



United Nations
MPTF Office

Background paper

UN inter-agency pooled funds

Briefing prepared by the MPTF Office, December 2023

UN POOLED FUNDS AT MID-POINT OF THE 2030 AGENDA

The **SDG Summit in September 2023** was a crucial turning point in elevating aspirations and renewing the ambition to accelerate the achievement of the Sustainable Development Goals (SDGs). An emphasis was placed on the need for similar acceleration of funding and financing instruments for critical transformations. **As highlighted during the Summit, a number of UN inter-agency pooled funds are directly connected to implementing transitions and high-impact initiatives necessary for SDG accomplishment.**

In response to the interconnected and indivisible nature of the SDGs, the UN Secretary General has strongly asserted the need for more flexible and predictable funding. Appreciating the balance between core and non-core funding, there is acknowledgment for the importance of **enhancing “core-like” resources, such as contributions to inter-agency pooled funds.** Over time, pooled funds have increasingly proven to be vital in enabling effective coordination and collaboration across various United Nations development system entities and their diverse partners, providing beneficial lessons and leading to overall improvement.

The ambitious ‘Our Common Agenda’ stresses the multilateral approach needed to support countries recovering from the worst global pandemic and development crisis in recent history. **Now, more than ever, the importance and potential of UN pooled funding to protect and accelerate progress towards the SDGs is manifest.** The role of inter-agency pooled funds in the successful progress of UN reform remains central, predicated on their being well-designed, sufficiently resourced, and effectively managed, as established in the 2019 Funding Compact.



Table 1: High Impact Initiatives and examples of related UN pooled funds

High Impact Initiative	Relevant pooled funding instruments
Energy Compacts: Scaling up ambition to deliver on SDG 7.	<ul style="list-style-type: none"> • Joint SDG Fund
Nature Driving Economic Transformation: Leveraging the power of biodiversity and nature to drive equitable economic progress.	<ul style="list-style-type: none"> • Global Fund for Coral Reefs • The Nature Facility • UN-REDD • CAFI • PAGE
Food Systems Transformation: Transforming food systems for a sustainable world without hunger.	<ul style="list-style-type: none"> • Joint SDG Fund
FutureGov: Building public sector capabilities for the future.	<ul style="list-style-type: none"> • Joint SDG Fund • Digital Cooperation Fund
Global Accelerator: The Global Accelerator on jobs and social protection for just transitions.	<ul style="list-style-type: none"> • Joint SDG Fund
Local2030 Coalition: Pushing key transitions and achieving the SDGs by 2030.	<ul style="list-style-type: none"> • Joint SDG Fund • Country-pooled funds
Power of Data: Unlocking the data dividend for the SDGs.	<ul style="list-style-type: none"> • Global Pulse Fund • SOFF • Digital Cooperation Fund
Spotlight Initiative: To eliminate violence against women and girls.	<ul style="list-style-type: none"> • Spotlight Initiative
The SDG Stimulus: Scaling up long-term affordable financing for the SDGs.	<ul style="list-style-type: none"> • Joint SDG Fund
Transforming4Trade: Paradigm shift to boost economic development.	<ul style="list-style-type: none"> • Joint SDG Fund
Transforming Education: Learning to build a better future for all.	<ul style="list-style-type: none"> • Greening Education • UNPRPD

The anticipation **for the new Funding Compact in 2024** provides an opportunity to re-examine and further optimize UN financing mechanisms that promote UN joint work. It will provide opportunities for renewed ambition on quality funding including on harnessing the full potential of inter-agency pooled funds.

The UN Quadrennial Comprehensive Performance Review (QCPR) also presents a strategic moment. As the highest-level policy guiding UN's operational activities, the QCPR discussions will enable member states to review strategies, funding practices, and policies in-

depth, ensuring that all actions reflect the collective commitment toward achieving the SDGs. These discussions will further shed light on the progress made since the last review and guide future directions, including on the role of inter-agency pooled funds in realizing these objectives at country level.

At midpoint in the race towards SDGs, there is an unprecedented opportunity to harness the full power of UN pooled funding, as a funding model inextricably linked to the global pursuit of sustainable development, resilience and recovery.

FLEXIBLE AND PREDICTABLE FUNDING

The integrated nature of the SDGs calls for an improvement in the quality of the funding in the UN system - flexible and more predictable funding, a better balance between core and non-core funding, and importantly, a better quality of earmarked resources. The 2019 Funding Compact has recognized inter-agency pooled funds as key instruments to provide strategic, predictable and flexible non-core funding, moving from programming fragmentation to strategic and transformative results, leading to improved coordination and better integration of interventions. UN inter-agency pooled funds are widely regarded as tools enabling the UNDS to meet Member States expectations for qualitative, transformational and effective multilateral response to countries' development needs.

Pooled funds leverage funding for UNDS coordinated action in pursuit of highly integrated SDGs agendas. They (i) consolidate and simplify contributions from multiple financing partners (including public and private sector) into a coherent approach; (ii) allocate resources to multiple UN participating organizations (also governments and civil society) around a common strategy; (iii) use UNSDG pass-through mechanisms allowing

UN participating organizations to use their own operating procedures for implementation and (iv) reduce transactions costs by using pre-agreed harmonized templates and harmonized reporting.

Evidence from multiple evaluations of inter-agency pooled funds confirms pooled funding as an integral component of the UNDS reform, to fund coordinated programmatic implementation of at the country level for SDGs. At country level, inter-agency pooled funding facilitates interaction and coordination of UNCTs, providing RCs with a partnership platform to coordinate joint action, establish strategic dialogue with stakeholders on key issues and facilitate transformative policy shifts to accelerate achievement of the SDGs. At the global level, the inter-agency pooled funding model leverages the comparative advantages of UN agencies while pursuing a diversified portfolio linking global to country-level efforts playing a critical role in financing mainstreaming efforts. Inter-agency Steering Committees guarantee that the visions, needs, and priorities of Participating UN Organisations (PUNOs) are considered and that resources are invested into common goals avoiding duplication and enhancing strategic prioritization.

Table 2: Top ten active global, regional and country funds managed by the MPTF Office, accumulated deposits October 2023 (US\$ million)

Top 10 active global and regional funds	Deposits	Top 10 active country funds	Deposits
Peacebuilding Fund	1,705	Sudan Humanitarian Fund	1,555
Central African Forest Initiative	672	DRC Humanitarian Fund	1,370
Spotlight Initiative Fund	527	Afghanistan Humanitarian Fund	962
UN-REDD Programme Fund	378	South Sudan Humanitarian Fund	949
Joint SDG Fund	270	Somalia Humanitarian Fund	721
Women's Peace and Humanitarian Fund	132	Somalia Multi-Window Trust Fund	539
UN COVID-19 MPTF	86	Law and Order Trust Fund for Afghanistan	363
UNPRPD Multi-Partner Trust Fund	71	Central African Republic Humanitarian Fund	335
Partnership for Action on Green Economy	57	Tanzania One UN Fund	294
Nature4Health	56	DRC Fonds National REDD	250

Source: MPTF Office

FUNDING COMPACT PROGRESS

The UN General Assembly endorsement of the 2019 UNDS Funding Compact represented explicit recognition by both Member States and the UN of the importance of pooled funds, including specific targets to be achieved (Table 2). Member States committed to doubling their share of contributions to pooled funds by 2023 and channeling 10% of non-core resources through this joint financing instrument. There are also specific targets for increasing the number of pooled fund contributors to 100 by 2021 (from 59 in 2017) and fully resourcing two key flagship funds: UN Joint SDG Fund and the Peacebuilding Fund.

Moreover, UNDS entities pledged to increase the efficiency and effectiveness with which they use development-related inter-agency pooled funds. This involves a series of common management features, which are spelled out

under Commitment 14 in the Compact and cover clear theories of change, solid results-based management systems, and transparency standards.

The Funding Compact targets pertaining to pooled funds have seen mixed progress.

The UNDS has made progress on monitoring and implementation of common management features of pooled funds (FC Commitment 14). Most development-related pooled funds (77% of MPTFs and 72% of joint programmes) implement common management features across the board, including as related to theories of change, results-based management, well-functioning governance mechanisms, visibility, effective secretariats, UN norms and values, risk management and operational effectiveness. New and specific features have been introduced on gender markers and gender equality investments.

Table 3: Selected Funding Compact indicators on pooled funding

Indicator	Baseline	Target	Latest value	Trend
Percentage of non-core resources for development-related activities channeled through inter-agency pooled funds	5% (2017)	10% (2023)	(2021)	↑
Annual capitalisation of the Joint Fund for the 2030 Agenda	US\$ 43 million (2018)	US\$ 290 million (2020)	US\$ 20 million (2022)	↓
Annual contributions to the Peacebuilding Fund	US\$ 129 million (2018)	US\$ 500 million (2020)	US\$ 153 million (2022)	↘
Number of Member State contributors to development-related inter-agency pooled funds	59 (2017)	100 (2021)	44 (2022)	↓
Common management features across all inter-agency pooled funds	No (2018)	Yes (2021)	In progress (71% of dev related MPTF and 54% of JPs) (2021)	↑

Source: United Nations Secretary-General, 'Implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR)', (Report of the Secretary-General, 2023), MPTFO Gateway for 2022 figures on selected funds and UN Pooled Funds Database.

Source: MPTF Office

CHANGING GROWTH PATTERNS

In the 2023 UN Secretary-General's report on the implementation of QCPR figures on UN pooled funding from 2020, the year after endorsement of the Funding Compact, states the positive direction of sustainable growth: "These funds now account for 12.3 per cent of all non-core funding for development activities and exceed the Funding Compact target of 10 per cent for the second straight year [...]. This is a noteworthy result. Pooled funding brings entities together and deliver more."

Updated figures confirm this growth trend since 2015 (Figure 1). Contributions to inter-agency pooled funds totaled \$3.4 billion US dollars in 2021, which is a \$0.4 billion US dollar increase compared to 2020, with about 47% of contributions going towards funds with a development focus. Funding to development-related inter-agency pooled funds nearly tripled since 2016 until 2021, but in 2022 this trend seem to have changed, with preliminary data showing a considerable decrease in the volume of UN development-related inter-agency pooled funds in 2022 (from \$1.6 billion in 2021 to \$1.3 billion US dollars in 2022).

The target related to the percentage of non-core contributions channeled through pooled funding

was achieved before the 2023 expected date. Against a 10% target, in 2020 11.7% of non-core resources for development-related activities were channeled through inter-agency pooled funds, and in 2021 this percentage increased to 12.3%.

Funding Compact targets on **the expected annual contribution levels to global flagship pooled funds, such as the Joint SDG Fund and the Peacebuilding Fund, have continued to be significantly underachieved**. For example, against 2020 annual capitalization targets of \$290 M for the JSDG Fund and \$500 M for the Peacebuilding Fund, actual capitalization levels reached only 15% and 36% of the targets (\$43 M and \$180 M respectively). In 2021, capitalization levels stood at \$79 M and \$192 M and in 2022, at \$20 M and \$153 M, respectively.

Targets regarding **the number of Member States contributing to development-related inter-agency pooled funds** have also not been achieved. Against a target of 100 contributors set for 2021, there was some progress between 2019 and 2021, with the number of Member States contributing increasing from 39 to 48, but in 2022 only 44 Member States contributed to pooled funds.

Table 4. UN Member States contributors for development UN pooled funds (2017-2022)

	2017	2018	2019	2020	2021	2022
MS contributors to development-related inter-agency pooled funds	59	45	39	48	48	44

Note: Information source: preliminary data from UN Pooled Funds Database.

On a positive note, country-level pooled funds aligned with the 2030 Agenda in support of UN Sustainable Development Cooperation Frameworks (UNSDCF), or similar programming instruments, had a capitalization of \$392 million US dollars in 2022: a 23% increase compared

to 2021. While there has been an increase in interest in this type of instrument in recent years, more needs to be done to fully harness their potential important vehicles for reform, and contributions to country funds are still concentrated in a limited number of countries.

OVERALL UN POOLED FUNDING TREND ANALYSIS

Although aggregate trends are overall positive, a detailed analysis reveals the following:

- Funding to pooled mechanisms is excessively concentrated across a few contributors and all largest member state contributors channel over 10% of total earmarked contributions to pooled funds (Figure 2).
- There is a widespread participation by UN entities in pooled funding in 2021. However, only a few received 10% or more of earmarked contributions through UN inter-agency pooled funds, as seen in Figure 3.
- Out of the countries with a United Nations presence, the count of those receiving 15% or more of their earmarked development-related expenditure from inter-agency pooled funds was 34 in 2021. As seen in Figure 4, in 27 countries this share is 20% or more.

Figure 1: Deposits to UN inter-agency pooled funds, 2016 - 2022

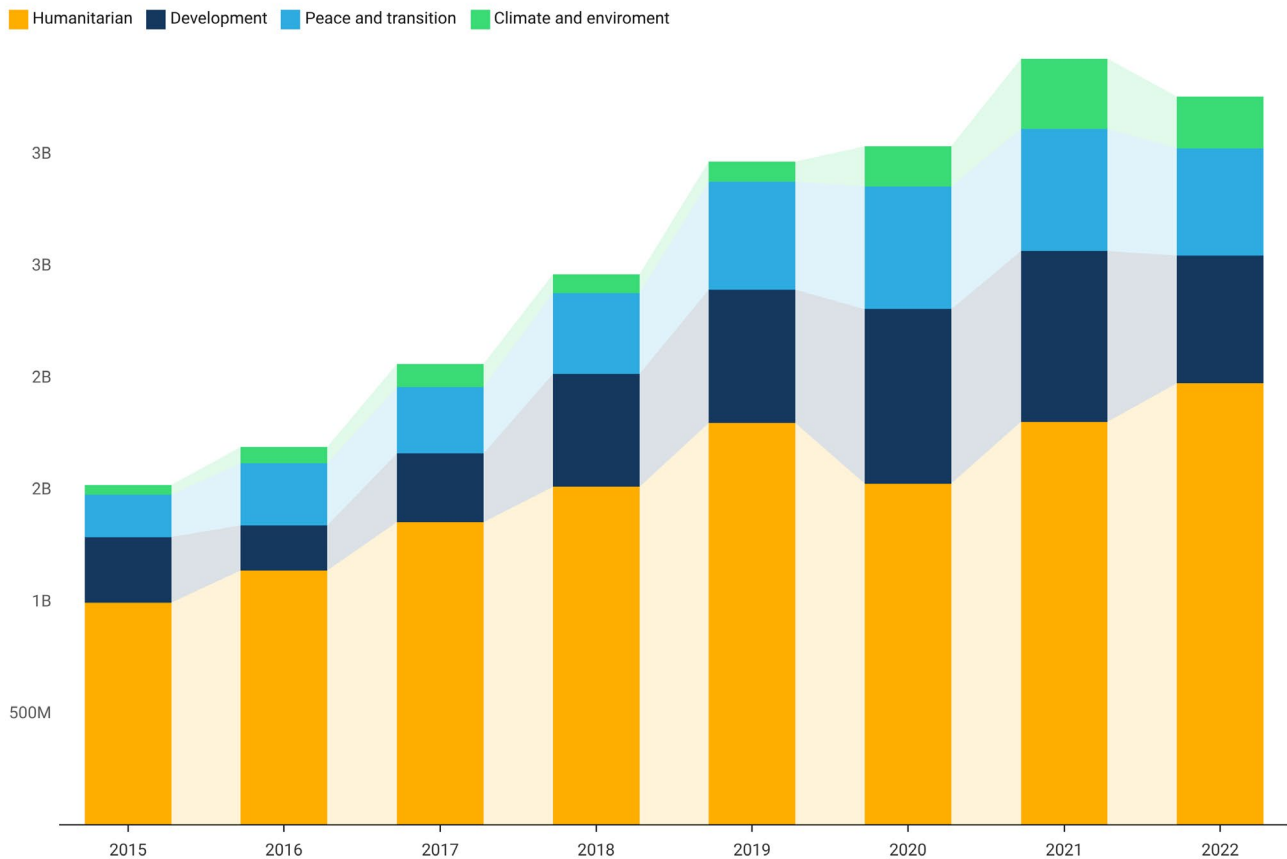


Figure 2: Deposits to UN inter-agency pooled funds from the top 15 contributors, 2022 (US\$ million)

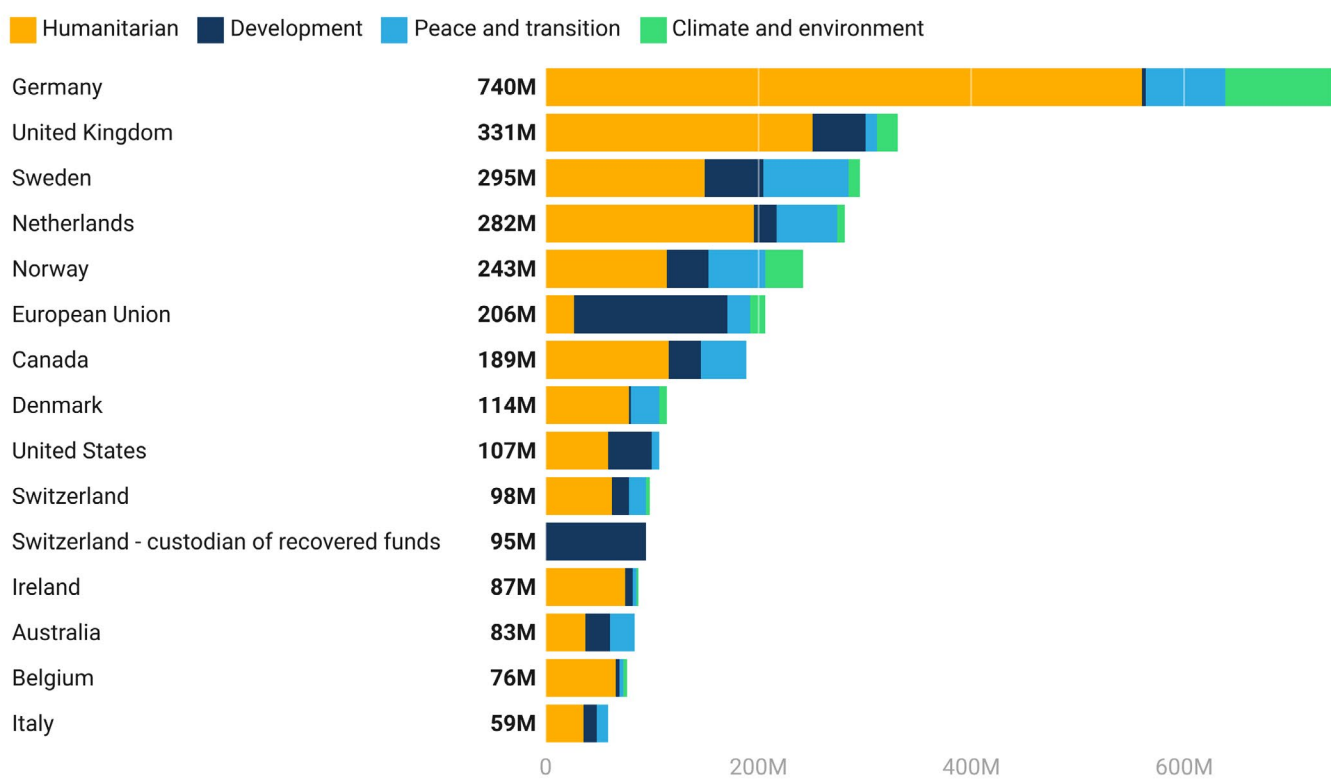
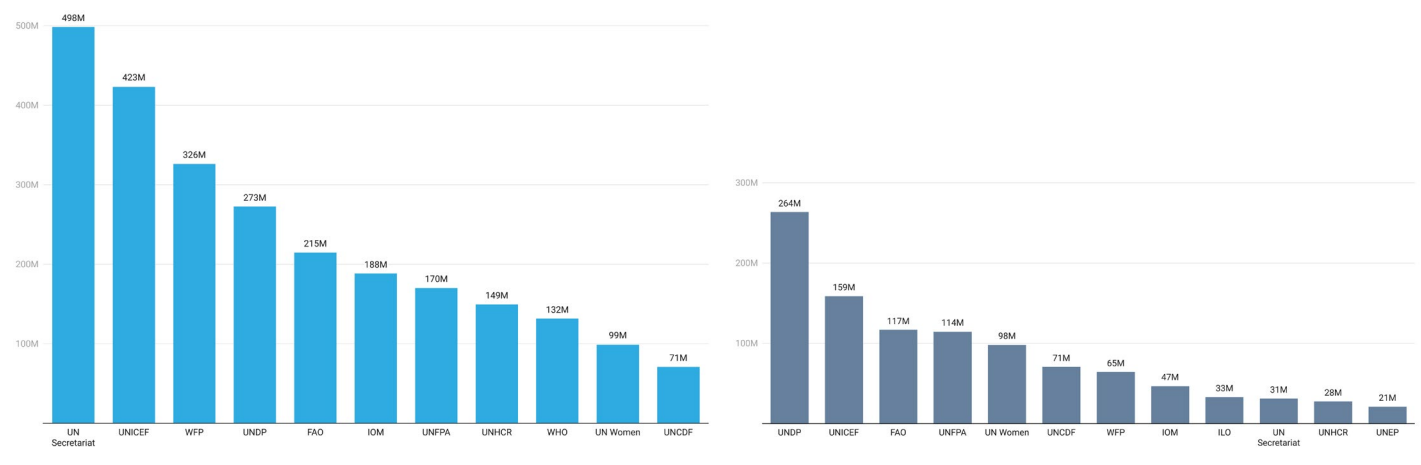
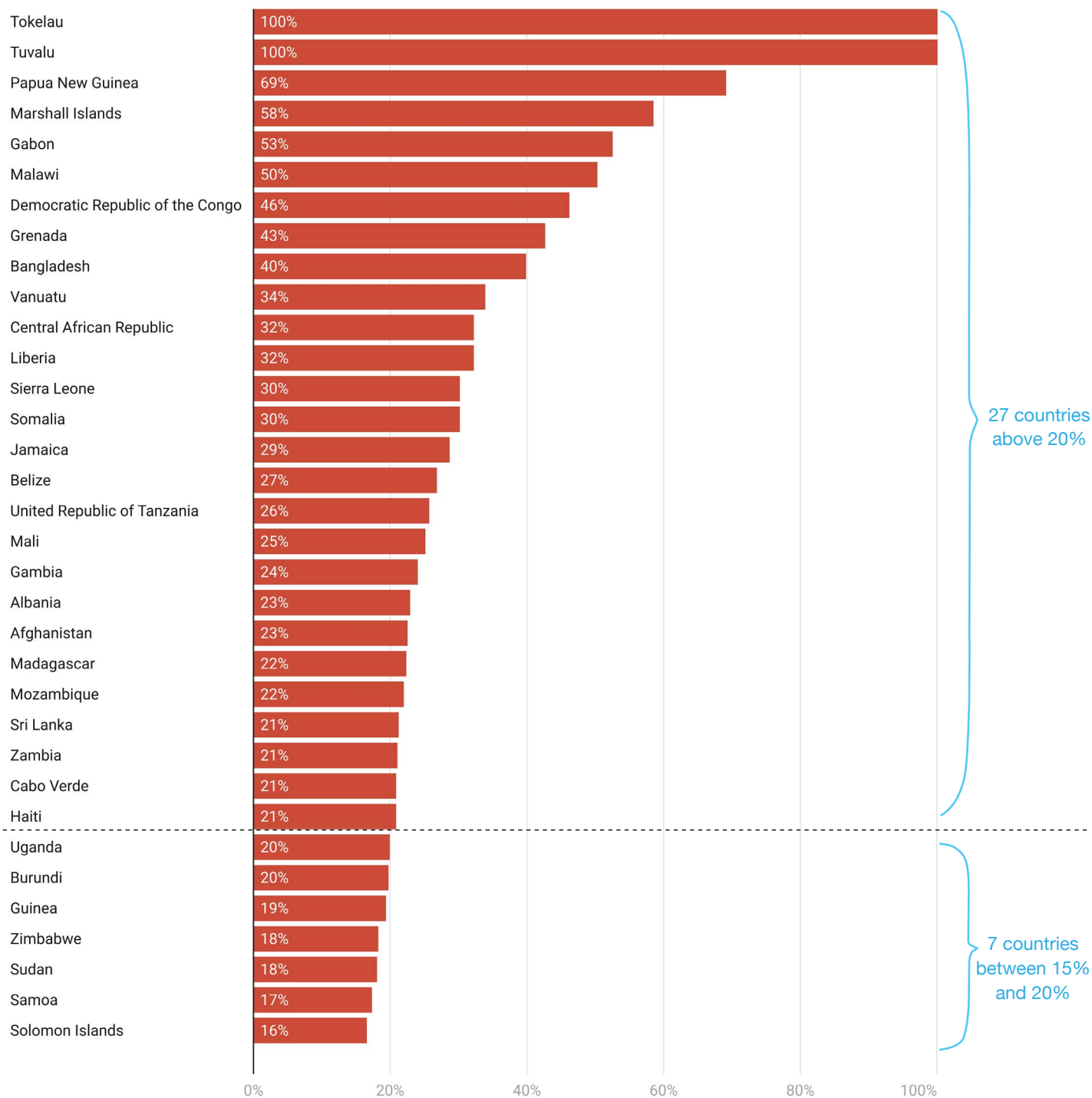


Figure 3: Top 10 implementing UN entities receiving revenue through a) all inter-agency pooled funds and b) only climate, development, and peace-related UN inter-agency pooled funds, 2022 (US\$ million)



Source: UN Pooled funds database

Figure 4: Countries where 15% or more of earmarked development related expenditure comes from UN inter-agency pooled funds, 2021 (34 countries)



MPTFO PORTFOLIO TRENDS AND HIGHLIGHT (2022)

1

Worldwide impact

+125 programme countries received resources for implementation to respond to development, climate, emergency, security and peacebuilding challenges.

2

Greener recovery

US\$280 million invested in climate and environment funds that cover forestation, biodiversity, green economy and climate security.

3

Nexus financing

Bridging finance across the **humanitarian-development nexus**.

4

Gender equality is non-negotiable

Gender markers were introduced and integrated in the new MPTF Office fund management platform.

5

Diversifying resources

21 contributors from the private sector, foundations and civil society helped expand stakeholder networks and widen the contribution base.

6

Advancing UN Reform

More than 50 UN organizations collaborated across UN Country teams/UN humanitarian teams and RCs/HCs on pooled funds all over the world.

7

Co-creating innovative financial instruments

15 new financial instruments were designed and established to promote joint action on sustainable infrastructure, decarbonization, biodiversity, resilience and recovery.

8

Investing in quality

All pooled funds administered by the MPTF Office incorporate quality management features as per the 2019 Funding Compact commitments.

9

Expanding civil society engagement

Over **70 non-UN entities** were directly involved in implementing programmes covering multi-sector issues following rigorous due diligence processes. A substantial number of these projects were launched in peacebuilding settings or cater to providing climate and environment finance solutions.

10

Supporting broad coalitions of partners

Over 300 partners, contributors, programme countries and UN and non-UN organisations engaged directly in pooled funding.

THE WAY FORWARD: PARTNERSHIP, INNOVATION AND LEVERAGING FOR SDG ACCELERATION IN MULTI-PARTNER TRUST FUNDS

The Multi-Partner Trust Funds (MPTFs) administered by the MPTF Office on behalf of Participating UN Organisations (PUNOs) play a critical role in achieving the Sustainable Development Goals (SDGs) and addressing diverse humanitarian, peace, transition, climate and development challenges. By bringing together multiple stakeholders, MPTFs foster multi-stakeholder partnerships and increase the efficiency and effectiveness of the resources allocated to the SDGs. MPTFs administered by UNDP's MPTF Office on behalf of Participating UN Organizations represent a strategic, flexible, and inclusive approach to pooled financing, fostering collaborative action and facilitating resource allocation towards global challenges and achievement of the SDGs. Pooled funding's significance has been bolstered in recent years, underpinning UN's development reforms and pushing the boundaries of traditional fragmented funding approaches.

As per the UN's Chief Executives Board (CEB/2015/HLCM/FB/9, 16 June 2015) definition, a UN inter-agency pooled fund is a funding mechanism that is defined with reference to three key features: **Fund design and administration; Joint Governance/Fund operations; and Fund implementation.**

- 1. Fund design and administration:** The pooled fund is designed to support a clearly defined programmatic purpose and results framework through contributions - usually received from more than one contributor - that are co-mingled, not earmarked to a specific UN entity and held by a UN fund administrator.
- 2. Joint Governance/Fund operations:** Decisions on project programmatic allocations are made by an UN-led governance mechanism, the programmatic purpose and results framework of the fund.

- 3. Fund implementation:** Fund implementation is (fully or largely) entrusted to UN entities that assume the programmatic and financial accountability for the resources received.

In the context of the strong accountability framework established for these instruments, including based on UNSDG policies and standards, there has been in recent years a strong demand from the United Nations Development System (UNDS) entities to the MPTF Office for broadening partnerships around pooled funding and finance innovation. The MPTFO portfolio includes some examples of innovative financing mechanisms that could potentially be used more widely.

In an era where financing for the SDGs falls short, pooled funding's flexibility and collaborative nature serve as an indispensable bridge towards closing this gap. In recent years, private sector contributions to MPTFs have risen significantly, although harnessing the full potential of private sector contributions is still far away. The range of implementing partners of Multi-Partner Trust Funds has also seen many innovations, with an increasing number of funds gathering NGOs and multi-lateral development banks under the same strategic umbrella, thus increasing the breadth of access and impact for transformational results.

In recent years, UN Participating Organisations have attached increased importance to attracting private capital and use blended finance, which translated into innovations in the types of initiatives funded through Multi-Partner Trust Funds, as well as design innovations. The nature of MPTFs provides a great platform for leveraging mandates of different organisations towards leveraging of different streams of financial resources. Greater leverage and expanded partnerships with international public and private stakeholders showcase a series of interesting

and growing trends. A prime example: The Global Fund for Coral Reefs uses a mix of grants and investment resources to protect coral reefs worldwide. To support UNCTs in catalyzing strategic programming and investments, the Joint SDG Fund supports a number of United Nations joint programmes in applying blended finance solutions at country level.

Emerging financial mechanisms linked to the Joint SDG Fund, the Global Fund for Coral Reefs and the Peacebuilding Fund showcase the critical impact of innovative finance in pooled funding. These success stories exemplify the collective strength and transformative potential of inter-agency alliances on joint funding and financing in propelling countries towards sustainable development.

Meanwhile, a rising focus on country-level joint funding mechanisms is taking centre stage. Groundbreaking models and approaches in country-level pooled funding demonstrate how strategic solutions can be flexible and adaptable to each country's unique context, and harness the potential of each country's unique development financing ecosystem.

As we approach the mid-point of the SDGs timeframe, pooled funding's crucial role in accelerating their achievement comes to the fore. A wealth of transformative financial tools and strategies awaits full engagement, underscoring the capacity of pooled funding to guide us towards shared goals, if resources are sufficient and efficiently managed to act as centers of gravity.

The challenge of the SDG acceleration agenda underscores the urgency for quality funding to support synergistic collaborations within the UNDS. Inter-agency pooled funding plays a pivotal role in this context, necessitating an alignment of Funding Compact commitments with the strategic objectives of the SDG acceleration and a focus on impact.

Complementing this, UN entities have shown proactive dynamism in updating the necessary policy framework and technical guidance on pooled funds, in tandem with the evolving funding landscape. The introduction of new quality standards, the new UNSDG joint programming guidance, and partner engagement frameworks are all promising steps forward.

The future of pooled funding promises a new era of financial innovation, firmly grounded on established accountability standards and financial rules and regulations of the UN Organisations, while harnessing the potential of partnerships and financing for SDGs. To unlock its full potential, we must persist in fostering cooperation and broad partnerships, realigning financial models, and relentlessly pushing forward with our shared vision of SDG achievement. The world is watching, and the stakes have never been higher.

ANNEX I. MPTFO AS ADMINISTRATIVE AGENT PORTFOLIO UPDATE – POOLED FUNDS ESTABLISHED IN 2023 AND FUNDS IN THE PIPELINE AS OF DECEMBER 2023

Pooled funds established in 2023

Global Funds

- Digital Cooperation Fund
- Leave No One Behind - The Internal Displacement Solutions Fund
- The Nature Facility
- UN Global Pulse Network

Country-level pooled funds

- Fonds Fiduciaire Multi-donateurs pour le Développement Durable en Tunisie
- Fonds multipartenaire Cote d'Ivoire
- India MPTF
- Iran One UN Impact Fund
- PNG Country Fund Phase II
- Ukraine Community Recovery Fund

Standalone Joint Programmes

- Reintegration through Integrated Support and Empowerment (RISE)
- Spotlight 2.0 High-Impact Programme for Violence Elimination by 2030 (HIVE Programme)
- Spotlight 2.0 Joint Programme in Uganda Gender for Development Uganda
- Spotlight 2.0 Joint Programme in Ecuador
- Somaliland Rule of Law 2.0 JP
- Ukraine - Conflict Related Sexual Violence
- Joint Programme Green infrastructure for Health and Education in Sao Tome
- JP DRR for Sustainable Development in Bosnia and Herzegovina – Phase II
- JP OPT Sawasya III

Pooled funds in the pipeline (expected for 2024)

- Empowering Change
- Greening Education MPTF
- JP Serbia Ending Violence
- Madagascar Fonds Commun Levier ODD
- Malawi SDG Fund II
- Mali Stabilization and Resilience Trust Fund
- SPECA Multi-Partner Trust Fund
- JP Libya Strengthening Economic Recovery and Durable Solutions

ANNEX II. SELECTED RECENT EVALUATIONS (FINAL AND MID-TERM) OF UN POOLED FUNDS ADMINISTERED BY THE MPTF OFFICE

- System-Wide Evaluation of UNDS Socioeconomic Response to COVID-19 (October 2022)
- Evaluación De La Segunda Fase Del Fondo Multidonante De Naciones Unidas Para El Sostenimiento De La Paz (February 2023)
- System-Wide Evaluation of the Joint SDG Fund (September 2022)
- Western Balkans SALW Control Roadmap Multi-Partner Trust Fund (MPTF) (February 2023)
- Women in Leadership in Samoa Joint Project (June 2022)
- Evaluation of the Migration Multi-Partner Trust Fund (December 2022)
- United Nations Pacific Strategy Fund (October 2022)
- Evaluation of the Climate Security Mechanism Joint Programme (September 2022)
- Programa Maya Conjunto F III Informe Final Evaluación Final Externa e Independiente (January 2022)

ANNEX III. INTER-AGENCY POOLED FUNDS ACCOUNTABILITY, LEGAL AND OVERSIGHT FRAMEWORK

Summary Note

UN Multi-Partner Trust Fund Office (MPTFO)

1 Definition: All inter-agency pooled funds are pass-through mechanisms per the UN's Chief Executives Board (CEB/2015/HLCM/FB/9, 16 June 2015). They are defined with reference to three key features: Fund design and administration; Joint Governance/Fund operations; and Fund implementation.

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- 2. Joint Governance/Fund operations:** Decisions on project programmatic allocations are made by an UN-led governance mechanism, the programmatic purpose and results framework of the fund.
- 3. Fund implementation:** Fund implementation is (fully or largely) entrusted to UN entities that assume the pro-grammatic and financial accountability for the resources received.

UN inter-agency pooled funds: distinct functions



2 Standards: Specifically for UNSDG inter-agency pooled funds, legal standards (e.g., standard legal documents like Memorandum Of Understanding (MoU), signed with implementing organizations, and Standard Administrative Arrangement (SAA) with donors) and policy standards (e.g., through UNSDG protocols) have been agreed upon by the UNSDG in consultation with Member States. This approach provides assurances of transparency, integrity, and responsible stewardship of resources in support of the UN's mission and goals. The key instruments are:

- a. UNDG Guidance on Establishing, Managing and Closing Multi-Donor (now Partner) Trust Funds (2015) establishes the standards for the management of MPTFs across the life cycle, and applies to all multi-partner trust funds (MPTFs).
- b. UNDG Protocol on the Administrative Agent (October 2015) represents the system-wide agreed standard roles and responsibilities of the Administrative Agent (AA).
- c. When an AA is also a Participant Organization (recipient implementing entity) the protocol requests a clear delineation of responsibilities (fiduciary trusteeship versus recipient agency interests).
- d. UNSDG established common guidelines for reporting (2012) for AA of pooled funds.
- e. Standard legal UNSDG agreements/templates: MoUs with the implementing partners and SAA with donors.
- f. The Management and Accountability Framework (MAF) for the UN development and Resident Coordinator systems includes specific accountability measures in relation to joint programmes and inter-agency pooled funds.
- g. UNSDG Guidance Note on a New Generation of Joint Programmes (2022) for pass-through UN joint programmes.

3 Governance, Accountability & Oversight

Governance

a. The policy and legal framework for UN inter-agency pooled funds: encompasses key building blocks, including the UN Charter, UN General Assembly Resolutions, UN entities' policy instruments and legal documents, UN wide documents and specific elements on UN pooled funds.

Accountability & Oversight

b. Pooled funds where the MPTFO acts as the Administrative Agent (AA): have common design and governance features, including a clear division of roles between fund administration, governance/operation, and implementation. These include:

i. Formal Delegation of Authority to MPTFO Executive Coordinator: Under UNDP Accountability Framework approved by the

Executive Board, the UNDP Administrator has delegated authority to the MPTFO Executive Coordinator to exercise authority as an Administrative Agent in line with the UNSDG Protocol on the Administrative Agent.

ii. UNSDG protocols and standard legal documents. These instruments help to ensure adherence to the norms and values of the UN, including, to address, for example, the reporting, communication, and transparency process on Sexual Abuse (SEA) and Sexual Harassment as well as on Fraud, Corruption and Unethical Behaviour.

iii. UNDP pass-through policies, financial regulations, and rules: Whilst the MPTFO is hosted by UNDP when it acts as the AA (and is subject to UNDP's regulations, rules, policies, and procedures), the AA function is firewalled from other operational, partnerships and

resource management aspects of UNDP to prevent a perceived or actual conflict of interest, as per UNSDG requirements. The implementation of this requirement is covered by UNDP's POPP, according to which all requests for UNDP to act as an AA for an MDTF, One Fund or Joint Programme need to be routed to the MPTF Office.

iv. Fund specific governance arrangements:

Each fund administered by the MPTFO Office is guided by its own specific Terms of Reference

(TOR) as the foundational document of the Fund. The TOR describes its programmatic framework and different roles for:

1. AA/trustee (MPTFO),
2. Oversight and decision making on allocations by governing bodies, secretariat, or fund management unit; and
3. Participating/implementing organizations.

4 Monitoring & Evaluation: According to UNSDG standards, monitoring of each pooled fund administered by the MPTFO is undertaken in accordance with the ToR of the Fund. The Participants and the donor(s) hold consultations during the life of the fund to review status. Evaluation of programmatic initiatives by a PUNO is undertaken per its rules and regulations, and joint evaluation by participants, donor(s), host government, etc., are posted publicly on the MPTFO Gateway and uploaded on the UNEG database. The MPTFO has been subject to several evaluations, is a participant in joint and system-wide evaluations of pooled funds it administers and provides advice on best practices.

5 Risk Management and Internal Controls: The MPTFO Follows UNDP's Enterprise Risk Management policy and for on internal controls, follows UNDP's Internal Control Framework Policy and the related Operational guide to ICF.

6 Audit: The activities of the MPTFO as the AA and each Participating UN Organization in relation to a fund are audited exclusively by respective internal and external auditors in accordance with each organization's financial regulations and rules (in the case of MPTFO, UNDP policies, rules and regulations apply). Corresponding external and internal audit reports are disclosed publicly per the relevant policies and procedures.

7 Fee structure: Cost recovery fee of the Administrative Agent and indirect costs: the MPTFO is fully self-financed through its "fee-for-service" delivery model and does not have other UNDP resources allocated to it. The AA fee (currently 1 per cent) is established by the UNSDG, reflected in the UNDG standard legal agreements for the pass-through and covers the full costs of delivering the AA function(s). Separate to the 1% AA fee, PUNOs that implement the joint programmes in accordance with their regulations and rules under inter-agency pooled funds administered by the MPTFO charge 7% Indirect support cost, as agreed by UNSDG. As a result, all contributions into an inter-agency pooled fund administered by MPTFO incur a total administration fee+indirect cost of 8%. By UNSDG policy, there is no charging of 1% UN coordination levy to inter-agency pooled funds.

- 8 Reporting:** The MPTFO reports annually to fund- specific governing bodies/Steering Committees and all donors. As per the standard legal agreements of the Fund, it is responsible as the AA for fund administration and the provision of consolidated financial and narrative fund reporting with according to deadlines established in the UNSDG legal framework. It also participates as ex-officio in the governing bodies of MPTFs to provide reporting, briefing and advice on the fund’s design, financial position, strategy and performance dimensions.
- 9 Transparency:** The MPTFO provides an online financial platform that is publicly accessible and offers real-time views into contributions, payments and expenditures for all MPTF funds and projects. The platform provides individual visibility tools for donors who contribute to pooled funds administered by the MPTFO.
- 10 In conclusion:** the MPTFO’s operational framework emphasizes adherence to UNSDG standards, accountability, and transparency. This ensures that stakeholders can confidently engage, trusting in the MPTFO’s more than 20 years service provision experience in administration of funds held in trust of behalf of the UN system, and its expertise in the design and administration of pooled funding mechanisms to support the UN’s ongoing efforts for achieving the SDGs and the 2030 Agenda.

