

Implementation of the Funding Compact

ECOSOC 2023 Operational Activities for Development segment

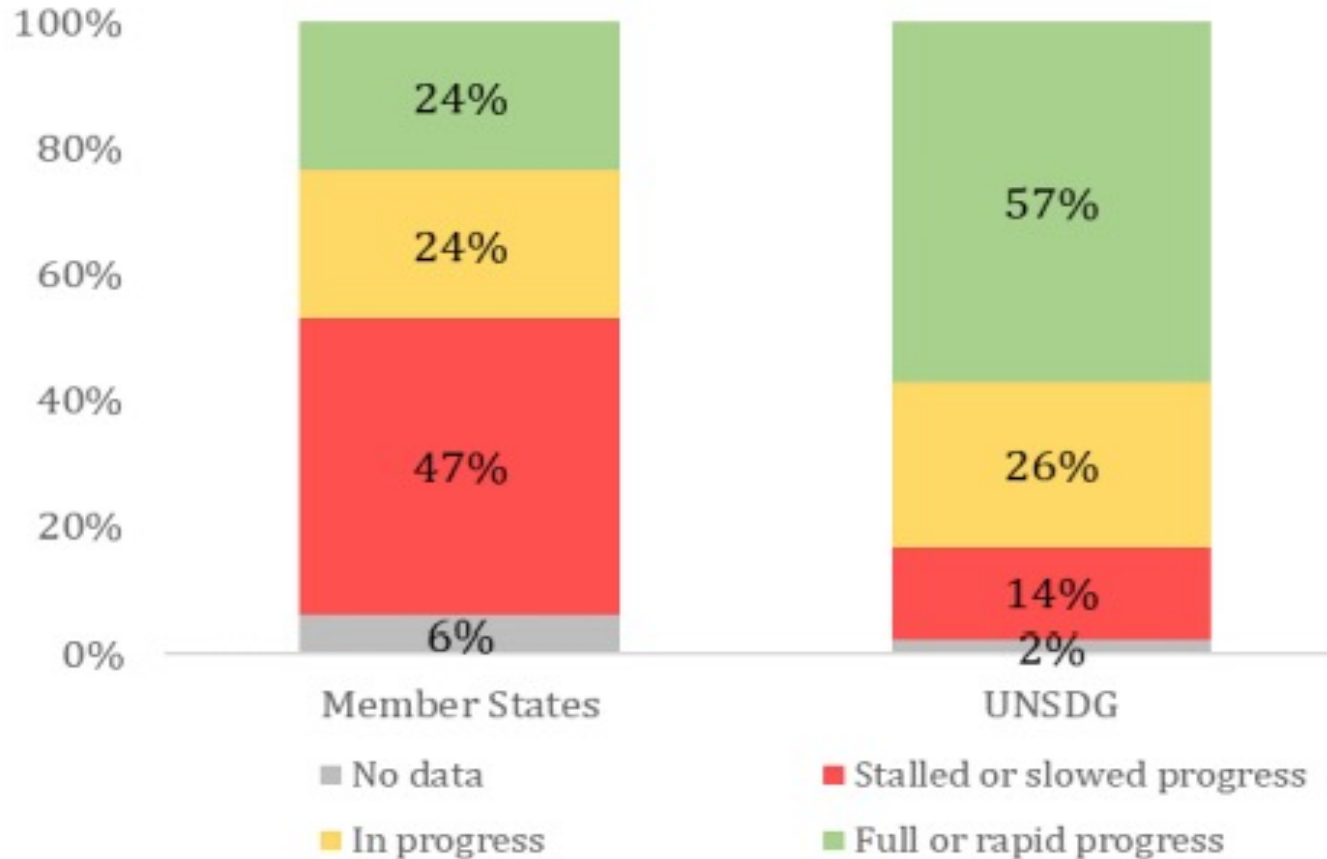
Oscar Fernandez-Taranco, Director, Development Coordination Office

More and better funding accelerates the SDGs

- ✓ **The premise of the Funding Compact, that adjusting the quantity and quality of funding for operational activities will have a multiplier effect on the implementation of the SDGs, held true.**
 - Under RC leadership, the UN development system is **sharpening its ability to offer integrated policy advice and connect expertise across the system** – including non-resident agencies – for specific country needs and priorities.
 - ✓ 88% of host governments confirm that Resident Coordinators effectively lead the delivery of strategic support for national plans and priorities
 - ✓ 92% agree that the UN adequately provides evidence-based policy advice (vs. 88% in 2021)
 - Through \$279 million mobilized to 119 UNCTs and an estimated \$2.3 billion catalyzed since its creation in 2019, the Joint SDG Fund has reached **188 million people** with social protection coverage, supporting **Integrated National Financing Strategies in 69 countries**, and funding **85 UNCTs to support countries facing the global cost of living crisis.**
 - Core funding, thematic funds and pooled funds are supporting **adequate expertise in UNSDG and UN country teams that are making this possible.**

Implementation of the Funding Compact remains mixed

Progress on funding compact commitments



Source: Department of Economic and Social Affairs, 2023

The UNSDG realized 83% indicators so far

A step change in system-wide reporting, transparency and efficiency gains.

For example:

- ✓ 100% UNCT annual Results Reports produced
- ✓ UN INFO powering the UNSDG Data Portal and other results reporting platforms.
- ✓ 71% of UNSDG entities report on efficiency gains to their governing bodies, an Efficiency dashboard is tracking gains

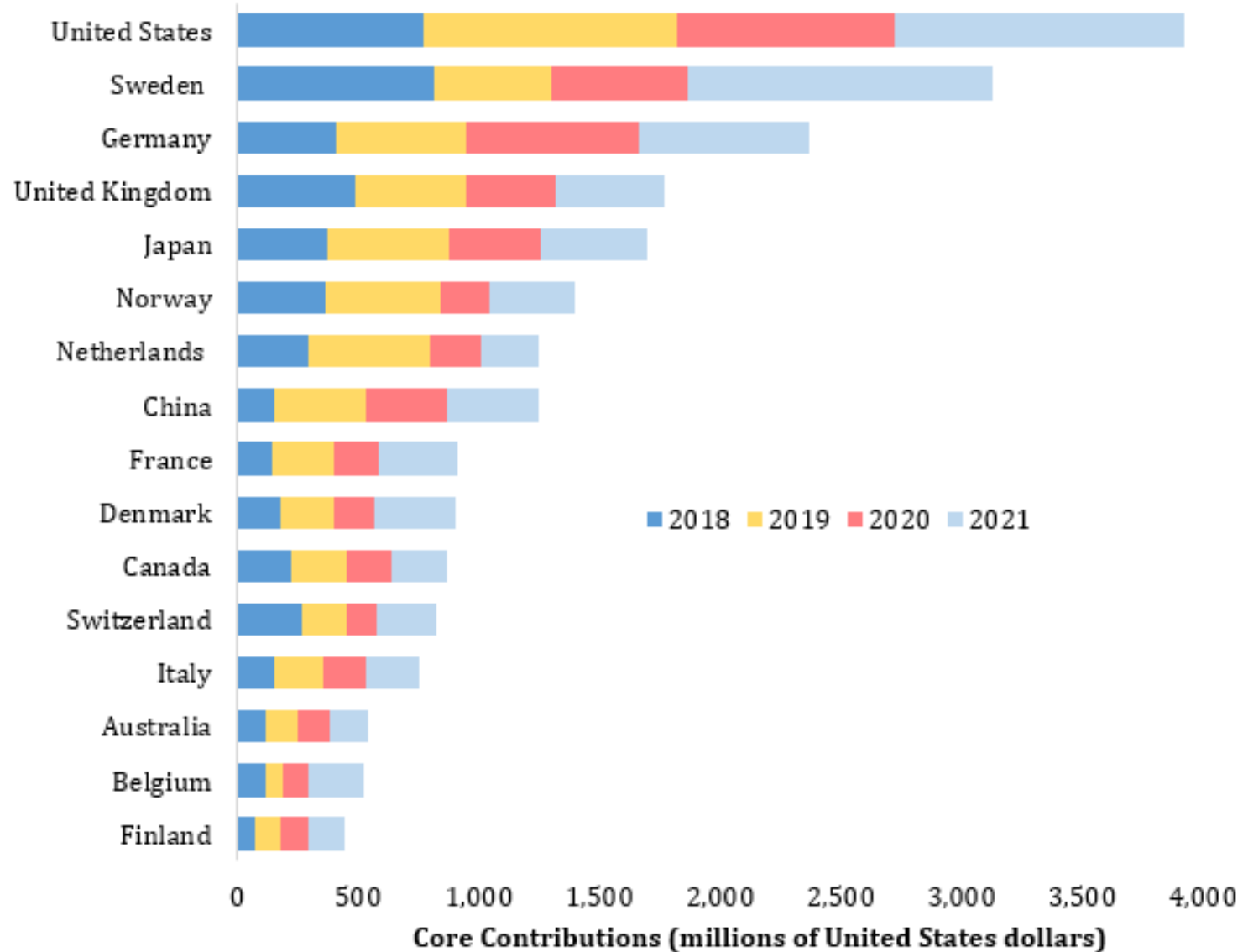
But:

- Less than half (48 %) of UN country teams have conducted a gender scorecard exercise in the past four years.
- Only 42 % of UNSDG entities report at least 15% of development related expenditures on Joint Programmes
- Only 68% of UN country teams have a common and updated budgetary framework

Member States realized 48% of indicators so far

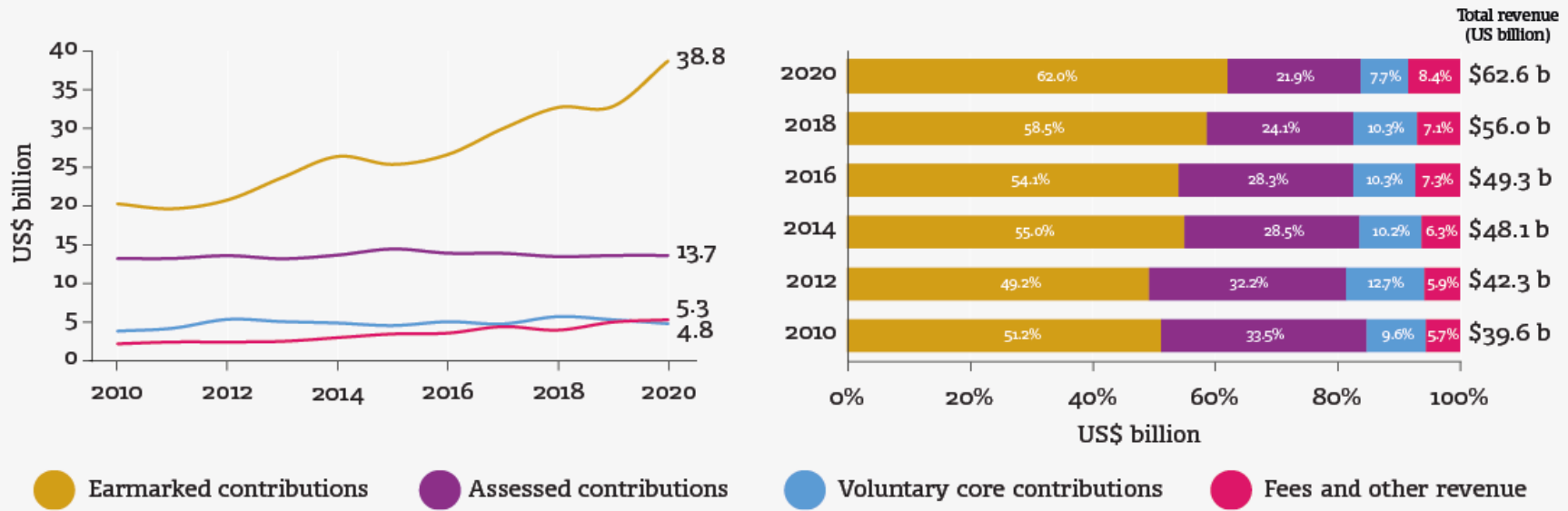
- Member States exceeded some targets on **core and pooled funding**:
 - ✓ 30.7% of core funding for development-related activities (including assessed), over the 30% target.
 - ✓ 12.3% of non-core resources for development related activities channeled through inter-agency pooled funds, over the 10% target.
- **But trends remain concerning**:
 - The **5 largest contributors account for 50% of total core funding**, and the target for voluntary funding for development related activities (excluding assessed) is not met (21.1% instead of 30%)
 - 2/3 of net contributing countries surveyed by DESA have **no plans to increase core funding**
 - Country-level development pooled funds **decreased by 5%**.
 - Within the past 5 years, cumulative funding to the Joint SDG Fund of a total of \$279M has been **less than the annual Funding Compact commitment of \$290M**.
 - Voluntary funding for the RC system remains well below ambition, with **only 27 contributors** providing \$69 million in 2022, and a persistent **\$80 million gap in 2023**. In year 5 of the reform, there has not been a single year with full funding for the RC system to date.
 - The UN development system is the only multilateral channel for ODA that receives fewer core resources than non-core resources.

Top Government Contributors of Core funding for development activities 2018-2021



Concerning trends for voluntary core contribution to the UN system

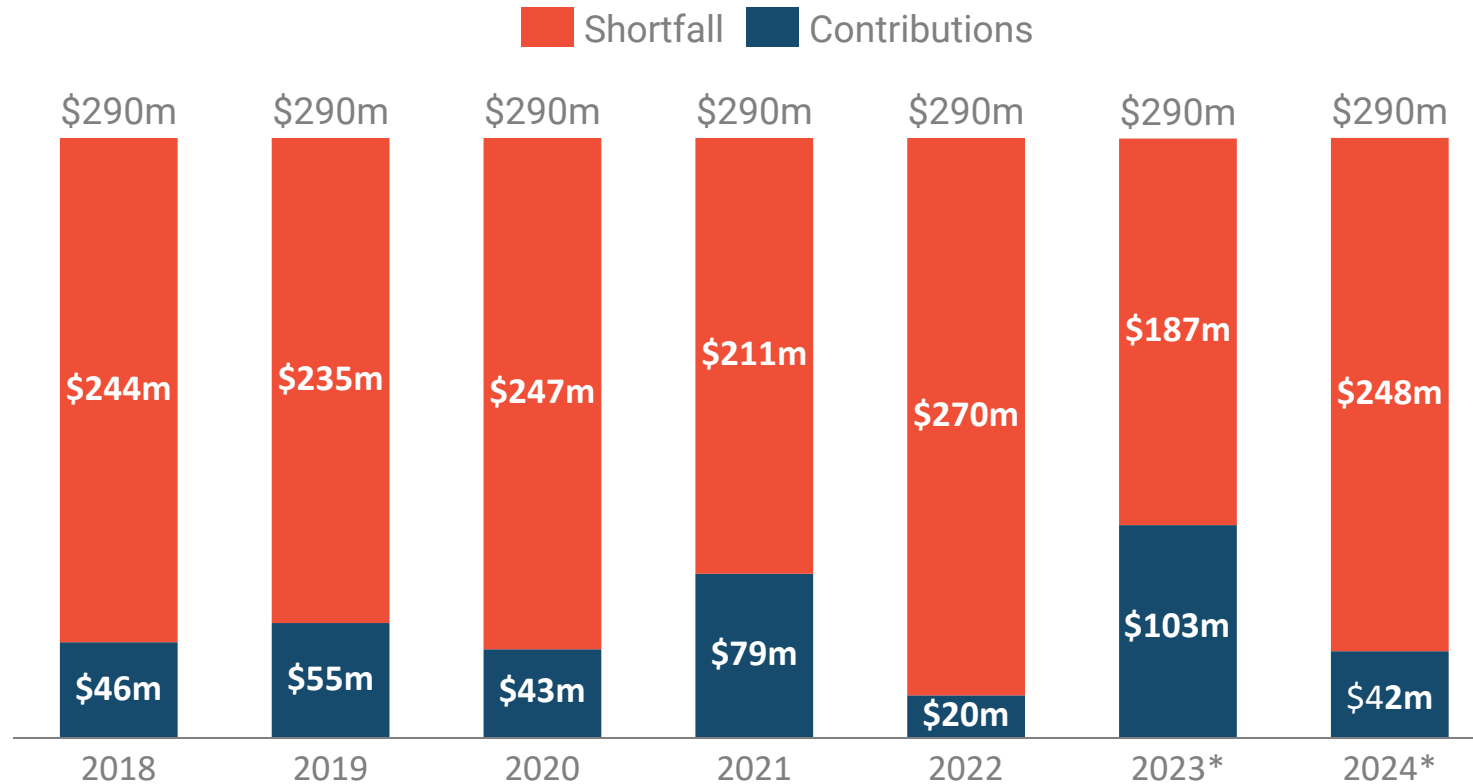
Figure 2: Distribution of total UN system funding by financing instrument, 2010–2020 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB)

Financing the UN Development System
Joint Responsibilities in a World of Disarray, September 2022

Joint SDG Fund – Contributions well below ambition



\$279M received over the course of 5 years vs. Funding Compact target of \$290M every year.

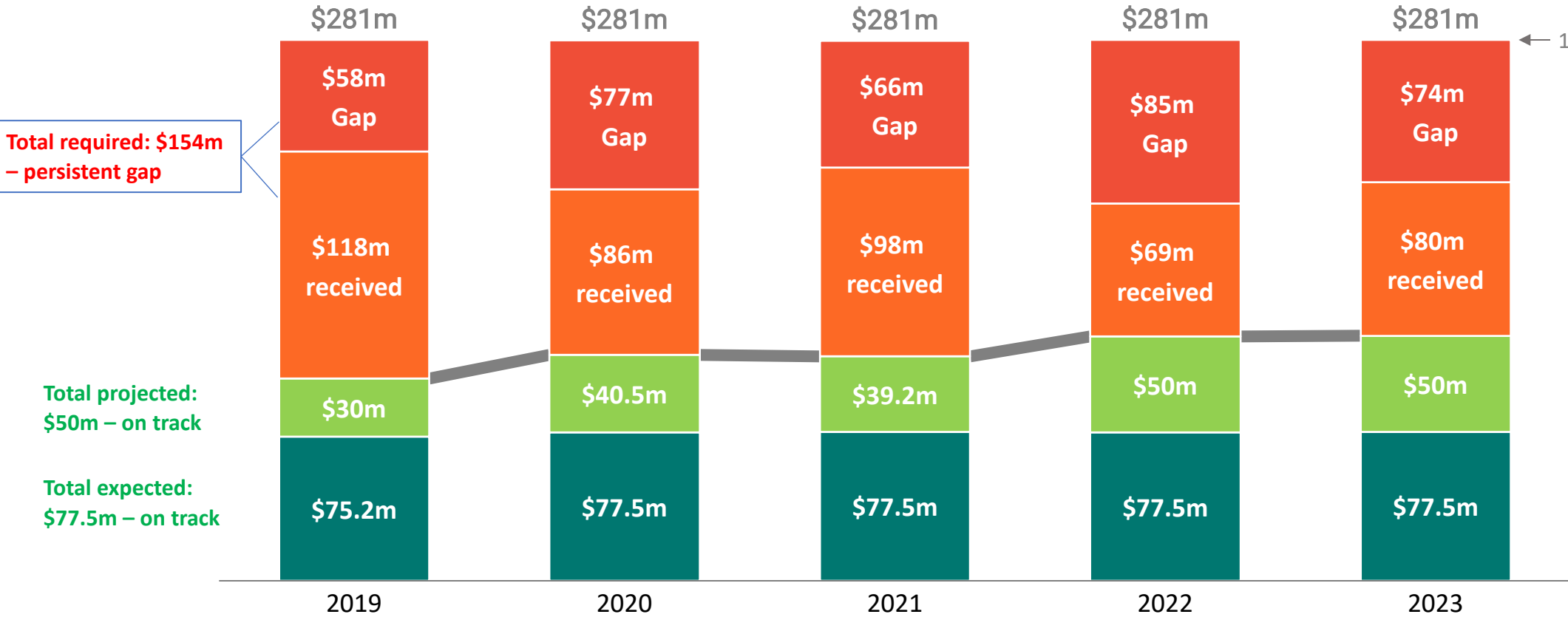
Source: Joint SDG Fund

* Includes signed commitments and pledges

Donors: Sweden, Spain, Netherlands, EU, Norway, Germany, Switzerland, Denmark, Ireland, Luxembourg, Italy, Republic of Korea, Portugal, Monaco.

Special Purpose Trust Fund (SPTF) voluntary contributions well below ambition

Shortfall Voluntary contributions Levy UNSDG cost-sharing



Not a single year fully funded at \$281M – with largest gap ever in 2022

Total required: \$154m – persistent gap

Total projected: \$50m – on track

Total expected: \$77.5m – on track

Source: DCO

* Levy = projected amount; Voluntary contributions include contributions, firm and soft commitments

How to advance the Funding Compact

- ✓ **Hold national consultations on the Funding Compact to spread the word.**
 - Studies have shown **low awareness of the Funding Compact in capitals and in countries**, where funding decisions are made.
- ✓ **Ensure the Funding Compact is fit for purpose.**
 - With targets expiring, the Secretary-General asked the Chair of the UNSDG to **launch a dialogue with Member States to renew the Funding Compact.**



Thank you
