JOINT UPDATE ON UNDP, UNFPA, UNOPS, UNICEF, AND UN-WOMEN ENGAGEMENT WITH THE INTERNATIONAL FINANCIAL INSTITUTIONS

17 JAN 2023
AGENDA

01  Context
02  Current Status of IFI Partnerships
03  Partnership Modalities
04  Lessons Learned
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01 CONTEXT

ERA OF POLYCRISIS

- Socio-economic repercussions of the Covid-19 pandemic
- Global economy is facing mounting challenges resulting in weaker global growth\(^1\)
- Increase in poverty and inequality\(^2\)
- Rising food/energy insecurity
- High inflation and debt distress
- Climate crisis

ALARMING CONSEQUENCES

- The Increase of Annual SDG Financing Needs: US$3 - $5 trillion PLUS additional US$2 trillion due to the Covid-19 pandemic\(^3\)
- 54 Developing Countries Highly Indebted\(^4\)
- Total ODA increase in 2021 by 4.4% mostly due to support in vaccine donations\(^5\); yet fails to reach vulnerable groups
- ODA downward trend for Sexual and Reproductive Health and Reproductive Rights (SRHR)\(^6\)

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3. [https://www.unglobalcompact.org/sdgs/sustainablefinance](https://www.unglobalcompact.org/sdgs/sustainablefinance)
01 CONTEXT

Counter-cyclical role as an important source for global public goods and addressing global challenges

- Financial capacity
- Technical expertise
- De-risking instruments
- Leveraging private finance

UN AGENCIES

Trusted and established partner(s) of choice to mainstream SDG priorities and help financing align with the SDGs

- Technical/Operational expertise and assistance
- Extensive local presence and strong connection with the country government
- Capacity development

Towards Achieving SDGs and Maximizing Development Impact on the Ground
CURRENT STATUS OF IFI PARTNERSHIPS

Overview of programmatic collaboration in countries

The image below provides a cumulative representation of countries of the active projects in support of IFIs and their recipient partners and across the 5 agencies.

UN agencies partner with IFIs to maximize collective impact, rally support around development opportunities and advance human security globally.

- UN-IFI partnerships take place in every region of the world.
- Active projects in over 110 countries across 5 regions including
  - 21 SIDS,
  - 41 LLDC,
  - 24 LDC and
  - 36 FCS
- Multi-Agency approaches in Yemen, South Sudan, Zimbabwe, among others.

*The above map represents the scale of financial partnerships with IFI partners. The geographic spread engagement is wider when accounting for technical collaboration between UN agencies & IFI partners.

*Countries can occupy more than one category in SIDS, LLDC, LDC & FCS.
CURRENT STATUS OF IFI PARTNERSHIPS

Thematic Areas

• UN agencies partner with IFIs to work on initiatives across shared priority areas to leverage new forms of financing and development expertise relevant to the mandate of each agency.

• Collaboration across multiple SDGs and thematic areas, such as poverty alleviation, health and wellbeing, quality education, gender equality, diversity and inclusion, climate action, resilient infrastructure, governance, and research and data.

Snapshot of Partners

• IFIs play a pivotal role in leveraging new sources of financing and are thus crucial for addressing the SDG financing gap.

• Hence, strong global partnerships are needed to accelerate the 2030 Agenda. UN agencies work with a full spectrum of International Financial Institutions to drive true development impact, including with global and regional multilateral development banks as well as multilateral financial institutions.
Partnerships Modalities

- Partnering in fragile contexts
- Technical assistance to government
- Procurement services
- Innovative partnership models

Programmatic collaboration

Joint data collection, research, analysis & assessment, evidence generation

Joint advocacy and communications

Leveraging and influencing financing

Staff exchanges, joint capacity development
04 LESSONS LEARNED

Importance of the Collaboration

- UN Agencies are natural partners for International Financial Institutions, sharing a commitment to work to high standards of transparency, inclusion and integrity.

- Recognizing and harnessing the specific comparative advantage, catalytic nature and complementarity of the International Financial Institutions and UN Agencies, that is speaking to each entity’s strengths to deliver results.

Practicalities of Collaboration

- International Financial Institutions are not homogeneous with different business models, approaches, instruments, safeguards and focus meaning that each relationship has to be approached and negotiated on an individual basis in terms of addressing collaboration.

- Standard form of Agreements between the International Financial Institutions and UN Agencies guarantees a level of standardization while also enabling country teams to move forward more quickly in reaching agreement.

- Need to increase shared understanding between UN Agencies and International Financial Institutions on each other’s governance and operations frameworks.
LESSONS LEARNED

Scope and Expansion of the Collaboration

- **International Financial Institutions are not donors** nor substitutes especially for core financing from traditional donors for UN Agencies.

- **Possibilities for collaboration are numerous** at all levels (global, regional, country) and in harnessing different entry points (financial, non-financial) to enhance the partnership.

- Specific **opportunities to deepen collaboration**, in areas such as global public goods (climate change; pandemic preparedness and response); gender equality and in strengthening partnership in support of least developed countries.

- **Importance of expanding the IFI partnerships with UN Agencies beyond traditional lending institutions in designing innovative multi-partner integrated efforts**, especially at country level.
Collaboration at All levels

- Increasing dedicated capacities to engage at country, regional, and HQ levels
- Reviewing/expanding modalities of collaboration

Standardization & Harmonization

- Standardizing and harmonizing with IFIs’ tools, procedures and processes to reduce operational bottlenecks

Tailored Engagement

- Developing global and/or IFI-specific Strategies and Action Plans to engage

05 WAY FORWARD – Opportunities and Strategic Priorities
05 WAY FORWARD – What is Needed from Member States

Continue to **Support Core/Non-Core Funds** noting IFI funding will not replace traditional donor funding.

**Vocalize Support** for enhanced UN-IFI partnerships via IFI Governing Bodies.

**Leverage Member States’ own ongoing Partnerships with IFIs** to amplify synergies, reduce bottlenecks, and further strengthen the collaboration both financial and non-financial at all levels, especially at country-level.
DISCUSSION

THANK YOU