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**Operational activities of the United Nations
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follow-up to policy recommendations of the
General Assembly and the Council**

Implementation of General Assembly resolution [71/243](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding analysis

Report of the Secretary-General

Summary

The analysis contained in the present report is submitted pursuant to General Assembly resolution [71/243](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. It provides an overview of the overall status of the funding of operational activities for development, with a focus on 2018. The analysis includes a review of the progress made in addressing the funding-related challenges highlighted in the resolution, as well as in Assembly resolution [72/279](#).

* [A/75/50](#).



I. Introduction

1. The analysis contained in the present report is submitted pursuant to General Assembly resolution [71/243](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. The report serves to examine the funding situation of the United Nations development system, identify the latest trends and review the extent of progress made in relation to funding-related issues highlighted in the quadrennial comprehensive policy review. The analysis serves to complement section IV on the implementation of the funding compact and related funding trends, which is an integral part of the report of the Secretary-General on the implementation of the quadrennial comprehensive policy review ([A/75/79-E/2020/55](#)), and which provided key highlights of funding trends and a comprehensive update on the implementation of the funding compact that was agreed between Member States and entities of the United Nations development system in 2019.

2. The analysis is anchored around three interrelated dimensions: (a) transparency of funding flows; (b) quantity and quality of funding; and (c) allocation of resources.

3. The scope of the analysis is operational activities for development, which accounts for 71 per cent of all United Nations system-wide activities. Funding for operational activities for development grew by some 8 per cent between 2017 and 2018 to reach \$36.4 billion. The United Nations development system still depends on a few large donors for most of its funding, although there has been notable growth in funding from programme countries in recent years.

4. Only 21 per cent of contributions to the United Nations development system in 2018 were in the form of core contributions, continuing the imbalance between core and non-core funding. However, a noticeable improvement can be observed in multi year core funding. Contributions to “core-like” funding mechanisms, such as inter-agency pooled funds and loosely earmarked thematic funds, also increased significantly since 2016. United Nations development system entities are actively engaging in funding dialogues with Member States to find ways to improve the overall quality of funding provided to the system and to accelerate implementation of the funding compact.

5. About three quarters of the funding received for operational activities for development was spent at the country level, with the global and regional level accounting for about one quarter of spending. Expenditures at the country level were concentrated in a small number of countries, with over three quarters of resources being spent in the 30 programme countries with the highest expenditures.

6. The data underlying the analysis were collected in accordance with the new set of financial data and reporting standards adopted by the United Nations Sustainable Development Group and the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB) in 2019. The new standards include new definitions that have resulted in system-wide funding data that are more reliable and comparable across entities.

II. Transparency of financial flows

7. In both resolutions [71/43](#) and [72/279](#), the General Assembly calls for greater transparency and accountability in the funding of operational activities for development. As mentioned, transparency is a central theme in the funding compact, through which entities of the United Nations Sustainable Development Group commit to clarity on how they spend the resources entrusted to them. A key premise

is that greater visibility of results and a strong link between results and resources will initiate a shift towards higher quality funding to the United Nations development system.

A. System-wide funding data

8. Reporting on system-wide funding flows has traditionally been hampered by a lack of clear definitions and harmonized classifications for the different types of funding that United Nations development system entities receive. Recognizing that, in its resolution 71/243, the General Assembly requested the Secretary-General to continue to strengthen the analytical quality of system-wide reporting on funding. In paragraph 80, it called for more timely, reliable, verifiable and comparable system-wide and entity-level data, definitions and classifications.

9. In response, a United Nations inter-agency team co-chaired by the CEB secretariat and the Multi-Partner Trust Fund Office was established in 2017 to formulate and agree on key funding-related terms, and data categories and data collection approaches, which would strengthen the reliability and comparability of information coming from individual United Nations development system entities. That work, dubbed “the data cube initiative”, resulted in a set of data and reporting standards adopted by the United Nations Sustainable Development Group and the High-level Committee on Management in early 2019.¹ United Nations development system entities began reporting on their 2018 funding flows against the new standards in 2019. CEB organized an inter-agency workshop in Geneva and another in New York to train United Nations staff involved in annual reporting of funding data. The information provided by United Nations development system entities is entered into the CEB database and reporting system, which forms the data basis for most analysis in the present report.

10. The new standards include new definitions for functions carried out by United Nations development system entities, which facilitates consistent reporting of expenses against the primary functional areas of the United Nations system: (a) development assistance; (b) humanitarian assistance; (c) peace operations; and (d) the global agenda and specialized assistance. Operational activities for development include development assistance and humanitarian assistance.

11. The funding analysis included in previous related reports (A/74/73/Add.2-E/2019/4/Add.2, A/73/63-E/2018/8 and A/72/61-E/2017/4) worked around the lack of common, system-wide definitions of “development activities” and “humanitarian activities”. As a result, activities were classified by entity, depending on mandate.² To improve comparability and harmonization of system-wide reporting and information on funding data, the present report disaggregates the reporting of entities to CEB, which is based on the newly agreed standards, so more reliable information on United Nations development and humanitarian activities supports the analysis. The higher proportion of expenditures on humanitarian-related activities within overall operational activities compared with that referred to in the

¹ Available at www.unsystem.org/content/data-standards-united-nations-system-wide-reporting-financial-data.

² Exceptions were made in the cases of the United Nations Children’s Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Food Programme (WFP). See the supplementary technical note on definitions, sources and coverage, available at www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/oas/SGR2019-Addendum2-TechnicalNote-Final.pdf.

previous related reports indicated above can be attributed, in part, to the refined distinction between the humanitarian and development activities.³

12. The United Nations development system is positioned to better understand and track the allocation of its resources to specific Sustainable Development Goals.

13. The new data standards have been designed to align with the Goals. They include a common United Nations methodology and format for tracking the contribution of United Nations activities to the 2030 Agenda for Sustainable Development by defining the way funding information must be reported against each of the 17 Goals and the 169 targets. That part of the data standards will take 18 to 24 months to implement fully across the system, as not every entity has the mechanisms in place to report against the Goals and targets at this stage. The funding compact sets a target of 2021 for all entities to allocate their expenses by Goal. Currently, 10 United Nations development system entities do so.⁴

14. All United Nations development system entities have submitted their funding data to CEB, guided by the new reporting standards. About three quarters of entities with operational activities at the country level report their expenditures in each country, which is a notable improvement compared with 2018, when less than half of entities provided that level of granularity. Still, until all entities report that information, there will be some underreporting of expenditures in programme countries.

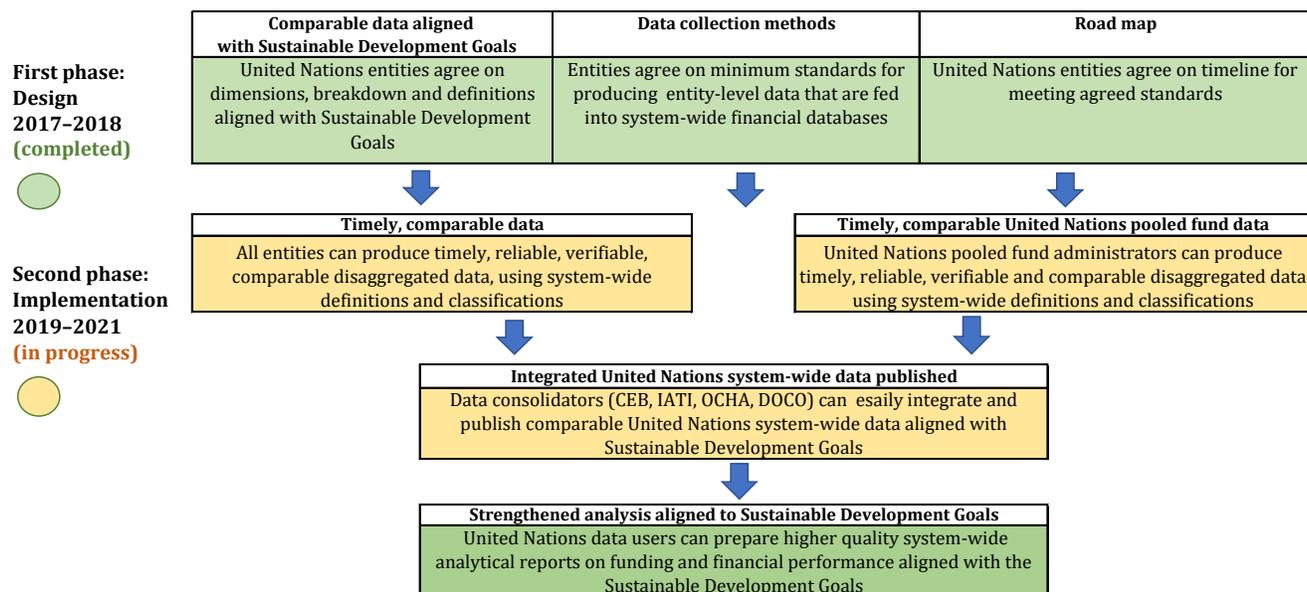
15. In addition to reporting expenses against the Goals, another key next step includes integrating and aligning entity reporting to the system-wide inter-agency database on inter-agency pooled funds into the CEB database and reporting system.

16. The work of the ad hoc data cube team is outlined in figure I.

³ Trend analyses of humanitarian and development flows across multiple years can be provided in the present report in a comparable fashion since aggregate data for past years were adjusted in alignment with the refined methodology. The technical note contains further details and can be found online at www.un.org/ecosoc/en/content/2020-secretary-general%E2%80%99s-report-implementation-qcpr.

⁴ International Fund for Agricultural Development, International Labour Organization, United Nations Development Programme (UNDP), United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), UNFPA, United Nations Framework Convention on Climate Change, UNICEF, United Nations Office for Project Services (UNOPS), United Nations Research Institute for Social Development and WFP.

Figure I
Results framework for the data cube initiative



Source: Multi-Partner Trust Fund Office of the United Nations Development Programme (UNDP).

Abbreviations: DOCO, Development Operations Coordination Office; IATI, International Aid Transparency Initiative; OCHA, Office for the Coordination of Humanitarian Affairs.

17. To further strengthen the reliability and comparability of entity reporting on expenditures, the new data standards have been defined to ensure that reporting by United Nations entities to the CEB database is aligned with their reporting to the International Aid Transparency Initiative) and the Development Assistance Committee of the Organization for Economic Cooperation and Development.

18. As of early 2020, 19 United Nations development system entities were publishing information on their resources in accordance with the International Aid Transparency Initiative standard, which represents an increase of 5 entities compared with the end of 2017. Those 19 entities accounted for 96 per cent of expenditures on operational activities for development.

B. Cost recovery

19. Cost recovery refers to the basic requirement that non-programme costs need to be covered to ensure the stable financing of an organization's critical backbone functions. As all donors should contribute proportionally to the financing of such critical functions, an entity's cost recovery policy sets the parameters through which those contributions and other related elements are determined. Through the funding compact, United Nations Sustainable Development Group entities commit to full compliance with the established cost recovery policies.

20. General Assembly resolution [71/243](#) underscores two essential concepts to guide cost recovery frameworks: core resources form the bedrock of operational activities for development owing to their untied nature; and core resources should not subsidize non-core resources. With non-core-funded activities growing considerably faster than core-funded activities over the past 15 years, the collection of non-programme costs associated with non-core-funded activities is becoming ever

more important. As such, cost recovery frameworks have considerable implications for institutional transparency and resource mobilization.

21. The headquarters survey reveals that all but two United Nations development system entities have adopted a cost recovery framework or policy,⁵ and just over two thirds of entities reported on the implementation of their cost recovery policy to their governing body in 2019. As part of that reporting, entities are expected to provide the estimated amount of financial resources to be recovered in their budgets and to report on actual cost recovery amounts. While two thirds of entities include estimated budget amounts, less than half include actual amounts recovered through their cost recovery principle.

22. Cost recovery support fee waivers grant donors an exemption from paying the standard support cost rate specified in a United Nations development system entity's cost recovery framework. As such, those waivers have been discouraged in both paragraph 35 of General Assembly resolution 71/243 and the funding compact. In 2018, an average of 14 agreements per United Nations development system entity were still tied to such waivers, an improvement from 2017, when the average was 17 waivers. The total value of the agreements for which a support fee reduction was granted amounted to an estimated \$800 million (down from \$1.3 billion in 2017).⁶

23. The United Nations Development Programme, the United Nations Children's Fund, the United Nations Population Fund and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) harmonized their cost recovery in 2013. The joint policy included a harmonized cost recovery rate of 8 per cent of non-core contributions, with the agreement that the rate would be reviewed three years later. In 2017, the Executive Boards asked the entities to continue consultations with Member States on the cost recovery policy and to present proposals for consideration. The four entities submitted a joint paper to their Boards in 2018 containing a proposal to move to a new modular approach that would be more explicit about reserving a fixed amount of core resources to fund what the Boards deemed the most essential activities.

24. A preliminary comprehensive proposal was subsequently shared at the first regular sessions of the Executive Boards in 2020. It identified three key goals for the joint policy: (a) to maximize the policy's transparency and ease of understanding; (b) to acknowledge the broader reform context, including the direction provided by the quadrennial comprehensive policy review and the funding compact; and (c) to promote pooled funding and joint, inter-agency efforts. The four entities are currently developing their final comprehensive proposal for consideration by the Boards at the second regular sessions in 2020.

25. Recognizing the potential progress and benefits from entities sharing overarching cost recovery principles, the CEB Finance and Budget Network established an inter-agency working group⁷ in late 2019 to look at harmonized principles for cost recovery that could be agreed on and applied across the United Nations development system more broadly. Included in the group's workplan is the consideration of a United Nations common principle for United Nations agreements,

⁵ Although they are not exempt from the cost recovery mandate, this figure excludes Secretariat departments since their cost recovery policies are defined centrally and are approved by the General Assembly for the entire Secretariat.

⁶ The value is that of the agreements, not of the fee waived. If the average waiver permitted a donor to take a 1 per cent reduction in the support fee, then the amount of programme cost support income lost system-wide would have been \$8 million in 2018.

⁷ Led by UNICEF, with the United Nations Secretariat, the Office of the United Nations High Commissioner for Refugees, UNDP, UN-Women, UNFPA, UNOPS and WFP agreeing to participate.

which can be problematic when the two entities involved have different cost recovery rates. The group, which began meeting at the time the present analysis was issued, is expected to consider the funding compact and the importance of collaborative work in its discussions.

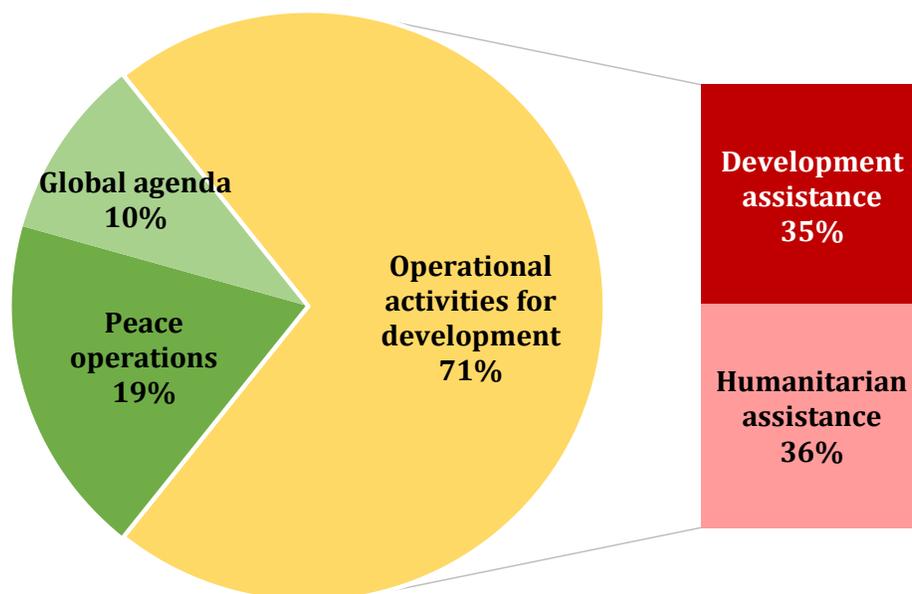
III. Quantity and quality of funding

A. Funding trends

26. In 2018, United Nations operational activities for development accounted for 71 per cent of all United Nations system activities: 35 per cent in development and 36 per cent in humanitarian assistance.

27. Peace operations accounted for 19 per cent, while global agenda and specialized assistance accounted for 10 per cent (see figure II).

Figure II
Funding of United Nations system-wide activities, 2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

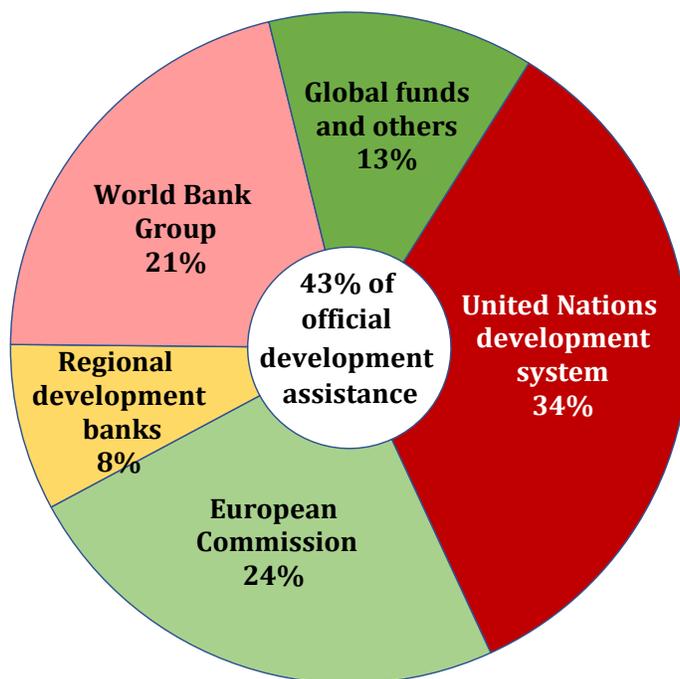
28. Funding for operational activities for development totalled \$36.4 billion in 2018, of which 21.2 per cent was in the form of core contributions.

29. Core contributions include assessed and unrestricted voluntary funding. The other 78.8 per cent of resources were non-core, or earmarked to specific projects, countries or thematic areas.

30. The United Nations development system remains the largest single channel of multilateral aid, receiving over one third of all multilateral flows.

31. As shown in figure III, the relative volume of resources flowing through the main channels of multilateral systems account for 43 per cent of total official development assistance.

Figure III
Channels of multilateral aid, 2018



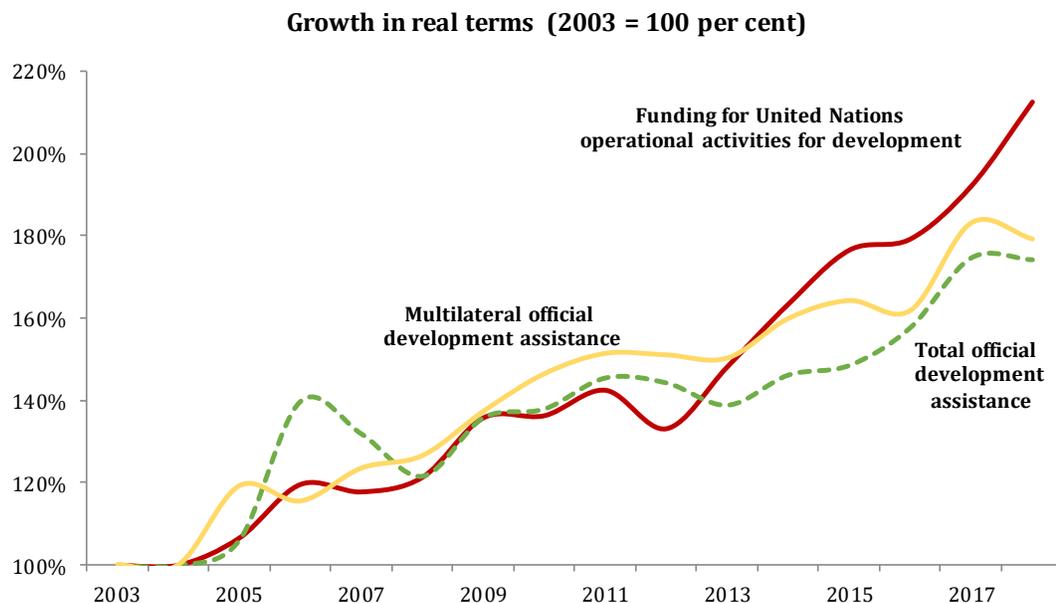
Source: Organization for Economic Cooperation and Development Stat, 2019.

Note: Shares of total use of multilateral system in 2018 (core and non-core flows).

32. Funding of operational activities for development increased by 8.2 per cent between 2017 and 2018, continuing the trend of robust growth in funding that has prevailed over the long term.

33. In figure IV, the trend in funding provided to the United Nations development system is compared with the trend in funding provided through multilateral official development assistance and with total (multilateral and bilateral) official development assistance. The figure shows that, since 2003, funding to the United Nations development system has increased more rapidly than official development assistance and multilateral official development assistance. The growth occurred primarily during the period 2013–2018 and, on closer examination, it has affected the various funding components of the United Nations development system differently – with an imbalance in the growth rates between humanitarian and development funding, and between core and non-core funding.

Figure IV
Trend in funding to the United Nations development system relative to official development assistance



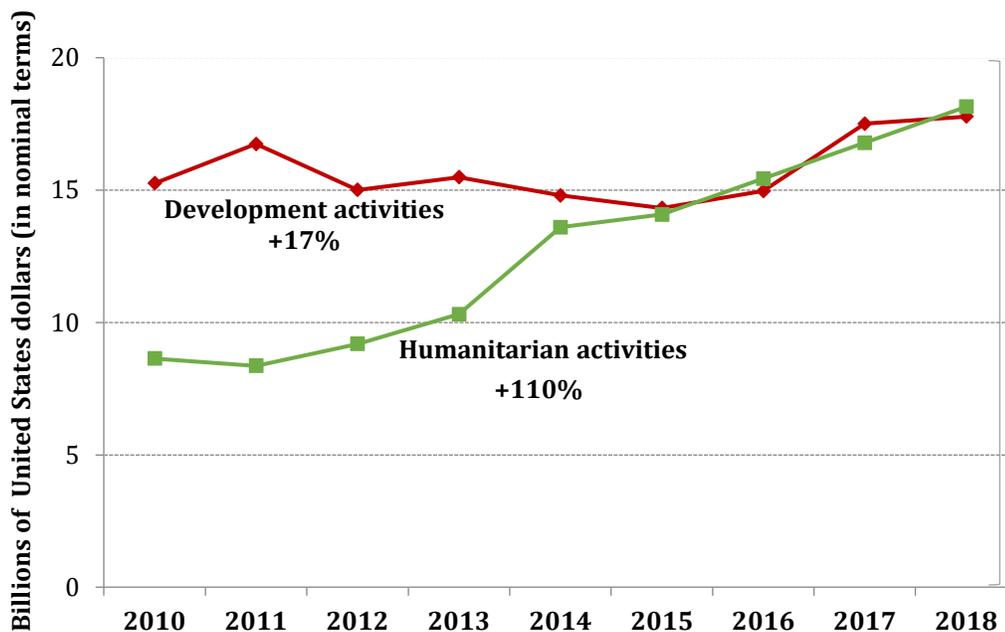
Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

34. Funding used for development-related activities amounted to \$17.8 billion in 2018, which represents a modest 17 per cent increase compared with 2010. Within the same time frame, resources used for humanitarian activities more than doubled and now roughly equal the amount of funding for development activities.

35. Given the high number of conflict and post-conflict situations, it is not surprising that resources devoted to humanitarian assistance activities have increased faster than those devoted to development assistance activities.

36. Figure V shows the trend in the use of funding by type of activity.

Figure V
Trend in funding flows, by type of activity, 2010–2018



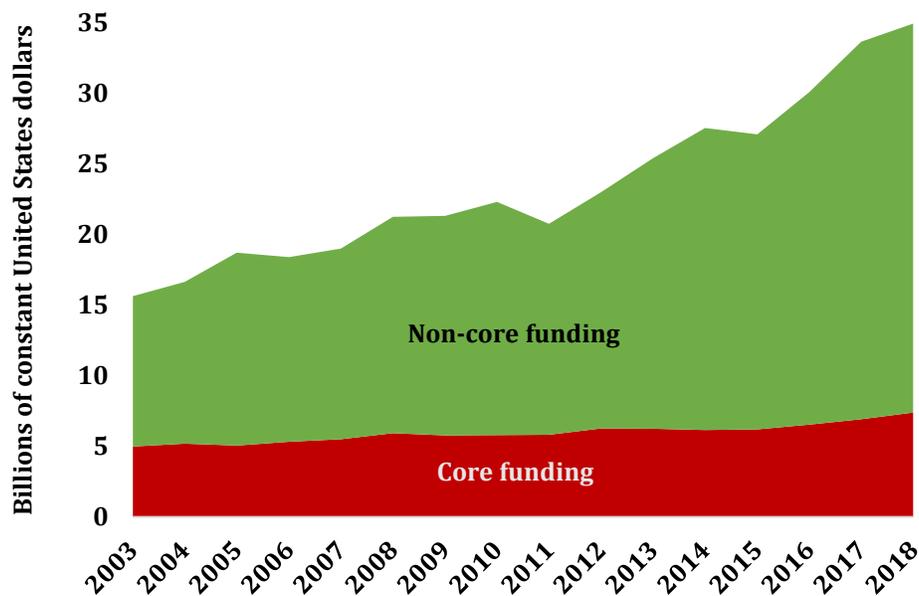
Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

37. In both General Assembly resolution [71/243](#) and the funding compact, there is a recognition of the importance of core funding, which provides United Nations entities the flexibility to allocate funds to priority areas in their strategic plans, including underfunded areas.

38. Most of the growth in funding for operational activities for development can be attributed to the growth in non-core resources, as shown in figure VI.

39. Since 2003, non-core funding has increased more than three times as fast as core funding, which has resulted in a decline in the share of total core funding from 32 per cent in 2003 to 21 per cent in 2018.

Figure VI
Trend in core and non-core funding, in real terms,^a 2003–2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

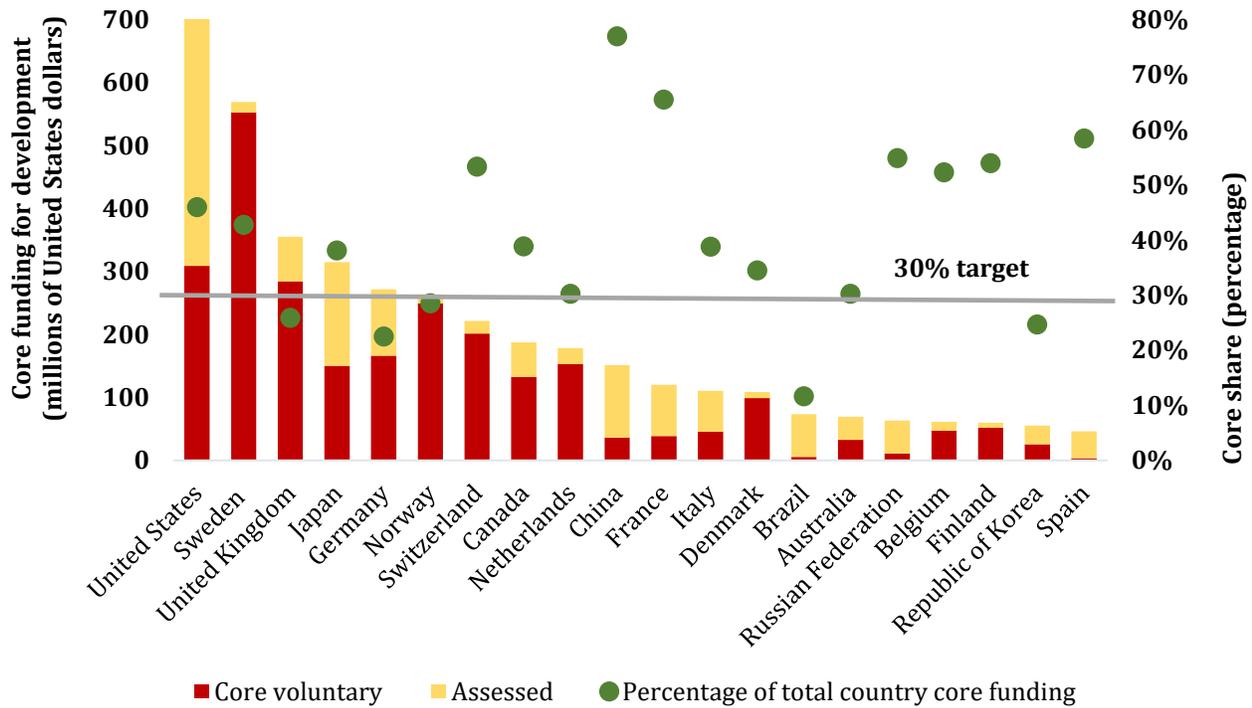
^a Taking inflation and exchange-rate fluctuations into account.

40. Core funding and funding for development activities have been the two slowest growth areas over the long term (see figures V and VI).

41. In 2018, 28 per cent of funding for development activities was in the form of core resources. Excluding assessed contributions, only 21 per cent of voluntary funding for development activities was core funding. Through the funding compact, Member States committed to increase those shares to 30 per cent by 2023.

42. Among the Member States, 114 provide at least 30 per cent of their development funding (assessed and voluntary) as core funding. Of the top 20 contributors to development funding, 15 already surpass the 30 per cent core funding share target when their assessed contributions are included (see figure VII).

Figure VII
Top 20 core contributors (development funding only), 2018

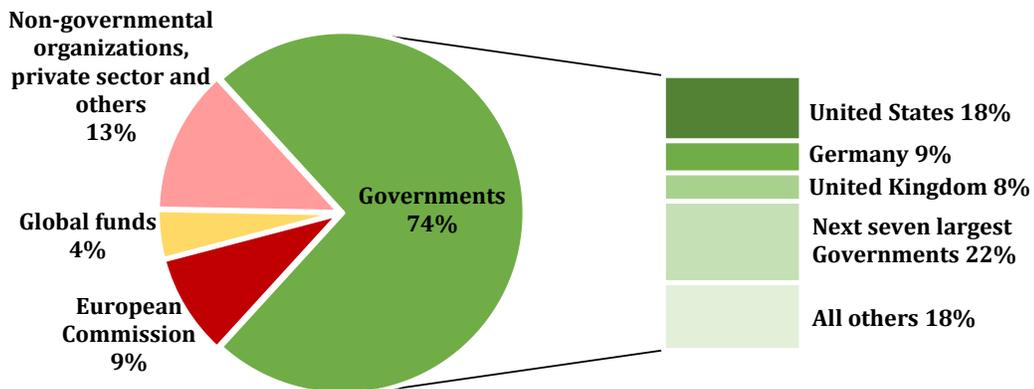


Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

43. Regarding voluntary contributions, 71 Member States provide at least 30 per cent of their contributions as core funding, including 8 of the top 20 contributors to the United Nations development system.

B. Contributor base

Figure VIII
Main groups of funding sources, 2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Note: Total funding for operational activities for development in 2018 was \$36.4 billion.

44. Government contributors account for just under three quarters of all funding to operational activities for development (see figure VIII). That number does not include the European Commission, which increased its funding by over 30 per cent between 2017 and 2018, to account for 9 per cent of total funding.

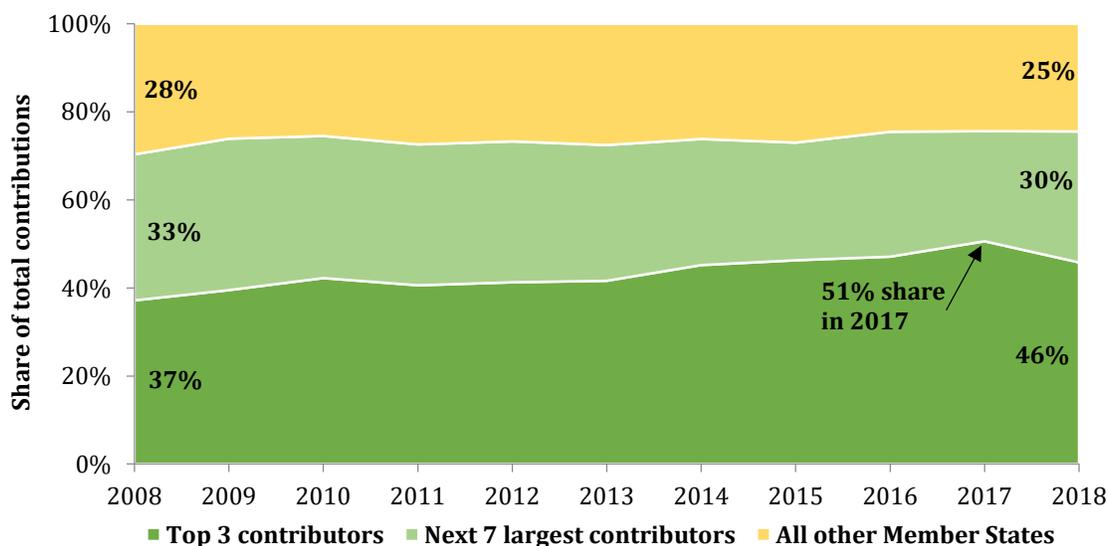
45. Funding channelled through global funds decreased slightly in 2018 and now accounts for 4 per cent of all funding. The remaining group of donors, comprising non-governmental organizations, the private sector and other non-State contributors, accounts for a significant 13 per cent share of all resource flows to the United Nations development system.

46. The contributor base is an important indicator of ownership by Member States of the United Nations development system. In General Assembly resolution 71/243, the narrow contributor base was recognized as an issue, as it was in the funding compact, in which Member States committed to broadening the sources of funding.

47. The top three government contributors (United States of America, Germany and United Kingdom of Great Britain and Northern Ireland) accounted for 46 per cent of all contributions made by Member States in 2018, and the next seven largest contributors accounted for another 30 per cent. The share provided by the top contributors has steadily increased over the past decade, although that dependency decreased somewhat in the past year. In 2017, the top three contributors accounted for over half of all Member State contributions. The trend is shown in figure IX.

Figure IX

Top contributors' share of total Member State contributions, 2008–2018

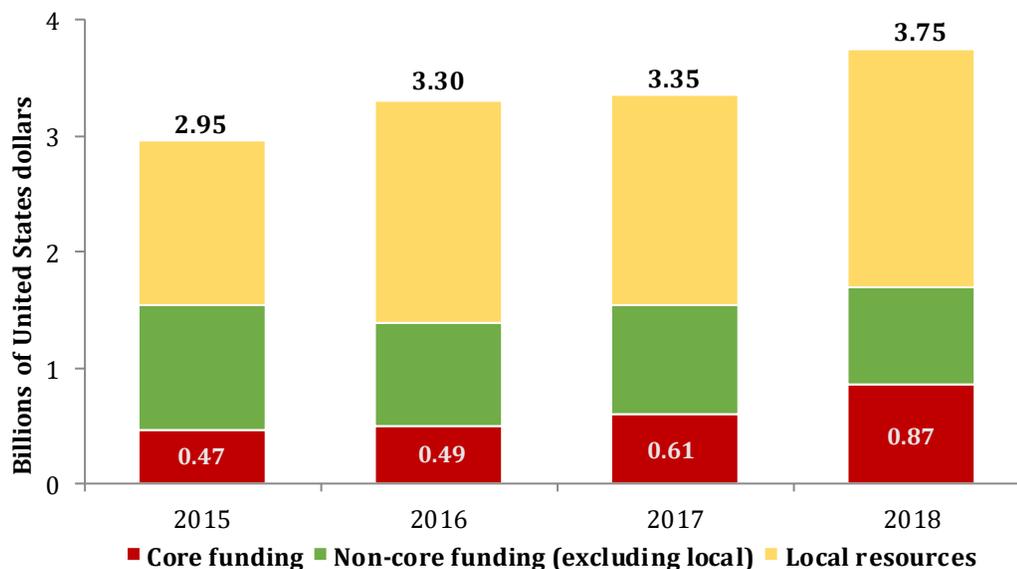


Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

48. Core funding remains heavily dependent on a limited number of contributors. The top three providers of core resources (Sweden, United Kingdom and United States) accounted for 34 per cent of all core contributions made by Member States in 2018. The next seven core contributors accounted for another 34 per cent of the total. In 2018, 69 per cent of United Nations Sustainable Development Group entities saw an increase in the number of contributors of voluntary core resources compared with 2016.

49. In 2018, funding from programme countries to the United Nations development system totalled \$3.75 billion, representing a 27 per cent increase since 2015 (see figure X). More notably, core funding from programme countries has increased by 85 per cent since 2015, growing the core share of total contributions from programme countries from 16 to 23 per cent. Included in programme countries' funding are local resources (national-level contributions to support United Nations development system activities in their country), which amounted to \$2.05 billion in 2018.

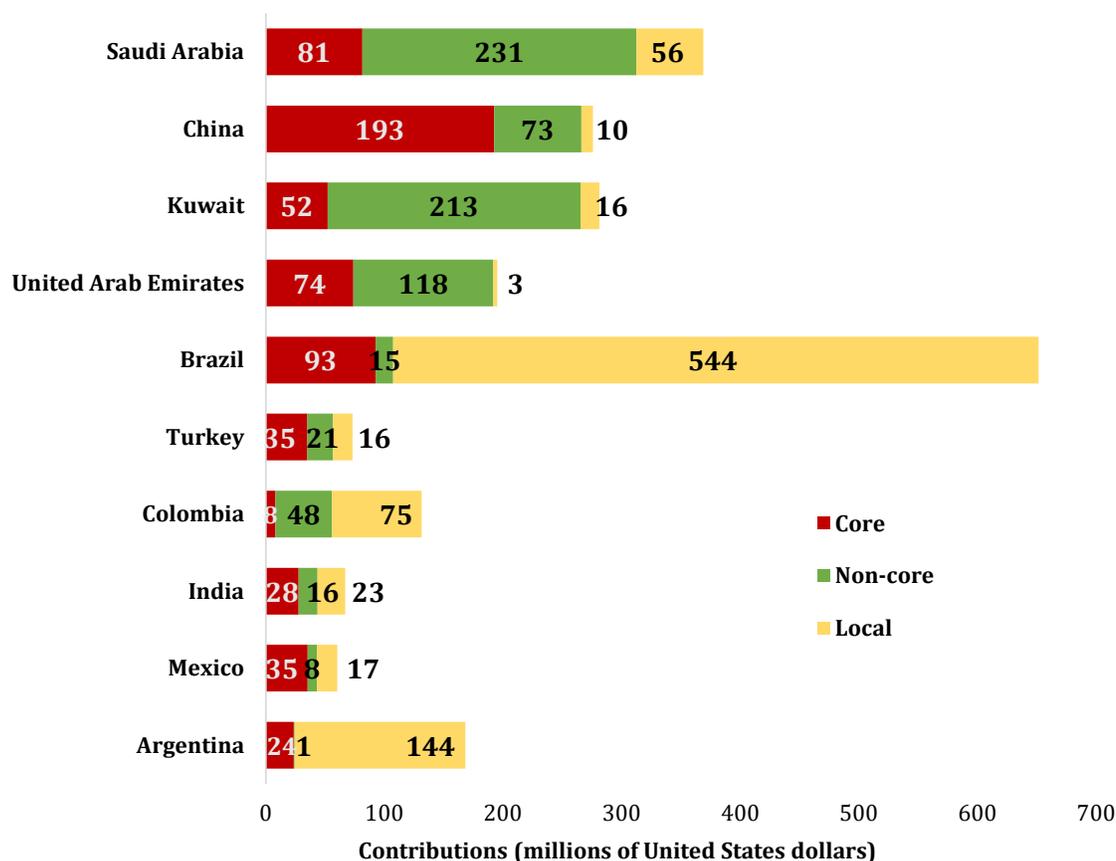
Figure X
Trend in funding received from programme countries, 2015–2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

50. Figure XI shows the top 10 programme country contributors sorted according to total contributions provided, excluding local resources, which are shown for reference.

Figure XI
Top programme country contributors, 2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

51. Of the 28 United Nations development system entities, 23 indicate that they report annually to their governing bodies on measures to broaden the donor base. Several also say they are developing an engagement strategy to deepen their collaboration with non-traditional partners, including the private sector and international financial institutions. Other measures include enhancing efficiency, raising the visibility of the purpose and need for funds, and providing evidence of institutional strength and the results achieved.

C. Predictability of funding

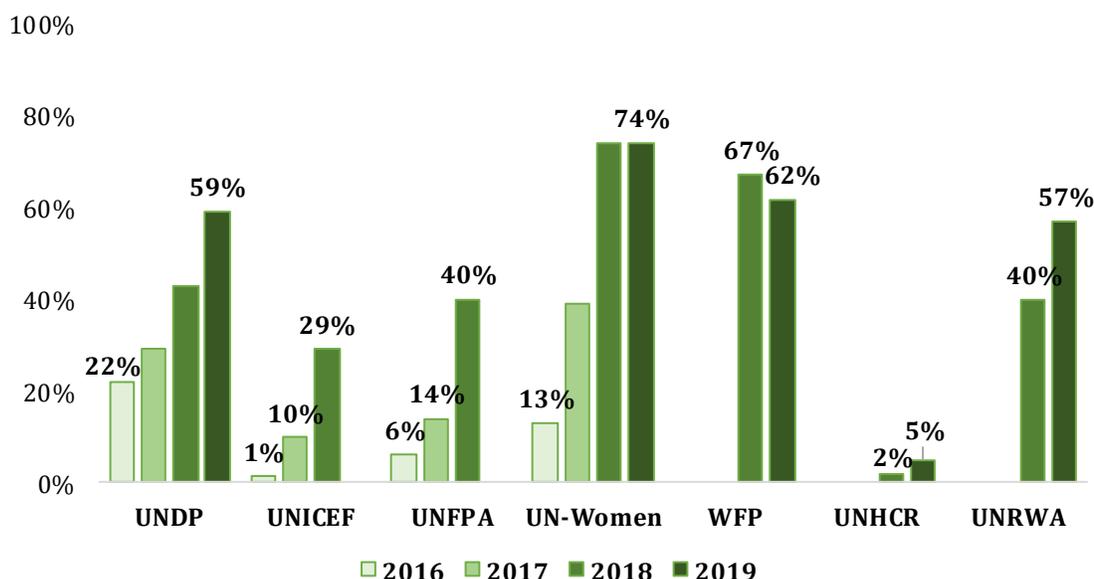
52. The quadrennial comprehensive policy reviews have repeatedly stressed the importance of predictable funding, in particular core contributions. Annual changes in voluntary donor contributions can be quite significant, making it challenging for United Nations development system entities to plan for the medium or long term (see, e.g., [A/71/63-E/2016/8](#)). The funding compact therefore calls for increasing multi-year contributions to improve the predictability of funding, recognizing that multi-year contributions help mitigate the negative effect of annual fluctuations in revenue and enhance the ability of United Nations development system entities to respond to country priorities. In addition to reducing programme fragmentation, multi-year funding can improve an organization's efficiency, as it facilitates the

planning and management of resources, thus decreasing the costs of programme delivery and operations and reducing the administrative burden on donors and organizations.

53. A noticeable improvement can be observed in multi-year core funding.

54. Multi-year core funding has been essential for United Nations development system entities to move away from funding smaller individual projects to financing transformative change through strategic and joint programming. Figure XII shows the recent trend in multi-year core funding received by seven entities that account for over 85 per cent of all voluntary core funding received by the United Nations development system. Six out of the seven entities have seen a recent increase in the proportion of core funding that is part of a multi-year agreement. In several cases, the increase has been significant.

Figure XII
Share of core voluntary contributions part of multi-year agreement



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Abbreviations: UNFPA, United Nations Population Fund; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children’s Fund; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; WFP, World Food Programme.

55. The flexible, predictable nature of multi-year core contributions better enables organizations to avoid funding gaps in their strategic plan. Gaps between strategic plan cost projections and actual financial resources received represent missed opportunities to better support countries to implement the 2030 Agenda.

D. Pooled funding

56. The funding compact extends well beyond the core versus non-core dichotomy by strongly underscoring the importance of pooled funding. Although it is classified as non-core, pooled funding is seen as higher-quality funding than more traditional non-core funding that targets a particular activity.

57. The funding compact focuses on two kinds of pooled funds: *inter-agency pooled funds*, which push entities to engage more in joint activities, and *entity-specific thematic funds*, which possess core-like attributes that better enable United Nations entities to flexibly allocate resources to underfunded high-priority areas within their strategic plans.

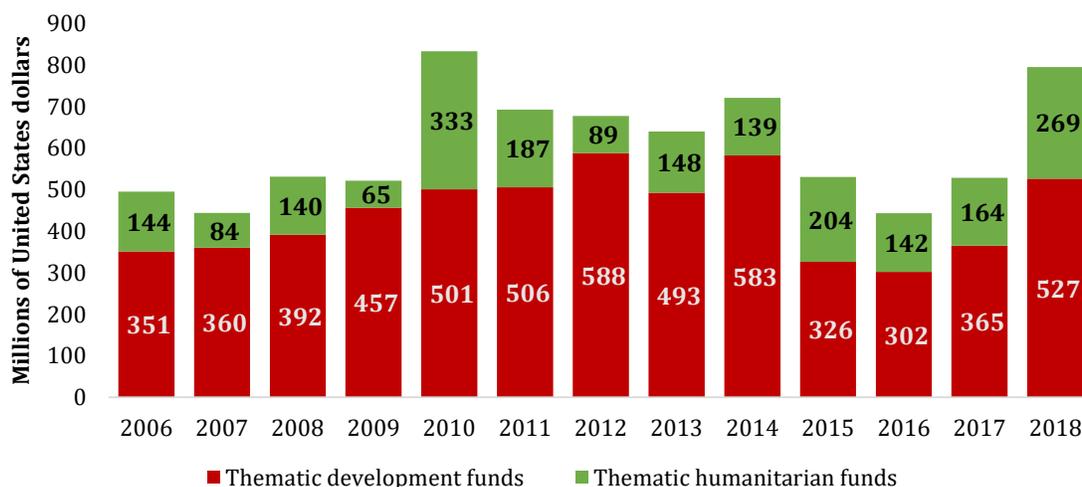
58. Commitments on both sides of the funding compact relate directly to pooled funds. Member States commit to doubling the share of non-core contributions provided through development-related inter-agency pooled funds and single-agency thematic funds. United Nations development system entities commit to increasing recognition to Member States that financially support inter-agency and thematic pooled funds and enhance the visibility of the results achieved from such contributions.

59. The quadrennial comprehensive policy review also recognizes the importance of scaling up financial resources to single-agency thematic funds.

60. In 2018, an estimated \$720 million was contributed to entity-specific thematic funds, representing an increase of 36 per cent compared with 2017, although the amount is similar to levels reached in the period 2010–2014 (see figure XIII). The amount includes \$452 million for funds with a development-related theme, which translated to 3.4 per cent of all non-core funding to development activities in 2018. The funding compact sets a target of a 6 per cent share by 2023.

Figure XIII

Volume of funding for entity-specific thematic funds, 2006–2018



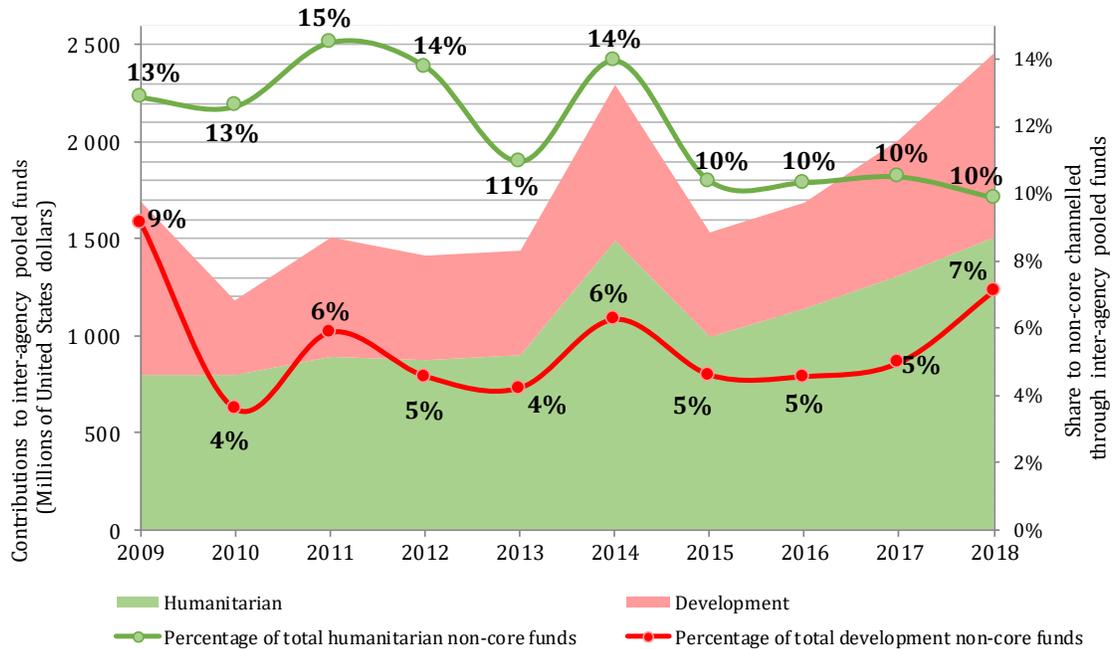
Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

61. United Nations inter-agency pooled funds support multi-entity operations and are administrated by a single United Nations development system entity: the “administrative agent”. The administrative agent leads in making fund allocation decisions and in managing the fund. The most well-known administrative agent is the Multi-Partner Trust Fund Office of the United Nations Development Programme, which provides administrative services to 80 per cent of all United Nations inter-agency pooled funds, including the Joint Fund for the 2030 Agenda for Sustainable Development.

62. Contributions to inter-agency pooled funds totalled \$2.46 billion in 2018, an increase of 19 per cent compared with 2017 (figure XIV). That number represents 8.6

per cent of all non-core funding to the United Nations development system. Most 2018 contributions (62 per cent) went to funds with a humanitarian focus. However, funding to development-related inter-agency pooled funds has increased significantly since 2016. Contributions now represent 7.1 per cent of all non-core funding to United Nations development-related activities. The funding compact has set a target of 10 per cent for such contributions by 2023.

Figure XIV
Contributions to United Nations inter-agency pooled funds, 2009–2018

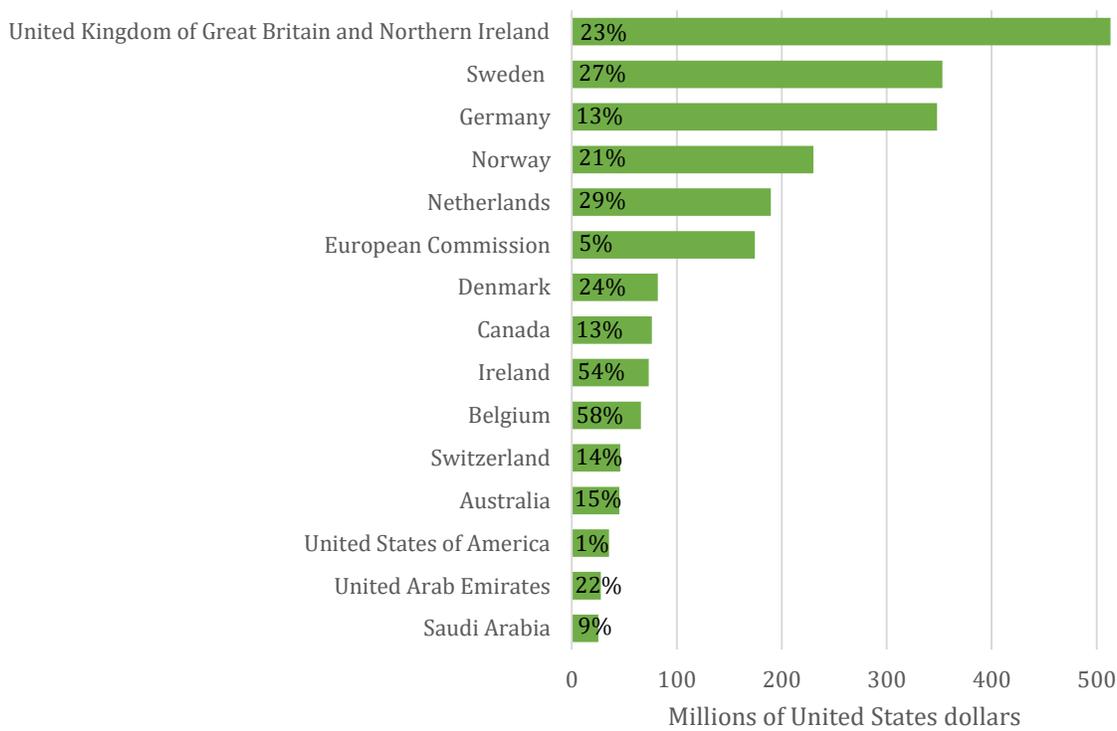


Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs, database on United Nations inter-agency pooled funds.

63. Overall, 27 Member States provided at least 10 per cent of their non-core funding to inter-agency pooled funds, including 16 of the top 20 contributors (see figure XV).⁸

⁸ See online statistical annex for details (www.un.org/ecosoc/en/content/2020-secretary-general%E2%80%99s-report-implementation-qcpr).

Figure XV
Top contributors in volume of funding to inter-agency pooled funds and percentage of total non-core funding going to inter-agency pooled funds, 2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

64. In late March 2020, the Secretary-General established a United Nations coronavirus disease (COVID-19) response and recovery inter-agency fund to help support low- and middle-income programme countries overcome the health and development crisis caused by the COVID-19 pandemic. Early projections of the financial requirements of the fund amount to \$1 billion in the first 9 months, which will be reviewed with the evolution of needs resulting from the pandemic.⁹

E. Joint programming

65. To maximize effectiveness and efficiencies, in its resolution [71/243](#), the General Assembly requested United Nations country teams, under the leadership of resident coordinators, to strengthen joint programming. In its resolution [72/279](#) on the repositioning of the United Nations development system, the General Assembly requested the system to allocate, where applicable, at least 15 per cent of non-core resources for development to joint activities. At present, joint programming is defined by the United Nations Sustainable Development Group to include two or more organizations and subnational or national governmental partners.

⁹ Updates are available at <http://mptf.undp.org/factsheet/fund/COV00>.

66. It is encouraging that 13 of 29 United Nations development system entities¹⁰ say they allocate more than 15 per cent of their non-core resources to joint activities, an improvement from 9 in 2018. Two entities pointed to methodological challenges: one, there is not yet an agreed definition of joint activities, and two, there is a lack of an adequate tracking system, which is currently being established.

67. Some 90 per cent of resident coordinators report rising interest in joint programming among United Nations development system entities at the country level compared with two years ago, with more than half saying the increased interest is significant.

68. The increased willingness to consider joint programming is a result of the United Nations development system reform efforts. Central to those efforts is the United Nations Sustainable Development Cooperation Framework and the agencies' repositioning efforts, which followed the adoption of the new joint programming tool. For example, some entities with substantial field presence, such as the World Food Programme, include in the job profiles of their country representatives the following language: "joint programming efforts and delivery on your organization's respective areas of the United Nations Sustainable Development Cooperation Framework/ United Nations Development Assistance Framework and 2030 Agenda". In addition, there has been an increase in the number of entities that empower country-level representatives to commit funds for joint programming, which facilitates engagement in joint programming at the country level. In 2019, 14 entities – an increase from 11 in 2018 – reported that their country representatives had this authority or could (in defined circumstances) assume it.

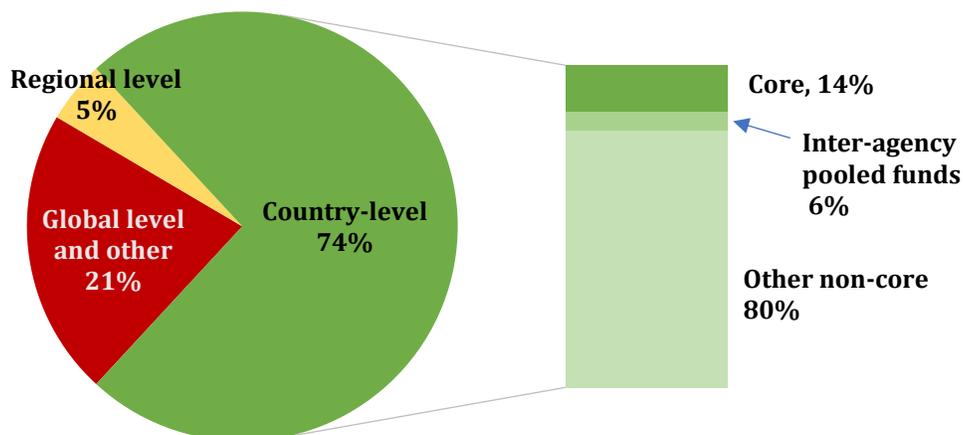
IV. Allocation of resources

A. Overview of expenditures

69. In 2018, expenditures on operational activities for development totalled \$35.9 billion, of which 74 per cent was spent on programme activities at the country level and 5 per cent was spent at the regional level. The remaining 21 per cent of total expenditures related to global programme activities, programme support, and management costs and activities that could not be attributed to a country or region (see figure XVI).

¹⁰ The following entities indicated that over 15 per cent of their non-core resources were allocated to joint activities: Economic and Social Commission for Asia and the Pacific, Economic and Social Commission for Western Asia, Economic Commission for Africa, Economic Commission for Europe, Peacebuilding Support Office, UNFPA, United Nations Environment Programme, United Nations Human Settlements Programme (UN-Habitat), United Nations Office on Drugs and Crime, United Nations Relief and Works Agency for Palestine Refugees in the Near East, UNOPS, UN-Women and WHO.

Figure XVI
High-level breakdown of expenditures, 2018



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Note: Total expenditure is \$35.9 billion.

70. In terms of country-level expenses by resource type, under 15 per cent of country-level expenditures are financed from core resources, which is notably lower than the core share of overall funding.

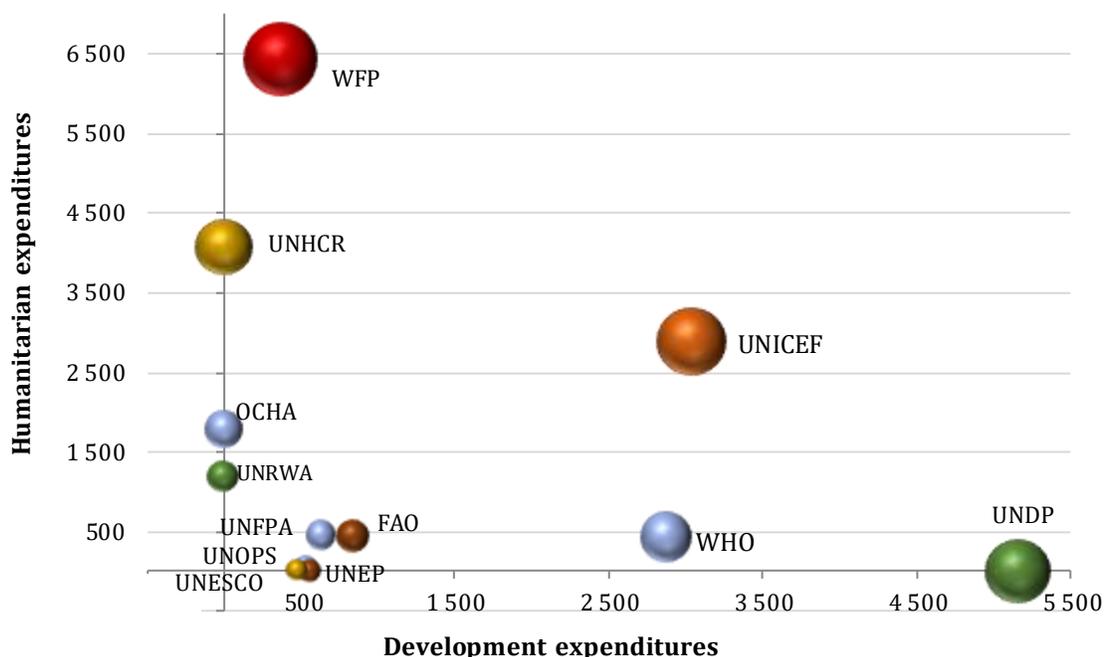
71. That is partly because cost recovery policies recognize that certain global functions, which are integral to the existence and advancement of an entity's mandate, may be largely or entirely funded from core resources. As a result, resources left to fund country-level programmes are more heavily dominated by non-core resources than the overall non-core share. This situation further underscores the importance of pooled funds and other forms of loosely earmarked funding that enable greater flexibility for entities as to how funds are used.

B. Distribution of funding across entities

72. Funding flows for operational activities for development are concentrated in a relatively small number of United Nations entities, with the top 12 accounting for 90 per cent of all spending on operational activities for development in 2018 (see figure XVII).

Figure XVII
Expenditures (development and humanitarian), 2018

(Millions of United States dollars)



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Note: Total expenditure is \$35.9 billion. Size of bubbles are proportional to total expenditures.

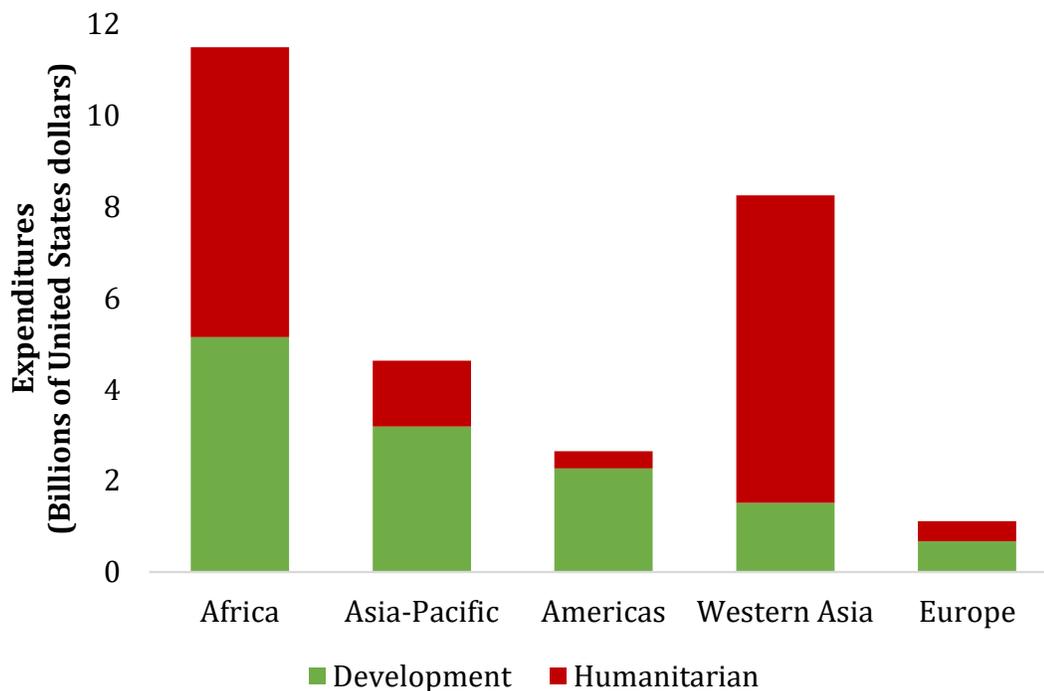
Abbreviations: FAO, Food and Agriculture Organization of the United Nations; UNEP, United Nations Environment Programme; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNOPS, United Nations Office for Project Services; WHO, World Health Organization.

73. With the adoption of new standards for system-wide financial reporting, there is a clearer picture of the type of activities in which each entity engages. Figure XVII shows that, among the 12 largest entities, a number of them engage in both development and humanitarian assistance activities.

C. Expenditures at the regional and country levels

74. A total of \$11.5 billion was spent on activities in Africa, corresponding to 41 per cent of total country and regional expenditures in 2018 (see figure XVIII). Western Asia was second in rank, with just over \$8 billion spent on activities in the region, over 80 per cent of which were for humanitarian assistance activities.

Figure XVIII
Regional breakdown of expenditures, 2018

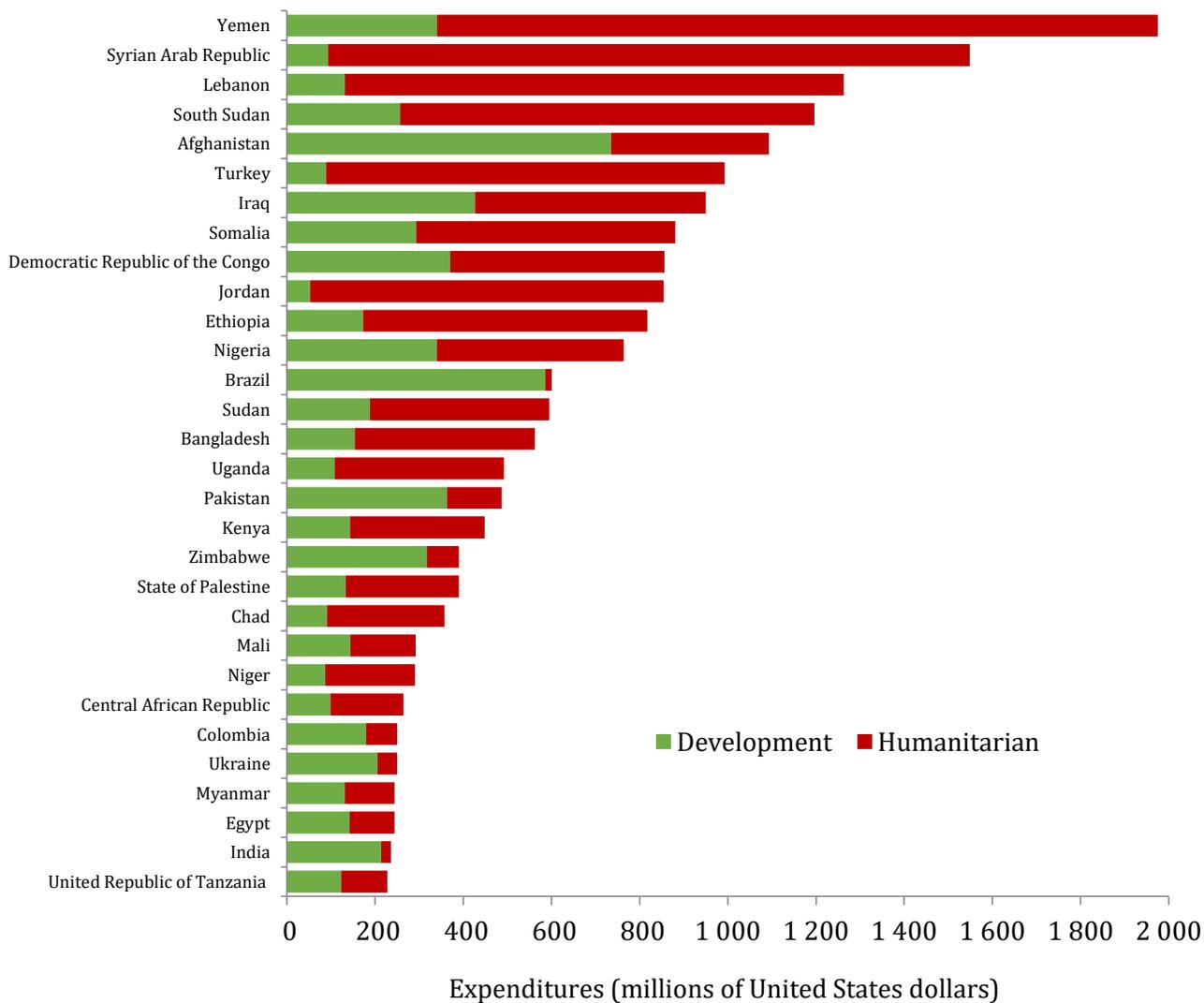


Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

75. A total of 30 countries accounted for just over three quarters of all country-level expenditures in 2018, exceeding \$200 million of expenditures each (see figure XIX).

76. As in previous years, expenditures at the country level in 2018 were concentrated in a small number of such high-expenditure programme countries. Some 27 per cent of all country-level expenditures, exceeding \$1 billion, was concentrated in five countries: Yemen, Syrian Arab Republic, Lebanon, South Sudan and Afghanistan. Similar to the situation at the regional level, it is clear that humanitarian assistance dominated spending on operational activities.

Figure XIX
Programme countries with high expenditure levels (over \$200 million)

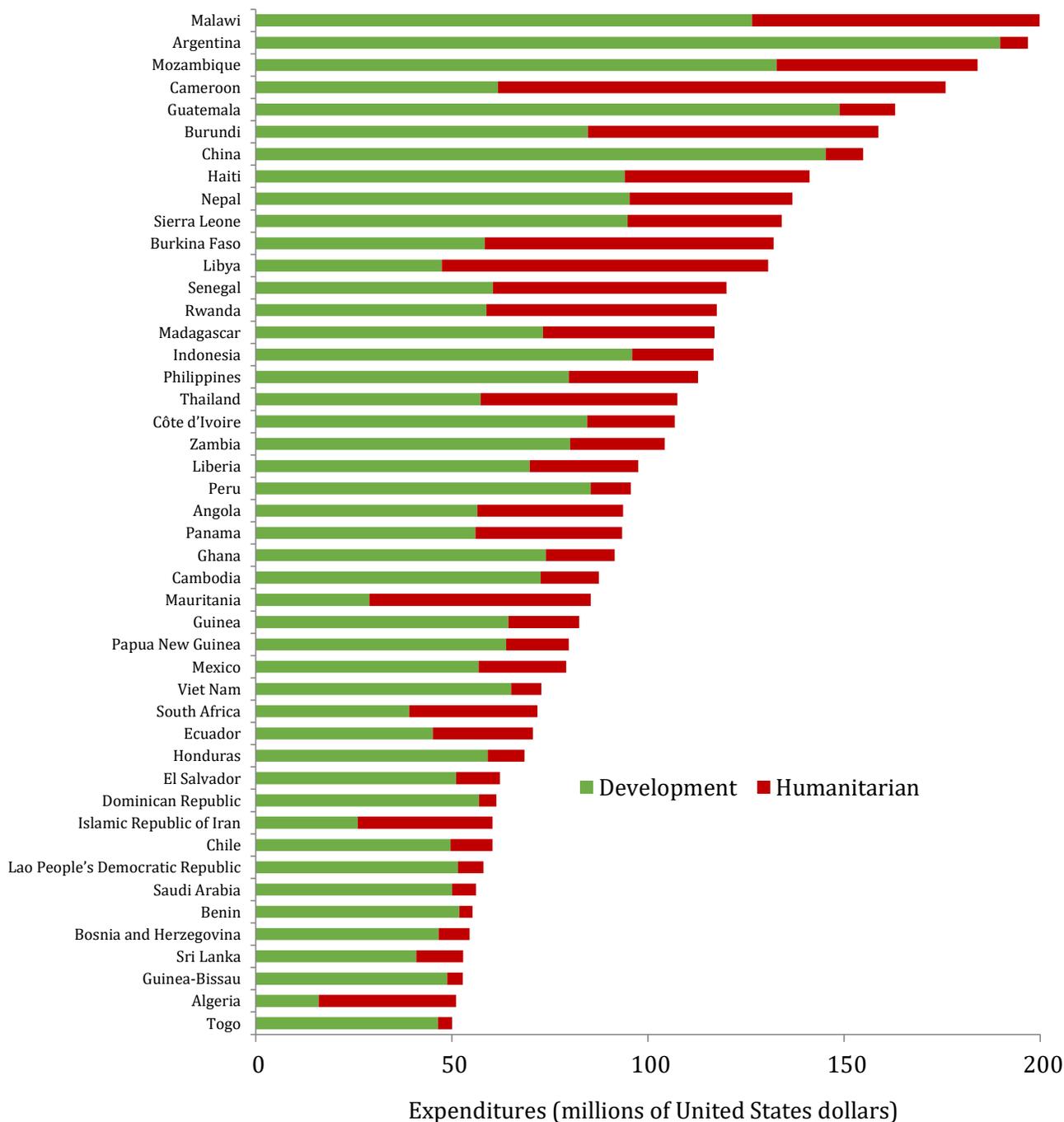


Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Note: Expenditures exceeded \$200 million in 30 out of 157 programme countries.

77. Between \$50 million and \$200 million were spent on operational activities for development in 46 programme countries in 2018 (see figure XX). Those countries account for 17 per cent of total country-level expenditure. In all but six of them, expenditures on development assistance exceeded expenditures on humanitarian assistance.

Figure XX
Programme countries with medium expenditure levels (under \$200 million and over \$50 million)



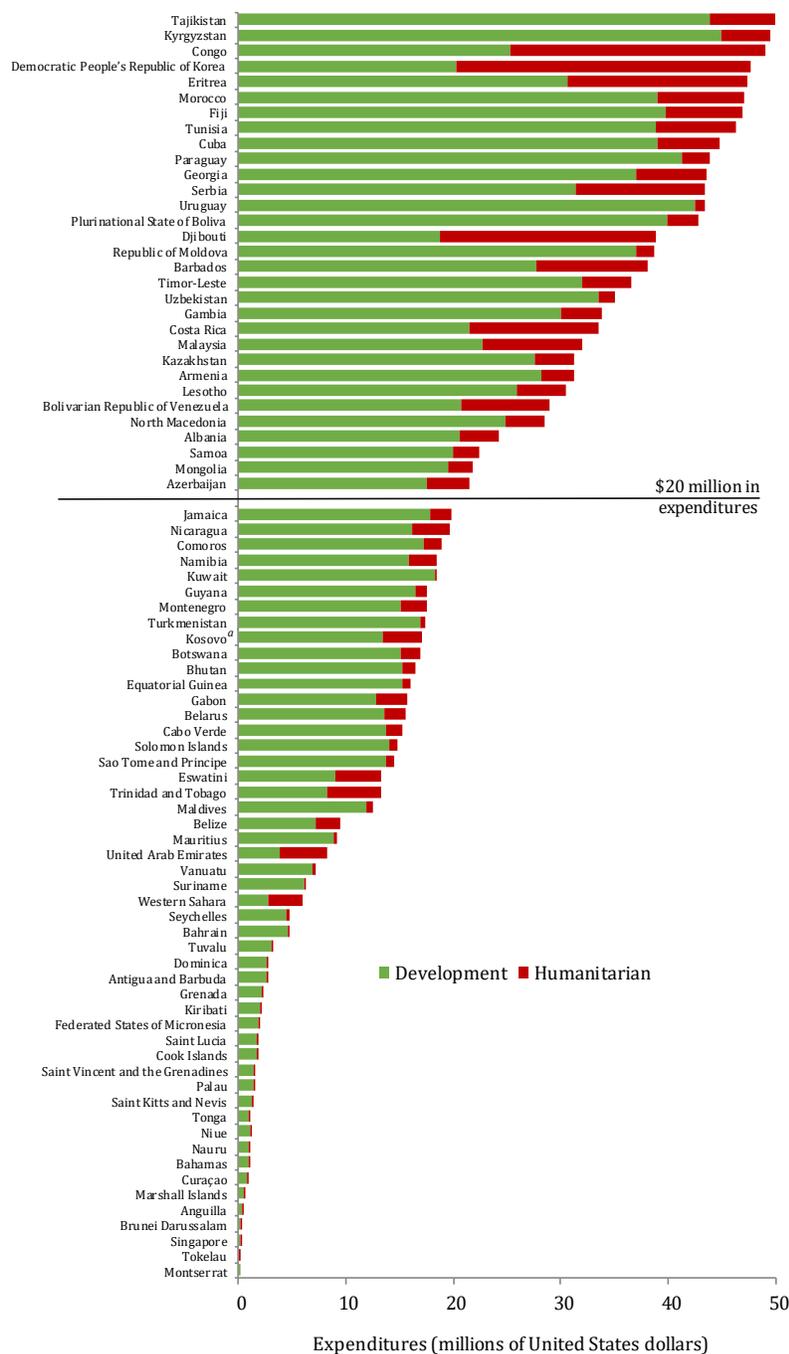
Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Note: Expenditures were between \$50 million and \$200 million in 46 out of 157 programme countries.

78. In most (81) programme countries and areas, expenditures were under \$50 million (see figure XXI). Combined, they accounted for under 6 per cent of total expenditures at the country and area levels.

79. That includes the 50 programme countries and areas in which United Nations expenditures are the lowest, under \$20 million. Together, expenditures in those 50 countries and areas account for 1.5 per cent of all expenditures at the country and area levels. As with programme countries that have a medium level of expenditure, most resources in those programme countries and areas were spent on development assistance (as opposed to humanitarian assistance).

Figure XXI
Programme countries and areas with low expenditure levels (under \$50 million)



Source: Office of Intergovernmental Support and Coordination for Sustainable Development of the Department of Economic and Social Affairs.

Note: Expenditures were under \$50 million in 81 out of 157 programme countries and areas.

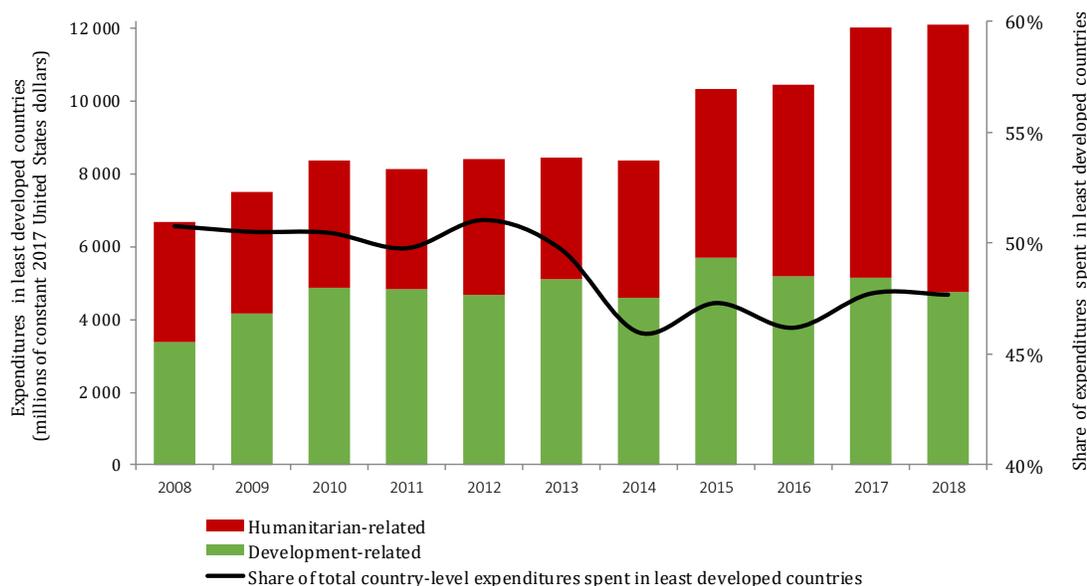
^a References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

D. Resource allocation to countries in special situations

80. In its resolution 71/243, the General Assembly requested the United Nations development system to address the special challenges facing the most vulnerable countries. The United Nations development system has placed continuing emphasis on providing targeted support to countries in special situations, including least developed countries, landlocked developing countries and small island developing States, all countries in Africa and those in crises and emergency settings.

81. The latest data on expenditures for United Nations operational activities for development indicate that, of the \$26.5 billion of total country-level expenditures in 2018, \$12.6 billion, or 48 per cent, were spent in least developed countries (see figure XXII). That is a slight increase from 46 per cent in 2016. A higher share (51 per cent) of humanitarian expenditures was recorded in least developed countries, while 44 per cent of all expenditures on development activities were in such countries.

Figure XXII
Expenditures in least developed countries, 2008–2018



Source: Department of Economic and Social Affairs.

82. Looking at trends in the five-year period 2013–2018, expenditures increased by 54 per cent in small island developing States, 40 per cent in least developed countries, 26 per cent in landlocked developing countries and 30 per cent in Africa (see table).

Expenditures in country groups

Group	Millions of United States dollars							
	Percentage			Total expenditure	Average expenditure per country		Percentage 5-year expenditure trend	Expenditure per capita United States dollars
	Number of countries	Share of total population	Share of total expenditure		2018	2013		
SIDS	39	0.90	2.7	719	18	12	+54	12.12
LDCs	47	15.70	47.6	12 621	269	192	+40	12.54
LLDCs	32	7.90	24.9	6 591	206	163	+26	12.95
Africa	55	19.70	41.4	10 975	200	153	+30	8.64
All programme countries	155	100	100	26 493	171	120	+43	4.12

Source: Department of Economic and Social Affairs.

Note: The country groups in the table are not mutually exclusive.

Abbreviations: LDCs, least developed countries; LLDCs, landlocked developing countries; SIDS, small island developing States.

V. Conclusion

83. The analysis in the previous report ([A/74/73/Add.2–E/2019/14/Add.2](#)) highlighted solid progress by the United Nations development system in relation to the funding-related mandates set out in the quadrennial comprehensive policy review. The funding compact highlighted new areas that need to be strengthened by the United Nations development system to incentivize the shift in funding practices of Member States. Still, more needs to be done to bring about the significant changes in funding that are imperative to successfully implementing the repositioning of the United Nations development system and to ensuring that a more collaborative, streamlined and efficient system comes into being. The COVID-19 pandemic is going to place even further demands on the United Nations development system while also putting a strain on resources, as large financial contributors cope with potentially devastating economic fallout in their own countries.