Why a Funding Compact?
A partnership to deliver better results on the ground

MEMBER STATES
- Contribute more core resources
- Double contributions to pooled and thematic funds
- Increase multi-year commitments

A FUNDING COMPACT
- Makes it possible to
  - Plan strategically
  - Offer coordinated and integrated solutions
  - Act quickly
  - Leverage development and climate finance

UN DEVELOPMENT SYSTEM
- Works jointly for common objectives
- Improves transparency and reports better on resources, results, and impact
- Increases efficiency

Strengthened trust of governments and general public in multilateralism

Version: 26 Feb 2019
System-wide Reporting

Reporting to ECOSOC as part of the SG’s Annual Report on the QCPR

eg: Core resources as a share of voluntary funding for development related activities

eg: Annual capitalization of the Joint Fund for the 2030 Agenda or PBF

eg: Host governments reporting improved focus on common results in UNCTs

eg: Number of programme countries with UN INFO operational

Entity-specific tracking & reporting

Reporting to Executive Boards on those indicators relevant to individual entities – as part of the ‘Structured Dialogue’

eg: Core resources to the entity as a share of overall funding

eg: Number of member state contributors to entity-specific thematic funds

eg: Percentage of entity CPDs that are fully aligned with UNSDCFs

eg: Percentage of entity offices that are part of ‘common premises’
Input to SG’s Reporting

• Contribute to tracking and monitoring by DESA and DCO
• Report to ECOSOC - May

Engage with partners

• Use Funding Compact in discussions with donor partners
• Track progress on both sides

Set agency baselines and targets

• Baselines established for each specific entity
  • Consider agency-specific targets on both sides

Report annually to Executive Boards

• Provide agency-specific information
  • Track progress on both sides
  • Report as part of Structured Dialogues - September

TAKING FORWARD THE FUNDING COMPACT
AS FUNDS AND PROGRAMMES
MEMBER STATE
COMMITMENTS
# Aligning Funding to Entity Requirements

1. Increase core resources for the UNDS

- Significant variation in % of core – ranges between 12% and 38% of total funding.
- All have seen a steady reduction in core as a % of total revenue over 5-10 year period.

2. Double share of non-core provided through pooled & thematic funds

- Mixed picture, with large variation across our entities
  - **Pooled funding**: all above 5% UN average, but ranging from 6% - 14%
  - **Thematic funding**: ranges from 1.5% to 23% - importance of agency-specific targets

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*Note UNOPS does not receive “core” or “thematic” funding.*
PROVIDING STABILITY

3. Broaden the sources of funding support to the UNDS

- **# of member states providing core**: Decreased or remained the same for all entities in 2019
- **# of member states providing thematic**: Fairly consistent – 13 main thematic donors to UNFPA, UN Women and UNICEF, while 8 to UNDP.

4. Provide predictable funding to the specific requirements of entities and UNCTs

- More work needed in UNSDG, led by DCO, to better define measurement of gaps in financing frameworks. Baselines and targets not yet established.
- Range in **multi-year commitments** between 36% and 48% across our agencies

Other commitments:
5. Provide adequate, predictable and sustainable funding to the RC system budget (DCO)
FACILITATING COHERENCE & EFFICIENCY

7. Fully comply with cost-recovery rates approved by governing bodies

- In 2018, UNDP and UNICEF issued five cost recovery waivers each, and UNFPA and UN Women each issued ten.
- Executive Boards have regularly been discussing cost recovery rates among the Funds and Programmes.

Other commitments:
6. Facilitate and support the implementation of efficiency measures where relevant and possible (DCO/UNSDG)
8. Harmonize reporting & visibility requirements for earmarked contributions at the country level, in line with principles of national ownership and leadership (DCO/UNCTs)
## ACCELERATING RESULTS ON THE GROUND

### Other commitments:

1. Enhance cooperation for results at country level

- Difficult to quantify on an agency-by-agency basis - address within UNCTs
- No clear definition of “joint activities” nor tracking – needs interagency discussion
- All CPDs (UNDP, UNFPA, UNICEF) will be required to be aligned to UNSDCF

2. Increase collaboration on joint & system-wide evaluation products

- UNDP, UNFPA, UNICEF and UN Women’s Evaluation Offices are engaged in joint & system wide evaluations
  - Currently preparing for joint evaluation of the common chapter

### 3. Fully implement and support the functioning of the new RC system (DCO/UNCTs)
6. Strengthen clarity of entity strategic plans & IRRFs and reporting on results
   • UNDP, UNFPA, UNICEF and UN Women all hold annual structured dialogues

7. Strengthen entity and system-wide transparency and reporting
   • All entities submit disaggregated data to CEB, and publish data to IATI

9. Increase accessibility of corporate evaluations and internal audit reports
   • The four entities publish all corporate and inter-agency evaluations on the UNEG website

10. Increase visibility of results from core, pooled & thematic funds + prog. countries
    • Looking at ways to further strengthen visibility, especially for donors to core & pooled funds

Other commitments:
4. Improve reporting on results to host governments (UNCTs, DCO)
5. Present clear funding frameworks for each UNSDCF with levels and types of funding required (UNCTs, DCO)
8. Improve the quality and utility of UNSDCF evaluations (UNCTs, DCO)
INCREASING EFFICIENCIES

11. Implement the SG’s goals on operational consolidation

- **Common premises** – already high for UNFPA (72%) and UN Women (76%). UNICEF and UNDP working towards 50% while factoring upfront costs
- **BOS:** Around 45% of UNCTs have implemented with more underway [under revision]
  - All entities report regularly to the Executive Boards on efficiency gains
  - All entities signed the Mutual Recognition framework

12. Fully implement and report on approved cost recovery policies & rates

- All entities report annually to their Boards on implementation of the cost recovery rate

**Other commitments:**
13. Improve comparability of cost classifications and definitions and enable greater transparency across time and between UN entities (UNSDG)
14. Increase the efficiency and effectiveness of development-related inter-agency pooled funds (UNSDG)
MODERATED DISCUSSION

1. How do we intend to go about fulfilling UNDS collective commitments in the Funding Compact?

2. How do we see/anticipate other aspects of UNDS reform affecting our efforts towards the Funding Compact commitments?

3. How can progress on the member state commitments facilitate UNDS efforts?

4. Given the distinct funding & project-based model, what does the Funding Compact mean for UNOPS?
QUESTIONS