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**IMPROVING
INVESTMENT
PROCESS
EFFICIENCY
AT UNCDF**

EXECUTIVE SUMMARY

The United Nations Capital Development Fund (UNCDF) has historically played a unique role within the UN system as a development finance institution (DFI) focused on expanding access to finance and supporting local development in Least Developed Countries (LDCs). UNCDF unlocks public and private capital through grants, concessional finance, and technical assistance to foster financial inclusion, improve local governance, and develop infrastructure in underserved markets.

Today, UNCDF is at a turning point in its institutional evolution. As global development finance shifts toward leveraging private capital to meet the Sustainable Development Goals (SDGs), UNCDF is undergoing a strategic transformation—moving toward becoming an investment-focused institution.

In this context, UNCDF engaged a consulting team from Columbia University’s School of International and Public Affairs (SIPA) to assess its current investment process and provide strategic recommendations to improve efficiency, agility, and responsiveness. The study comes at an opportune moment as UNCDF seeks to position itself as a leading player in high-risk, underserved markets, where

efficient investment operations are critical to scaling impact.

The study examined UNCDF’s investment process from origination to approval, identifying operational bottlenecks and opportunities for optimization through desk research, internal consultations, external interviews, case studies, and document reviews.

This report details the background, research question, and key findings of the SIPA team, culminating in actionable recommendations to UNCDF leadership. The recommendations aim to enhance operational effectiveness and increase UNCDF’s impact in LDCs.

Key recommendations include:

- 1. Fast-track low-risk deals to improve decision-making speed.*
- 2. Establish a transformation committee to drive process improvements.*
- 3. Standardize the decision-making logic to streamline approvals.*
- 4. Formalize the investee experience with clear onboarding and feedback.*
- 5. Pilot AI tools to automate sourcing, screening, and due diligence.*