



Sustainable Development Goals Fund (SDG Fund)

*Framework and Guidance for Partnerships
with the Private Sector*



Why partner with the SDG Fund

The private sector has played an active role in the work of the United Nations since its inception in 1945 and a number of organizations of the UN system have a successful history of co-operating with the private sector. However, the SDG Fund has a unique position to partner with the private sector:

1. **Provides a One-Stop shop for engagement with the United Nations.** The SDG Fund serves as a UN platform that allows partners to work with several specialized UN Agencies simultaneously, overcoming the barriers that these actors often face while engaging each other. The SDG Fund facilitates projects all around the globe by leveraging UN Agencies complementary expertise, knowledge and networks.
2. **Leverage impact via matching funds.** As a collective endeavor, all SDG Fund Programmes are funded by different partners and additional matching funds are provided national government, bilateral donors, other UN Agencies, IFIs, private sector, civil society organizations, foundations or other stakeholders. This increases sustainability, impact, national ownership and the potential to scale up. 55% of the overall SDG Fund Programme budget comes from matching funds.
3. **Proven experience and comprehensive networks in the field.** The SDG Fund has accumulated experience in the strategic design and implementation of more than 150 joint Programmes in 60 countries. The Fund has a strong track record in the development arena which are supported by independent audits and evaluations.
4. **Shared engagement as part of our participatory governance structure.** Working with local and national partners allows business actors to actively participate and engage in the design, selection and monitoring of Programmes.
5. **Robust monitoring, evaluation and accountability system.** The SDG Fund work is backed by a rigorous monitoring and evaluation system designed to generate results reporting and improve transparency and decision-making. All partners/donors can track progress and fund disbursement on a real-time basis¹.

How to partner with the SDG Fund

The SDG Fund believes that every company is different and therefore, every private sector actor should be able to identify, together with the Fund, what kind of partnership suits best with the company's values and interests. Therefore, the SDG Fund's approach regarding future partnerships will be based on a case-by-case basis. However, even if partnerships can adopt a wide range of modalities, private sector can partner with the SDG Fund through three main opportunities:

1. **Support SDG Fund ongoing Joint Programmes:** The SDG Fund is currently supporting Joint Programmes in the areas of Inclusive Economic Growth, Food Security and Nutrition, and Water and Sanitation in 21 countries in Africa, Arab States, Asia and Latin America and the Caribbean².
2. **Support on-going private sector initiatives:** The SDG Fund invites the private sector to share their on-going projects proposals that may align with the SDG Fund's three thematic windows and cross-cutting issues.
3. **Pilot initiatives and independent partnerships:** The SDG Fund is flexible and well positioned to co-design, co-create and co-invest pilot innovative initiatives that offer a high potential to be replicated.

The SDG Fund is ready to work on projects that accelerate the achievement of the SDGs keeping in mind the Fund's multi-dimensional approach to cross-cutting issues highlighted in the table below:

¹ Financial management is carried out by an independent administrative agent, the Multipartner Trust Fund (<http://mptf.undp.org>). Read section "Accountability and Transparency" for more information.

² For more information about the SDG Fund Joint Programmes please visit: <http://www.sdgfund.org/current-programmes>

SDG FUND CROSS-CUTTING ISSUES

Gender	<ul style="list-style-type: none"> ▪ Addressing gender inequality effectively and transforming it with multi-sector approaches in depth analysis of issues in their national and local context. ▪ Promote women’s empowerment in all the priority sector for the SDG Fund
Sustainability	<ul style="list-style-type: none"> ▪ Promote a vision of Human rights approach ▪ Promote national/local ownership ▪ Mainstream environment and climate change
Public and private sector alliances	<ul style="list-style-type: none"> ▪ Promote shared responsibility (public and private) in development ▪ Create networks to develop public and private alliances

Partnership’s budget and duration

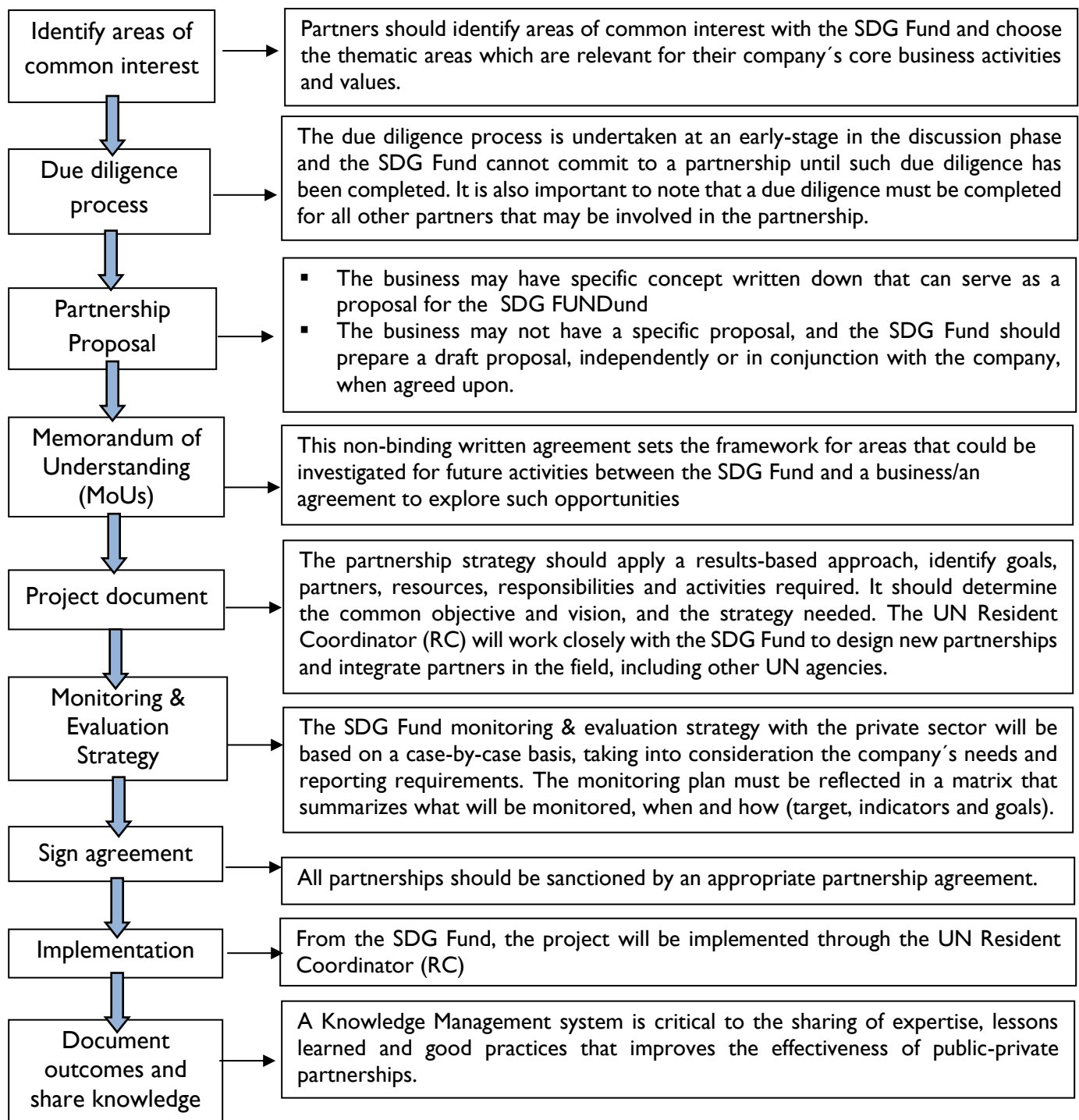
The SDG Fund approach for future partnerships regarding budget and duration will be assessed on a case-by-case basis, attending to the partner’s interests as well as the needs in the field.

Process of engagement

The SDG Fund seeks to co-create projects and establish commitments to collaborate, leverage resources, and improve results reporting to improve livelihoods around the globe. To best achieve this, the SDG Fund view partnerships as an evolving process of collaborative engagement with clear steps, including:

1. **Identify and Design:** To explore potential partnership, we look to identify potential partners, gather information and create programs that are impactful and linked to a companies’ thematic area of interest. Companies can also support ongoing programs or sponsor existing initiatives on topics relevant to core business, philanthropic or developmental priorities.
2. **Planning:** Once defining priorities are established, partnership initiatives and programmatic outlines can be developed. This often involves outlining next steps, defining a clear plan of action, and formalizing the process through a memorandum of understanding or letter of intent to outline future collaboration.
3. **Implementation:** To effectively implement a partnership and achieve results, the parties must identify shared objectives, including local partners and country level agencies to work with, as well as establish a timeframe for deliverables, ongoing indicators for communication, and guidelines to measure performance.
4. **Review and Follow-up:** The SDG Fund seeks to develop relationships with its donor partners, and to equip partners with the tools they need to make an impact and leverage complementary expertise on the ground. By offering a real time monitoring system to effectively evaluate and monitor the partnership and identifying opportunities for continued collaboration, it is likely that projects will be more sustainable and scalable.

The SDG Fund created a step-by-step management processes for developing and managing partnerships between the private sector and the SDG Fund. This process has been streamlined for a quick turnaround time:



Accountability and transparency

The SDG Fund was conceived as a multi-partner facility and is open to other public and private donors interested in advancing sustainable development through UN agencies coordination. Funds do not need to be deposited in a common account but their management will have to fall under the umbrella of the SDG Fund Governance.

Partners together with the SDG Fund will have to choose a platform to share information. The experience of the SDG Fund suggests that using existing information platforms is preferable to generating ad hoc tools.

Currently, the SDG Fund financial management is carried out by an independent administrative agent, the Multipartner Trust Fund (MPTF). The MPTF is a UN office that supports development effectiveness and UN coherence. All the financial information and disbursements of the SDG Fund can be monitored in real-time at the MPTF Gateway.

Modalities

Despite the range of issues addressed and strategies implemented, the SDG Fund identifies three broad categories which describe the modalities for partnerships:

- **Core business operations and value chains:** Creating positive shared value for host countries and communities by mobilizing the innovative technologies, processes, financing mechanisms, products, services and skills of the private sector to create wealth and employment and develop and deliver affordable goods and services. The SDG Fund and a private sector partner may jointly support the development of integrated value chains in market sectors that offer the prospects of sustainable growth and transition to better remunerated forms of employment. In some cases these alliances can be commercially viable from the outset, in others they require various forms of seed or venture financing, or hybrid approaches that include ongoing public, donor or philanthropic support.
- **Social investments and philanthropy:** This category involves different types of resource-mobilization support and utilizes a range of resources from the Business Sector including cash as well as core competencies. This means contributing with different types of non-commercial financial support, from traditional philanthropy to social venture funds and hybrid or “blended-value” financing mechanisms, corporate volunteers, pro-bono goods and services, technical expertise and support and other in-kind contributions.
- **Advocacy, institutional framework and policy dialogue:** This modality relates to initiatives that promote and advance a specific cause in support of the SDGs or promoting multi-stakeholder dialogue on issues related to the purposes and activities of the UN.