integrated, transformative policy change*, developing the *SDG financing ecosystem*, and *catalysing SDG programming and investments*. These three domains are closely interlinked. To convert integrated policy change into transformative action these changes must be accompanied by new, more coordinated, more comprehensive financing strategies and catalytic investments.

### 4. GOVERNANCE ARRANGEMENTS



#### 4.1. Global Governance Mechanisms

The global governance of the Joint SDG Fund consists of a Strategic Advisory Group and an Operational Steering Committee. These governance mechanisms may be amended as the Joint SDG Fund evolves.

#### 4.1.1 Strategic Advisory Group

The Joint SDG Fund governance structure is led by the Strategic Advisory Group, which is chaired by the United Nations Deputy Secretary-General and Chair of the UNSDG. The Strategic Advisory Group is the overarching high-level mechanism that will provide leadership, vision and strategic direction. The Strategic Advisory Group acts as a high-level forum that facilitates consultation among stakeholders of the Joint SDG Fund, including the United Nations, partner countries, contributing Member States, the private sector and civil society. The Strategic Advisory Group will recommend strategic priorities and take stock of overall progress.

##### *Roles and responsibilities of the Strategic Advisory Group:*

###### *Strategic direction:*

- Set the strategic direction of the Joint SDG Fund and be accountable for the achievement of the Funds objectives, through adoption of the Terms of Reference and/or Fund Strategies..
- Lead efforts to capitalize the Fund, through advocacy and mobilization of investments.
- Provide strategic guidance to the Operational Steering Committee on partnership and fundraising strategies.
- Provide a partnership platform for dialogue, coordination, communication and advocacy among stakeholders, and ensure adaptation of Fund architecture and strategies based on evolving priorities.

###### *Strategic oversight:*

- Review the status of the Joint SDG Fund and oversee overall progress:
  - Review the financial status and resource needs of the Joint SDG Fund.
  - Review consolidated Annual and Final Results Reports prepared by the Secretariat.
- Review the Joint SDG Fund's evaluations and oversee the management response.

##### *Membership of the Strategic Advisory Group:*

The membership for the Strategic Advisory Group, will consist of the following members:

- a) Largest Contributors to the Fund (5 seats): The five contributors making the largest financial contribution (on an annual basis)<sup>1</sup> to the Joint SDG Fund will be invited to be members of the Strategic Advisory Group.
- b) Programme Country Member States (7 seats): Seven Member States will be invited to participate in the Strategic Advisory Group. These Member States will cover different country typologies (such as post conflict, SIDS, LICs, humanitarian-development nexus situations) and will ensure regional representation based on being users of the Fund.
- c) Observers from the Private Sector, Foundation and Civil Society: The Strategic Advisory Group can invite representatives from the private sector, foundations and civil society to attend the meetings in an observer capacity.
- d) Observers from the UN System: The Strategic Advisory Group can invite members of the UN Sustainable Development Group to attend the meetings in an observer capacity. –
- e) Strategic Advisory Group Chairperson: the Chair of the United Nations Sustainable Development Group, the Deputy Secretary General, shall chair the Strategic Advisory Group and the alternate Chair is the Vice Chair of the United Nations Sustainable Development Group, the UNDP Administrator.

The volume of contributions and hence the eight largest contributors will be calculated on an annual basis. As a result, the composition of this group may change on an annual basis. The programme country fund user member state seats will rotate on a biennial basis.

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<sup>1</sup> This will be calculated yearly on December 31st, though Funds received in the two previous calendar years and signed pledges for the following calendar year, except for the first year, in which pledges alone will be counted

The Director of UN Development Coordination Office (DCO) and the Administrative Agent as fund trustee will attend as observers. The individual members should be at an executive decision-making level, and be eminently qualified and recognized as national, regional and/or global leaders on the 2030 Agenda.

The Strategic Advisory Group will have a quorum when 50 per cent of its members are present. It will meet at least once a year to agree, by consensus, on the strategic direction for the fund. The Strategic Advisory Group may also establish an 8-10 member global reference group to facilitate regular dialogue with Private Sector, Foundations and Civil Society.

The Joint SDG Fund Secretariat serves as the Secretariat of the Strategic Advisory Group. Internal rules of procedure of the Strategic Advisory Group will be outlined in the operational guidance note, which will be drafted by the Secretariat, with support from the Administrative Agent, and adopted by the Operational Steering Committee.

**Formal Decision-Making Process of the Strategic Advisory Group:** The Joint SDG Fund Secretariat will circulate the minutes and proposed actions arising from meetings of the Strategic Advisory Group. The Chair shall make a decision on the proposed actions within a maximum of five business days.

#### 4.1.2 Operational Steering Committee (OSC)

Under the direction of the Strategic Advisory Group, the Operational Steering Committee ensures effective and efficient management and coordination of operational and technical aspects of the Joint SDG Fund. The Operational Steering Committee will ensure that the Joint SDG Fund remains fast and light and responsive to country needs through Resident Coordinators and UNCTs, in a timely way. The Operational Steering Committee and secretariat should be able to draw on the technical expertise from across the UNDS.

Based on the strategic direction set by the Strategic Advisory Group, the Operational Steering Committee will oversee operationalization of the Fund. The Operational Steering Committee will oversee the development of full joint programmes and agree budgets for fund allocation. Based on allocation decisions by the Operational Steering Committee, the Secretariat will request the transfer of funds from the Administrative Agent to Participating United Nations Organizations, subject to United Nations regulations, rules, policies and procedures.

##### *Roles and responsibilities of the Operational Steering Committee:*

- Oversees the development and operationalization of the joint programmes, based on the strategic direction set by the Strategic Advisory Group (SAG).
- Approves fund allocations to joint programmes based on the strategic direction set by the Strategic Advisory Group (SAG) through the Fund Strategy and/or other guidance.
- Approves the operational guidance note that complements the Terms of Reference (ToR). The operations guidance may be amended as needed by the Operational Steering Committee.
- Approve detailed guidelines on the establishment and management of thematic and/or multi-country windows including setting criteria, scope and management arrangements of the windows. The window technical coordination/support groups can recommend joint proposals/programmes but approval of all programmes and fund allocation decisions will remain with the OSC.
- Monitors the performance of joint programmes.
- Reviews any joint programme revisions of more than 25 per cent of the value of the budget or programmatic revisions that significantly change the scope, objectives, strategy or priorities of an approved joint programme.
- Endorses direct costs budgets, specifically those related to the Secretariat and any support operations, evaluations and audits.
- Monitors financial management of funded initiatives.
- Ensures lessons learned are distilled and fed into relevant wider policy discussions.

- Reviews annual/final consolidated narratives and financial reports submitted by the Secretariat.
- Regularly reviews the risk-monitoring matrix and ensures identified risks are addressed.
- Agrees upon evaluation plans of joint programmes.

#### *Membership of the Operational Steering Committee:*

Membership will include Representatives from relevant United Nations organizations, at the senior decision-making level, that will serve on a rotational basis to provide technical leadership aligned with the strategic direction of the Fund and the cross-cutting impact to be achieved. The Operational Steering Committee will be chaired by the Director of the Development Coordination Office (DCO). The OSC will consist of seven representatives of the Fund's Participating United Nations Organizations (PUNOs), excluding the DCO Director, who serves as the chairperson. The Fund's Secretariat and the Administrative Agent will be ex-officio members of the Operational Steering Committee.

The Operational Steering Committee will meet quarterly, or more frequently as required, arriving at decisions through consensus. A summary note of the decisions made will be shared with the Chair of the Strategic Advisory Group. In case of non-consensus, recommendations can be made by the Operational Steering Committee chair taking into consideration the views of the members.

The Operational Steering Committee will have a quorum when the chairs and at least fifty percent of its other members are present. Internal rules of procedure of the Operational Steering Committee will be included in the operational guidance note and take into consideration the formal decision-making process.

UN organization membership on the Operational Steering Committee will be on a staggered rotational basis, with a two-year term initially assigned. However, UN organizations will have the possibility to serve a consecutive second term, if deemed necessary by the OSC. The Operational Steering Committee will agree upon a schedule of rotation among its members. There will always be at least three representatives from UN organizations with significant country-level operational presence and at least two representatives from UN Specialized Agencies, including at least one UN entity without significant country footprint and one UN entity with a normative mandate as Operational Steering Committee members.

If a UN organization is serving as technical lead for one of the Fund's thematic windows but is not a member of the OSC, the representative of that UN organization may be invited by the OSC chairperson to attend OSC sessions specifically addressing matters related to the respective thematic window and may participate in decision-making, when invited by the Operational Steering Committee.

The Operational Steering Committee will also convene regular stakeholder meetings, as a larger partnership and dialogue forum on the Joint SDG Funds focus areas and results. As part of this, the OSC may consider establishing an Operational Consultative Group comprising current and potential donor partners.

#### **4.1.3. Joint SDG Fund Secretariat**

The operational coordination and technical support unit for the Joint SDG Fund will be the Joint SDG Fund Secretariat. The Secretariat will be operationally focused, provide quick turnarounds and get things done. The secretariat will require strong capacity to ensure effective and efficient management of the Fund. The Joint SDG Fund Secretariat will be hosted by UN Development Coordination Office (DCO).

The Joint SDG Fund Secretariat provides operational and administrative support to the Strategic Advisory Group and Operational Steering Committees. It is responsible for the coordination and day-to-day management of the Joint SDG Fund. The Secretariat provides quality assurance over the implementation of the fund and coordinates meetings. It facilitates collaboration and communication between the governance bodies, participating United Nations organizations, and the Resident Coordinators and UNCTs.

A primary role of the Joint SDG Fund Secretariat is to support the submission of country-level joint programme/proposals to the Operational Steering Committee, and to ensure they have been developed in



accordance with agreed-upon joint programme submission guidelines, and criteria specified in the Operational Guidance and other technical guidance documents that has been developed in accordance with United Nations Sustainable Development Group (UNSDG) standards, including the UNSDG Guidance Note on Joint Programmes. The Joint SDG Fund Secretariat will be responsible for reporting on the implementation of funded joint programmes through periodic progress updates (which include consolidated annual narratives reports) received from the Resident Coordinators representing joint programme Participating United Nations Organizations (PUNOs). The Secretariat will present an overview of progress to the Strategic Advisory Group, Operational Steering Committee and other Stakeholder meetings and ensure that lessons learned feed into relevant wider United Nations reform discussions.

The Secretariat will perform the following functions:

- Liaise among the chairs of the Joint SDG Fund Strategic Advisory Group and Operational Steering Committee, UN Resident Coordinators/UNCTs, the Joint SDG Fund Administrative Agent and UNSDG mechanisms.
- Provide logistical and operational support to the Strategic Advisory Group and Operational Steering Committee.
- Prepare consolidated narrative reports on Fund progress, in accordance with the agreed results framework and indicators.
- Consolidate narrative reports with the financial report provided by the Administrative Agent.
- Facilitate learning and knowledge management including but not limited to analytical reports, reviews, studies, seminars.
- Compile country and Fund level baseline data for inclusion in the results framework and facilitate annual progress reviews against the indicators.
- Organize annual review meetings and preparation of information, data and reports to enable the assessment of overall progress made against the agreed Joint SDG Fund indicators, funding situation, and in-depth assessment of selected country cases.
- Ensure the monitoring of operational risks and Joint SDG Fund performance.
- Liaise with the Administrative Agent on fund administration issues.
- Facilitate independent evaluations on the overall performance of the Fund as directed by the Strategic Advisory Group and Operational Steering Committee.
- Organize the preparation, launch and coordination of the process for submission, technical review and approval of proposals and joint programmes in coordination with technical support from the UN entities and as relevant, in liaison with the thematic windows technical support groups. Coordinate review of submitted proposals with technical experts from UN entities and external experts, support pipeline development, and approve allocation of seedfunding for the development of full project proposals, within budget approval by the Operational Steering Committee.
- Support the development of quality proposals and joint programmes with Resident Coordinators, PUNOs and technical experts from UN entities from regional and global levels.
- Facilitate the submission of full joint programme documents to the Operational Steering Committee for final approval and funding allocation.
- Support the implementation of approved joint programmes with support from technical experts from UN entities at country, regional and global levels.
- Monitor and support joint programme operational closure and preparation of final joint programmes report.
- Contribute to developing partnerships within the UNDS and beyond that can be leveraged to support the implementation of joint programmes and other initiatives funded by the Joint SDG Fund.
- Support outreach, communication and resource mobilization activities.
- With delegated authority from the OSC, the Head of Fund Secretariat will be authorized to approve revisions to joint programme duration and other non-substantial changes that do not involve changes in the overall programme budget, scope and results. The Head of the Fund Secretariat will report all approved revisions to the OSC, documenting them as an annex in the subsequent OSC meeting minutes.

## 4.2 Country-level governance arrangements

The Resident Coordinator will be responsible and accountable for the conception, strategic planning, and oversight of proposals and joint programmes funded through the Joint SDG Fund.

Access to the Fund requires the participation of a minimum of two UNCT member entities as Participating UN Organizations (PUNOs) in a joint programme or initiative. The lead PUNO will be accountable to the Resident Coordinator for coordination of PUNOs towards the efficient and effective achievement of results and utilization of resources provided through the Fund. During the process of selecting PUNOs, the Resident Coordinator will ensure transparency, accountability and efficiency by adhering to the selection criteria of comparative advantages, performance, readiness for implementation and budget and operational efficiency as outlined in “Annex B2. Criteria to Select PUNOs and allocate resources” of the Guidance Note on a New Generation of Joint Programmes (UNSDG 2022).

At the country level, management of Joint SDG Fund resources will be guided by the principles of national ownership in support of national priorities and will be embedded in the new generation of UN Sustainable Development Cooperation Frameworks. This is within the UN’s central planning and implementation framework at country level, under the leadership of the Resident Coordinator, who will have enhanced authority to ensure alignment of the resources received from the Joint SDG Fund with national development priorities.

The Participating UN Organizations that receive Joint SDG Fund resources shall assume full programmatic and financial accountability for these resources, as outlined in the existing legal agreements (MOU and SAA).

While precise governance arrangements will vary from one UNCT to another, the country-level governance architecture of all Joint SDG Fund supported programmes should include the following elements:

1. UN Sustainable Development Cooperation Framework Results Groups: The Joint SDG Fund is expected to contribute directly to the achievement of national policy in support of the SDGs as indicated in national Cooperation Framework (CF) outcomes. As such, CF Results Groups may provide strategic direction and oversight to programmes supported by the Joint SDG Fund.
2. Joint Programme Steering Committee: All joint programmes funded by the Joint SDG Fund are governed by a Joint Programme Steering Committee. The Steering Committee will be responsible for implementation, coordinating inputs, fiduciary and management oversight, and facilitating collaboration between PUNOs and host governments. It will include senior managers of all signatories of the joint programme document and chaired or co-chaired by the Resident Coordinator.

In order to improve alignment of funding at country level, and to enable a new generation of Resident Coordinators to shape country-based programming, aligned with the CFs, UNCTs will be encouraged to set up a country-based SDG financing instrument (“Country level SDG Fund”), managed locally and inline with the Joint SDG Fund Theory of Change, that would allow RCs to mobilize flexibly deployable funding.<sup>2</sup> The Operational Steering Committee may request that funding from the Joint SDG Fund be made available to a Multi-Partner Trust Fund in a specific country (country-level MPTF) administered by the Administrative Agent, provided that such allocation complies with the Joint SDG Fund’s quality assurance process and established criteria, aligns with the Joint SDG Fund’s overall strategic direction, and ensures mutual accountability and transparency by the RC and the UNCT. Detailed guidance will be included in the Operations Manual of the Fund including guidance to be provided to RCs on the selection criteria and modalities for UNCT members’ engagement.

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<sup>2</sup> The Multi Partner Trust Fund Office, and UN DCO, will identify, on a case by case basis, the most appropriate administrative set-up for the country level SDG Fund. Based on the resources mobilized, and on the scope of the interventions planned, the country level SDG Fund could be set up as window under the global Joint SDG Fund, or as a stand-alone fund.

### 4.3. Fund Administrator

The Fund will be administered by the Multi-Partner Trust Fund Office (MPTF Office), acting as the Administrative Agent (AA) (<http://mptf.undp.org>). The AA will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor, to meet the costs of performing the AA's standard functions as described in the MOU.

The MPTF Office is responsible for Fund design and set-up, maintenance of the Fund account, receipt of donor contributions, and disbursement of funds upon instructions from the Operational Steering Committee, and provision of periodic consolidated reports.

The key responsibilities of the Joint SDG Fund Administrative Agent include:

- Concluding a Memorandum of Understanding (MOU) with the Participating UN Organisations and Standard Administrative Arrangements (SAAs) with contributing partners.
- Receipt, administration, and disbursement of funds to PUNOs according to the instructions of the Operational Steering Committee, financial reporting and consolidation.
- Disbursal of funds to the Secretariat for direct costs based on the decision of the Operational Steering Committee.
- Holding the Joint SDG Fund in the MPTF ledger account until such time that the Operational Steering Committee directs the Fund Administrator for disbursement. The amount distributed to the specific fund, project or programme shall be communicated by the Operational Steering Committee to the Fund Administrator.
- Preparation of and communication to the Strategic Advisory Group and Operational Steering Committee, through the Secretariat, the annual and final Fund Source and Use of Funds' statements.
- Notifying the Strategic Advisory Group and Operational Steering Committee and donors on the availability of the Consolidated Financial and Narrative Reports and Sources and Use of Fund's statements.
- Undertaking the financial closure of the Joint SDG Fund.

### 4.4. The Participating UN Organizations (PUNOs)

Participating UN Organizations are responsible for implementing activities set forth in approved joint programme documents. Each Participating UN Organization will designate a technical focal point and notify the Fund Secretariat to serve as the organization's representative to the Fund. The focal point will be responsible for facilitating information sharing and coordinating activities between the PUNO and the Fund as required.

Participating UN Organizations sign a Memorandum of Understanding with the MPTF Office.

Each Participating UN Organization shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each Participating Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs shall not exceed 7%. All other costs incurred by each Participating Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

## 5. FUND IMPLEMENTATION

### 5.1. Principles of fund implementation

The Joint SDG Fund will be open to all UNCTs. Proposals will be submitted by the UN Resident Coordinator on behalf of the UNCT and PUNOs with results anchored in the CF. The Joint SDG Fund may also fund global and multi-country initiatives that directly contribute to the fund results matrix. Fund implementation will be guided by the following principles:

- Funding eligibility: Funding may be provided to any country or thematic area, recognising that the UN's policy and financing expertise can add value in a wide range of country settings.
- Development effectiveness, national priorities and relevance to UN Sustainable Development Cooperation Frameworks: The Joint SDG Fund will leverage the CF process, particularly supporting CF rollout countries that require investment in priority areas and support in SDG implementation. All proposals are to be aligned with national priorities and anchored in the CF, and coordinated with other relevant development activities.
- Competitive funding allocation: Where appropriate, funding will be awarded on a 'competitive' basis, with proposals being assessed based on their relevance and quality, with special attention on inter-sectoral and catalytic elements.
- Multi-year funding: The Joint SDG Fund will support multi-year initiatives to give sufficient time for partnerships to be established, key stakeholders to be engaged, and policy work and innovative financing efforts to demonstrate results.
- Multi-level funding: While the fund is managed and disbursed globally, and unearmarked contributions are preferred, donors may earmark funding at the thematic or regional level.
- Fund management and implementation support: Joint programmes receiving funding will benefit from support in design, implementation, monitoring and reporting that will be coordinated by the Joint SDG Fund Secretariat with the support from technical experts from UN entities.
- Joint programmes: Activities supported by the Joint SDG Fund are expected to be implemented through joint programmes, with two or more PUNOs (unless this is not feasible, due to country-specific conditions) and meet criteria set forth by the Strategic Advisory Group and Operational Steering Committee (note: unless it is not feasible due to country-specific conditions, joint programmes should be implemented following the UNSDG guidance note on Joint Programmes).

### 5.2. Programme Approval Cycle

The Joint SDG Fund will devise tailored joint programme selection mechanisms – e.g. call for proposals/joint programmes, funding rounds – to operationalize the strategic direction of the Fund set by the Strategic Advisory Group and under the guidance of the Operational Steering Committee.

Eligible UN Resident Coordinators may submit a proposal/programme document to the Secretariat on behalf of the PUNOs and UNCTs. When appropriate, proposals will be solicited through a competitive funding round. Proposals can also include a request for complementary seed funding to develop a full joint programme. The Fund Secretariat and technical experts from UN entities may be available to support selected UNCTs with the development of the final programme document, in line with the objectives of the Fund, the National Development Plan, the CF and the SDGs.

The technical review of proposals and joint programme documents will be coordinated by the Fund Secretariat, with technical support from UN entities, who will engage substantive policy experts from within and outside the UNSDG. The Secretariat will make a recommendation based on the technical review process to the Operational Steering Committee for approval of proposals and joint programme documents. The Operational Steering Committee will be ultimately responsible for making decisions on funding allocations and will notify the UN Resident Coordinator, through the Secretariat, accordingly.

### 5.3 Accountability

Each Participating Organization shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each Participating Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

### 5.4. Contributions

Contributions to the Joint SDG Fund may be accepted from governments of Member States of the United Nations or from intergovernmental or non-governmental organizations, and/or from private sources. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and the Business Community.

In support of the overarching aim of the Joint SDG Fund, and in order to ensure maximum flexibility and adaptation to priorities, donors to the Fund are encouraged to contribute with multi-year pooled/ un-earmarked resources. However, if this is not possible, earmarking at the thematic or regional levels will be accepted.

Contributions to the Joint SDG Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by UNDP. The value of a contribution-payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. The MPTF Office charges a standard one-time fee of 1% for pass through services of UN pooled funds, which will be deducted from the contributions to the Joint SDG Fund at the time they are deposited.

## 6. REPORTING

The Resident Coordinator will report to the Secretary-General and to the host Government on the implementation of the United Nation Sustainable Development Cooperation Frameworks, including the joint results achieved through the Joint Programmes funded by the Joint SDG Fund.

Reporting on the Joint SDG Fund will be results-oriented and evidence based. Annual and final narrative reports of country-level interventions will compare actual results with expected results at the output and outcome level (linked to SDG targets and indicators), as outlined in the joint programme documents, and explain the reasons for over or underachievement. The final narrative report will also contain an analysis of how the outputs and outcomes have contributed to the overall impact in terms of SDG acceleration and the broader UN Development System Reform. The financial reports will provide information on the use of financial resources against the outputs and outcomes in the agreed results framework and will be linked to SDG targets.

To facilitate monitoring and evaluation reporting of resources allocated by the Joint SDG Fund, PUNOs will be required to disclose complementary funding received from other sources for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives.

Each PUNO will provide the Convening/ Lead PUNO with the following narrative reports prepared in accordance with the reporting procedures applicable to the Participating UN Organization concerned, as set forth in the Joint Programme Document, as agreed by the global governance structure.

- Annual narrative progress reports, to be provided no later than three (3) months (31 March) after the end of the calendar year; and
- Final narrative reports, after the completion of the activities in the Joint Programme Document, including the final year of the activities in the Joint Programme Document, to be provided no later than four months (30 April) after the end of the calendar year in which the operational closure of the activities in the Joint Programme Document occurs.

The Convening/Lead PUNO will integrate the narrative reports of PUNOs concerned and submit a consolidated annual report to the Joint SDG Fund secretariat, through the Resident Coordinator. The Resident Coordinator will use this to report to the Secretary-General and to the host Government on the implementation of the United Nations Cooperation Framework, including the joint results received through the Joint Programmes funded by the Joint SDG Fund.

The PUNOs shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures:

- (a) Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period;
- (b) A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities;

The Secretariat will prepare consolidated Fund-level narrative progress and financial reports (based on the narrative reports received from the consolidated by the Secretariat and the financial statements consolidated by the Administrative Agent) and will provide these reports to the Administrative Agent who will provide these to each donor that has contributed to the Joint SDG Fund Account, as well as the Strategic Advisory Group and Operational Steering Committee, in accordance with the timetable established in the Administrative Arrangement. The narrative report will include lessons learned and highlight both challenges and achievements from the implementation of the joint programmes and initiatives supported by the fund, as well as the functioning of the fund itself as outlined in the TOR. The reports will include important findings and recommendations from analysing the programme portfolios and results in relation to potential SDG impact and contribution to the UN Development System Reform, including how different segments of the population (may) benefit from the interventions. Data should be disaggregated, including by sex. The report will also describe how the Fund contributes to reducing fragmentation of the UN's policy and financing efforts and their respective transaction costs, addressing unproductive competition, facilitating scale and partnerships and providing incentives for pursuing system-wide priorities, strategic positioning and coherence to achieve national SDG commitments. The Secretariat may from time to time use other available data and conduct or commission focus studies/reviews to collect experience.

The Administrative Agent will also provide the donors, the Strategic Advisory Group and Operational Steering Committee, and Participating Organizations with the following statements on its activities as Administrative Agent:

- a. Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
- b. Certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

Consolidated reports and related documents will be posted on the websites of the Joint SDG Fund and the Administrative Agent (<http://mptf.undp.org>).

## 7. MONITORING AND EVALUATION

MPTF monitoring and evaluation arrangements are in line with the standard UNSDG MOU/SAA. The monitoring and evaluation of the Joint SDG Fund will be based on achievements in relation to results expressed in joint programme documents, CFs and the SDG indicators.

The monitoring and quality assessment will be undertaken by the Operational Steering Committee, with the support of the Joint SDG Fund Secretariat and technical expertise from UN entities. The UNCTs receiving funding allocations from the Joint SDG Fund must submit data, information, and quality/timely reports as required by the Strategic Advisory Group and Operational Steering Committee for the purpose of monitoring and evaluation.

Independent evaluations to assess the progress of the Joint SDG Fund may be conducted periodically.

### *Regular Stakeholder Meeting:*

The Fund will organize regular stakeholder meetings – at least semi-annually – with key stakeholder groups including contributing donors, the wider UNSDG entities and other stakeholders of the Fund. These meetings will review progress and discuss significant changes in circumstances and major risks including any substantive revisions to the Fund. These meetings will be undertaken under the leadership of the Operational Steering Committee and will focus on the overall progress the Fund made against the SDGs, progress against the Joint SDG Fund's results framework, the funding situation, challenges in implementing the TOR for the Joint SDG Fund and possible needs for adjustments as well as an in-depth assessment of selected country cases. Key stakeholders will receive the annual report and all other documentation three weeks prior to the annual meeting and be invited to provide comments, questions and recommendations. The Secretariat will prepare and convene the meeting. All SAA signatories to the fund will be invited to participate.

## 8. AUDIT

The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and, in accordance with the Framework for Joint Internal Audits of UN Joint Activities which has been agreed to by the Internal Audit Services of Participating UN Organizations and endorsed by the UNDG in 2014. Joint audits will be conducted, as appropriate.

## 9. PUBLIC DISCLOSURE

Each Participating Organization will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other Participating Organizations. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, Participating Organizations, the AA, and any other relevant entities. In particular, the AA will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

The AA, in consultation with the Participating Organizations, will ensure that decisions regarding the review and approval of the Joint SDG Fund, periodic reports on the progress of implementation of the Joint SDG Fund, or associated external evaluations are posted, where appropriate, for public information on the website of the Joint SDG Fund and the AA (<http://mptf.undp.org/>). Such reports and documents may include approved programmes and programmes awaiting approval, funding levels, annual financial and progress reports, and external evaluations, as appropriate. Transparency of the Fund will be ensured by its inclusion in the MPTFO's online Gateway which can be publicly accessed.

## 10. MODIFICATION AND EXPIRATION OF THE JOINT SDG FUND

The present Terms of Reference may be modified at any time by the Operational Steering Committee.

The Joint SDG Fund will be able to establish thematic, country and multi-country-based windows. Detailed guidelines will be approved by the Operational Steering Committee including criteria, thresholds and management arrangements. Thematic and multi-country windows shall help to nurture a variety of partnership platforms at global, multi-country and national levels enabling diverse institutions to support member States to address significant trends in a more coordinated manner. The UNCTs will be able to draw upon the technical resource of these partnerships to assist governments and other non-State actors promote integrated approaches to sustainable development. The thematic windows will also enhance resources mobilization for the fund, particularly from donors that have these themes as strategic priorities. They will address cross-cutting issues in a holistic manner, while reducing donor fragmentation, bolstering inter-agency coordination and enhancing medium to long term country-led planning processes for more resilient results.

Country based Joint SDG Funds, complemented from global funding from the Joint SDG Fund, Peacebuilding Fund and other pooled funds will focus on the highest priority items, that can accelerate progress towards the SDGs through integrated policy and SDG financing. The Country based Joint SDG Funds will serve as an ‘integrator’ which promotes joint strength of UN Country Team towards the achievement of CF results, and country-led SDG actions overall, in close coordination with national stakeholders.

The last date to transfer funds to Participating Organizations will be 31 December 2029. Completion of all operational activities will be 30 June 2030, in alignment with the timelines established by Member States to implement the 2030 Agenda. The dissemination of the final narrative report will be 30 June 2031.

All PUNOs will provide certified final financial reports on financially closed projects by 31 May 2032, or no later than five (5) months (31 May) after the end of the calendar year in which the financial closure of the activities in the approved programmatic document occurs, or according to the period specified in the financial regulations and rules of the Participating UN Organization, whichever is earlier.

The dissemination of the certified final financial statement (“Source and Use of Funds”) is to be provided no later than 31 July 2033; that is, seven months after the end of the calendar year in which the financial closing of the Joint SDG Fund occurs.

The Joint SDG Fund will terminate upon completion of all programmes funded through the Joint SDG Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the Joint SDG Fund, any unutilized balances will continue to be held in the Joint SDG Fund account until all commitments and liabilities incurred in implementation of the projects/programmes have been satisfied and project activities have been brought to an orderly conclusion.

The Strategic Advisory Group will decide on the use of any unutilized balance of the Joint SDG Fund. Any balance remaining in the Joint SDG Fund Account, upon closure of the Joint SDG Fund, will be used for a purpose mutually agreed upon, or returned to the Donor(s) in proportion to their contribution to the Fund as agreed upon by the donor(s) and the Strategic Advisory Group and Operational Steering Committee.



## ANNEX 1: Risk Management Matrix (as of Dec 2022)

The following risk ranking matrix captures the hierarchy of risks, allowing an assessment of the most appropriate responses to the identified risks, particularly to those risks most likely to impede success (very high and high), as of 2022. In accordance with the Fund’s Risk Management Policy (approved June 2022), the risk matrix will be updated as regularly as required, but no less than once a year.

- **Probability/likelihood:** Very Likely (5), Likely (4), Possible (3), Unlikely (2), Rare (1)
- **Impact:** Insignificant (1), Minor (2), Moderate (3), Major (4), Extreme (5)

#	Description	Type	Impact/Probability	Countermeasures / Management response	Owner
1	The Joint SDG Fund is not able to mobilize sufficient resources from contributors to reach optimal operational levels	Financial Political Strategic Operational	<ul style="list-style-type: none"> <li>• The Fund operates below full capacity. <b>Probability: 4 / Impact: 4 = High</b></li> <li>• The fund is unable to generate sufficient revenue to cover secretariat costs. <b>Probability: 2 / Impact: 4 = Medium</b></li> </ul>	<ol style="list-style-type: none"> <li>1. Build consensus among participating UN agencies of the importance of the fund, to present strong UN-wide ownership message to potential donors. Added Joint SDG Fund ask of \$290m per annum as part of the QCPR Funding Compact and other DCO monitoring frameworks.</li> <li>2. Resource mobilization plan developed and implemented by Strategic Advisory Group and Operational Steering Committee</li> <li>3. Enhance engagement with potential donors through the annual stakeholder event and other high-level bilateral and multilateral meetings including with private sector partners and new donor partners (e.g. SDG Investment Advisory Group, HLPF side event, etc.)</li> <li>4. Carried out donor assessment and looking to incorporate findings and recommendations from the system-wide evaluation on opportunities to expand donor engagement.</li> <li>5. Devised thematic priorities and plans to launch a multi-year strategy to get the buy-in of UN and developmental partners and tap into additional thematic resources, if available.</li> </ol>	SAG OSC Fund Secretariat
2	Weak involvement of participating UN organizations (PUNOS) in Joint SDG Fund	Operational Strategic Organizational	<ol style="list-style-type: none"> <li>1. The Fund is unable to draw from system-wide expertise to develop and deliver quality integrated solutions <b>Probability: 1 / Impact: 3 = Low</b></li> <li>2. The Fund is unable to achieve its objective of greater UN coherence <b>Probability: 1 / Impact: 2 = Low</b></li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure full buy-in and engagement of PUNOs at senior and technical levels throughout Joint SDG Fund governance, design and launch of calls for proposals, and joint programme cycles by ensuring: <ol style="list-style-type: none"> <li>a. Robust financial incentives for PUNOs engagement, including through their technical co-leadership in Fund’s thematic priorities</li> <li>b. Drawing on expertise of HQ and Regional</li> </ol> </li> </ol>	OSC Fund Secretariat

				<p>technical support</p> <ol style="list-style-type: none"> <li>2. Ensure PUNO buy-in of Fund multi-year strategy and thematic priorities by ensuring co-creation and endorsement in the planning process.</li> </ol>	
3	<p>Fund implementation is delayed due to decisions and changes introduced by government counterparts and other implementation partners</p> <p>(Merged with previous risk #5)</p>	<p>Political Regulatory Safety and Security Operational</p>	<ul style="list-style-type: none"> <li>• JP implementation is delayed <b>Probability: 2 / Impact: 4 = Medium</b></li> <li>• Joint SDG Fund funds remain unspent <b>Probability: 2 / Impact: 4 = Medium</b></li> </ul>	<ol style="list-style-type: none"> <li>1. Ensure regular communication with relevant government officials and implementation partners through JP Steering Committee, and ensure that the JP remains agile and responsive to the changing circumstances.</li> <li>2. Installment of payments based on progress towards the achievement of the overall JP results .</li> <li>3. Continue rigorous monitoring of JP to ensure that existing programme implementation framework is still appropriate and necessary adjustments incorporated.</li> <li>4. Operational Steering Committee is kept informed of JPs that fall behind expected progress on implementation of overall JP results, so that funds can be reallocated to different programme if necessary and/or if the issue should be escalated with the RCs through DCO.</li> </ol>	<p>JP National St.Com .</p> <p>OSC Fund Secretariat</p>
4	<p>Fund implementation is delayed due to constraints with PUNOs and/or government counterpart</p>	<p>Operational Regulatory Organizational</p>	<ul style="list-style-type: none"> <li>• JP implementation is delayed. <b>Probability: 2 / Impact: 3 = Medium</b></li> <li>• Joint SDG Fund funds remain unspent. <b>Probability: 2 / Impact: 4/ = Medium</b></li> </ul>	<ol style="list-style-type: none"> <li>1. Installment payments based on expected progress towards implementation of the overall JP results and financial delivery. Operational Steering Committee is kept informed of JPs that fall behind milestones so that funds can be reallocated to different programme if necessary, and/or if the issue should be escalated with the RCs through DCO.</li> <li>2. Support the oversight role of RC and UNSDCF Results Group.</li> <li>3. Ensure that feasibility is adequately assessed in the course of development of the JP, and then regularly monitored by the RC and PUNOs in order to proactively address anticipated delays.</li> <li>4. Undertake rigorous monitoring of JP to ensure that existing programme implementation framework is still appropriate and needed adjustments are incorporated.</li> <li>5. Facilitate HQ and Regional technical support by participating agencies.</li> <li>6. Enhance second tranche release criteria to ensure timely delivery of disbursed funds and added disincentives for UNCT participation in future calls.</li> </ol>	<p>Fund Secretariat</p> <p>JP National St.Com .</p> <p>UN Results Group</p> <p>OSC</p>

				<ul style="list-style-type: none"> <li>7. Ensure government's engagement since the design process of the JP.</li> <li>8. Follow-up instalment cannot be disbursed in case of absent government signature in the ProDoc.</li> </ul>	
6	JP and UNSDCF Results undermined due to poor quality of technical support and coordination within JPs	Operational Organizational	<ul style="list-style-type: none"> <li>1. Quality of JP and UNSDCF results undermined. <b>Probability: 1 / Impact: 5 = Medium</b></li> <li>2. JointSDGFund reputation is compromised. <b>Probability: 1 / Impact: 4 = Medium</b></li> </ul>	<ul style="list-style-type: none"> <li>1. Strong due diligence of UNCT capacity and JP quality in the screening process.</li> <li>2. RC leadership and PUNOs ensure critical minimum in- country technical capacity.</li> <li>3. Strong, 'back office' programmatic support by the Fund Secretariat</li> <li>4. Effective regional and HQ technical support by PUNOs, including through regional platforms and IBCs.</li> </ul>	PUNOs OSC Fund Secretariat
7	Joint SDG Fund JP funding is mis- managed	Financial Operational	<ul style="list-style-type: none"> <li>1. JP compromised and potentially put on hold. <b>Probability: 1 / Impact 5 = Medium</b></li> <li>2. Joint SDG Fund, UNCT and UN's reputation is compromised <b>Probability: 1 / Impact 5 = Medium</b></li> </ul>	<ul style="list-style-type: none"> <li>1. Strong joint programme management capacity in JP ensured by RCO and the lead PUNO.</li> <li>2. Strong oversight by JP Steering committee and RC in country.</li> <li>3. Disclosure of information according to MPTFO and IATI standards. In addition to publishing information on the Fund website, information should be shared broadly at country level.</li> <li>4. JP management closely follows operational policies and procedures of managing agent and participating agencies.</li> </ul>	JP National St Com  PUNOs
8	Joint Programmes are influenced by large regional or global events and shocks, including regional conflicts and climate disasters.	Social/ Environmental Financial Political Strategic	<ul style="list-style-type: none"> <li>3. Joint Programmes in multiple countries face implementation delays due to unavailability of counterparts or impossibility to implement activities <b>Probability: 3 Impact 2 = Medium</b></li> </ul>	<ul style="list-style-type: none"> <li>1. Request Joint Programmes to update their risk logs and response strategies.</li> <li>2. Exercise flexibility and extend additional support to countries facing external shocks. Prepare programme extensions or other administrative measures to ensure delivery with flexibility.</li> </ul>	JP National St.Com  JF OSC  Fund Secretariat
9	The impact of the Joint Programmes is not sustainable and catalytic both in terms of developmental results and financial leverage	Operational Organizational	<ul style="list-style-type: none"> <li>1. JP impact is not sustainable. <b>Probability: 2 / Impact: 4 = Medium</b></li> <li>2. JP impact is not catalytic. <b>Probability: 2 / Impact: 4 = Medium</b></li> </ul>	<ul style="list-style-type: none"> <li>1. Ensure adequate time and resources for strong JP design during the preparatory phase.</li> <li>2. Empower the leadership role of the RC in JP design and implementation to ensure catalytic and collaborative impact and links to wider UNCT work around the UNSDCFs.</li> <li>3. Enhance guidance and support around preparing JPs for post-programme sustainability and catalyzing developments results and financing (including by the</li> </ul>	OSC RC/Os UNCT s PUNOs s Fund Secretariat

				<p>government to sustain and further scale results) before the Fund's investment ends.</p> <p>4. In the case of the catalytic investment portfolio JPs are encouraged to identify, from the design stage, a public or private sector investor partner that can commit to the specific financing mechanism proposed.</p>	
10	Reputational risks related to partnerships with private sector and non-governmental organizations	Organizational	<p>1. Negative media exposure of the Fund - Probability: 1 / Impact: 2 = Low</p>	<p>1. Ensure all relevant due diligence procedures for approving partnerships and conducting risk assessment of counterparts are followed.</p> <p>2. Conduct continuous monitoring of counterparts to highlight new reputational risks.</p> <p>3. Include in all partnership agreements clauses that protect the reputation of the Fund and the UN.</p>	<p>OSC</p> <p>Fund Secretariat</p>
11	Lack of adequate and/or timely information on results and performance at the Joint Programme and portfolio level	Operational	<p>1. Loss of confidence by donors. Probability: 2/ Impact: 4 = <b>Medium</b></p> <p>2. Limited lessons learned and aggregation of best practices at the Fund level Probability: 2/ Impact: 3 = <b>Medium</b></p>	<p>1. Strengthen collaboration with PUNOs monitoring and evaluation departments by jointly carrying out an evaluation by the end of the implementation period.</p> <p>2. Review of the Joint SDG Fund's Results Framework in order to help UNCTs monitor progress against measurable and strategic indicators.</p> <p>3. Ensure guidance and training to UNCTs on design, monitoring and evaluation focusing on the UN system-wide changes.</p> <p>4. Semi-annual reporting requirements to monitor progress, bilateral exchange with JP implementation teams at least twice a year, and exchange with main PUNOs HQ and Regional offices to mobilize support for underperforming JPs.</p>	<p>Fund Secretariat</p> <p>JP Steering committees</p> <p>PUNOs</p>

## Risk Categories

1.Social and Environmental	2. Financial	3.Operational	4.Organizational	5. Political	2.Regulatory	7. Strategic	8. Safety and Security
<p>1.1. Human rights</p> <p>1.2. Gender</p> <p>1.3. Biodiversity and use of natural resources</p> <p>1.4. Climate change and disaster</p> <p>1.5. Community health and safety</p> <p>1.6. Labour conditions/standards</p> <p>1.7. Cultural heritage</p> <p>1.8. Rights of</p>	<p>2.1. Cost recovery</p> <p>2.2. Value for money</p> <p>2.3. Corruption and fraud</p> <p>2.4. Fluctuation in credit rate, market, currency</p> <p>2.5. Delivery</p>	<p>3.1. Alignment with national priorities</p> <p>3.2. Responsiveness to lessons learned and evaluations</p> <p>3.3. Leadership &amp; management</p> <p>3.4. Flexibility and opportunity management</p> <p>3.5. Synergy potential (linking with other initiatives as</p>	<p>4.1. Governance</p> <p>4.2. Monitoring</p> <p>4.3. Independence and quality of evaluation</p> <p>4.4. Knowledge management</p> <p>4.5. Grievances</p> <p>4.6. Due diligence of private sector partners</p> <p>4.7. Human Resources</p> <p>4.8. Budget availability and</p>	<p>5.1. Government commitment</p> <p>5.2. Political will</p> <p>5.3. Political instability</p> <p>5.4. Change/turnover in government</p>	<p>6.1. Changes in the regulatory framework within the country of operation</p> <p>6.2. Changes in the international regulatory framework affecting the whole organization</p> <p>6.3. Deviation from UN internal rules and regulations</p>	<p>7.1. Theory of change</p> <p>7.2. Alignment with UN Strategic priorities</p> <p>7.3. Capacities of the partners</p> <p>7.4. Roles and responsibilities among partners</p> <p>7.5. Code of conduct and ethics</p> <p>7.6. Public opinion and media</p>	<p>8.1. Armed Conflict</p> <p>8.2. Terrorism</p> <p>8.3. Crime</p> <p>8.4. Civil Unrest</p> <p>8.5. Natural Hazards</p> <p>8.6. Manmade Hazards</p>

<p>Indigenous Peoples  1.9. Displacement and resettlement  1.10. Pollution and resource efficiency  1.11. Stakeholder engagement  1.12. Sexual exploitation and abuse</p>		<p>relevant)  3.6. Reporting and communication  3.7. Partnership  3.8. Capacity development of national partners  3.9. Engagement of national partners in decision-making  3.10. Transition and exit strategy</p>	<p>cash flow  4.9. Internal control  4.10. Procurement  4.11. Innovating, piloting, experimenting,</p>			<p>7.7. Synergy with UN / Delivery as One</p>	
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## **ANNEX 2: Detailed Theory of Change**

### **Rationale**

Traditionally, the United Nations (UN) and development partners have supported policy development by sector, mandate, or area of specialization. The 2030 Agenda for Sustainable Development requires an integrated approach to the Sustainable Development Goals (SDGs) that cuts across sectoral and institutional domains. To achieve the SDGs it is essential to integrate social, economic and environmental aspects, and incorporate the 5Ps (People, Prosperity, Planet, Peace and Partnerships). For accelerated progress towards the SDGs, thoughtful changes need to be made in policy and financing, and governments must engage with key stakeholders to jointly develop and implement the integrated 2030 Agenda. Moreover, a fundamentally new set of inclusive financing strategies and frameworks is required. The Addis Ababa Action Agenda (AAAA) provides a global framework for financing sustainable development— by aligning financing flows and policies with economic, social and environmental priorities. To transform billions of dollars into SDG investments worth trillions, we need new financing models, strategic investments, and national SDG partnerships, while safeguarding international norms and standards and mainstreaming the principle of Leaving No One Behind.

To be successful, we must improve the ways in which the UN’s convening power is used for supporting integrated policy solutions and financing strategies. The UN must build on its role and experience as a neutral and credible partner to secure national ownership and leadership, and to facilitate capacity development of national governments as the main lever for achieving the SDGs. For this to happen, the UN has to change the way it works and promotes more systemic and catalytic change. Despite improved collaboration across organizations and sectors, work at the country-level is often fragmented, with partners compartmentalizing issues into ‘silos’ or competing for resources and access to policy arenas. This represents a challenge for UN Country Teams, that should instead be integrating programming and implementation, facilitating the development of integrated mechanisms, boosting the capacity of domestic stakeholders, and nurturing new and existing partnerships with traditional and non-traditional actors at global, regional, and local levels.

Given the current pace of policy reforms, accelerated efforts are essential. An integrated UN approach to the SDGs should include funding and technical support to UN Country Offices (led by the UN Resident Coordinator) and national and sub-national partners for the development of integrated policies and financing solutions that accelerate progress on the SDGs. Support should be accompanied by pooling expertise across the UN Development System to address specific, contextual SDG challenges. By working more closely together with a strategic focus on priorities, the UN can improve its support to national stakeholders. This must also involve supporting the capacity development of national authorities for policy change and systemic transformation that, in cooperation with relevant national partners, promote behavioral and systems change and increases the investments that lead to the achievement of the SDGs.

### ***Strategic response***

The Joint SDG Fund is designed specifically to support accelerated catalytic change towards the SDGs at national level. It complements existing funding mechanisms by providing specific added value based on the UN’s comparative advantage in enabling transformative actions on the SDGs through linking integrated policy and financing, and balancing between the social, economic and environmental aspects of sustainable development. The Joint SDG Fund will incentivize collaboration among UN Country Team under the

leadership of the UN Resident Coordinator in order to support an integrated approach to the SDGs at the country-level and leverage the convening and partnership development role of the UN. This will further help bring together and improve collaboration among diverse stakeholders and development partners, and improve the synergy between their individual efforts and initiatives.

To strengthen the capacity of country-led SDG actions on integrated policy and financing, the Joint SDG Fund will ensure that supported programmes are embedded in UNSDCF and enhance national ownership, leadership and capacities. UN Country Teams will be responsible for strategic coordination and effective collaboration with domestic and international partners and help to build new coalitions around SDG policy and financing. Programmes will mainstream human rights, gender, youth, and environment, and operationalize the principle of Leaving No One Behind. This is particularly relevant for promoting innovation, but at the same time safeguard international norms and standards. Aside from providing funds to joint programmes at the country level, the Joint SDG Fund will pool expertise across the UN Development System and create strategic partnerships within and outside the UN at global, regional and local levels<sup>6</sup>.

The focus will be on improving collaboration within UN Country Teams (under the leadership of UN Resident Coordinators), which will be done through demand-driven and context-specific joint programmes designed and delivered by the stakeholders involved. Programmes will support the development of mechanisms for integrated policy and financing that reflect the interdependent nature of the SDGs. Increased cohesion of policy and development results - accompanied by the focus on levers for systemic change and catalytic finance and investment – is expected to lead to accelerated accomplishment of the SDGs at the national level, which will contribute to the accomplishment of the SDGs at the global level.

The overarching justification for the Joint Fund for the 2030 Agenda is to strengthen national capacities for country-led processes and actions in line with the 2030 Agenda, by supporting integrated approaches to multi and cross-sectorial policies that accelerate the process of achieving the SDG. The underlying assumption is that the combination of integrated transformative policies and leveraging of resources from a variety of partners will help national governments and national institutions develop sustainable solutions that may expand the scale and the scope of their interventions and investments for achieving the SDGs. The second assumption is that the UN, at this point in time, is better positioned to support governments and relevant partners due to, amongst others, the new country and global dynamics based on the 2030 Agenda, the UN Country Teams' accumulated experience in joint programming, the next generation of UNSDCF, and the ongoing reform of the UN Development System.

### **Results logic**

Overall, the Joint SDG Fund is expected to contribute to the acceleration of the SDGs by supporting inter-agency, joint programmes of UN Country Teams that facilitate domestic capacity and partnerships. It will provide funding, partnership opportunities, and access to expertise to UN Country Teams. This is expected to prepare the ground for accelerated achievement of the SDGs through innovative and transformative approaches to integrated SDG policy and SDG financing. Joint programme results will be measurable (based on robust SDG data), catalytic (producing 'chain-reactions' in development and financial terms, and sustainable (ensuring the preconditions for continued change). Each Joint programme will have its own

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<sup>6</sup> Funds allocated to HQ and regional levels will be kept to a minimum. The priority will be resourcing country level activities.

Theory of Change aligned with the overall Theory of Change of the Joint SDG Fund, and it will include selected indicators to enable the aggregate measurement of the Joint SDG Fund results at the global level.

The Joint SDG Fund will operate in three interwoven domains of change: unleashing policy accelerators to catalyse integrated, transformative policy change, creating new SDG financing architecture, through developing investment strategies and plans and piloting innovative financing instruments (with both public and private actors), and catalysing SDG programming and investments. These three domains are absolutely interlinked – to convert integrated policy changes into transformative action, which must be accompanied by new, more coordinated, more inclusive financing strategies and catalytic investments.

The investments of the Joint SDG Fund for achieving results at the level of the outcomes and impact that are common to all joint programmes will be organized around Readiness and Implementation. Pillars 1 and 2 will be addressed during the Readiness phase when UN Country Teams will be expected to produce the following results: 1) identification of integrated policy accelerators, and designing innovative solutions and strategies, and 2) mapping the financing landscape, and designing innovative SDG financing strategies and partnerships. This Readiness phase will end with proofs of concepts, and securing preconditions for full-fledged implementation of integrated policy and financing solutions.

During the implementation phase UN Country Teams will address Pillar 3 and results will be contextual, i.e. they will depend on the kind of solutions proposed for a specific country context. Expected results in this phase include: 3) implementation of catalytic SDG programming tailored to the context and based on relevant statistics, data collection and mapping, used to undertake robust analysis and provide evidence that integrated policy solutions are expected to have an accelerating effect on the SDGs, and 4) development of scalable mechanisms for catalytic SDG finance that leverage diverse sources of finance and investment, incorporate the Leaving No One Behind principle, and safeguard international norms and standards.

Underlying all country-level planning and implementation is the critical use of data and evidence, development of national capacity, stakeholder engagement, and inclusive coalitions. In the Readiness phase, data and evidence are required for strong analysis and to identify data gaps—this may include assessing and upgrading data systems (collection, analysis, sharing and use) and improving data capacities. During the implementation phase, relevant and disaggregated data and evidence-based analysis are needed to ensure interventions reach those left furthest behind, and to further ensure that monitoring systems are responsive, inclusive and accountable. Capacity development and national ownership is vital for national stakeholders to analyse, identify, and devise strategies in the readiness phase, implement policy solutions and secure investments in the Implementation phase, and sustainably follow-up in the longer-term. Stakeholder engagement and coalition building is critical to an integrated approach for achieving the SDGs in both phases as every partner has a unique skill set and role to play in contributing to (or hindering) SDG progress.

The Joint SDG Fund support to the country level responds to the critical need to develop innovative and inclusive solutions for addressing the interdependent nature of the SDGs. It implies a necessity to formulate and implement policies that transcend sectoral domains and institutional responsibilities, and that enable integrated multi and cross-sectoral action and catalytic finance. This requires addressing the silo practices and mentality to which national institutions and UN agencies are accustomed to, and to help develop national and sub-national capacity for dealing with complex problems in the way that produces systemic and sustainable results toward the 2030 Agenda.

UN Country Teams and national partners may choose different pathways within the two phases of the Joint SDG Fund. Those that meet the requirements for Readiness without previous Joint SDG Fund support, can enter the process directly at the Implementation phase. UN Country Teams that receive Joint SDG Fund



support at the readiness phase do not need to continue through to the end of the implementation phases. Moreover, a country can engage with the Joint SDG Fund in an iterative manner (e.g. after completing an Implementation phase in one area it can go back to the Readiness phase to focus on another strategic priority).

### ANNEX 3: Fund Results Framework (2021-2022)

The following presents the Fund’s results framework covering the period of 2021-2022. With the launch of the new Fund Strategy 2023-2026, the Fund under guidance of the OSC will propose revisions to the results framework in line with the launching of new thematic priorities and other joint programmes.

#### Impact: Progress towards SDGs on track

Global Indicator <sup>3</sup>	
1	SDG 1.3.1. Proportion of population covered by social protection floors/systems
	SDG 1.a.1. Proportion of resources allocated by the government directly to poverty reduction programmes
	SDG 2.2.1. Prevalence of stunting among children under 5 years of age
	SDG 5.c.1. Proportion of countries with systems to track and make public allocations for gender equality and women’s empowerment
	SDG 16.6.1. Primary government expenditures as a proportion of original approved budget, by sector
	SDG 17.1.1. Total government revenue as a proportion of GDP
	SDG 17.1.2. Proportion of domestic budget funded by domestic taxes
	SDG 17.3.2. Foreign direct investment inflows
	Data source: UN SDG Global Database <a href="https://unstats.un.org/sdgs/unsdg">https://unstats.un.org/sdgs/unsdg</a> Note: Report direction of change on priority SDG indicators that Joint Programmes commitment to for targeted countries rather than presenting aggregations following how UN entities report SDG impact.

#### Outcome 1: Integrated multi-sectoral policies to accelerate SDG achievement implemented with greater scope and scale

Global Indicator	2021 Target	2022Target
1.1	39	60
Number of targeted countries where integrated, multi-sectoral policies for LNOB have been implemented to accelerate SDG progress with support from the Joint SDG Fund in terms of scope		
Data source: JP annual reports Note: Scope refers to expansion in terms of thematic areas/components.		
1.2	39	60
Number of targeted countries where integrated, multi-sectoral policies for LNOB have been implemented to accelerate SDG progress with support from the Joint SDG Fund in terms of scale		
Data source: JP annual reports Note: Scale refers to geographic expansion.		

\* Includes countries supported by both integrated policy and SDG financing outcome areas.

#### Outcome 2: Additional financing leveraged to accelerate SDG achievement

<sup>3</sup> SDG indicator results are reports for those that have at least 5 or more country datapoints based on linkages with the Joint Programmes and available data on the UN SDG global database.

Global Indicator		2021 Target	2022 Target
2.1	US\$ & Ratio of financing for integrated multi-sectoral solutions leveraged disaggregated in terms of public and private sector funds / Estimated SDG financing catalysed	1 by 4	1 by 4
Data source: JP annual reports (QCPR indicator 4.3.7) Note: Reporting will be cumulative from 2019.			

### Output 3: Integrated policy solutions for accelerating SDG progress implemented

Global Indicator		2021 Target	2022 Target
3.1	Number of innovative policy solutions for LNOB that were designed and tested	69	80
Data source: JP annual reports			
3.2	Number of integrated policy solutions for LNOB that have been implemented with the national partners in lead	60	70
Data source: JP annual reports			
3.3	Number of countries where national capacities to implement integrated policy solutions for LNOB have been strengthened	31	40
Data source: JP annual reports			
w3.4	Number of JPs that have functioning partnership framework for integrated policy solutions for LNOB and to accelerate progress of the SDGs	35	40
Data source: JP annual reports			

### Output 4: Integrated Financing Strategies for accelerating SDG progress implemented

Global Indicator		2021 Target	2022 Target
4.1	Number of integrated financing instruments / solutions that were tested	-	30 instruments tested
Data source: JP annual reports / INFF survey			
4.2	Number of integrated financing strategies that have been implemented with partners in lead	-	62 SDG financing strategies
Data source: JP annual reports / INFF survey			
4.3	Number of Joint Programmes that have a functioning partnership framework for integrated financing strategies to accelerate SDG progress	-	52 INFF committees operational
Data source: JP annual reports			

### Operational performance: Joint SDG Fund efficiently, coherently, and consistently managed

<b>Catalysing UN Coherence</b>		<b>2021 Target</b>	<b>2022 Target</b>
O.1.1	# and % of UNCTs supported by the Fund reporting that the RC fostered a coherent and strategic engagement on targeted programmatic approaches / frameworks	100%	100%
	Data source: JP annual reports / RC survey (QCPR indicator 3.2.9)		
O.1.2	# and % UNCTs supported by the Fund that report avoiding duplication of efforts for the participating UN agencies in interaction with national/regional and local authorities and/or public entities	40%	40%
	Data source: RC survey (QCPR indicator 3.3.3)		

<b>Resource Mobilization</b>		<b>2021 Target</b>	<b>2022 Target</b>
O.2.1	Volume of resources mobilized annually (in million USD)	\$290m	\$290m
	Data source: MPTF-O (QCPR indicator 4.2.8)		
O.2.2	# of Joint SDG Fund contributors	30	30
	Data source: MPTF-O		
O.2.3	Volume of resources contributed from non-OECD/DAC donors (in million US\$)	\$20m	\$20m
	Data source: MPTF-O		
O.2.4	Volume of resource mobilized from the non-state actors (in million US\$)	\$12m	\$12m
	Data source: MPTF-O (QCPR indicator 3.4.6)		
O.2.5	% of Joint Programmes with matched funding	100%	100%
	Data source: JP annual reports		

<b>Operational Effectiveness</b>		<b>2021 Target</b>	<b>2022 Target</b>
O.3.1	% of Joint Programmes received first instalment within 6 months after the submission of the full proposal	75%	75%
	Data source: MPTF-O		
O.3.2	Number of joint programmes and US\$ volume of funds allocated by calls	97 JPs	120 JPs
	Data source: Fund Secretariat		
O.3.3	Percentage of annual and cumulative financial delivery	70%	70%
	Data source: MPTF-O		
O.3.4	% of direct cost expenditures (Secretariat expenditures)	3%	3%
	Data source: MPTF-O		

<b>Compliance with UN standards</b>		<b>2021 Target</b>	<b>2022 Target</b>
O.4.1	Annual portfolio analysis informs the funding prioritization by the Strategic Advisory Group	Yes	Yes

	Data source: Fund Secretariat		
O.4.2	% of Joint Programmes that facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)	100%	100%
	Data source: JP annual report (QCPR indicator 3.1.8)		
O.4.3	% of Joint Programmes that include addressing structural inequalities and the principle of “Leaving No One Behind”	100%	100%
	Data source: JP annual report (QCPR indicator 2.1.3)		
O.4.4	% of Joint Programmes that featured gender results at the outcome level	100%	100%
	Data source: JP annual report (QCPR indicator 1.4.16)		
O.4.5	% of Joint Programmes that undertake or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues	60%	60%
	Data source: Fund Secretariat (QCPR indicator 1.4.7)		
O.4.6	% of Joint Programmes that has planned for and can demonstrate positive results/effects for youth in accordance to principles in Youth2030	40%	40%
	Data source: JP annual report (QCPR indicator 1.4.24) Note: Revised in accordance to QCPR Monitoring Framework 2021-24.		
O.4.7	% of Joint Programmes that address structural inequalities facing persons with disabilities	40%	40%
	Data source: JP annual report (QCPR indicator 2.1.3) Note: Revised in accordance to QCPR Monitoring Framework 2021-24.		
O.4.8	% of Joint Programmes that have made use of risk analysis in programme planning, when relevant	100%	100%
	Data source: Fund Secretariat		
O.4.9	% of Joint Programmes that integrated environmental and social standards/safeguards	100%	100%
	Data source: JP annual report (QCPR indicator 2.3.3)		