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Implementation of General Assembly resolution [71/243](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, 2019: funding compact

Report of the Secretary-General

Summary

The present document is submitted to the General Assembly and the Economic and Social Council in accordance with Assembly resolution [72/279](#). It contains the funding compact, a set of ambitious commitments by Member States and the United Nations Sustainable Development Group to ensure predictable and flexible funding for United Nations development activities.

Achieving the Sustainable Development Goals by 2030 calls for transformative, collaborative action, and the United Nations must be at the heart of that effort by delivering cohesive and high-quality support, at scale, to Member States. For it to do so, however, significant changes in funding are imperative, as current funding patterns are characterized by a decline in core resources relative to overall funding, unpredictability and a rising share of tightly earmarked funds for specific activities.

At the same time, the United Nations development system needs to be more transparent and accountable for its spending and more effective and efficient in the use of limited resources. It must work more towards collective results within the United Nations and with other actors.

Such shifts are interdependent and mutually reinforcing: progress on each side enables progress on all. Individual and collective Member State behaviours, governing body decisions and specific United Nations entity actions all matter. They all shape

* [A/74/50](#).



the extent to which the United Nations development system can meet the challenges and aspirations of the 2030 Agenda.

That interdependence is captured in the funding compact, called for by Member States in General Assembly resolution [72/279](#) and responding to Member States' request for "whole of United Nations" approaches through Assembly resolution [71/243](#). Developed through inclusive funding dialogues and focused on development activities and funding, the compact articulates concrete actions on the part of Member States and all entities of the United Nations Sustainable Development Group to implement such shifts and thus fully realize the Organization's development strengths. The funding compact is designed to enable better and more efficient results on the ground, in support of Member States' own efforts to ensure that sustainable development takes hold everywhere, for everyone.

I. Introduction

1. The 2030 Agenda for Sustainable Development sets forth ambitious goals and timelines, bringing sustainable development to the centre of action for the people, the planet and prosperity.
2. Achieving the Sustainable Development Goals by 2030 calls for transformative, collaborative action. The nature and scale of today's global challenges, including rising inequality, climate change, stresses on food systems, and entrenched poverty, call for a reinvigorated multilateral response. The United Nations must be at the heart of that response by delivering cohesive and high-quality support, at scale, to Member States. For it to do so, however, a fundamental shift in behaviour is required.
3. Significant changes in funding are imperative. Current funding patterns are characterized by a decline in core resources relative to overall funding, unpredictability and a rising share of tightly earmarked funds for specific activities. Such patterns increase transaction costs, fragmentation, volatility and competition among entities. They also constitute lost opportunities by hindering the system's ability to respond in integrated, flexible and dynamic ways to Member States' demands and national priorities. Ultimately, they compromise the multilateral nature of United Nations support to the 2030 Agenda.
4. At the same time, the United Nations development system needs to be more transparent and accountable for its spending. It also needs to be more effective and efficient in the use of limited resources and communicate more clearly on its actions and achievements. It must work more towards collective results within the United Nations and with other actors. These are commitments that the Secretary-General has placed at the centre of his reform agenda for the United Nations development system.
5. Such shifts are interdependent and mutually reinforcing: progress on each side enables progress on all. Individual and collective Member State behaviours, governing body decisions and specific United Nations entity actions all matter. They all shape the extent to which the United Nations development system can meet the challenges and aspirations of the 2030 Agenda.
6. That interdependence is captured in the funding compact, called for by Member States in General Assembly resolution [72/279](#) and responding to Member States' request for "whole of United Nations" approaches through Assembly resolution [71/243](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. Developed through inclusive funding dialogues and focused on development activities and funding, the compact articulates concrete actions on the part of Member States and all entities of the United Nations Sustainable Development Group to implement such shifts and, thus, fully realize the Organization's development strengths.
7. Those actions are anchored in the principles and parameters of resolution [71/243](#) and mandated by the General Assembly in its resolution [72/279](#). They reinforce the broader set of expectations defined in those two landmark resolutions.
8. The funding compact reflects the trust, the value and the expectations that each Member State places in the United Nations as a key multilateral development actor. In turn, the present compact must yield better and more efficient results on the ground, in support of Member States' own efforts to ensure that sustainable development takes hold everywhere, for everyone.
9. It is against that sole imperative that the compact's value should be judged. It is also a true measure of a shared commitment to the Charter of the United Nations and the 2030 Agenda.

II. Parameters

10. The funding compact was developed according to and its implementation will be guided by the following parameters:

(a) Shared purpose: strongly anchored in the principles and parameters of resolution 71/243 and mandated by the General Assembly in its resolution 72/279, the funding compact must allow the United Nations Sustainable Development Group to better support the 2030 Agenda and meet the expectations of Member States and peoples around the world;

(b) National ownership and leadership: in line with resolutions 71/243 and 72/279, the funding compact must serve to ensure that the United Nations Sustainable Development Group responds to country development needs and priorities and that operational activities for development are carried out for the benefit of Member States, at their request and in accordance with their own policies and priorities for development;

(c) Mutual accountability: the funding compact must include tangible commitments by all parties, entities of the United Nations Sustainable Development Group and Member States;

(d) Transparency: the development of the funding compact must meet the highest degree of transparency, in terms of both process and content, including in relation to the data that will support the funding dialogues;

(e) Diversity: the funding compact must account for a wide diversity in funding needs, models, structures, rules and regulations within the United Nations Sustainable Development Group, as well as within the membership. Such diversity must inform the commitments and their targets;

(f) Results/field focus: the commitments need to be formulated in a manner that clearly indicates how their fulfilment will contribute in meaningful and concrete ways to the realization of the 2030 Agenda and the Sustainable Development Goals;

(g) Ambition: the repositioning of the United Nations development system represents a historic opportunity to enact far-reaching improvements in the way in which the United Nations Sustainable Development Group provides support to Member States in implementing the 2030 Agenda. As a key element of the repositioning, the funding compact must be bold and seek to encourage a funding relationship that is truly fit for purpose. The funding compact aims to foster behavioural change on both sides;

(h) Innovation: to remain relevant, the United Nations Sustainable Development Group must continue to be innovative. The funding compact should ensure the space for the United Nations to innovate, while carefully managing risks;

(i) Complementarity: the funding compact should be consistent with and informed by ongoing funding dialogues at the level of the United Nations Sustainable Development Group entities. The funding compact should also set an enabling framework for future consultations at the level of the Group;

(j) Synergies: the commitments in the funding compact should be designed and implemented with a view to fostering greater synergies and cooperation within the United Nations Sustainable Development Group.

III. The funding compact

11. The proposed funding compact is the result of a series of in-depth funding dialogues between the States Members of the United Nations and the United Nations Sustainable Development Group. It contains a set of commitments, each with relevant indicators to measure compliance (see para. 57).

12. The commitments apply to action to be taken by all entities of the United Nations Sustainable Development Group,¹ in their development roles, and to the funding provided for the implementation of their development activities.

13. For Member States, the commitments are framed as collective by nature. They respect the wide disparity in current funding approaches and capacities, as well as rules, regulations and policy frameworks, of Member States. Member States' ability to meet various commitments will vary accordingly, and different States may pursue different elements of the compact, from different starting points and at different speeds.

14. Furthermore, the commitments from both sides vary by levels of specificity, technicality, ambition and place of application. They are all essential, however, as stand-alone actions and as a whole, and fall under the following imperatives:

(a) Through the compact, the United Nations Sustainable Development Group commits to accelerating results for countries through more collaboration. It will do so while reporting on needs and results more clearly, consistently and transparently, which it will continue to do more efficiently.

(b) In parallel, Member States commit to aligning their funding with the requirements of the United Nations Sustainable Development Group entities, both in terms of quantity and quality. Such funding must also be provided with more stability. Member States will also facilitate United Nations coherence and efficiency.

A. The need for a major development funding shift

15. Improvements in the quantity and quality of funding lie at the heart of the funding compact. That imperative applies to both core and non-core or extrabudgetary resources for United Nations development activities, since both types of funding are critical to the realization of the 2030 Agenda.

16. A simultaneous effort with regard to core and quality non-core resources is also linked to the diversity of funding needs and models across the entities of the United Nations Sustainable Development Group, with several entities relying primarily or exclusively on non-core voluntary funding, while other entities require a higher share of core resources to fulfil their mandates.

17. Considering current operating models and a common imperative for flexibility, major shifts are required along various funding modalities.

18. Through the compact, Member States commit to bringing core resources to a level of at least 30 per cent in the next five years, increasing the share of multi-year

¹ See annex I for the composition of the United Nations Sustainable Development Group.

contributions and doubling the levels of resources channelled through development-related inter-agency pooled funds and single-agency thematic funds.²

19. The commitments are voluntary in nature and based on several positive trends, namely the steady increase in overall resources provided to the United Nations development system, the stability of the United Nations development system's share of overall official development assistance, and the rapid growth of funding from new contributors, including an expanded number of Member States, other multilateral organizations and the private sector.

20. At the same time, they are designed to respond to the increasing imbalance, experienced by the United Nations development system as a whole, between the share of core resources and non-core resources.³ That growing gap presents significant challenges for many United Nations development entities, affecting their ability to utilize their strengths as multilateral development actors and to deliver high-quality results at scale on the ground.

21. Core funding is essential for results on the ground and critical to the ability of the United Nations development system to offer the type of cross-cutting, holistic development solutions that the 2030 Agenda requires. Owing to their flexible nature, core resources provide the means to bridge silos across responses to the Sustainable Development Goals.

22. Sufficient and predictable core resources give many entities of the United Nations Sustainable Development Group the ability to respond to rapidly changing and new country priorities, deliver on global mandates, strengthen development enablers and support global public goods and normative responsibilities that are not project specific. They afford an appropriate country presence at the request and in support of national Governments. Core resources also provide the means to fulfil one of the system's most recognized comparative advantages: its convening power. They also fund critical programming funding that can "crowd in" non-core resources and act as a catalyst for innovation and partnership development.

23. Non-core resources, for their part, are also critical, and their impact is enhanced when they are predictable and flexible. Those attributes are best achieved when funding is multi-year, disbursed in a timely fashion or provided through development-related pooled or entity-specific thematic funds. That type of funding allows entities of the United Nations Sustainable Development Group to engage more in joint activities, a key demand from Member States. For development purposes, tightly earmarked resources can be useful in very specific instances. However, their current share in funding of the Group can undermine coherence and the pursuit of common results.

² Development-related inter-agency pooled funds are commingled contributions to a multi-entity funding mechanism, not earmarked for a specific United Nations entity. Funds are held by a United Nations fund administrator, and fund allocations are made by a United Nations-led governance mechanism for activities specifically aimed at promoting the sustainable development of programme countries, with a focus on long-term impacts (see annex I for the current list of United Nations Sustainable Development Group members). Development-related single-agency thematic funds, on the other hand, are commingled contributions to a single-entity funding mechanism designed to support high-level outcomes within a strategic plan. A single United Nations entity is the fund administrator and takes the decisions on fund allocations for activities specifically aimed at promoting the sustainable development of programme countries, with a focus on long-term impacts.

³ Since 2002, core funding has increased by 23 per cent and non-core funding by 150 per cent in real terms.

24. The imperative to achieve common results underlies the focus of the funding compact on pooled and entity-specific thematic funds, in line with the request of the General Assembly in its resolution [71/243](#) to focus on developing well-designed pooled funds, as a complement to agency-specific funds.

25. Such funding instruments provide the type of quality funding that allows the United Nations development system to integrate expertise and capacities across the system, as demanded by the 2030 Agenda. They also provide the flexibility needed to respond to rapidly changing and new country priorities. For country-level funds, they enable greater donor collaboration between Governments and the United Nations, facilitate policy and programmatic coherence and minimize the adverse effects of funding volatility. Such advantages are further realized when contributions are provided with adequate predictability and flexibility.

26. In this regard, recent positive trends in the capitalization of such instruments,⁴ notably the Spotlight Fund, the Peacebuilding Fund and the Joint Fund for the 2030 Agenda, must be further encouraged and accelerated, and further capitalization of other qualitative funding instruments at the global and country levels should follow.

B. Enabling the shift

27. Many actions are required of the entities of the United Nations Sustainable Development Group if Member States are to intensify and sustain such funding shifts. The actions need to be concrete, tangible and far-reaching.

28. First and foremost, the United Nations Sustainable Development Group must do more and deliver more together, especially given the integrated nature of the 2030 Agenda.

29. In fact, the commitments of the United Nations Sustainable Development Group on joint activities and common results build on repeated requests of Member States that the United Nations development system work more collaboratively and undertake common initiatives, at all levels, and in accordance with paragraph 24 of resolution [71/243](#). Several indicators in the quadrennial comprehensive policy review monitoring framework attest to those expectations.⁵

30. The objective of pursuing joint activities, notably in the areas of analytical work and the formulation of operational support and policy options for acceleration and evaluation of progress towards the achievement of the Sustainable Development Goals, is to ensure that United Nations support is coherent and efficient across economic, social and environmental issues. Accountability for common results, notably through the United Nations Development Assistance Framework, and cohesive engagement with partners will be strengthened through full implementation of a new mutual accountability framework. This should translate into reduced costs for host Governments and greater returns for Member States' investments.

31. The commitment to common results also reflects the new primacy of the United Nations Development Assistance Framework process at the country level, with outcomes as shared United Nations country team results to which individual entities of the United Nations Sustainable Development Group contribute.

⁴ See in particular the increase in United Nations development-related inter-agency pooled funds from \$550 million in 2016 to \$706 million in 2017 and the growth in entity-specific thematic funds from \$447 million in 2016 to \$529 million in 2017, of which 60 per cent went to development-focused instruments.

⁵ See related indicators contained in [A/73/63-E/2018/8](#).

32. Doing more together will also mean learning more together. Joint activities will be supported by joint and system-wide evaluations to ensure greater accountability, further encourage collaboration and reinvest lessons learned into programming with countries.
33. At the same time, the ability to provide the right level of core and non-core resources also hinges on the increased efforts of the United Nations Sustainable Development Group to present and report on its funding needs in a clear, compelling and coherent way. In particular, strategic plans at the global level and United Nations Development Assistance Frameworks at the country level must articulate funding requirements more clearly, including by type of funding, and funding dialogues strengthened.
34. To encourage quality non-core resources, the management of development-related inter-agency pooled funds and single-agency thematic funds will be improved, accompanied by efforts to improve coordination among such instruments to mitigate any risks of duplication. The management of those funds will strengthen coordination with other financing instruments within the United Nations, to maximize support for the revitalized United Nations Development Assistance Framework and for the achievement of collective outcomes.
35. Beyond expressing funding requirements, greater transparency and clarity on what the United Nations does with the resources with which it has been entrusted, and what is achieved with those resources, are essential. If Member States are to sustain their investments and provide the United Nations with the type of funding needed to respond to opportunities related to the Sustainable Development Goals, they need to know the areas in which they are investing and the results being sought.
36. Results produced must be credible, accessible and better communicated. In addition, the United Nations Sustainable Development Group must evaluate and report with equal transparency and credibility to the entire membership of the United Nations, notably through the United Nations system-wide strategic document and, at the country level, through the United Nations Development Assistance Framework and the function of the resident coordinator.
37. The entities of the United Nations Sustainable Development Group therefore commit to accelerating entity-specific and collective efforts to improve transparency, reporting and system-wide evaluations. These include efforts towards data standardization and compliance with international standards for financial reporting, and the quality changes to be made to the United Nations Development Assistance Framework and its evaluation and to country-level reporting to national Governments. Addressing outstanding gaps, inconsistencies and weaknesses in those areas is a condition for increasing the trust of Member States and the general public in the value of the United Nations development system's work.
38. Greater transparency will also be sought in the approach of the United Nations Sustainable Development Group to cost recovery. In addition to full compliance with established cost-recovery policies, entities of the Group commit to improving the comparability of cost classifications and definitions. This will enhance transparency and enable a better-informed dialogue between the entities and their partners on the true cost of delivering mandates, programmes and projects. It will also encourage greater collaboration among entities even as they apply different recovery rates according to their different business models.
39. The commitments reflect the recognition of the primacy of cost-recovery policies and discussions within the governing bodies of United Nations development system entities and of the need, in some cases, to review existing policies to allow comparability with the rest of the system. Cost-recovery approaches must continue to

also take into consideration and further support country engagement with the United Nations development system, including through South-South cooperation.

40. Different cost-recovery policies, including rates, are often required to capture the diversity of activities and business models across the United Nations development system.⁶ This does not contradict the need for better transparency and comparability of cost, and for the consistent implementation of cost-recovery policies by all members of the United Nations Sustainable Development Group.

41. Clarity on all costs related to fulfilling mandates brings into sharp focus the need for intensified efficiency measures. Such efforts are essential in securing and increasing Member State and public confidence in the ability of the United Nations development system to use resources according to the highest standards of fiduciary management.

42. Over time, efficiency gains enable both higher-quality services in support of mandate implementation and potential financial gains that can be reinvested in programming, including coordination.

43. Commitments of the United Nations Sustainable Development Group on efficiency gains take, as a starting point, resolution 71/243, in which the General Assembly recognized the significant progress made by the United Nations development system in promoting harmonized business practices, including shared premises and joint back-office procurement, and the resulting efficiency savings achieved, and in that regard requested the entities of the United Nations development system to explore further opportunities for collaborative procurement at the global, regional and country levels.

44. The commitments also build on the recently agreed high-level statement of mutual recognition, an important milestone that will enable efforts towards efficiency gains among participating entities.

45. In the commitments, it is also acknowledged that, depending on their nature, efficiency gains may at times mean achieving greater results towards the Sustainable Development Goals at current levels of resources. Efficiency gains have the potential to further facilitate progress in the areas of accountability, reporting and joint activities, in turn building increased support for better-quality funding, including adequate core and non-core funding, but they require significant initial investments with some savings being one-off savings and others being realized over a period of years.

46. Considering the diversity and complexity associated with efficiency gains, it is essential to institute robust baselines and credible tracking mechanisms. Such mechanisms will help to maintain an open line of communication between the United Nations development system and Member States on sources and uses of such efficiency gains as they are realized over the coming years, as well as on any implications for staff and delivery capacity.

47. Finally, the United Nations will offer greater visibility to those contributions that support the shift. Such recognition, alongside visibility identifiers for implementing agencies, is critical to sustaining political and funding support for the United Nations Sustainable Development Group.

⁶ In recognition of the requirement for different rates that reflect different activities and business models among the United Nations Sustainable Development Group, it is also noted in the compact that the United Nations cost-recovery framework includes a harmonized rate between the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

48. In this regard, the commitments imply a broad perspective on “visibility”, referring not just to the use of visual identifiers to acknowledge contributions and of better disaggregated data and statistics in relevant reports. The commitments intend to complement information on the source and destination of resources, with better analysis of development impacts achieved and recognition of shared results enabled by such partnerships.

49. To date, and with that definition in mind, various funding models, instruments and types have provided various degrees of visibility, with pooled funding, thematic funding and core funding offering less prominence to contributing partners than project-specific, tightly earmarked non-core funding.

50. In seeking to address that imbalance, which in turn affects funding behaviour, the funding compact commitments respect the need for visibility for host countries as well, in line with the principle of national leadership and ownership, for tailoring requirements to the country context and for reducing transaction costs associated with donor visibility requirements.

C. Facilitating United Nations Sustainable Development Group commitments: mutually reinforcing actions

51. Beyond funding, Member States also recognize that their behaviours, individually or through governing bodies, can shape to varying degrees the ability of United Nations Sustainable Development Group entities to effect such changes. The compact therefore also includes a limited set of actions on the part of Member States to facilitate the achievement of the Group’s commitments.

52. Member States have a responsibility to support the Group’s efforts by streamlining and harmonizing, to the extent possible, reporting and visibility requirements, notably at the country level, in line with the principle of national ownership, as such requirements often carry significant transaction costs for the United Nations and for host Governments.

53. Based on the Secretary-General’s proposals and drawing on preliminary work from the Business Innovations Group, it is acknowledged in the commitments that achieving the ambitious efficiency goals in the next few years will require substantial up-front investment and support from Member States.

54. The Group’s commitment to fully implementing established cost-recovery policies and developing common cost definitions and classifications will also be facilitated by a commitment from Member States to reduce requests for exemptions from policies and rates beyond those agreed by the respective governing bodies. Such requests undermine the ability of United Nations Sustainable Development Group entities to recover actual costs, leading to cross subsidies across various types of funding and potentially incentivizing inter-agency competition.

55. In the compact, it is recognized that a fully funded United Nations development coordination architecture, with independent and empowered resident coordinators at its centre, is essential if the various strands of reform are to be successfully implemented. Any gap will undermine the commitments to increase the quality, predictability and scale of support to Member States, notably in the areas of Sustainable Development Goal-focused, integrated support and the identification of innovative partnerships and financing options for acceleration of progress towards achieving the Goals.

56. The funding of the resident coordinator system also needs to reflect broad ownership across the Member States and within the United Nations development system. All have stakes in and will benefit from its success.

57. On this basis, and in line with resolutions [71/243](#) and [72/279](#), the following specific commitments are proposed:

Member States

Entities of the United Nations Sustainable Development Group

Aligning funding to entity requirements

1. To increase core resources for the United Nations development system

Indicator (quadrennial comprehensive policy review – new):

Core share of voluntary funding for development-related activities; baseline (2017): 19.4 per cent; target (2023): 30 per cent

Indicator (quadrennial comprehensive policy review – new):

Core share of funding for development-related activities (including assessed contributions); baseline (2017): 27 per cent; target (2023): 30 per cent

Accelerating results on the ground

1. To enhance cooperation for results at the country level

Indicator (quadrennial comprehensive policy review):

Percentage of programme country Governments that agree that there is an improved focus on common results among United Nations Sustainable Development Group entities at the country level; baseline (2017): 85 per cent; target (2021): 100 per cent

Indicator (quadrennial comprehensive policy review):

Fraction of programme country Governments that “agree” that the United Nations development system provides integrated (where appropriate) policy advice tailored to national needs and priorities; baseline (2017): 79 per cent; target (2021): 100 per cent

Indicator (quadrennial comprehensive policy review – new):

Fraction of United Nations Sustainable Development Group entities reporting at least 15 per cent of development related expenditures on joint activities; baseline (2017): 9/29 or 31 per cent; target (2021): 75 per cent

Indicator (quadrennial comprehensive policy review – new):

Percentage of resident coordinators who state that at least 75 per cent of country programme documents are aligned to the United Nations Development Assistance Framework in their country;^a baseline (2017): to be determined;^a target (2021): 100 per cent

2. To double the share of non-core contributions that are provided through development-related inter-agency pooled funds and single-agency thematic funds

Indicator (quadrennial comprehensive policy review):

Percentage of non-core resources for development related activities channelled through inter-agency pooled funds; baseline (2017): 5 per cent target (2023): 10 per cent

Indicator (quadrennial comprehensive policy review):

Percentage of non-core resources for development-related activities channelled through single-agency thematic funds; baseline (2017): 3 per cent; target (2023): 6 per cent

Indicator (Multi-Partner Trust Fund Office):

Annual capitalization of the Joint Fund for the 2030 Agenda; baseline (2018): \$43 million; target (2020): \$290 million

Indicator (Multi-Partner Trust Fund Office):

Annual contributions to the Peacebuilding Fund; baseline (2018): \$129 million; target (2020): \$500 million

Providing stability

3. To broaden the sources of funding support to the United Nations development system

Indicator (quadrennial comprehensive policy review – new):

Number of United Nations Sustainable Development Group entities reporting an annual increase in the number of contributors of voluntary core resources; baseline (2017): 12/18^c or 66 per cent; target (2023): 100 per cent

Indicator (Multi-Partner Trust Fund Office/ Development Coordination Office):

Number of Member State contributors to development-related inter-agency pooled funds and to single-agency thematic funds; baseline (2017): 59 and 27; target (2021): 100 and 50

Indicator (Multi-Partner Trust Fund Office/ Development Coordination Office):

Number of Member State contributors to the resident coordinator system budget; baseline (2019): 28;^d target (2021): 100

2. To increase collaboration on joint and independent system-wide evaluation products to improve United Nations support on the ground

Indicator (quadrennial comprehensive policy review – new):

Percentage of United Nations Sustainable Development Group evaluation offices engaging in joint or independent system-wide evaluation; baseline^b (2018): 10/35 or 29 per cent of evaluation offices have engaged in joint evaluations; target (2021): 75 per cent of evaluation offices will have engaged in a joint evaluation; baseline (2018): 7/35 or 20 per cent have engaged in an independent system-wide evaluation product; target (2021): 50 per cent of evaluation offices will have engaged in at least one independent system-wide evaluation

3. To fully implement and support the functioning of the new resident coordinator system

Indicator (quadrennial comprehensive policy review):

Percentage of programme country Governments that agree that the resident coordinator has sufficient prerogative to effectively fulfil his or her mandate; baseline (2018): 83 per cent; target (2021): 100 per cent

Indicator (Development Coordination Office):

Variance between amounts collected on the 1 per cent coordination levy^e and expected amounts^f based on agreed guidelines; baseline (2018): not applicable; target (2021): 0 per cent

4. To provide predictable funding to the specific requirements of United Nations Sustainable Development Group entities, as articulated in their strategic plans, and to the United Nations Development Assistance Framework funding needs at the country level

Indicator (Development Coordination Office):

Funding gaps in United Nations Sustainable Development Group strategic plan financing frameworks;^g baseline (2018): to be determined; target (2021): to be determined

Indicator (Development Coordination Office):

Funding gaps in United Nations Development Assistance Framework financing frameworks;^g baseline (2018): to be determined; target (2021): to be determined

Indicator (quadrennial comprehensive policy review):

Fraction of United Nations development system entities indicating that at least 50 per cent of their contributions are part of multi-year commitments; baseline (2017): 12/25^h or 48 per cent; target (2023): 100 per cent

5. To provide adequate, predictable and sustainable funding to the resident coordinator system budget

Indicator (Development Coordination Office):

Variance between amounts collected on the 1 per cent coordination levy^e and expected amounts^f based on agreed guidelines; baseline (2019): not applicable; target (2021): 0 per cent

Indicator (Development Coordination Office):

Voluntary contributions to the special purpose trust fund; baseline (2019): \$46 million; target (2019 onward): \$144 millionⁱ

Improving transparency and accountability

4. To improve reporting on results to host Governments

Indicator (quadrennial comprehensive policy review):

Programme country feedback on United Nations country team annual reports; baseline (2017): see annex II; target (2021): 90 per cent for all criteria

Indicator (Development Coordination Office):

Number of programme countries with UN-INFO operational; baseline (2018): 32; target (2021): 100

5. To present clear funding frameworks for each United Nations Development Assistance Framework, with levels and types of funding required

Indicator (Development Coordination Office):

Fraction of new United Nations Development Assistance Frameworks designed each year that include funding frameworks disaggregated by funding type/source; baseline (2018): not applicable; target (2020 onward): 100 per cent

Facilitating coherence and efficiency

6. To facilitate and support the implementation of efficiency measures where relevant and possible

Indicator (Development Coordination Office):

Percentage of cost of common premises covered by additional financial and/or in-kind contributions; baseline (2019): to be confirmed; target (2020 onward): 100 per cent

7. To fully comply with cost-recovery rates as approved by respective governing bodies

Indicator (quadrennial comprehensive policy review):

Average number of cost-recovery support fee waivers granted per United Nations development system entity per year; baseline (2018): to be confirmed;^k target (2019 onward): 0

6. To improve the clarity of entity-specific strategic plans and integrated results and resource frameworks and their annual reporting on results against expenditures

Indicator (quadrennial comprehensive policy review):

Fraction of United Nations Sustainable Development Group entities that in their respective governing bodies held structured dialogues in the past year on how to finance the development results agreed in the new strategic planning cycle; baseline (2017): 17/27 or 62 per cent; target (2021): 100 per cent

Indicator (Development Coordination Office/CEB):

Centralized, consolidated and user-friendly online platform with disaggregated data on funding flows in place at the entity level and system-wide (yes/no): baseline (2018): not applicable; target (2020): yes

7. To strengthen entity and system-wide transparency and reporting, linking resources to Sustainable Development Goal results

Indicator (quadrennial comprehensive policy review):

Fraction of United Nations development system entities individually submitting financial data to CEB; baseline (2017): 27/39 or 69 per cent; target (2021): 100 per cent

Indicator (quadrennial comprehensive policy review):

Fraction of United Nations development system entities publishing data in accordance with the highest international transparency standards; baseline (2017):^l 14/39 or 36 per cent; target (2021): 100 per cent

Indicator (quadrennial comprehensive policy review):

Fraction of United Nations development system entities with ongoing activities at the country level that report expenditures disaggregated by country to the CEB baseline (2017): 18/39 or 46 per cent; target (2021): 100 per cent

	<p>Indicator (quadrennial comprehensive policy review):</p> <p>Fraction of United Nations development system entities that report on expenditures disaggregated by Sustainable Development Goal; baseline (2017): 6/29 entities or 20 per cent; target (2021): 100 per cent</p> <p>Indicator (quadrennial comprehensive policy review – new):</p> <p>Aggregated information on system-wide support to the Sustainable Development Goals and system-wide results presented to the Economic and Social Council by 2021 (yes/no); baseline (2018): not applicable; target (2021): yes</p> <p>Indicator (quadrennial comprehensive policy review):</p> <p>Fraction of United Nations country teams that have conducted a gender scorecard exercise in the past four years, and met or exceeded requirements in at least half of the performance indicators; baseline (2017): 9/35 or 26 per cent; target (2020 onward): 75 per cent</p> <p>Indicator (Development Coordination Office):</p> <p>Online platform providing real-time tracking of sources and uses of special purpose trust fund (yes/no); baseline (2018): not applicable; target (2019): yes</p>
<p>8. To harmonize reporting and visibility requirements for earmarked contributions at the country level, in line with the principles of national ownership and leadership</p> <p>Indicator (Development Coordination Office):</p> <p>Percentage of resident coordinators/United Nations country teams that report an increase in Member State harmonization of reporting and visibility requirements on development-related contributions at the country level; baseline (2018): not applicable; target (2020 onward): 50 per cent</p>	<p>8. To improve the quality and utility of United Nations Development Assistance Framework evaluations</p> <p>Indicator (Development Coordination Office):</p> <p>Percentage of United Nations Development Assistance Framework evaluation reports with good or excellent rating on methodology used; baseline (2016): 10/36 or 28 per cent; target (2021): 75 per cent</p> <p>Indicator (Development Coordination Office):</p> <p>Percentage of United Nations Development Assistance Framework evaluations that contain all of the following: actionable recommendations, with a clear target audience and time frame for implementation, and a management response; baseline (2016): 10/36 or 28 per cent (23/62 for management response); target (2021): 100 per cent</p>

9. To increase the accessibility of corporate evaluations and of internal audit reports, within the disclosure provisions and policies set by governing bodies at the time of report issuance

Indicator (Development Coordination Office):

Percentage of United Nations development system entities authorized within disclosure provisions and policies that have made their corporate evaluations available on the website of the United Nations Evaluation Group; baseline (2018): 10/48, or 21 per cent; target (2019): 100 per cent

Indicator (quadrennial comprehensive policy review – new):

Percentage of internal audit reports issued in line with the disclosure provisions and policies set by the relevant governing bodies, which are available on a dedicated searchable United Nations Representatives of Internal Audit Services platform/website, pending availability of resources; baseline 2018: 0 per cent; target (2021): 100 per cent

Indicator (Fiduciary Management Oversight Group):

Percentage of inter-agency pooled funds posting evaluation reports on the website of the United Nations Evaluation Group; baseline (2018): 0 per cent; target (2019): 100 per cent

10. To increase the visibility of results from voluntary core contributions, pooled and thematic funds and programme country contributions

Indicator (entity-specific):

Specific mention of voluntary core fund contributors, pooled and thematic fund contributors, and programme country contributions in United Nations country team annual results reporting and entity-specific country and global reporting (yes/no); baseline (2018): not applicable; target (2020): yes

Indicator (United Nations Sustainable Development Group/Multi-Partner Trust Fund Office/fund administrators):

Specific mention of individual contributors in all results reporting by pooled funds and thematic fund administrators and United Nations Sustainable Development Group recipients (yes/no); baseline (2018): not applicable; target (2020): yes

Increasing efficiencies

11. To implement the Secretary-General's goals on operational consolidation for efficiency gains

Indicator (quadrennial comprehensive policy review):

Consolidation of common premises; baseline (2017): 430 common premises (or 17 per cent of all premises); target (2021): 1,000 common premises (or 50 per cent of all premises)

Indicator (quadrennial comprehensive policy review – new):

Percentage of United Nations country teams that have an approved business operations strategy in place, to enable common back offices where appropriate; baseline (2017): 20 per cent; target (2021): 100 per cent

Indicator (quadrennial comprehensive policy review – new):

Percentage of United Nations Sustainable Development Group entities that report to their respective governing bodies on efficiency gains; baseline (2017): 12/29 or 41 per cent; target (2021): 100 per cent

Indicator (quadrennial comprehensive policy review – new):

Percentage of United Nations Sustainable Development Group entities that have signed the high-level statement of mutual recognition; baseline (2017): 11/39 or 28 per cent; target (2021): 100 per cent

12. To fully implement and report on approved cost-recovery policies and rates

Indicator (quadrennial comprehensive policy review):

Fraction of United Nations development system entities that report annually on the implementation of their approved cost-recovery policies and rates to their respective governing body; baseline (2017): 15/29 or 51 per cent; target (2021): 100 per cent

13. In consultation with respective governing bodies as appropriate, to improve comparability of cost classifications and definitions and enable greater transparency across time and between United Nations Sustainable Development Group entities

Indicator (Development Coordination Office):

United Nations Sustainable Development Group development of a system-wide approach on cost definitions and classifications (yes/no); baseline (2018): not applicable; target (2021): yes

14. To increase the efficiency and effectiveness of development-related inter-agency pooled funds

Indicator (Fiduciary Management Oversight Group):

Common management features across all inter-agency pooled funds^m (yes/no); baseline (2018): not applicable; target (2021): yes

Abbreviation: CEB, United Nations System Chief Executives Board for Coordination.

^a Information to be collected in the upcoming Department of Economic and Social Affairs survey.

^b [JIU/REP/2014/6](#).

^c Baseline excludes entities that do not receive voluntary core funding and entities that implement humanitarian activities only.

^d Paid-in contributors (the contribution has been transferred to the special purpose trust fund).

^e Pursuant to resolution [72/279](#), the 1 per cent coordination levy does not apply to local government cost sharing and cooperation among programme countries.

^f Amounts calculated on the basis of reporting from the Department of Economic and Social Affairs and CEB on tightly earmarked third-party contributions.

^g Methodology and data to be developed by the Development Coordination Office by September 2019.

^h Excludes entities that are primarily humanitarian.

ⁱ Estimated annual requirement after deducting estimated levy revenue (\$60 million) and agency cost sharing (\$77 million) from the resident coordinator system budget of \$281 million.

^j To be determined following data collection from the Business Innovations Group in 2019 and in consultation with Member States.

^k Question to be asked for the first time in the 2018–2019 Headquarters survey of the Department of Economic and Social Affairs.

^l Baseline from the quadrennial comprehensive policy review monitoring framework, tracking compliance with the International Aid Transparency Initiative standard; future determination of standard to be used by the United Nations Sustainable Development Group may be addressed by the General Assembly.

^m Includes a well-articulated strategy, including innovation features where relevant, clear theories of change, solid results-based management systems, well-functioning governance bodies supported by effective secretariats, quality assurance on issues of United Nations norms and values; risk management systems and strategies; operational effectiveness/reporting/visibility/transparency standards; and planning and funding for joint and system-wide evaluations that meet norms and standards of the United Nations Evaluation Group.

IV. Funding compact follow-up

58. The funding compact is submitted by the Secretary-General on behalf of the United Nations Sustainable Development Group as an addition to his annual report to the General Assembly and to the Economic and Social Council, for consideration by the Council in the operational activities for development segment. It represents a non-binding instrument for voluntary adherence by individual Member States and other contributing donors.

59. Formal follow-up to and tracking of progress made in the implementation of the funding compact will also involve two tracks:

(a) System-wide reporting by the Department of Economic and Social Affairs on the compact as part of the annual report of the Secretary-General on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, including tracking of relevant indicators through the monitoring framework;

(b) Entity-specific tracking and reporting on commitments and indicators, in the appropriate manner, through entity-specific mechanisms of reporting to the respective governing bodies.

60. Successful implementation of the funding compact will require sustained engagement with and by the governing bodies of the United Nations Sustainable Development Group entities. Many commitments on the part of the entities, including those related to improving the comparability of costs or broadening access to internal reports, entail decisions that rest solely with the governing bodies.

61. It is therefore essential for all members of the governing bodies of the United Nations Sustainable Development Group entities to ensure the consistency and alignment of specific entities with the vision and ambition in resolutions [71/243](#) and [72/279](#), as articulated through the specific commitments of the funding compact.

62. In support of those mechanisms, the Development Coordination Office will coordinate regular tracking of the funding compact commitments, in collaboration with the Department of Economic and Social Affairs, the secretariat of the United Nations System Chief Executives Board for Coordination, the Multi-Partner Trust Fund Office and other United Nations working groups and task forces as required. The Development Coordination Office will collect and coordinate data and information to track those indicators that are their responsibility to measure. In doing so, it will draw on public and official data normally included in relevant reports of the Secretary-General or financial data collected by individual United Nations entities and will closely coordinate with the Department of Economic and Social Affairs for consistency with the annual report of the Secretary-General.

63. Tracking by the Development Coordination Office will retain the collective character of Member States' commitments by providing aggregated rather than individual data, while allowing the dissemination of individual Member State data only upon request.⁷ Such tracking will inform an inclusive, informal system-wide consultation convened by the Office with interested Member States until the seventy-fifth session of the General Assembly. Such informal consultations will be held twice a year to support entity-specific dialogues by providing updates on implementation, notably as they relate to the tracking of efficiency gains over time and their redeployment for programming, including coordination.

64. The Development Coordination Office will also work closely with resident coordinators and United Nations country teams to implement the country-level components of the compact, in full consultation and collaboration with host Governments.

65. Finally, for the funding compact to have an effect, it must benefit from widespread and sustained political support, which itself requires quick and tangible results; the two are ineluctably linked. Therefore, Member States and the United Nations Sustainable Development Group commit to taking the compact to countries, in capital cities and in the field, to both advocate for it and implement it at once.

⁷ Reporting of individual Member State data (upon request) will include assessed contributions.

Annex I

Composition of the United Nations Sustainable Development Group

Economic Commission for Africa^a

Economic Commission for Europe^a

Economic Commission for Latin America and the Caribbean^a

Economic and Social Commission for Asia and the Pacific^a

Economic and Social Commission for Western Asia^a

Food and Agriculture Organization of the United Nations^a

International Atomic Energy Agency^b

International Civil Aviation Organization^b

International Fund for Agricultural Development

International Labour Organization^a

International Maritime Organization^b

International Organization for Migration

International Trade Centre

International Telecommunication Union

Office of the United Nations High Commissioner for Human Rights^a

Office of the United Nations High Commissioner for Refugees^{a,c}

Joint United Nations Programme on HIV/AIDS

United Nations Conference on Trade and Development

Department of Economic and Social Affairs^a

United Nations Development Programme:^a
 United Nations Capital Development Fund
 United Nations Volunteers programme

United Nations Environment Programme^a

United Nations Educational, Scientific and Cultural Organization^a

United Nations Population Fund^a

United Nations Human Settlements Programme

United Nations Children's Fund^a

United Nations Industrial Development Organization

United Nations Office for Disaster Risk Reduction

United Nations Office on Drugs and Crime

United Nations Office for Project Services

United Nations Relief and Works Agency for Palestine Refugees in the Near East

United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)^a

Universal Postal Union^b

World Food Programme^a

World Health Organization^a

World Intellectual Property Organization^b

World Meteorological Organization

World Tourism Organization

Department of Political and Peacebuilding Affairs

Office for the Coordination of Humanitarian Affairs^{b,d}

Peacebuilding Support Office

^a Member of the core group. The regional commissions are jointly represented on the core group with a rotating seat.

^b Confirmation of membership pending.

^c The Office's contribution is made without prejudice to the responsibilities conferred on it by the General Assembly, including those outlined in the statute of the Office and relevant legal instruments such as the international conventions on refugees and statelessness.

^d Noting that the Office does not undertake operational activities for development. In addition, its participation in the Group shall be without prejudice to its role and responsibilities pursuant to General Assembly resolution [46/182](#) and related resolutions.

Annex II

Quadrennial comprehensive policy review indicators on programme country feedback on United Nations country team reporting (baseline 2016)

Fraction of programme country Governments that confirmed receipt of a report on the results achieved by the United Nations country team as a whole in the most recent annual cycle	66/110
Percentage of programme country Governments, with regard to annual reports provided to them, that agree that:	
•They receive reports regularly enough to meet their needs	63
•The information is up to date	68
•The results of the whole United Nations system are included	58
•Sufficient financial data are included	45
•Reporting is structured around United Nations Development Assistance Framework outcomes	74
•Reporting is linked to national development results	63
Percentage of United Nations country teams that have a fully operational common budgetary framework that is updated annually	28
Percentage of United Nations country teams that have made their annual results report publicly available	87
