

# 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
- 05 Way Forward
- 06 Discussion



# 01 CONTEXT

## ERA OF POLYCRISIS

- Socio-economic repercussions of the Covid-19 pandemic
- Global economy is facing mounting challenges resulting in weaker global growth<sup>1</sup>
- Increase in poverty and inequality<sup>2</sup>
- 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<sup>3</sup>
- 54 Developing Countries Highly Indebted<sup>4</sup>
- Total ODA increase in 2021 by 4.4% mostly due to support in vaccine donations<sup>5</sup>; yet fails to reach vulnerable groups
- ODA downward trend for Sexual and Reproductive Health and Reproductive Rights (SRHR)<sup>6</sup>

1. [https://www.oecd-ilibrary.org/sites/f6da2159-en/1/3/1/index.html?itemId=/content/publication/f6da2159-en&\\_csp\\_761d023775ff288a22ebcaa183fbd6c&itemGO=oeqd&itemContentType=book](https://www.oecd-ilibrary.org/sites/f6da2159-en/1/3/1/index.html?itemId=/content/publication/f6da2159-en&_csp_761d023775ff288a22ebcaa183fbd6c&itemGO=oeqd&itemContentType=book)

2. <https://blogs.worldbank.org/developmenttalk/covid-19-leaves-legacy-rising-poverty-and-widening-inequality>

3. <https://www.unglobalcompact.org/sdgs/sustainablefinance>

4. <https://www.undp.org/press-releases/50-percent-worlds-poorest-need-debt-relief-now-avert-major-systemic-development-crisis-warns-un-development-programme>

5. <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/ODA-2021-summary.pdf>

6. <https://documents-dds-ny.un.org/doc/1/INDOC/GEN/N3/2/40/05/PDF/N3224005.pdf?OpenElement>

# 01 CONTEXT

## IFIs

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

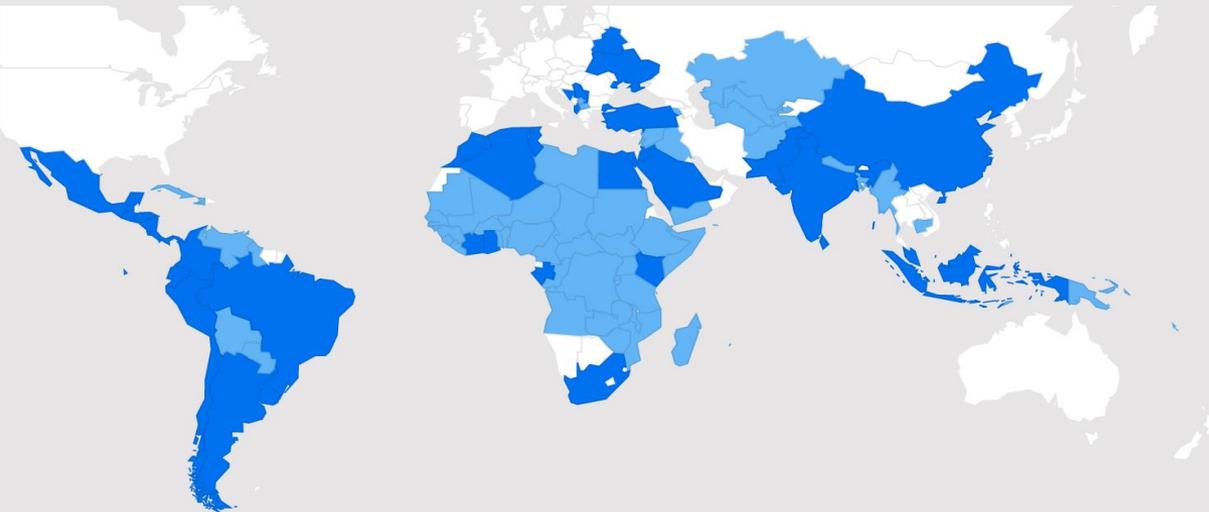
# 02 CURRENT STATUS OF IFI PARTNERSHIPS

## 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.

■ Countries in special and fragile situations (SIDS, LLDC, LDC & FCS)

■ Other Programme Countries



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.

# 102 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.

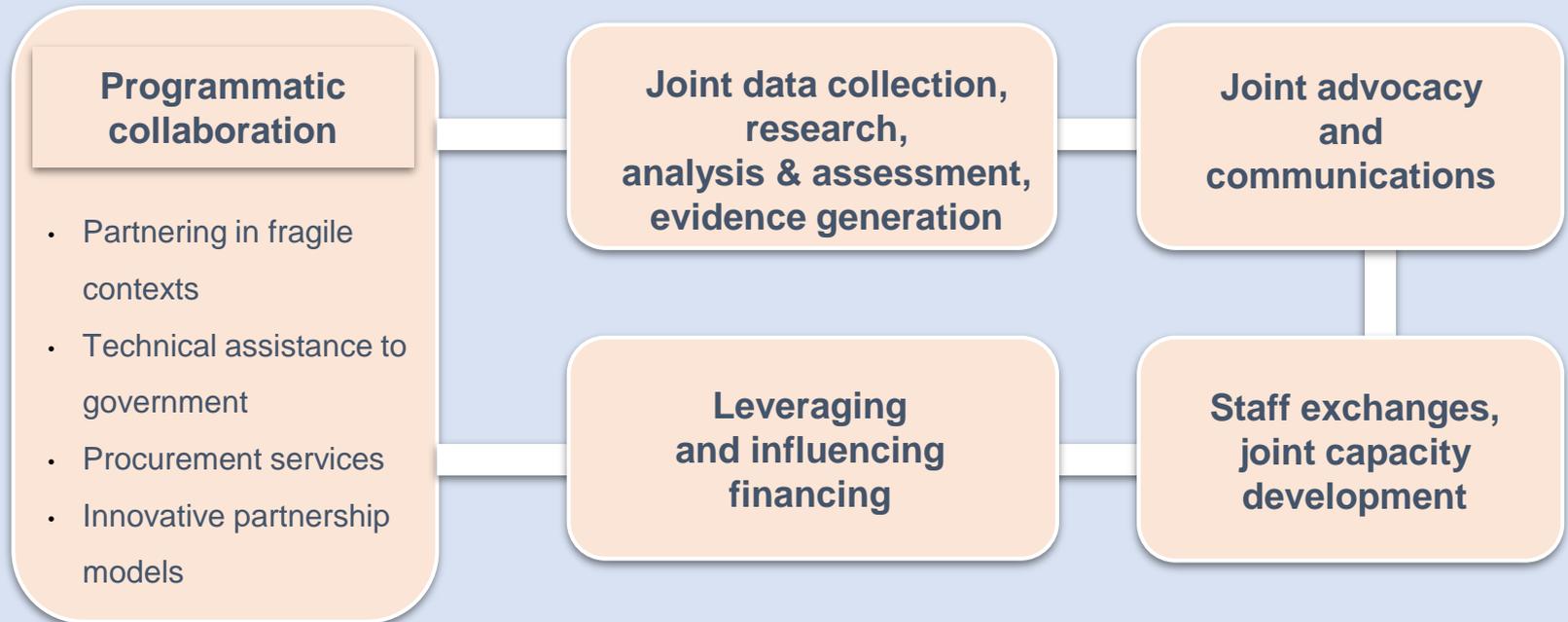


## Snapshot of Partners

- 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.



# 03 Partnerships Modalities



# 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.

# 04 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.

# 05 WAY FORWARD – Opportunities and Strategic Priorities

## 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 – 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

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DISCUSSION

**THANK YOU**