

Financing the
UN Development System



Resourcing the Future

September 2024



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Introduction

‘The pursuit of peace and progress cannot end in a few years in either victory or defeat. The pursuit of peace and progress, with its trials and its errors, its successes and its setbacks, can never be relaxed and never abandoned’

Dag Hammarskjöld, 1954

The objective of the 10th edition of this report, ‘Financing the UN Development System: Resourcing the Future’, is to provide an in-depth overview of the financing system and mechanisms of the United Nations development system. In the marketplace of ideas contributors share insights on how to improve quality funding for development, offer a clearer focus on human development, tell us why there is an urgent need to protect global public goods and share examples of how Member States are engaging in the peace, development and climate nexus. With the upcoming UN Summit of the Future, reaffirming commitments to the UN Charter and strategies to realise the Sustainable Development Goals, including the enhanced UN Funding Compact, Member States have a unique opportunity to show global leadership for future generations.

This year nearly half of the UN Member States go to the polls, many in increasing polarised societies where global public goods and multilateral solutions are being questioned and other agendas strengthened. While the world continues to grapple with the aftermath of the COVID-19 pandemic, political tensions, an increase in violent conflict affecting the social fabric and resilience of communities as well as straining international collaboration.

Furthermore, the climate crisis generates crippling droughts, runaway fires, heavy rains triggering floods, biodiversity loss and food insecurity. The escalating conflicts around the world, including in Ukraine and in Gaza, calls for Member State’s uncompromising support for the UN Charter and the rule of law and enabling the United Nations to

strengthen its peace broker role and to contribute to the protection of the fundamental human rights as held up in the Universal Declaration of Human Rights. Member States face accumulative complex crises putting further strain on the global development system and causing ever greater divisions in the UN Security Council. Around 1.1 billion people continue to live in multidimensional poverty and over 100 million are on the move.¹

Despite the generally bleak outlook, there are many opportunities for change, as most countries are unable to meet the 17 Sustainable Development Goal targets and Agenda 2030, the UN Development System and Member States are refocussing their intervention efforts. During 2023 the UN Secretary General and the UN General Assembly highlighted the many challenges faced by the global system and urged Member States to work more closely with UN agencies, funds and entities to bring about the paradigm shift required to stop the negative trends witnessed in recent years.² The UN development system has to work creatively to support migrants and displaced persons, improve food security, re-green the earth, secure the high seas, understand the impacts and potential benefits of artificial intelligence and manage cyber insecurity to name a few of the more pressing issues.³

What is being done? Can UN entities, agencies and funds together with Member States create the right conditions to speed up SDG delivery? Will we be able to move forward and save the planet from widespread catastrophe by staying below the 2-degree Celsius temperature rise threshold?

By allocating adequate resources and advancing quality funding, Member States and the UN may increase system effectiveness and development results. During the 78th session of the UN General Assembly, heads of state, governments and high representatives participated in the Sustainable Development Goals Summit, the follow up to the Millennium Summit to review progress and accelerate the implementation of the 2030 Agenda for Sustainable Development. The high-level political forum, convened under the auspices of the General Assembly, issued a 12-page political declaration on sustainable development. It unpacks a shared commitment, recognise a changed world, calls for

progress and propose an extensive list of issues that needs attention in the call to action towards 2030.⁴

But how do you move forward when there are not enough resources to bring about the desired change? Despite record-high aggregate contributions to multilateral organisations driven by their critical roles in crises like COVID-19 and the Ukraine conflict, the UN Development System (UNDS) faces severe top donor funding cuts. In 2022, core funding – and thus quality funding – for UN development activities fell significantly short of targets, undermining the UN's role in addressing the multiple and overlapping global crises. While a growing share of ODA is used to finance humanitarian interventions, an effective crisis response also requires investment in sustainable development to tackle root causes and inequalities, necessitating strategic funding.

The COVID-19 pandemic highlights the importance of global cooperation on human development. Financing global public goods, such as climate change mitigation, is crucial for addressing interconnected universal challenges and promoting equity. However, some ODA trends for 2024 and ahead indicate a downturn with the largest contributors decreasing their commitment to the SDGs and global public goods.

Despite numerous challenges, the UN and its Member States are at a crossroad exploring new routes and opportunities.

Specifically, the new UN Funding Compact, which aims to increase quality funding, requires both Member States and the UN to act more decisively, walking the talk on commitments made, for an effective and efficient UN Development System. Concrete steps can be integrated into the upcoming Member State-led Quadrennial Comprehensive Review Process, which will assess and guide the effectiveness of the UN development system for the next four years, and the Fourth International Conference on Financing for Development, taking place in Spain in June 2025, no less than a decade after the last iteration. Moreover, there are great expectations that the 2024 Summit of the Future will reaffirm the commitments to the UN Charter and the SDGs and provide a multilateral platform for change, including the resourcing of effective multilateral response.

Its 'Pact for the future' highlights the need to focus on 'sustainable development and financing for development; international peace and security; science, technology and innovation and digital cooperation; transforming global governance and the youth and future generations'. Will the pledges and the commitment from Member States for its implementation suffice?⁵

In '*Financing the UN Development System: Resourcing the Future*', we start with building a basic understanding of: How the UN is funded? Where UN is funding allocated? In addition, we look at 'Year two of the Data Cube strategy and taking stock of where we are'.

This overview unravels the funding system of the UN development system (UNDS), which is made up of the UN entities that carry out normative, specialised and operational activities for development to support countries in their efforts to implement the 2030 Agenda for Sustainable Development. Contributions to the UNDS consist exclusively of funding for development and humanitarian activities, also referred to collectively as 'operational activities for development'. It includes all revenue and expenditure aggregated from 43 UN entities reporting to the United Nations System Chief Executives Board for Coordination (CEB) Secretariat, responsible for supporting the work of the CEB, the UN system's highest-level coordination forum.

Currently, the UN system revenue types of assessed contributions; voluntary core contributions, more commonly known as 'core contributions' and earmarked contributions referred to as 'non-core' contributions as well as revenue from other activities. It is important to note in the current reporting system, peace operations contributions are included in the overall UN system, but excluded from the UN development system. Currently a substantial part of the core funding allocated to the UN Department of Peace Operations (DPO) is dedicated to assist Member States and the Secretary-General to maintain international peace and security.

By presenting the UN Development System's financial data, we hope that this document will continue to be a core source of information and advice for policy development and practice aimed at strengthening the UN Development

System and its contributions to realising the SDGs. It aims to inspire Member States to engage in the upcoming UN Summit of the Future to effectively resource the UN's multilateral response, including commitments made to the new UN Funding Compact.

Endnotes

- 1 United Nations Development Programme and Oxford Poverty and Human Development Initiative, 'Global Multidimensional Poverty Index 2023, Unstacking global poverty: Data for high-impact action' (New York: United Nations Development Programme and Oxford Poverty and Human Development Initiative, 2023).
- 2 United Nations, 'Secretary-General's address to the General Assembly, António Guterres', (New York: United Nations, 2023), <https://www.un.org/sg/en/content/sg/speeches/2023-09-19/secretary-generals-address-the-general-assembly>.
- 3 United Nations, 'Summit of the Future: What will it deliver', (New York: United Nations, 2024) ,<https://www.un.org/sites/un2.un.org/files/our-common-agenda-summit-of-the-future-what-would-it-deliver.pdf>.
- 4 UN General Assembly Resolution 78/1, 16 October 2023, <https://documents.un.org/doc/undoc/gen/n23/306/65/pdf/n2330665.pdf?token=goEucY9XkBxbTr2ejG&fe=tru>United Nations.
- 5 United Nations, 'Pact for the future' (New York: United Nations, 2024), https://www.un.org/sites/un2.un.org/files/pact_for_the_future_-_rev.2_-_17_july.pdf.

Executive Summary

Financing the UN Development System: Resourcing the Future is the 10th edition in its series. As in the previous iterations, the report provides an in-depth overview of the financing system and mechanisms of the United Nations development system (UNDS) and maintains the focus on financial data. Part two, the Market place of ideas offers contributions with in-depth overviews and analysis. The 'www.FinancingUN.Report' dedicated web page continues to be a platform to share the latest and previous reports as well as the interactive datasets.

Scope of the report

The report is divided in two parts, with Part One bringing the UN resource flows core data, Part Two functions as a marketplace of ideas with gathering views, experiences, and analysis focusing on the bigger picture of development financing, global public goods and the peace, development and climate nexus.

Part One casts light on how the UN is funded, by whom, and through which modalities, based on the most up-to-date official data sources. The data and analysis included in this section of the report encompasses evidence and insights into the volume and characteristics of full range of funding flows of the UNDS. Namely assessed contributions; voluntary core contributions; earmarked funding; and revenue from other activities.

The first chapter in Part One looks at how the United Nations is funded and focuses on UN revenue allocation and purpose. The UN system's total revenue continued to grow to US\$ 74.3 billion in 2022, – an increase of US\$ 8.4 billion, or 12.8%, compared to 2021, with most of the growth

accounted for by increasing earmarked contributions. Despite increased Official Development Assistance (ODA) in recent years, quality funding for UN development activities fell significantly short of targets, jeopardizing the UN's effectiveness in SDG progress.

Chapter 2 shows where UN funding is allocated and puts the spotlight on how resources are distributed among different UN functions and geographies and to what purposes. Humanitarian expenditure is year by year consuming a large share of the ODA increase. UN reporting towards the Sustainable Development Goals (SDGs) has expanded significantly, making it possible to link the vast majority of UN expenditure to them.

Closing out Part One of the Report, Chapter 3: **Year 'two' of the Data Cube strategy: Taking stock of where we are**, the United Nations System Chief Executives Board for Coordination (CEB) Secretariat gives an overview of the implementation of the 'Data Cube' initiative. The initiative's overall objectives are to **maximise transparency** and **minimise efforts**, as well as reduce the reporting burden of UN entities. A key achievement in this respect was agreement on a UN CEB minimum dataset, resulting in impressive progress in the comprehensiveness and quality of reporting by UN entities since the introduction of the UN Data Standards in 2018.

Part two of the report frames the bigger picture, emphasising the need for better funding quality to achieve quality results and the urgency of protecting global public goods. Financing global public goods, such as climate change mitigation, is essential for addressing interconnected global challenges and promoting equity, complementing rather than competing with official development assistance.

The authors stress the urgency of reforming international financial institutions (IFIs) and making policy commitments, strategic choices of modalities, and provide examples of why investing in the nexus of peace, development, humanitarian work, and climate is critically important. Part two concludes with the preliminary results of a qualitative assessment of the progress of the implementation of the Funding Compact at the country level, highlighting its potential for improving development outcomes.

The UN system is to a high degree financed by earmarked resources. As can be seen in Figure 2, there has been steady growth in funding to the UN system over the past decade in nominal terms, with volumes increasing by 88%, from US\$ 39.6 billion, in 2010, with most of the growth accounted for by increasing earmarked contributions.

Last year's report noted the impact of price-inflation across much of the global system, leading to – for the first time in some years – a real-term *decrease* (in fixed 2020 US\$) in contributions: US\$ 62.3 billion in 2021 compared to US\$ 62.6 billion in 2020. While the system did not face this issue in 2022, with a real-term increase (in fixed 2021 US\$) of US\$ 11 billion from 2021 to 2022, the financial situation of late has continued to present challenges. In January 2024, the UN Secretary-General, Antonio Guterres, sent a letter to all Member State permanent representatives highlighting 2023 year-end arrears of US\$ 859 million for the UN Secretariat. The arrears resulted in a liquidity crisis, resulting in the temporary suspension of hiring, as well as the curtailing of spending to ensure adequate liquidity for paying salaries and vendor commitments.

Part One: United Nations Resource flows

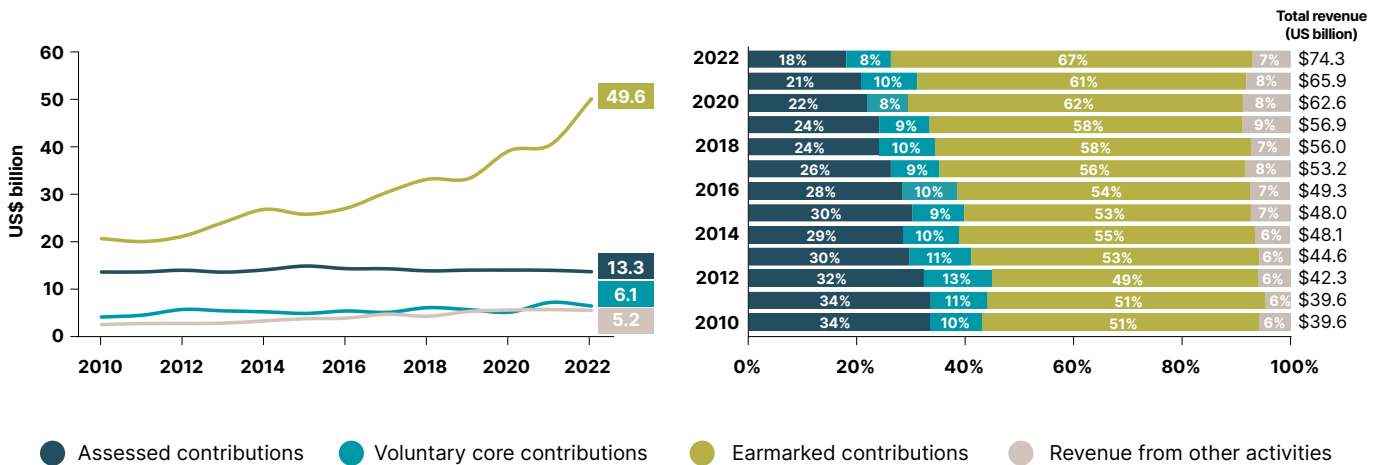
Chapter 1: How is the UN funded?

The first section of Chapter 1 looks at overall revenues, and in terms of nominal values, the UN system's total revenue continued to grow in 2022, reaching US\$ 74.3 billion – an increase of US\$ 8.4 billion, or 12.8%, compared to 2021. The three entities with the highest absolute revenue growth were the World Food Programme (WFP), the United Nations Children's Fund (UNICEF) and the Food and Agricultural Organization (FAO). The WFP's revenue grew the most in absolute terms, by US\$ 4.6 billion, with its total revenue of US\$ 14.4 billion setting a new record for a single entity.

The second section of Chapter 1 looks at who is being funded, and how. The UN system's ability to function is not

Distribution of UN system funding by financing instrument, 2010–2022 (US\$ billion)

(Figure 2 from Part one)



Source: see page 38



Total revenue of the UN system by entity and financing instrument, 2022 and 2010-2022 (US\$ million)

(Table 1 from Part one)

Entity	Assessed	Voluntary core	Earmarked	Revenue from other activities	Total revenue 2022	2010-2022
UN Secretariat	3,131	201	3,137	700	7,169	4B ● 7B
UN-DPO	6,344		338	87	6,769	8B ● 7B
CTBTO	130		5	4	138	128M ● 138M
FAO	489	44	2,312	10	2,854	1B ● 3B
IAEA	415		270	11	696	598M ● 696M
IARC	24	0	27	3	54	45M ● 54M
ICAO	84		95	25	205	223M ● 205M
ICC	161		9	0	171	170M ● 171M
IFAD		433	212	86	731	435M ● 731M
ILO	410	17	383	40	849	674M ● 849M
IMO	40	16		19	76	74M ● 76M
IOM	59	33	2,735	158	2,986	1B ● 3B
IRMCT	79			1	80	80M ●
ISA	7	1		3	11	10M ● 11M
ITC	38	22	95	1	156	76M ● 156M
ITLOS	13	3	1	0	17	12M ● 17M
ITU	138		15	41	194	173M ● 194M
OPCW	70		15	4	88	88M ● 88M
PAHO	105		267	1,090	1,462	850M ● 1B
UNAIDS		162	59	4	224	266M ● 224M
UNCCD	9		11	0	20	30M ● 20M
UNCDF		15	184	3	202	60M ● 202M
UNDP		609	4,389	324	5,322	6B ● 5B
UNEP	211	105	592	22	929	395M ● 929M
UNESCO	270	13	328	47	658	765M ● 658M
UNFCCC	36	1	39	37	113	86M ● 113M
UNFPA		391	1,111	112	1,613	890M ● 2B
UN-HABITAT	17	8	149	30	202	198M ● 202M
UNHCR	84	777	5,154	57	6,073	2B ● 6B
UNICEF		1,320	8,700	309	10,329	4B ● 10B
UNIDO	76		251	28	354	335M ● 354M
UNITAID		125	55	3	184	191M ● 184M
UNITAR		0	42	1	44	21M ● 44M
UNODC	34	8	376	13	431	259M ● 431M
UNOPS				1,194	1,194	91M ● 1B
UNRWA		734	440	16	1,190	409M ● 1B
UNSSC		5	14	0	20	11M ● 20M
UNU		28	22	4	54	61M ● 54M
UN Women	9	220	428	14	671	236M ● 671M
UNWTO	16	0	12	5	33	25M ● 33M
UPU	41		24	21	86	40M ● 86M
WFP		606	13,694	118	14,418	4B ● 14B
WHO	496	182	3,621	55	4,354	2B ● 4B
WIPO	19		9	513	541	310M ● 541M
WMO	74	2	26	1	103	99M ● 103M
WTO	212	19		2	233	237M ● 233M
Total	13,340	6,097	49,648	5,218	74,302	40B ● 74B

UNV and UNICRI revenues are included under UNDP and UNODC, respectively.

Source: Chief Executives Board for Coordination (CEB).

For notes – see page 99.



only dependent on the volume of funding, but its quality. This is classified into four contribution types or ‘instruments’: assessed contributions; voluntary core contributions; earmarked contributions; and revenue from other activities. Table 1 shows the combination of instruments by United Nations entity. Flexible resources (notably assessed and voluntary core) can be applied more strategically to support the integrated implementation of Agenda 2030. Moreover, it gives the UN system the ability to adapt and reallocate resources in times of crises, such as the COVID-19 pandemic. Despite these benefits, UN funding remains highly earmarked to specific projects, programmes, and themes.

Voluntary core contributions are an important source of funding for many UN entities that receive little or no assessed contributions. In 2022, the top five recipients of voluntary core funding were: UNICEF (US\$ 1,320 million¹); UNHCR (US\$ 777 million); the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) (US\$ 734 million); UNDP (US\$ 609 million); and WFP (US\$ 607 million). Together, they received 66% of the total voluntary core resources contributed to the UN system.

As depicted in Figure 2, however, earmarked contributions have been the main driver behind the overall increase in UN system funding, more than doubling from US\$ 20.3 billion in 2010 to US\$ 49.6 billion in 2022, accounting for 67% of total resources. The UN system’s earmarked revenue grew from US\$ 40 billion in 2021 to US\$ 49.6 billion in 2022, an increase of US\$ 9.6 billion, or 24%. Notably, four UN entities – WFP, UNICEF, UNHCR and FAO – accounted for 90% of this growth.

The third section of Chapter 1 looks at who is funding the UN. In 2021, 72.4% of funding came directly from governments, with an additional 17.0% from multilateral institutions also largely funded by governments. Although the share of government funding remained stable compared to the previous year, there was a 2% shift in the composition of funding between OECD-DAC members and non-OECD-DAC members. In terms of volume, government contributions rose from US\$ 48.5 billion in 2021 to US\$ 53.8 billion in 2022, with US\$ 44.2 billion of this coming from OECD-DAC members.

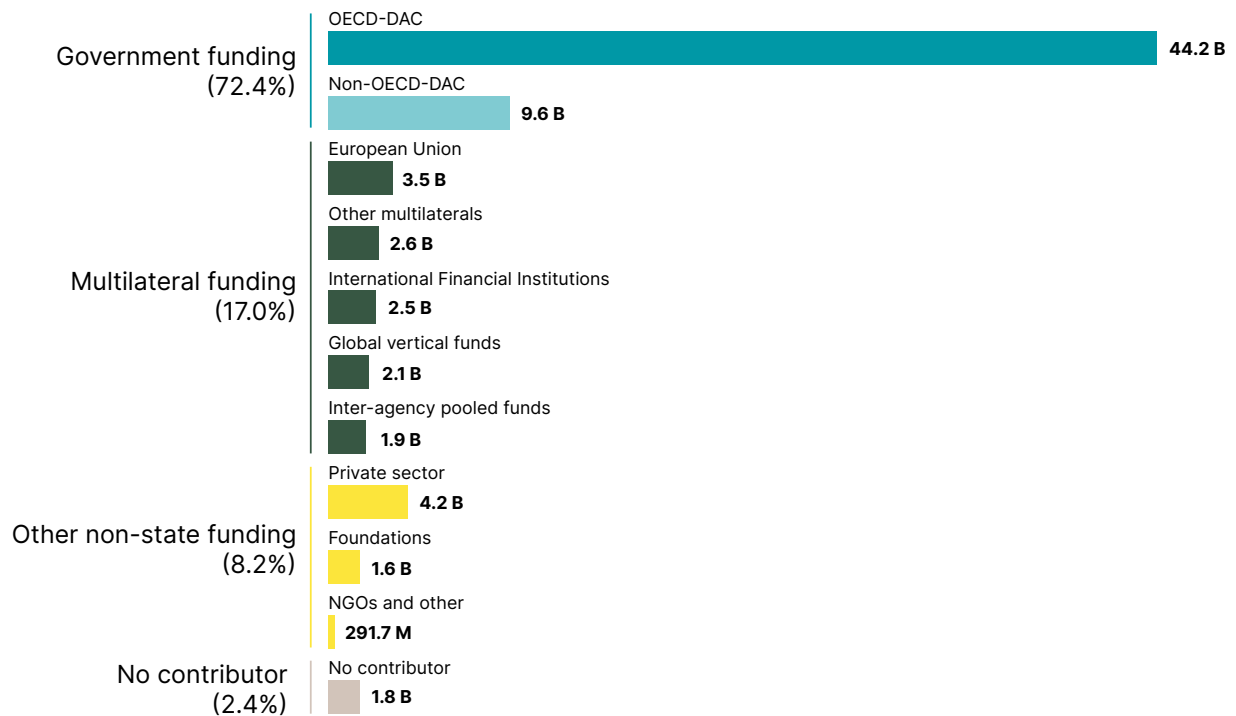
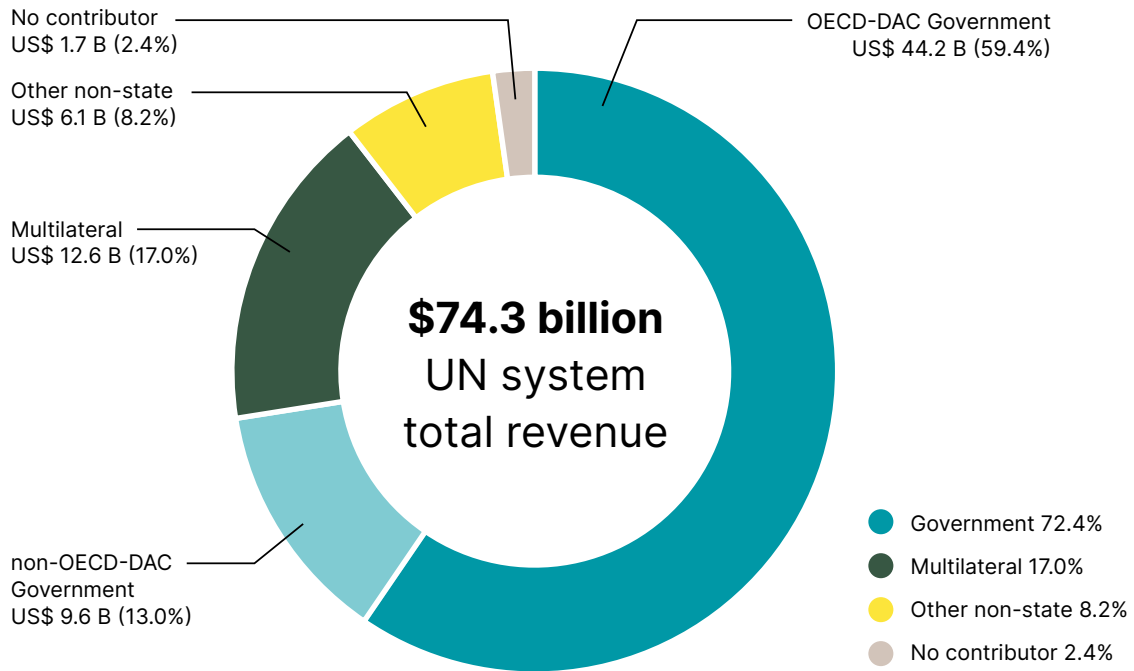
Funding to the UN remains highly concentrated, with the top ten Member States contributing 53% of total UN system revenue in 2022. Figure 8 illustrates how the distribution of total UN system revenue among contributors has evolved since 2010. The United States has maintained its position as the largest contributor to the UN throughout the period, providing around 20% of total funding. In 2022, the United States increased its funding to the UN system by US\$ 5.6 billion, reaching an all-time high of US\$ 18.1 billion. Revenue provided by non-Member State contributors grew from US\$ 10.7 billion to US\$ 20.5 billion over the same period, partly due to increased contributions from the European Union (EU) and other multilateral sources.

The fourth section of Chapter 1 addresses the funding ‘mix’ of donors to the United Nations: the distribution of their contributions across a sub-set of instruments: core (as discussed above), and three types of earmarked funding: inter-agency pooled funds, single-agency thematic funds, and other earmarked funds. The expressed data (as well as Figures 13 to 18 below), focus on the UN development system (UNDS), which encompasses entities promoting sustainable development and welfare in developing countries and countries in transition; referred to as UN operational activities for development (OAD). Despite what the name might suggest, OAD includes both development assistance-related activities and humanitarian assistance-related activities. In essence, the entities that constitute the UNDS are those with a mandate to promote economic and social development. In 2022, contributions to UN OAD were 73%, or US\$ 54.5 billion, of total UN system revenue (see definitions in Box 2, page 86).

The top ten OECD-DAC contributors together provided 65% of overall UN OAD funding in 2022 (Figure 14; up from 62% in 2021), with the mix of financing instruments varying between contributors. Switzerland and Norway contributed more than 30% of their funding as core resources (a target of both the 2019 and 2024 iterations of the Funding Compact). The Netherlands, Sweden, the United Kingdom and Germany also provided a substantial share of their contributions as core, or ‘core-like’ resources, while the United States and Japan contributed mainly through more tightly earmarked funding. Again, the EU is a unique case, rarely providing core funding due to the nature, and regulations, of the organisation.

Funding sources for the UN system, 2022

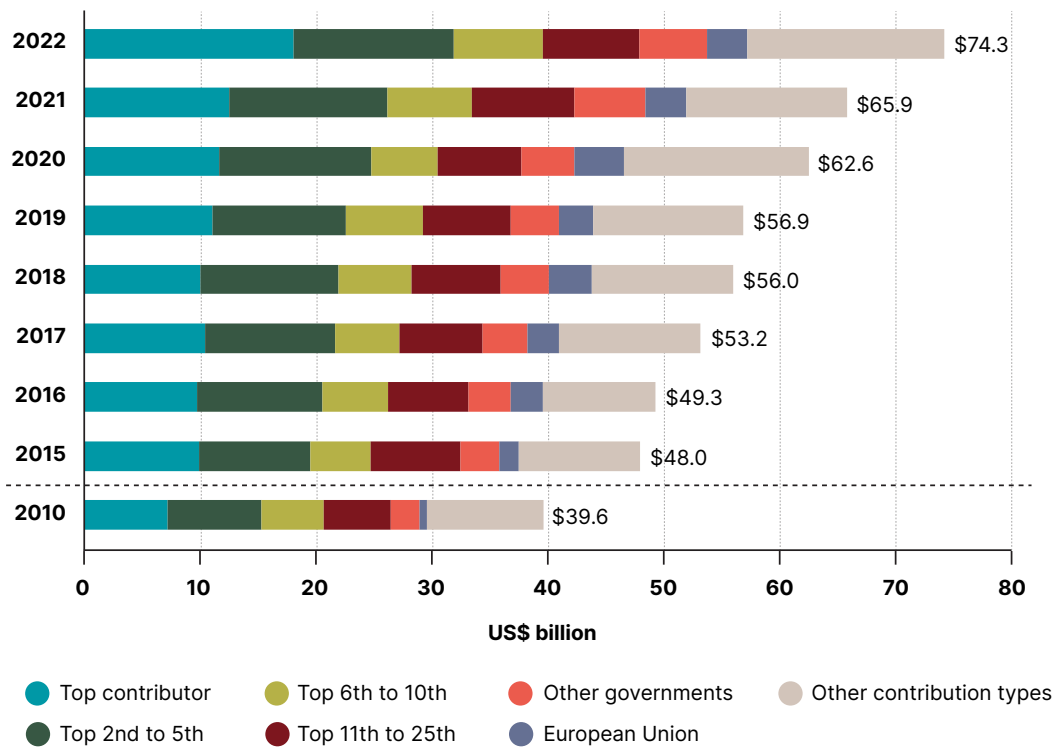
(Figure 7 from Part one)



Source: see page 48.

UN system funding by Member States and other contributors, 2010-2022 (US\$ billion)

(Figure 8 from Part one)



Source: see page 50.

Figure 15, conversely, illustrates the top ten non-OECD-DAC members’ total OAD contributions in 2022. On the left-hand side of the figure, the ranking excludes local resources – which are provided by countries for the purposes of implementing their own national development plans – while on the right-hand side, they are included. In both cases, China is the largest contributor to UN OAD, providing more than US\$ 500 million. When considering local resources, Argentina, the Democratic Republic of Congo, Somalia, and Colombia enter the top ten non-OECD-DAC UN OAD funding partners.

The non-OECD-DAC contributors to UN OAD display a more diverse funding mix. Contributions to inter-agency pooled funds, although more limited in this group, are to a degree growing. Qatar, the Russian Federation, Türkiye, and Brazil funded the UN Central Emergency Response Fund (CERF), as well as country funds in their respective regions. Single-agency thematic funds have not been

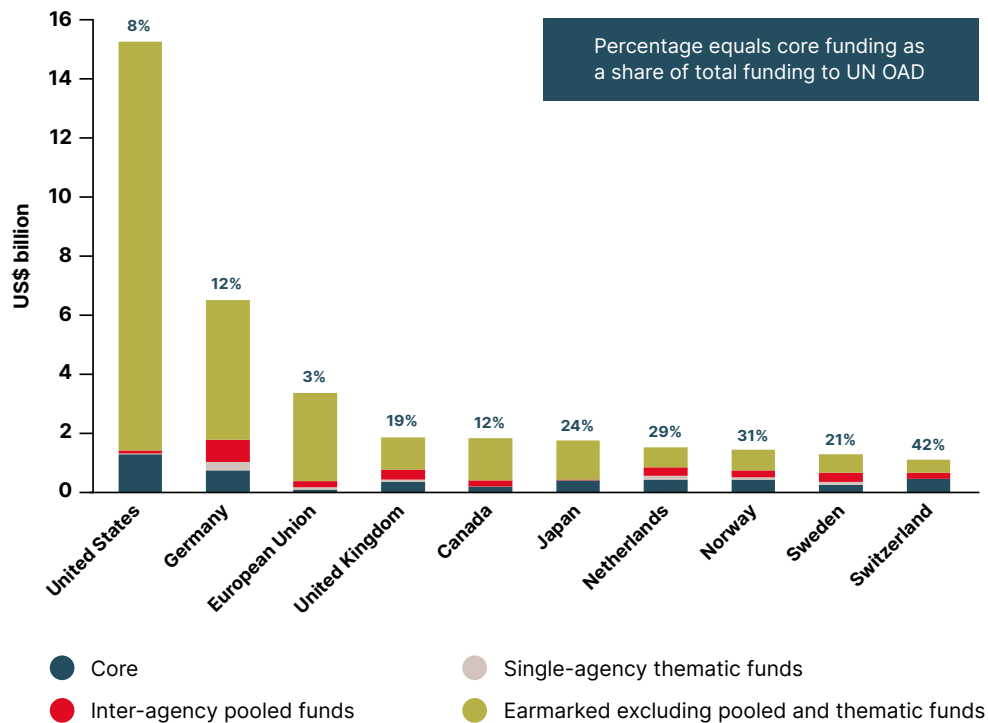
singled out as such contributions are not significant within the group. Most countries contribute a higher proportion of core funding than the top OECD-DAC countries.

Section five of Chapter 1 focuses on the annual contributions received by UN inter-agency pooled funds since 2010, disaggregated by thematic area. As seen in Figure 18, total contributions have nearly tripled from US\$ 1.2 billion in 2010 to US\$ 3.3 billion in 2022. While contributions to humanitarian pooled funds more than doubled from US\$ 0.8 billion in 2010 to US\$ 2.0 billion in 2022, it was development-related pooled funds that experienced the largest *proportional* growth during this period, from US\$ 0.4 billion to US\$ 1.3 billion.

Over the 2010–2022 period, humanitarian funds constituted roughly 60% of all the contributions received by UN inter-agency pooled funds, reflecting a long-term trend of pooled

Funding composition for UN OAD: Top 10 OECD-DAC contributors, 2022 (US\$ billion)

(Figure 14 from Part one)



Source: see page 57.

funding being used to respond, with flexibility, to humanitarian needs. Contributions to development-related funds represented 39% of pooled fund contributions in 2022. Additionally, after six consecutive years of growth, contributions to development-related inter-agency pooled funds decreased from US\$ 1.6 billion in 2021 to US\$ 1.3 billion in 2022 – a 21% reduction. Contributory factors to this particularly low level of capitalisation include the closing of the inaugural phase of the Spotlight Initiative Fund, and reduced levels of funding for the Joint SDG Fund and the Peacebuilding Fund.

The sixth and final section of Chapter 1 seeks to contextualise the preceding analysis with a perspective on the broader ‘official development assistance’ (ODA) picture. Figure 24 compares the official development assistance (ODA) provided by OECD-DAC members to various multilateral institutions, including the distribution between

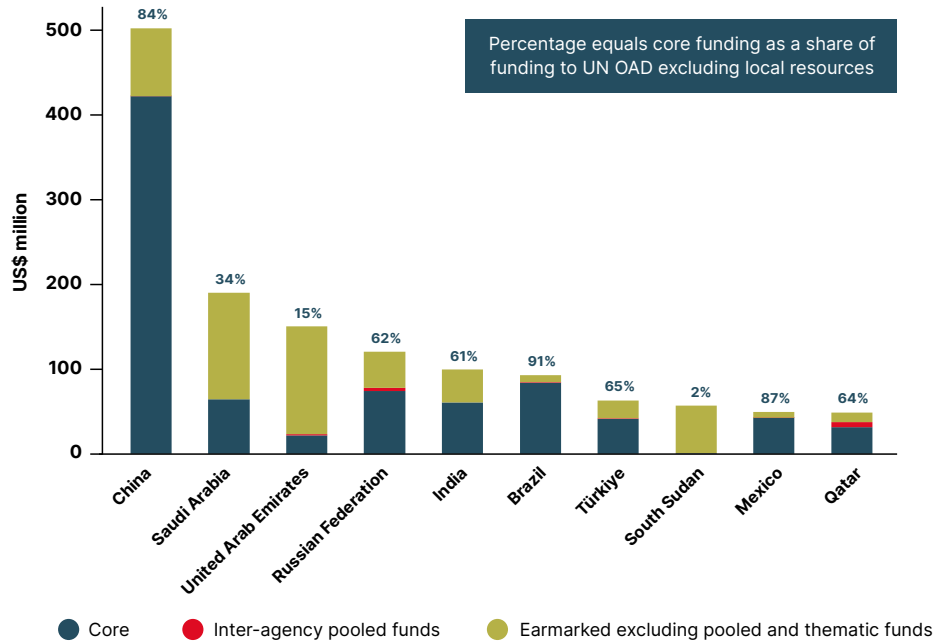
core and earmarked funding. The UN stands out as almost the only major multilateral actor receiving a majority of earmarked – as opposed to core – contributions. The only comparable reference point is earmarked resources channelled to the World Bank Group, growing from US\$ 2.7 billion to US\$ 12.1 billion between 2021 and 2022. This US\$ 9.4 billion increase is primarily attributable to funding from the United States to Ukraine, including US\$ 8.5 billion channelled through the International Development Association of the World Bank Group.

Chapter Two: Where is UN funding allocated? Chapter 2 looks at UN funding allocations, with the first section of the Chapter focused on total expenditure, which reached US\$ 67.5 billion in 2022, an increase of US\$ 7 billion – almost 12% – compared to the previous year. As shown in the doughnut in Figure 25, which illustrates

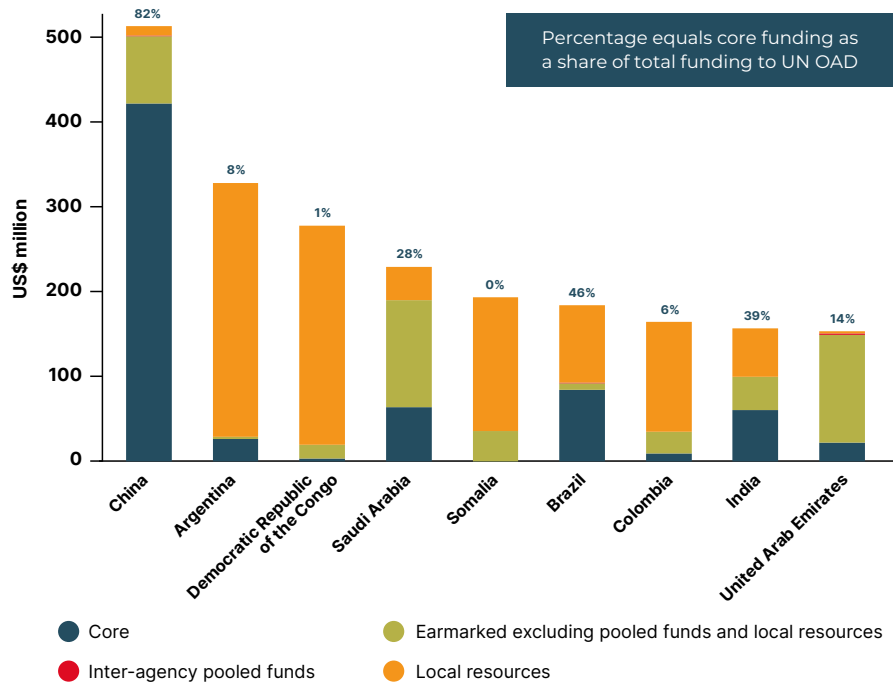
Funding composition for UN OAD: Top 10 non-OECD-DAC contributors, 2022 (US\$ million)

(Figure 15 from Part one)

(A) Excluding local resources



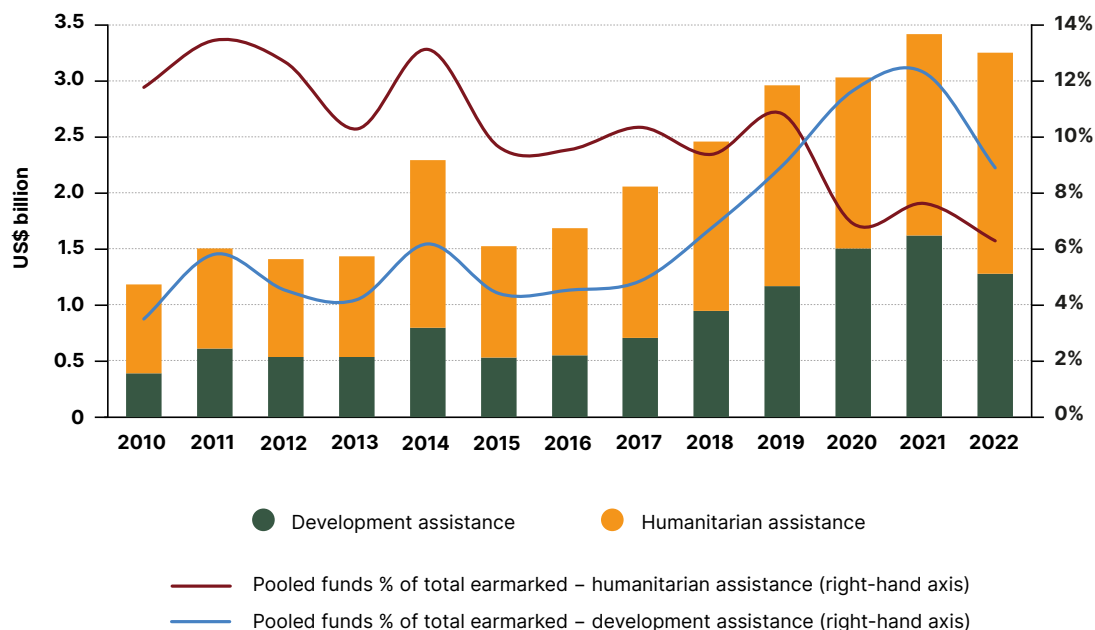
(B) Including local resources



Source: see page 58.

Deposits to UN Inter-agency pooled funds, 2010-2022 (US\$ billion)

(Figure 18 from Part one)



Source: see page 62.

how these funds were distributed among four key functions in 2022, development assistance accounted for US\$ 20.1 billion, comprising 30% of total annual UN system-wide expenditure, while the equivalent figures for humanitarian assistance were US\$ 31.1 billion and 46%.

The primary objective of humanitarian assistance is to save lives, alleviate suffering and maintain human dignity, often as a response to natural disasters or man-made crises. There has been a dramatic rise in the number of people in need of humanitarian assistance over the period in question, from 136 million people worldwide in 2018 to 339 million people in 2022. Behind this expansion lies what has been termed a ‘polycrisis’, which encompasses factors ranging from health epidemics to protracted conflicts; forced displacement to increased costs-of-living; acute food insecurity to the impacts of climate change. Unmet appeal requirements – the disparity between needs and required funding – reached US\$ 21.3 billion in 2022: although the US\$ 30.4 billion of coordinated plan funding

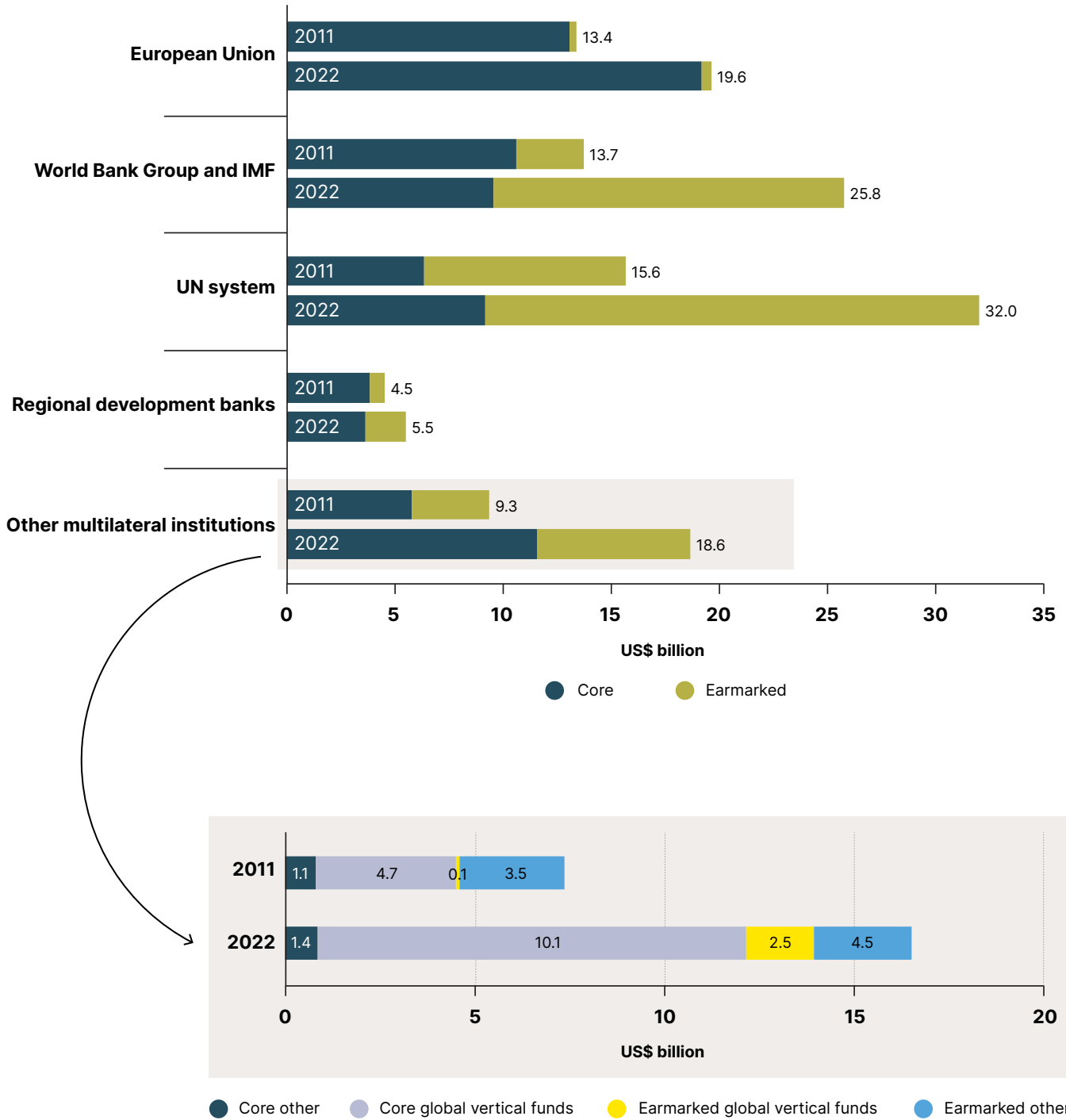
represented a record high, the estimated resources required to assist the 230 million people most in need of humanitarian assistance stood at US\$ 51.7 billion. (Endnote 28)

By contrast, total spending on peace operations fell from US\$ 9.9 billion in 2018 to US\$ 8.7 billion in 2022. This decrease is explained by the closure or transitioning of UN peacekeeping missions: the UN Mission in Liberia (UNMIL) closed on March 2018; the UN Mission for Justice Support in Haiti (MINUJUSTH) closed on October 2019; and the African Union–UN hybrid operation in Darfur in 2020 (UNAMID) officially ended its mission in December 2020.

Table 4 provides a comprehensive breakdown of 2022 expenditure by select UN entities and functions, with the sparklines showing how expenditure has developed over time. In line with UN revenue dynamics, expenditure has increased 69% since 2010. This growth is largely attributable

Channels of multilateral assistance from OECD-DAC countries, core and earmarked, 2011 and 2022 (US\$ billion, at 2021 constant prices)

(Figure 24 from Part one)



Source: see page 69.

to five UN entities – WFP, UNICEF, UNHCR, the UN Secretariat and WHO – which collectively account for 78% of this increase. The WFP and UNHCR both have a primary focus on humanitarian support, while UNICEF’s allocations are distributed between development and humanitarian assistance. The WHO focuses mainly on global agenda and specialised assistance, and the UN Secretariat distributes expenditure across all four functions.

The central role played by the UN in responding to growing humanitarian need across the world – not least relative to other areas of its work – is evident in Figure 27, which illustrates total UNDS expenditure by development assistance, and humanitarian assistance. In 2022, UN OAD allocations amounted to US\$ 51.2 billion, of which US\$ 20 billion was development assistance and US\$ 31.1 billion humanitarian assistance. Humanitarian expenditure shows a notable upward trend, reflecting an annual average increase rate of 11.0% between 2010 and 2022, comprehensively outpacing development assistance. By contrast, funding for

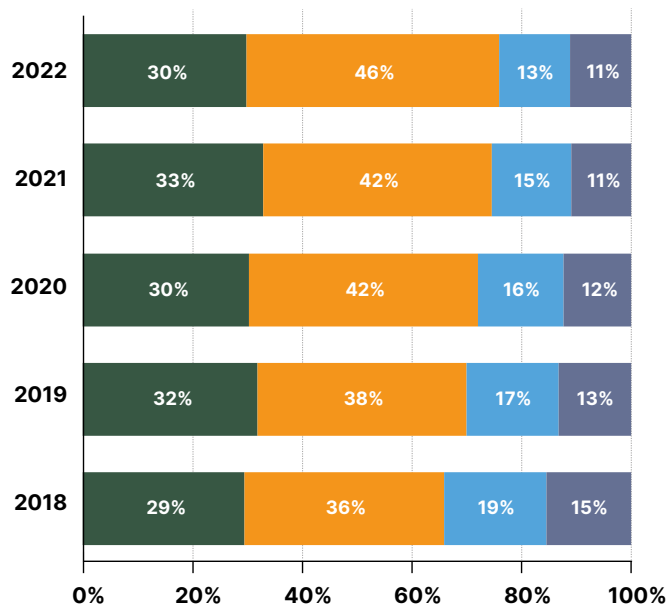
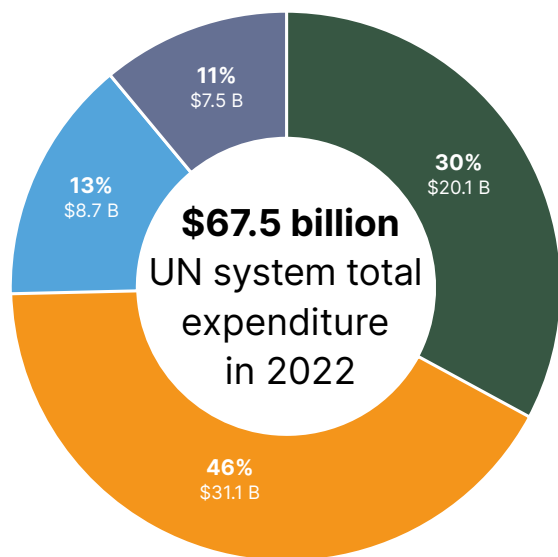
development assistance – an area in which numerous other development partners, including IFIs, are active – fluctuated between US\$ 15 billion and US\$ 20 billion over the same period, with a modest annual average increase rate of 2.0%.

The second section of Chapter 2 looks at the distribution of this expenditure by region and income level. Figure 28 provides an overview of how UNDS expenditure has evolved by region since 2010. Africa and Western Asia had the largest shares of UN OAD expenditure in 2022, receiving 34% and 19% respectively of the US\$ 51.2 billion distributed. Notably, Europe saw the highest growth between 2021 and 2022, with expenditures surging from US\$ 1.3 billion to US\$ 3.7 billion, with US\$ 2.2 billion allocated to address critical humanitarian needs resulting from the intensified armed conflict in Ukraine.

Total allocations to low-income countries increased from US\$ 16 billion in 2021 to US\$ 17.4 billion in 2022. Notably, ODA

UN system expenditure by function, 2018–2022

(Figure 25 from Part one)



● Development assistance ● Humanitarian assistance ● Peace operations ● Global agenda and specialised assistance

Source: see page 71.



Total expenditure of the UN system by entity and function, 2022 and 2010-2022 (US\$ million)

(Table 4 from Part one)

Entity	Humanitarian assistance 2022	Development assistance 2022	Peace operations 2022	Global agenda 2022	Total expenditure 2022	2010-2022
UN Secretariat	2,887	1,419	1,347	1,624	7,277	4B — 7B
UN-DPO			7,091		7,091	8B — 7B
CTBTO				117	117	125M — 117M
FAO	220	1,244		478	1,942	1B — 2B
IAEA				687	687	585M — 687M
IARC				51	51	46M — 51M
ICAO				199	199	235M — 199M
ICC				174	174	187M — 174M
IFAD		220			220	784M — 220M
ILO	72	572		147	791	587M — 791M
IMO				65	65	68M — 65M
IOM	1,810	737		376	2,923	1B — 3B
IRMCT				86	86	86M — 86M
ISA				13	13	8M — 13M
ITC		158			158	71M — 158M
ITLOS				18	18	12M — 18M
ITU		54		165	219	193M — 219M
OPCW				89	89	84M — 89M
PAHO		1,436			1,436	927M — 1B
UNAIDS		195			195	284M — 195M
UNCCD				23	23	19M — 23M
UNCDF		116			116	65M — 116M
UNDP	552	4,796			5,348	6B — 5B
UNEP		627			627	449M — 627M
UNESCO	14	478		191	683	797M — 683M
UNFCCC				133	133	95M — 133M
UNFPA	624	819			1,443	824M — 1B
UN-HABITAT	19	119		80	218	201M — 218M
UNHCR	5,362				5,362	2B — 5B
UNICEF	4,927	3,614			8,541	4B — 9B
UNIDO		330			330	225M — 330M
UNITAID	190				190	216M — 190M
UNITAR				41	41	20M — 41M
UNODC		406			406	211M — 406M
UNOPS	66	908	246	3	1,223	65M — 1B
UNRWA	1,312				1,312	555M — 1B
UNSCC		15			15	10M — 15M
UNU				146	146	60M — 146M
UN Women	65	425		50	540	198M — 540M
UNWTO				30	30	22M — 30M
UPU				81	81	50M — 81M
WFP	11,865	374			12,239	4B — 12B
WHO	1,117	990		1,741	3,848	2B — 4B
WIPO		73		322	395	324M — 395M
WMO				105	105	88M — 105M
WTO		19		289	308	226M — 308M
Total	31,101	20,142	8,685	7,522	67,450	40B — 67M

UNV and UNICRI are included under UNDP and UNODC, respectively.
Source: Chief Executives Board for Coordination (CEB).
For notes – see page 99.

funding to low-income countries is earmarked to a higher extent than support to higher-income UN programme countries: only 10% of UN OAD to low-income countries consisted of core (assessed and voluntary core) funding in 2022.

The third section of Chapter 2 looks at expenditure along the humanitarian-development-peace 'nexus': a term for programming in specific settings that acknowledges the multi-dimensional nature of crises and aims to bridge humanitarian assistance and development efforts while simultaneously addressing or preventing conflict.

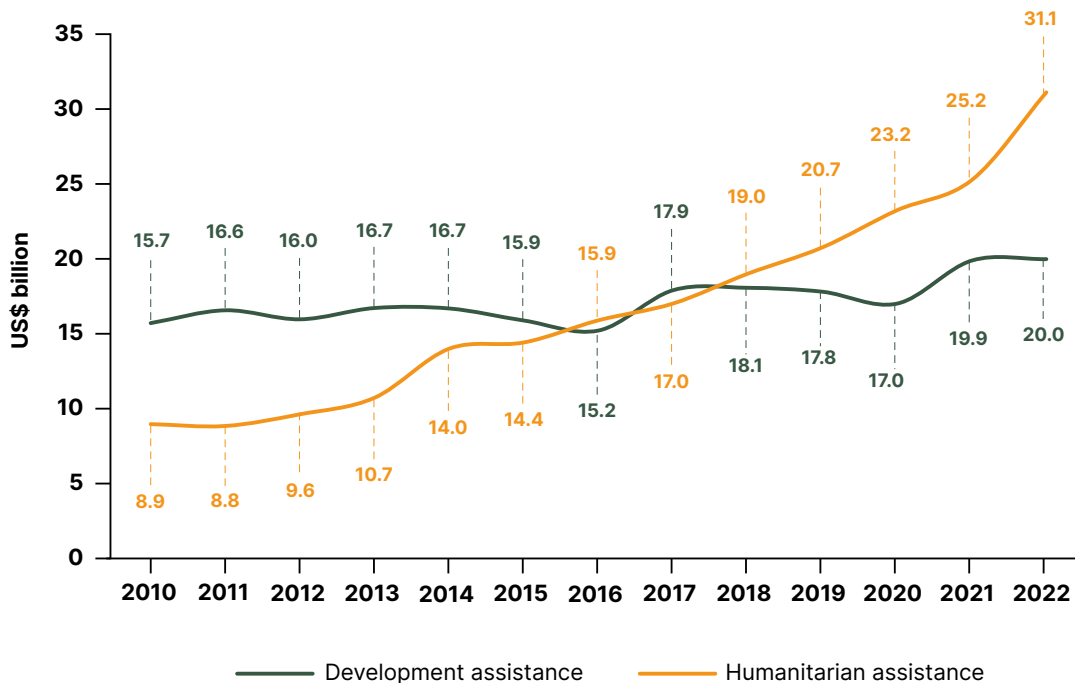
Figure 31 displays the 29 crisis-affected countries that received more than US\$ 200 million in UN expenditure in 2022. It also delineates the distribution between humanitarian assistance, development assistance, peacekeeping missions, and political and peacebuilding affairs. In 2022, UN expenditure across all the 42 crisis-affected countries amounted to US\$ 36 billion, 48% of which was

directed to seven countries: Afghanistan, the Democratic Republic of Congo, Lebanon, Somalia, South Sudan, Ukraine and Yemen. Each of these countries received more than US\$ 2 billion. Breaking down total UN expenditure to the 29 crisis-affected countries featured in Figure 31, 62% of 2022 funding was directed to humanitarian activities, 18% to development assistance, and 20% to peacekeeping operations and political and peacebuilding affairs.

There are, however, some crisis-affected countries where a large proportion of UN expenditure is directed towards development activities, as exemplified by Colombia (45%), Guatemala (72%), Pakistan (61%) and Zimbabwe (67%). This is reflective of the UNDS's attempts to scale up existing development activities – such as investments in basic health services, improving access to quality education and strengthening institutions – to reduce poverty and promote sustainable development.

Total UN expenditure on development and humanitarian assistance, 2010–2022 (US\$ billion)

(Figure 27 from Part one)

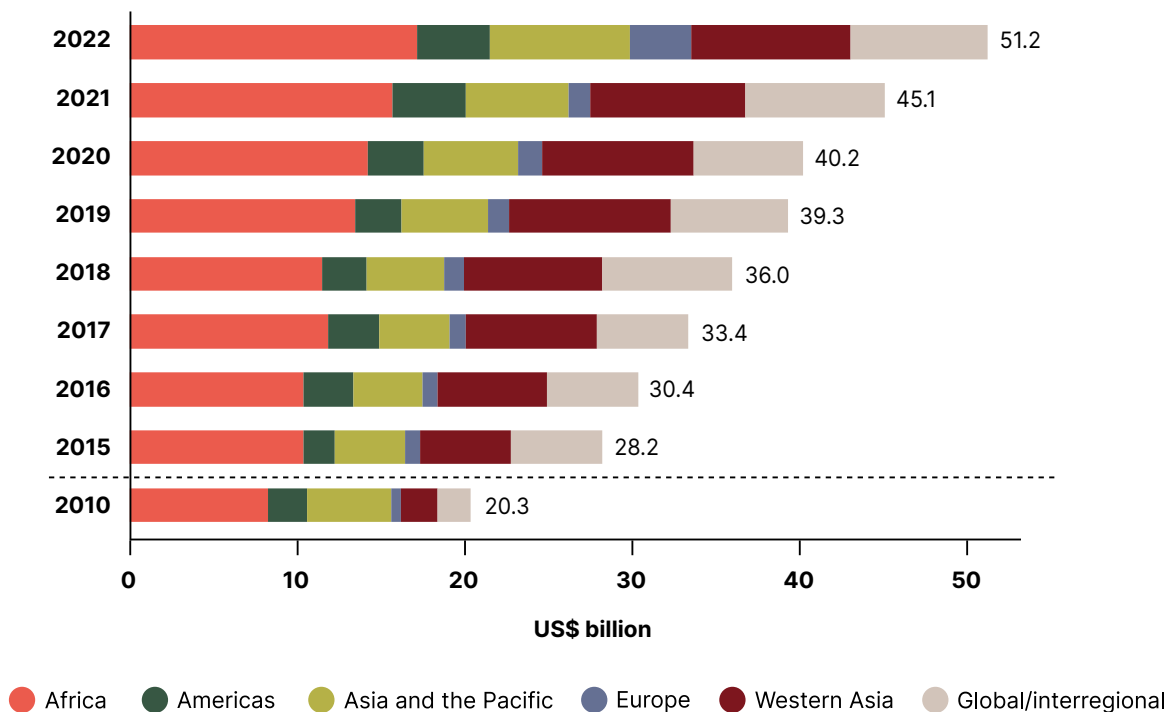


Source: see page 75.



Expenditure on UN OAD by region, 2010–2022 (US\$ billion)

(Figure 28 from Part one)



Source: see page 76.

The fourth and final section of Chapter 2 looks at allocations by SDGs. In 2022, 40 UN entities (up from only 11 as recently as 2018) reported US\$ 57.6 billion in allocations aligned with SDG goals, accounting for 85% of the total UN system expenditure of US\$ 67.5 billion. Figure 33 illustrates how this was distributed among the 17 SDGs, with expenditure directed towards eradicating hunger (SDG 2), ensuring health and well-being (SDG 3), and promoting peace, justice and strong institutions (SDG 16) accounting for 58% of these resources.

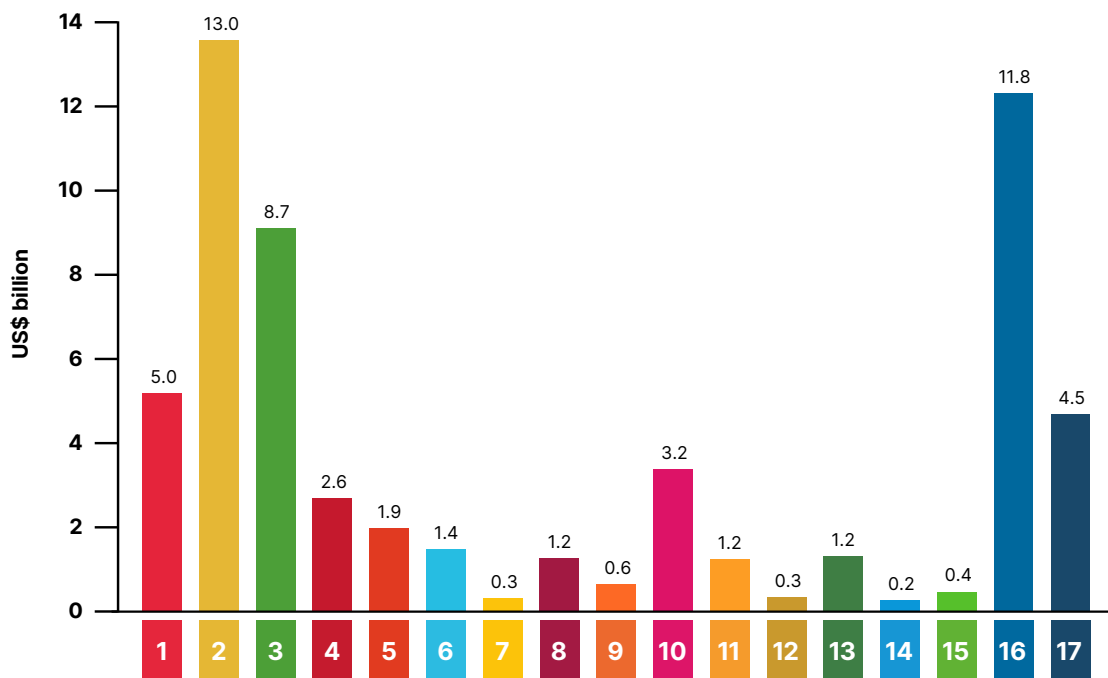
The distribution of resources across SDGs varies significantly between UN entities. Specialised agencies often prioritise SDGs aligned with their core mission: for instance, UN-DPO, the International Criminal Court and the International Residual Mechanism for Criminal Tribunals focus exclusively on SDG 16, while WHO dedicated 97% of its expenditure to SDG 3. Other entities may primarily support achievement of a particular

SDG while also contributing to a broader spectrum of SDGs: for example, ILO allocates 60% of its expenditure to promoting decent work and economic growth (SDG 8), while also contributing to SDG 16, reducing inequalities (SDG 10), partnerships (SDG 17) and promoting gender equality (SDG 5). Certain UN entities, such as the UN Secretariat and UNDP, contribute to all the SDGs, highlighting the integrated, interdependent nature of the global goals.

The substantial expenditure aligned with SDG 2 in 2022 (US\$ 13 billion) underscores the challenges currently faced by global food supply systems. Additionally, the conflict in Ukraine has introduced another threat to global food security given that Ukraine and the Russian Federation are between them responsible for supplying half the world's global wheat and maize exports (30% and 20% respectively) and are also major exporters of fertilisers. (Endnote 40)

Aggregated UN expenditure linked to the SDGs as reported by 40 UN entities, 2022 (US\$ billion)

(Figure 33 from Part one)



Source: see page 33.

Chapter 3: Year two of the Data Cube strategy: Taking stock of where we are

Finally, closing out part 1 of the Report, the United Nations System Chief Executives Board for Coordination (CEB) Secretariat gives an overview of the implementation of **the 'Data Cube' initiative**. The CEB Secretariat is the UN inter-agency entity responsible for supporting the work of the CEB and is the UN system's highest-level coordination forum in the programme and management areas. The initiative's overall objectives are to **maximise transparency** and **minimise efforts**, as well as reduce the reporting burden of UN entities. A key achievement in this respect was agreement on a UN CEB minimum dataset, resulting in impressive progress in the comprehensiveness and quality of reporting by UN entities since the introduction of the UN Data Standards in 2018.

Part Two: Market place of ideas

In the first contribution, **Financing global public goods: Threat or opportunity for sustainable and inclusive development?**² the imperative of why providing global public goods is perceived as competing with other priorities development associated like eliminating poverty and promoting the convergence of living standards of low- and middle-income countries with those with higher levels of income is discussed by **Pedro Conceição**. He shows how the failure to provide global public goods exacerbates development challenges, based on evidence of how the management of the COVID-19 pandemic impacted human development. The following pertinent questions comes up: What will happen if we do not confront permanent losses in human development? What is the true meaning of leaving no one behind and reaching the furthest behind the first? And what will be required to bring about a long-lasting shift in the extreme poverty reduction trajectory?

Positing that a lack of provision of global public goods such as climate change mitigation is likely to result in an explosion of inequalities in human development. He reviewed how national political polarisation harms global public goods provision and looks at enhancing international collective action as well as how more universalist beliefs are correlated with altruistic concerns both for the global poor and the environment. Pedro Conceição offers the idea that multilateral institutions can articulate more clearly their potential role in channelling these resources by building and expanding, their track record of pooling and allocating international financial resources to meet country needs.³ Concluding with the example of humanitarian support where the UN allocate assistance based on actual needs.⁴ The expansion need to consider supporting low- and middle-income countries to contribute to global public goods.

Following, economist **Donald Kaberuka** who brings decades of experience from the development finance sector gives a broad overview of **perspectives on financial reform to bridge the North-South divide**. He argues that there is no shortage of ideas on how to reform the International Financial Institutions, but questions what is preventing the uptake of these proposals. Donald Kaberuka calls for the need to focus on what we should do, at least in some of those areas, for the reforms to be applied now as there is no mechanism to intermediate the savings of the global North for better and increase social returns in the South which is considered risky. Rather than concertation on how much money is collected and disbursed, the international financial institutions should focus on how to catalyse additional capital to de-risk global South investments. A solution can be that global North fund managers can find a third party to help with de-risking global South investments and increase capital flows from North to South. This is a needed mechanism, but he does not know if it will happen. Lifting that not much has happened since the report on multilateralism was published in 2023, with a world characterised by an increasing level of deeper, more frequent global shocks that will require a shape-up to address things differently.⁵

In conclusion, he shares a COVID-19 pandemic example of how well South Korea, Vietnam and his own country Rwanda did with their vaccine response, creating safety

nets and preserving livelihoods, in contrast to places like northern Italy, and parts of the US, with more resources and capacities, but did badly.⁶ The forementioned countries generated social capital around a problem, were open to learn irrespective their status 'on the food chain' or level of wealth. Donald Kaberuka leaves us with the question: 'Are we there yet? I am not sure, but I hope we get there soon.'

In his contribution **Reductions, reallocations and replenishments – Will this be the year of the big squeeze on the UN Development System? John Hendra** reminds us that the world today continues to suffer multiple crises stemming from wars in Ukraine and Gaza, concomitant cost-of-living, food and fuel crises, an uneven recovery from the COVID-19 pandemic, a debt crisis for many countries in the global South and a burning climate crisis. Acknowledging that while the 2030 Agenda remains the roadmap going forward, there is no doubt that the world must scale up significantly to get back on a path to achieve the Sustainable Development Goals (SDGs). He gives an overview of the preliminary 2023 ODA figures, questions the quality of the UNDS funding in the near term, follows the UNDS funding flows by type of activity for 2012 to 2022 and looks at the trends in core and non-core funding flows to the UNDS over the same period. Based on this overview he raises three major reasons for increased concern: first, reductions — decline of the top donors to the UN; second, reallocations — a tale of two targets; and third, replenishments — pileup on the runway?

Bringing his extensive UN system experience, John Hendra offer some ideas on what should be done going forward. Contending that several reinforcing political and policy actions can help to start rebuilding more quality funding for the UNDS. It can also support mitigating the risk of a 'force majeure' funding crisis in some key parts of the UN (eg unique normative functions) and strengthen coordination, complementarity and collaboration across the multilateral system at a time when it has rarely been so sorely needed. In addition, proposing interventions such as ensuring greater levels of quality UNDS funding through the new Funding Compact, the next Quadrennial Comprehensive Policy Review and the upcoming UN Financing for Development Conference. Other elements can be focussing on the objectives and commitments of

the re-energised Funding Compact for the UN's support to the Sustainable Development Goals and working towards a more systemic approach to funding across the multilateral system. In conclusion he reiterates the pressing need for leaders to look across the *whole system* in terms of relative comparative advantage, how to incentivise greater complementarity and, importantly, how to ensure that the unique assets of the multilateral system, such as the normative role, are adequately funded. Particularly as this new era of polycrisis has tragically shown, less money for sustainable development today often translates into greater spending on humanitarian crises tomorrow.

In **Multifaceted approaches to finance environmental action sustainably**, contributor Elizabeth Maruma Mrema, gives an insightful overview of how the United Nations Environment Programme (UNEP) as the leading environmental authority supports the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system while serving as an authoritative advocate for the global environment. We learn about the UN Environment Assembly (UNEA) where the 193 UN Member States meet to discuss UNEP's major decisions, global environmental issues and required financial commitments. Unlike other UN entities, UNEP relies entirely on voluntary contributions from Member States, with the UN Regular Budget forming a smaller portion at less than 5% to support UNEP Secretariat core functions and UN system coordination. This voluntary funding comes from three primary streams with the core Environment Fund providing essential capacity for UNEP's operations, at only about 15% of the total, which is a drop in the ocean considering the magnitude of the environmental challenges we face. The Voluntary Indicative Scale of Contributions (VISIC), introduced in 2002, encourages Member States to contribute based on their capacity with the aim of widening the funding base and enhancing funding predictability. Currently 90% of UNEP's funding comes from 15 donor countries. Earmarked funds for specific environmental action designated for specific projects, themes, or countries, often determined by funding partners in collaboration with UNEP. This category forms around 80% of UNEP's funding and includes contributions from various global funds such as the Global Environment

Facility and the Green Climate Fund and earmarked funding from the Member States and others.^{7,8}

Elizabeth Maruma Mrema believes that mobilising financial resources for environmental protection craves changing financial system norms. She sees public finance and an enabling macroeconomic policy environment as essential for sustainability with supporting foundational investments, policies, and innovations needed to address the triple planetary crisis. For example, the Seed Capital Assistance Facility (SCAF), is a multi-donor trust fund that support private sector investment and development companies working in high-risk frontier markets in Africa and Asia. Through innovative transactions, UNEP's Finance Initiative (FI) has established critical sustainable frameworks within the finance industry, including the Principles for Responsible Investment, Principles for Sustainable Insurance, and Principles for Responsible Banking.⁹ UNEP tries to bring a stronger science voice, evidence of common denominators to the debate and decision making, because we know environmental crisis do not know borders. International Financial Institutions and donors can better support these efforts by including environmental sustainability aspects in their decision making on financial support.

Next in the **Financing the triple nexus in Somalia** interview, **George Conway**, shared that the humanitarian context in Somalia has been volatile, coming out of the worst drought in over 60 years during 2023, despite its minimal contribution to global climate change and being one of the most affected by the climate crisis. And yet, Somalia hasn't received adequate climate financing commensurate with the need. George Conway raises the issue of decision-making by traditional Official Development Assistance (ODA) partners that is often affected by political dynamics at home and in recipient countries. In a context like Somalia, with its recurring humanitarian crises, and enduring political complexity, there's a tendency for humanitarian aid to dominate donor country engagement since it is guided by humanitarian principles and can show some immediate results. The Government of Somalia has endeavoured to reconstruct its financial management infrastructure from the ground up over the past decade with notable advancements such as a fourfold domestic revenue increase since 2012 and rising by 25% in 2023. There are deliberate efforts to

strengthen collaboration and incentivise collective action between the UN political mission, the UN country team, and the Humanitarian Country Team since 2014 when the UN presence in Somalia became an integrated mission. Pooled financing mechanisms exist for the humanitarian, development and peace nexus.

The Somalia Humanitarian Fund was established in 2010 as a response to the then occurring famine. In 2014, the first Multi Partner Trust Fund (MPTF) for Somalia was launched, aligning with the UN Cooperation Framework and the 'New Deal for Somalia'. Concrete evidence of notable progress with institution and state-building, is enabling national, state, and local authorities to assume greater responsibility in providing a protective environment for their citizens. Somalia is currently finalising its Centennial Vision for 2060, which aligns broadly with the African Union (AU) 2063 agenda.¹⁰ This vision aims towards a society that moves past its history of fragility and conflict to provide justice, security, economic opportunities, and investments in human capital for its most vulnerable populations, ultimately transforming Somalia in the years to come towards a middle-income country at peace with itself and the world.

The final contribution in the marketplace of ideas is the **Funding Compact 2.0 holds potential for improving development outcomes** research report where **Annelies Hickendorff** and **Marijana Markotić Andrić** give an overview of the preliminary results of an independent qualitative assessment to identify key factors driving country-level progress of the Funding Compact commitments. Fifty interviews were conducted with government representatives, UN agencies and Member States in 15 countries across Africa, South America and Europe between November 2023 and May 2024.¹¹ This is part of an ongoing collaboration between the Dag Hammarskjöld Foundation and the United Nations Development Coordination Office (DCO). The goal is to understand the impact of the United Nations' systematic engagement to build financial frameworks and infrastructure to support Member States towards the successful implementation of the 2030 Agenda for Sustainable Development. Central to this work is the United Nations Funding Compact which was launched in 2019 and revitalised in 2024 and represents

a pledge to the shared responsibility between Member States and the United Nations.¹² Its primary aim is to secure predictable and flexible financing for UN development initiatives in support of the 17 Sustainable Development Goals (SDGs). This global compact commits Member States to provide more core, predictable non-core, and flexible funding, while the UN champions strengthening transparency, visibility and accountability while investing in shared analyses, evaluations and strategic dialogue. However, despite its ambitious goals, progress has been uneven.¹³ The preliminary findings are summarised into five knowledge categories: (1) awareness; (2) the interplay between Member State dynamics and funding decisions; (3) funding instruments and the transformational potential of pooled funding; (4) transparency and visibility; and (5) leveraging private sector partnerships. The interviews also showed that the re-energised Funding Compact 2.0 holds significant potential for improving development outcomes by emphasising strategic country-level engagement, enhancing funding flexibility, and promoting transparency. However, despite this progress, awareness remains inconsistent, particularly amongst Member States. Respondents lifted the importance of host governments and the role of the Resident Coordinator. The transformative potential of pooled funding and the importance of leveraging private sector partnerships were emphasised as critical components to achieving the Sustainable Development Goals (SDGs). Overall, the effective implementation of the Funding Compact 2.0 requires improved communication, coordinated efforts, and innovative approaches to ensure comprehensive understanding and stable financial support.

Endnotes

- 1 UNICEF receives voluntary core funding contributions both from governments and through National Committees, which raise un-earmarked funds from resource partners in the private sector (including civil society groups, companies and individual donors) and foundations worldwide. Voluntary core resources constituted 13% of UNICEF's overall income in 2022.
This chapter draws on the 'Human Development Report 2023/2024, Breaking the gridlock' (New York: United Nations Development Programme, 2024), with some of the material extracted from Chapter 6.
- 2 For more specific suggestions on the implications for international financial institutions see the contribution by John Hendra in this volume.
- 3 Lisa M. Dellmuth, Frida A.-M. Bender, Aiden R. Jönsson and Nina von Uexkull, 'Humanitarian Need Drives Multilateral Disaster Aid', *Proceedings of the National Academy of Sciences* 118(4): e2018293118, 2021.
- 4 High-Level Advisory Board on Effective Multilateralism (HLAB), 'A Breakthrough for People and Planet: Effective and Inclusive Global Governance for Today and the Future', (New York: United Nations University, 2023).
- 5 <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>.
- 6 <https://www.thegef.org>.
- 7 <https://www.greenclimate.fund>.
- 8 <https://www.unepfi.org>.
- 9 <https://nec.gov.so/cv2060-presidential-initiatives/>.
- 10 This review is a follow up of the 'The Way Forward: Fulfilling the Potential of the Funding Compact at the Country Level' (Uppsala: Dag Hammarskjöld Foundation, 2023), <https://www.daghammarskjold.se/wp-content/uploads/2021/11/dhf-funding-compact-2021-web.pdf>.
- 11 United Nations, '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', (New York: United Nations, June 2024), <https://unsdg.un.org/sites/default/files/2022-10/N1909671.pdf>.
- 12 See contribution by John Hendra in this publication on page 123.



Part One

United Nations
resource flows

United Nations resource flows

- Overview
- How is the UN funded?
- Where is UN funding allocated?
- Year two of the Data Cube strategy:
Taking stock of where we are



Overview

The United Nations consists of a wide range of entities with varied mandates and sources of funding. The UN financing architecture may therefore, at first, seem complex.

Part One of this report aims to unpack the data on UN financing flows and cast light both on how the UN is funded, by whom, and through which modalities. In recent years, the UN and its Member States have emphasised the importance of not only the quantity but the quality of UN funding if the organisation is to support transformative action for ‘people, planet and prosperity’, in line with the Agenda 2030. This is especially evident in periods of crises, when changing needs require quick responses. It has been said that ‘we get the UN that we fund’. Given the multiple crises on-going globally, flexible funding that allows the UN to respond adequately is more crucial than ever.

The first chapter of Part One describes revenue flows to the UN. Who are the contributors and what are their funding priorities? Through which instruments is funding provided and how does this activity relate to broader Official Development Assistance (ODA) flows?

Chapter 2 explores the other side of the financial flows: how UN funding is allocated, to what purposes, and the distribution of expenditure among UN entities. UN reporting towards the Sustainable Development Goals (SDGs) has expanded significantly, making it possible to link the vast majority of UN expenditure to them. The figures and tables in Part One are based on the latest available – certified and validated – data, which means financing flows for 2022. The main data sources used are further defined in Box 2 on page 86.

Due to these lags in data, on-going conflicts, especially the war in Ukraine, and resulting inflationary effects, are now more apparent in the data. Governments also increasingly

redirected ODA to meet humanitarian and development needs in Ukraine, and support associated migration flows. The response to the COVID-19 pandemic, meanwhile, is also still a part of this narrative in a way that is perhaps hard to recall from the current vantage-point (late 2024).

With the UN Secretary-General hosting the ‘Summit of the Future’ in September 2024, and in light of compounding global challenges, are current levels of UN development system (UNDS) financing adequate? Or are further investments needed to create future resilience? What financing modalities and partnerships should be pursued, and what strategic choices need to be made?

Quality funding, UN reform, and review processes

The **UN Funding Compact** referred to in Part One is a framework developed by the UN and its Member States to enhance the effectiveness, transparency and accountability of the organisation’s funding. It was first launched in 2019 as a response to increased demand for more flexible and effective funding mechanisms for development, and an updated version (Funding Compact ‘2.0’) was agreed with Member States in the Spring of 2024.

Once again, the second iteration of the Funding Compact sets out a series of mutual commitments for both the UN system and its Member States, working toward three broad outcomes (which also frame the Compact’s indicator framework):

- (1) **A more strategic and responsive UN development system:** supporting the achievement of SDG results in accordance with national development needs and priorities, and anchored in inter-governmentally agreed UN principles, norms and standards, and the UN;

- (2) **A more collaborative and integrated UN development system:** working in partnership to address complex sustainable development challenges; and
- (3) **A more efficient and streamlined UN development system:** maximizing human and financial resources available for supporting SDG achievement.

The Quadrennial Comprehensive Policy Review (QCPR), meanwhile, is a process through which the UN General Assembly (GA) assesses and guides the effectiveness, efficiency, coherence and impact of UN operational activities. It takes place every four years, and Member State consultations and negotiations for the next iteration of the Review – which culminates in the form of a UN General Assembly Resolution – begin in late 2024, at the same time as the release of this Report. Like the Funding Compact, it is also intended to promote greater coherence and coordination across the UN system, ensuring its work is aligned with the changing needs of the global community, and the accomplishment of the Agenda 2030.

The QCPR process was first established in 2005 and has since become a key mechanism for assessing and improving UN system effectiveness. The most recent QCPR was completed in 2020, with the outcomes of the review guiding the UN's work over the subsequent four years. Every May, as part of the annual Economic and Social Council (ECOSOC) Operational Activities Segment, the Secretary-General provides a report on QCPR implementation, including an update on Funding Compact progress.

Information on terms, definitions and data sources used in Part One of this report can be found in Box 2 ('Reporting perspectives and data sources') and Box 3 ('The spectrum of UN grant financing instruments') on pages 86 and 88.

Part One — Chapter 1

How is the UN funded?

This chapter takes a closer look at how the UN is funded, providing an overview of not only the volume of resources but the diverse sources involved. In doing so, it explores the ways in which different funding channels were used in 2022 – the most recent year for which consolidated UN financial data is available – and how funding flows have developed over time, both for the UN system as a whole and the UN development system (UNDS) specifically.

The UN system comprises a variety of specialised agencies, funds and programmes, each with its own mandate, governance structure and budget. While each UN entity is unique, there are common financing characteristics across the UN system. Overall funding for almost all entities is largely dependent on contributions made by Member States. Further, nearly all UN entities finance their operations through a mix of financing instruments, which can broadly be divided into four types: 1) assessed contributions; 2) voluntary core contributions; 3) earmarked contributions; and 4) revenue from other activities.

Assessed and voluntary core contributions can be used at the discretion of the respective UN entity and its governing board – consequently, they are flexible resources. Earmarked funding, by contrast, offers valuable resources for particular initiatives or projects, with contributors directing funds towards specific locations, themes and results. However, not all earmarked funding types are the same: some can constrain the ability of UN entities to redeploy resources to global, regional or local needs and priorities, while other types offer higher levels of flexibility. Revenue from other activities is linked to an entity's endeavours as service provider, as well as gains from, among other things, investments or exchange rate fluctuations.

The UN system's ability to carry out its functions is not only dependent on the volume of funding, but its quality. Resources that can be used more flexibly may be applied strategically to support integrated implementation of Agenda 2030 and allow the UN system to reallocate resources in times of crises.

1.1 Total revenue of the UN system

The UN system's total revenue grew to US\$ 74.3 billion in 2022 – an increase of US\$ 8.4 billion, or 12.8%, compared to 2021.¹ The three entities with the highest absolute revenue growth were the World Food Programme (WFP), the United Nations Children's Fund (UNICEF) and the Food and Agricultural Organization (FAO). WFP's revenue grew the most in absolute terms, by US\$ 4.6 billion, with its total revenue of US\$ 14.4 billion setting a new record for a single entity. FAO, meanwhile, experienced the highest growth rate in revenue compared to 2021 (54%).

UN system revenue represents the consolidated revenues of 43 United Nations entities (in some instances with further disaggregation) that report their financial data to the Chief Executives Board for Coordination (CEB). Notably, the CEB has become a central repository of reliable, comparable system-wide and entity-level data, with all the UN entities that were expected to report on their funding sources and expenditures having done so for the 2022 data.

Assessed contributions constitute the consolidated payments made by all Member States arising from the treaties they signed in order to become UN members. These resources are used to fund the UN Secretariat's regular

budget, the UN's peacekeeping operations, and the budgets of some UN entities. Voluntary core contributions are untied financial contributions made by Member States and other contributors to support the budgets of UN entities. Assessed contributions and voluntary core contributions together constitute core funding, providing unrestricted resources to UN entities in support of their overall strategic and operational plans. These contributions therefore provide the highest quality and most flexible funding.

Earmarked contributions, also called non-core resources, involve voluntary funding by donors directed towards specific locations, themes, activities and operations. As such, these resources are not fully flexible. There is a wide range of earmarked funding types, which will be discussed further in section 1.2.

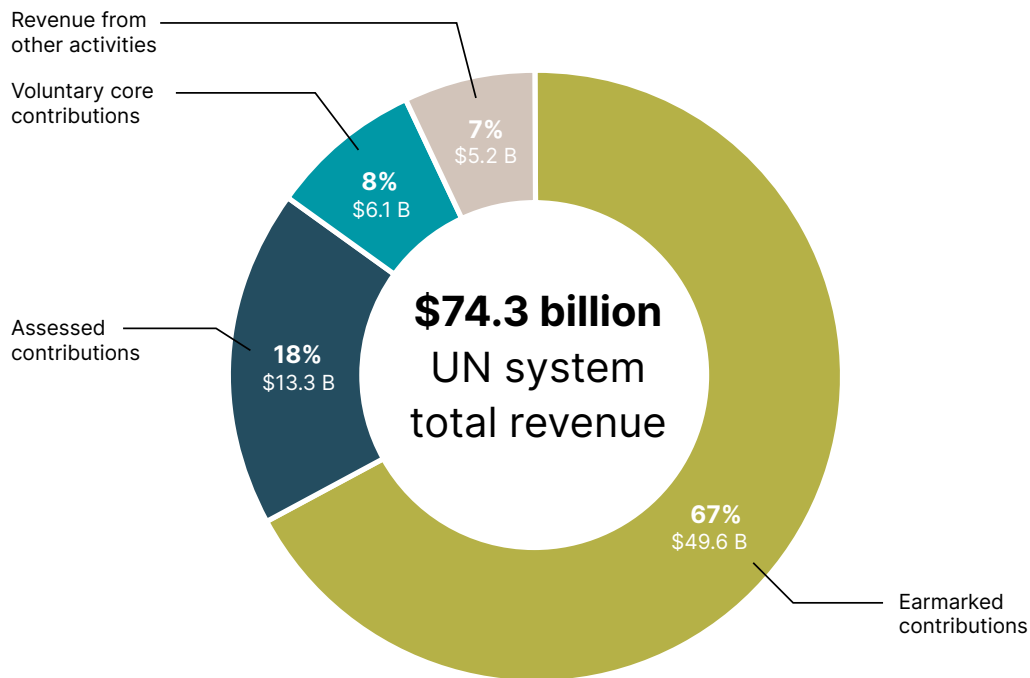
The fourth revenue stream – revenue from other activities – comprises resources not classified as ‘contributions’ according to the organisation’s accounting policies. This

encompasses, among other things, fees for services linked to the provision of knowledge, management or product services, and gains on investments and exchange rates differences (definitions of the four financial instruments and their characteristics are described in Box 3, on page 88.).

Figure 1 illustrates how the 2022 UN system revenue was distributed among the four financing instrument types. As can be seen, the UN system is to a high degree financed by earmarked resources: the US\$ 49.6 billion of such funding in 2022 equates to a 67% share of the UN system’s overall revenue for the year. The absolute amounts of assessed contributions, voluntary core contributions and revenue from other activities all decreased compared to 2021, together accounting for a US\$ 1.2 billion drop, while earmarked resources increased by US\$ 9.6 billion.

Table 1 presents a breakdown of 2022 revenue to reporting entities by type of financial instrument, accompanied by sparklines depicting the evolution of total revenue by

Figure 1: Funding of the UN system by financing instrument, 2022 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 100.

entity since 2010 (or alternatively the year an entity began reporting to the CEB).² The five largest UN entities in terms of 2022 revenue were, respectively, WFP, UNICEF, the UN Secretariat, the UN Department of Peace Operations (UN-DPO) and the UN High Commissioner for Refugees (UNHCR).

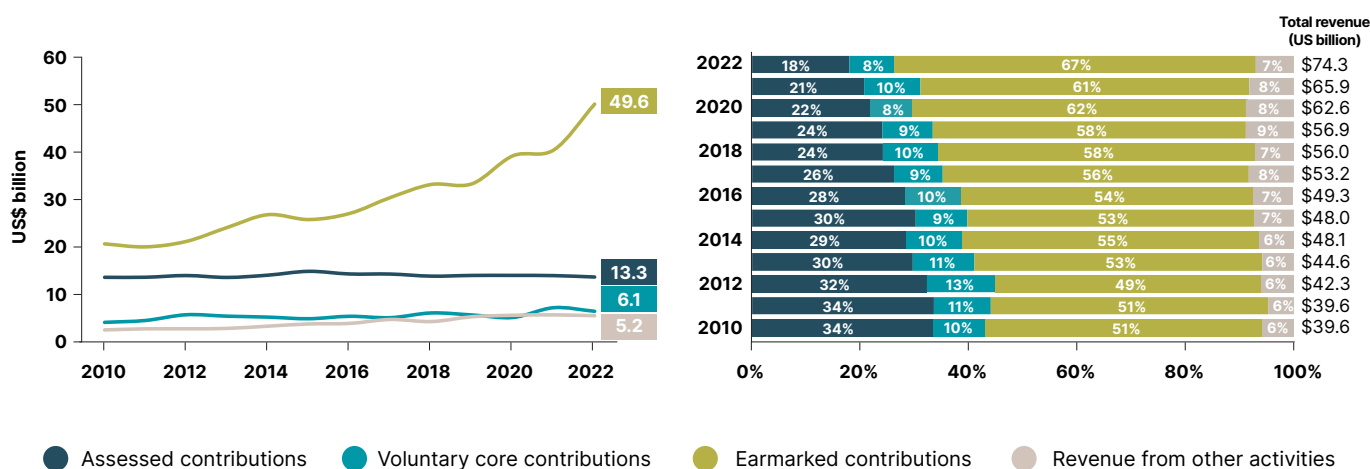
Table 1 also illustrates the diversity of funding sources among UN entities, which depend on different combinations of the four financial instruments. For instance, some entities, such as UN-DPO, rely primarily on flexible funding through assessed contributions, while others, such as UNICEF and the UN Development Programme (UNDP), are funded mainly through voluntary core and earmarked contributions.

Figure 2 provides an overview of funding trends in the UN system from 2010 to 2022. The left-hand side illustrates the growth in funding by instrument, expressed in billions of US dollars, while the right-hand side shows the share of each financing instrument within the total UN system revenue. Overall, the nominal volume of funding to the UN system grew by 87% over the period, from a starting point of US\$ 39.6 billion in 2010. This growth has primarily

been driven by increases in earmarked funding. In 2022, earmarked contributions reached record levels of close to US\$ 50 billion – a \$30 billion increase since 2010. This translates into a rise in the share of earmarked resources from 51% in 2010 to 67% in 2022. Meanwhile, the volume of core contributions has remained fairly stable over time, leading to a decrease of its share within total UN system funding from 44% in 2010 to 26% in 2022.

The latest official data for 2023 indicates that, due to large volumes of unpaid assessed contributions and reduced voluntary contributions, entities are currently facing financial constraints and cash shortages. This seems to have led to a structural change in the growth trend previously seen in the UN's revenue sources. One example of these constraints relates to the UN Secretariat's regular budget. In January 2024, the UN Secretary-General, Antonio Guterres, sent a letter to all Member State permanent representatives highlighting 2023 year-end arrears of US\$ 859 million and a shift in payment patterns. The result has been a liquidity crisis and a temporary suspension of hiring, as well as the curtailing of non-post spending to ensure adequate liquidity for paying salaries and allowances to staff and other personnel, as well as vendor commitments.³

Figure 2: Distribution of UN system funding by financing instrument, 2010–2022 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 100.



Table 1: Total revenue of the UN system by entity and financing instrument, 2022 and 2010-2022 (US\$ million)

Entity	Assessed	Voluntary core	Earmarked	Revenue from other activities	Total revenue 2022	2010-2022
UN Secretariat	3,131	201	3,137	700	7,169	4B → 7B
UN-DPO	6,344		338	87	6,769	8B → 7B
CTBTO	130		5	4	138	128M → 138M
FAO	489	44	2,312	10	2,854	1B → 3B
IAEA	415		270	11	696	598M → 696M
IARC	24	0	27	3	54	45M → 54M
ICAO	84		95	25	205	223M → 205M
ICC	161		9	0	171	170M → 171M
IFAD		433	212	86	731	435M → 731M
ILO	410	17	383	40	849	674M → 849M
IMO	40	16		19	76	74M → 76M
IOM	59	33	2,735	158	2,986	1B → 3B
IRMCT	79			1	80	80M → 80M
ISA	7	1		3	11	10M → 11M
ITC	38	22	95	1	156	76M → 156M
ITLOS	13	3	1	0	17	12M → 17M
ITU	138		15	41	194	173M → 194M
OPCW	70		15	4	88	88M → 88M
PAHO	105		267	1,090	1,462	850M → 1B
UNAIDS		162	59	4	224	266M → 224M
UNCCD	9		11	0	20	30M → 20M
UNCDF		15	184	3	202	60M → 202M
UNDP		609	4,389	324	5,322	6B → 5B
UNEP	211	105	592	22	929	395M → 929M
UNESCO	270	13	328	47	658	765M → 658M
UNFCCC	36	1	39	37	113	86M → 113M
UNFPA		391	1,111	112	1,613	890M → 2B
UN-HABITAT	17	8	149	30	202	198M → 202M
UNHCR	84	777	5,154	57	6,073	2B → 6B
UNICEF		1,320	8,700	309	10,329	4B → 10B
UNIDO	76		251	28	354	335M → 354M
UNITAID		125	55	3	184	191M → 184M
UNITAR		0	42	1	44	21M → 44M
UNODC	34	8	376	13	431	259M → 431M
UNOPS				1,194	1,194	91M → 1B
UNRWA		734	440	16	1,190	409M → 1B
UNSSC		5	14	0	20	11M → 20M
UNU		28	22	4	54	61M → 54M
UN Women	9	220	428	14	671	236M → 671M
UNWTO	16	0	12	5	33	25M → 33M
UPU	41		24	21	86	40M → 86M
WFP		606	13,694	118	14,418	4B → 14B
WHO	496	182	3,621	55	4,354	2B → 4B
WIPO	19		9	513	541	310M → 541M
WMO	74	2	26	1	103	99M → 103M
WTO	212	19		2	233	237M → 233M
Total	13,340	6,097	49,648	5,218	74,302	40B → 74B

UNV and UNICRI revenues are included under UNDP and UNODC, respectively.

Source: Chief Executives Board for Coordination (CEB).

For notes – see page 99.

When examining financial data over an extended period, relying solely on nominal values may not offer an accurate reflection of changes in the actual purchasing power of money. Figure 3 illustrates the disparity between total UN system revenue in nominal and real terms. The latter is calculated based on deflators published by the Organisation for Economic Co-operation’s Development Assistance Committee (OECD-DAC), with amounts expressed in constant 2021 US dollars. The UN system’s real-term revenues for 2022 are higher than the nominal values, indicating that the positive effect of the appreciation of the US dollar against the basket of DAC currencies on the UN revenue’s purchasing power was larger than the negative effect due to the rate of inflation.

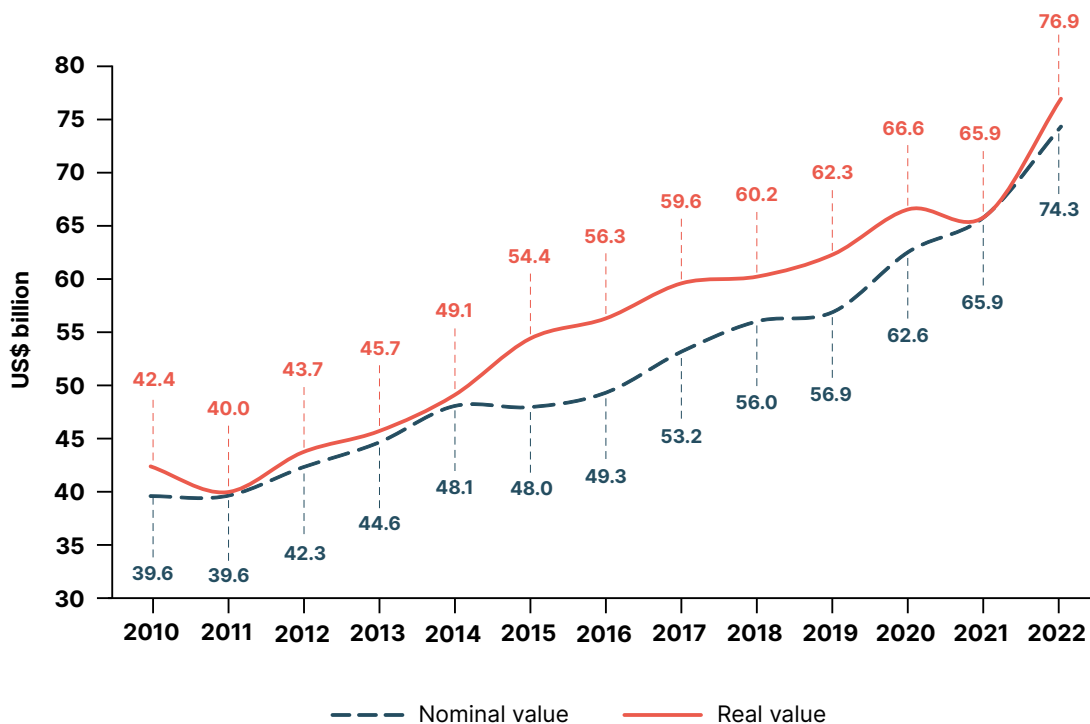
For consistency with earlier versions of this report, the figures in Part One are – with the exception of figures 3 and 24 – presented in nominal terms.

1.2 Who is being funded and how?

Funding for UN entities is derived primarily from a mix of core and earmarked contributions, supplemented by revenues from the provision of services or other financial activities. It is important to note that the terminology applied to core and earmarked resources may vary between UN entities. Core resources may also be referred to as regular resources, regular budget or assessed budget, while earmarked contributions are in some instances termed extra-budgetary contributions, other non-core resources or specified voluntary contributions.

This section explores the various funding sources in greater detail based on the Data Standards approved by the High-Level Committee on Management (HLCM) and the United Nations Sustainable Development Group (UNSDG), which came into effect on 1 January 2019. These new standards

Figure 3: UN system funding, 2010–2022: Nominal values at current prices and real values at constant 2021 prices (US\$ billion)



Source: Chief Executives Board for Coordination (CEB) and Organisation for Economic Co-operation and Development (OECD).

For notes – see page 100.

have been incorporated into the CEB's data collection exercise, leading to the present report making use of the accompanying terminology and definitions.⁴

Assessed contributions

Assessed contributions are defined in the UN Data Standards as fixed amount contributions, calculated according to an agreed formula, that UN Member States undertake to pay when signing a treaty. Consequently, each time a Member State signs a treaty to become a member of a particular UN entity, the formula may be different. This section therefore focuses on the largest recipient of assessed contributions, the UN Secretariat, which received funds in excess of US\$ 3 billion in 2022.

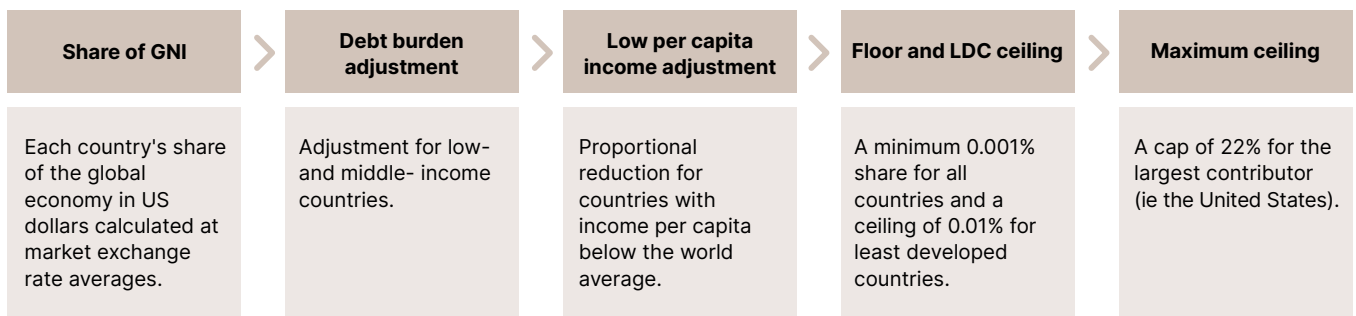
Article 17(2) of the UN Charter stipulates that *'The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly'*.⁵ The Committee on Contributions advises the UN General Assembly on the apportionment or amount for a financial period against which expenditures may be incurred. The scale of assessment for each Member State is based on a formula intended to reflect a country's 'capacity to pay', the starting point for which is a country's share of global gross national income (GNI). Adjustments are then made to account for factors such as a country's debt burden and if their per capita income is below the world average, with a minimum and maximum determined for least developed countries and the largest contributor (Figure 4).

In 2022, assessment payments ranged from a ceiling of 22% for the top contributor, the United States, to a floor of 0.001%.⁶ Once the scale of assessments is determined by the General Assembly, it remains fixed for at least three years.

The Committee on Contributions also advises the General Assembly on setting assessments for new members, as well as appeals by Member States seeking a change to their assessments. Additionally, it provides guidance on implementation of Article 19 of the UN Charter, which stipulates that *'A Member of the United Nations which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years'*. An exception is permitted if the Member State can demonstrate that circumstances beyond its control contributed to its inability to pay.

Beyond financing the UN Secretariat's regular budget, assessed contributions fund international tribunals, the Capital Master Plan and UN peacekeeping operations. Every Member State contributes its share towards peacekeeping in accordance with the UN-DPO scale of assessments. This scale reflects adjustments, including whether the Member State contributes troops to peacekeeping operations and the additional percentages paid by the five permanent members of the Security Council.⁷

Figure 4: UN scale of assessments: Methodology



Source: UN Secretariat.

A detailed breakdown of assessed contributions for 2021 and 2022 is presented in Table 2, which also contains sparklines illustrating the evolution of assessed funding per UN entity since 2010. Although the formula determining the scale of assessments for the UN Secretariat is reviewed every three years, significant adjustments are seldom made. Overall, total volumes in nominal terms have remained relatively steady at around US\$ 13–14 billion since 2010, with an average annual growth rate of just 0.04% over the 2010–2022 period.

The International Residual Mechanism for Criminal Tribunals (IRMCT), the International Criminal Court (ICC), the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), UN-DPO and the World Trade Organization (WTO) – all entities with a specific mandate related to the General Assembly and the Security Council – received over 90% of their funding through assessed contributions in 2022. Many UN entities with a global agenda and specialised assistance focus are also funded mainly by assessed contributions. For instance, the Organisation for the Prohibition of Chemical Weapons (OPCW) and the International Tribunal for the Law of the Sea (ITLOS) received more than 75% of their funding through assessed contributions in 2022.

Voluntary core contributions

Voluntary core contributions constitute untied and unrestricted resources, monetary or in-kind, that can be flexibly utilised by a UN entity. They are termed ‘voluntary’ because they are provided at the discretion of the contributor. Unfortunately, uncertainty surrounding the timing and actual volume of voluntary contributions introduces a degree of financial risk when it comes to an entity’s forward planning. Furthermore, their discretionary nature means contributors can withhold or suspend them at will.

These contributions are ‘core’ because they play a crucial role in supporting the UN’s work, especially in bridging funding gaps to address acute needs. Alongside assessed resources, voluntary core contributions are untied, meaning they can be used to address an entity’s most critical priorities. Voluntary core contributions play a crucial role in supporting the UN’s work, especially in bridging funding gaps to address acute needs.

Voluntary core contributions are an important source of funding for many UN entities that receive little or no assessed contributions. In 2022, the top five recipients of voluntary core funding were: UNICEF (US\$ 1,320 million); UNHCR (US\$ 777 million); the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) (US\$ 734 million); UNDP (US\$ 609 million); and WFP (US\$ 607 million). Together, they received 66% of the total voluntary core resources contributed to the UN system.

UNICEF receives voluntary core funding contributions both from governments and through National Committees, which raise un-earmarked funds from resource partners in the private sector (including civil society groups, companies and individual donors) and foundations worldwide. Voluntary core resources constituted 13% of UNICEF’s overall income in 2022.

UNRWA is funded almost entirely by voluntary contributions. As shown in Table 1, 62% (US\$ 734 million) of UNRWA’s total revenues for 2022 (US\$ 1.2 billion) were untied voluntary resources – the highest proportion of voluntary core resources received by a UN entity in 2022 – and 37% were voluntary earmarked contributions. Over the course of 2022, UNRWA delivered essential services for over 5.9 million registered Palestinian refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip.⁸

When reporting their audited financial statements and financial data to the CEB, UN entities must recognise revenue at the full value of the contribution agreement upon signature, thereby adhering to International Public Sector Accounting Standards (IPSAS). This encompasses upfront recognition of unconditional revenues contained within multi-year agreements, as illustrated in Box 1.

Earmarked contributions and degrees of earmarking

As depicted in Figure 2, earmarked contributions have been the main driver behind the overall increase in UN system funding, more than doubling from US\$ 20.3 billion in 2010 to US\$ 49.6 billion in 2022. Table 3 depicts this upward trend, showing how earmarked contributions have evolved since 2021 by UN entity. As can be seen, the UN system’s earmarked revenue grew from US\$ 40 billion in 2021 to US\$ 49.6 billion in 2022 – an increase of US\$ 9.6 billion,

Table 2: Assessed contributions to the UN system by entity, 2010–2022 (US\$ million)

Entity	2021	2022	Percentage of total 2022 revenue	2010–2022
UN Secretariat	2,934	3,131	44%	2B ● 3B
UN-DPO	6,797	6,344	94%	8B ● 6B
CTBTO	136	130	94%	119M ● 130M
FAO	505	489	17%	507M ● 489M
IAEA	430	415	60%	392M ● 415M
IARC	26	24	45%	25M ● 24M
ICAO	80	84	41%	77M ● 84M
ICC	165	161	94%	167M ● 161M
ILO	445	410	48%	409M ● 410M
IMO	45	40	53%	43M ● 40M
IOM	60	59	2%	38M ● 59M
IRMCT		79	99%	79M ●
ISA	7	7	67%	7M ● 7M
ITC	40	38	24%	35M ● 38M
ITLOS	14	13	76%	11M ● 13M
ITU	137	138	71%	135M ● 138M
OPCW	76	70	79%	71M ● 70M
PAHO	105	105	7%	98M ● 105M
UNCCD	9	9	43%	9M ● 9M
UNEP	214	211	4%	221M ● 211M
UNESCO	274	270	41%	377M ● 270M
UNFCCC	37	36	32%	31M ● 36M
UN-HABITAT	16	17	8%	12M ● 17M
UNHCR	43	84	1%	40M ● 84M
UNIDO	79	76	21%	103M ● 76M
UNODC	35	34	8%	31M ● 34M
UNRWA	0	0	0%	31M ●
UN Women	10	9	1%	7M ● 9M
UNWTO	17	16	48%	16M ● 16M
UPU	41	41	48%	37M ● 41M
WHO	549	496	11%	473M ● 496M
WIPO	19	19	4%	18M ● 19M
WMO	74	74	71%	66M ● 74M
WTO	214	212	91%	202M ● 212M
Total	13,634	13,340	18%	13B ● 13B

Source: Chief Executives Board for Coordination (CEB).

For notes – see page 99.

Box 1: Challenges in the accounting basis for the reporting of UN system-wide financial data

The Data Standards for UN system-wide reporting of financial data require that revenue and expenses are reported by UN entities to the CEB Secretariat on an accrual basis, in most cases in accordance with International Public Sector Accounting Standards (IPSAS). Under the current IPSAS, 'on an accrual basis' often impacts when UN entities report revenue. For example, a UN entity may be required to report the total amount of a multi-year contribution commitment in the year the commitment is made, rather than reporting contributions in the years when the cash is actually received.

UN entities have also faced challenges reporting revenue under IPSAS 23 (Revenue from Non-Exchange Transactions). Under IPSAS 23, recognition of revenue from voluntary contributions varied significantly between UN organisations, based in part on each organisation's business model and different interpretations of contribution conditionality. This has led to comparability issues.

In May 2023, however, the IPSAS Board issued a new revenue standard, IPSAS 47, which is set to be fully implemented as of 1 January 2026. IPSAS 47, which replaces three existing revenue standards (IPSAS 9, IPSAS 11 and IPSAS 23), is a single standard designed to account for revenue transactions in the public sector. It is anticipated that this change will enable UN system organisations to report revenue from voluntary contributions using a similar accounting treatment, thereby reducing differences in revenue recognition approaches for voluntary contributions. Over the course of 2023, the CEB Finance and Budget Network's Task Force on Accounting Standards developed common policy guidance for UN organisations in applying IPSAS 47, with the hope that the new standard will ease some of the current challenges and inconsistencies UN entities (and Member States) face when it comes to revenue recognition.

or 24%. Notably, four UN entities – WFP, UNICEF, UNHCR and FAO – accounted for 90% of this growth. It is worth mentioning that the first three of these entities have a significant portion of their expenditure allocated to humanitarian assistance (see section 2.1).

More than three-quarters of the funding received by 10 of the 42 UN entities depicted in Table 3 was earmarked, with the International Organization for Migration (IOM), the United Nations Institute for Training and Research (UNITAR), the United Nations Capital Development Fund (UNCDF) and WFP all receiving more than 90% of their funding from this financial instrument.

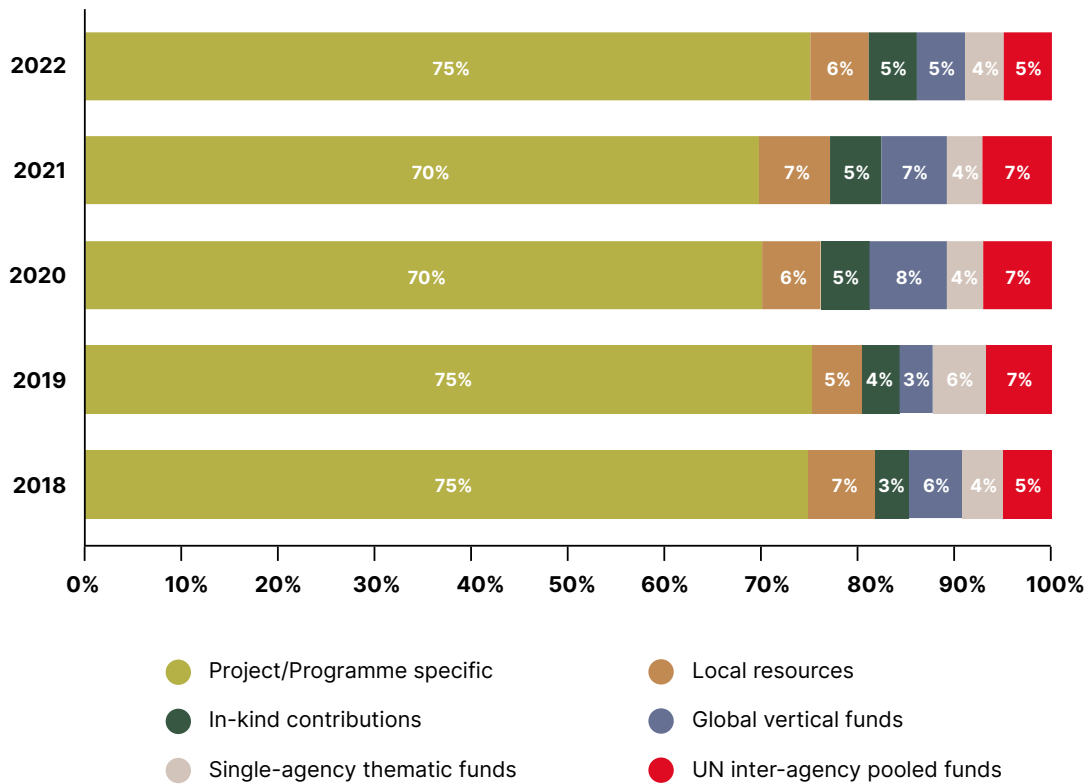
The degree of earmarking depends on the exact funding instrument used. Figure 5 shows a breakdown of earmarked contributions ranging from (often tightly) earmarked project/programme-specific funding to softly earmarked funding provided through inter-agency pooled funds.

Each type of earmarked contribution offers different levels of flexibility and consequently different opportunities for collaborative and coordinated approaches. Definitions of these earmarked funding types and their characteristics are given in Box 3, page 88.

The proportion of earmarked funding assigned to specific projects or programmes increased by 5% in 2022, accounting for 75% of all earmarked resources for the year. Conversely, the share of softly earmarked funding through inter-agency pooled funds fell by 2%.

Among the UN entities, WFP received the highest volume of project/programme specific contributions in 2022 (US\$ 11.1 billion), followed by UNICEF (US\$ 6.2 billion) and UNHCR (US\$ 4.8 billion). Collectively, these revenues constituted 59% of all project/programme specific contributions to the UN system.

Figure 5: Earmarked contributions to the UN system by type, 2018-2022 (percentage share of total earmarked contributions)



Source: Chief Executives Board for Coordination (CEB).
For notes – see page 100.

Local resources are earmarked contributions from programme countries, financed by government resources, for use in support of their own development framework. In 2022, UNDP received the highest volume of local resources from programme countries, totalling US\$ 1.2 billion – equivalent to 46% of all local revenues within the UN system.

While earmarked funding provides crucial resources for specific initiatives or projects, it can pose significant challenges when it comes to meeting Member State expectations around delivering comprehensive, coherent support towards realising the Sustainable Development Goals (SDGs). Some earmarked funding offers higher levels of flexibility and, therefore, greater opportunities for collaboration and

strategic results. Thus, regardless of whether contributions are to a specific entity or an inter-agency pooled fund, whether they are for a specific country (or countries) or theme, there is scope to ensure they are made as flexible as possible in supporting the overall strategic results of a particular plan or programme.⁹

Revenue from other activities

The fourth revenue stream comprises a combination of revenues for services provided and financial gains/losses resulting from investments, exchange rate fluctuations and the disposal/transfer of property, plants or equipment.¹⁰ This revenue amounted to US\$ 5.2 billion in 2022, representing 7% of total UN system revenues – a US\$ 178 million reduction compared to 2021.

Table 3: Earmarked contributions to the UN system by entity, 2010–2022 (US\$ million)

Entity	2021	2022	Percentage of total 2021 revenue	2010–2022
UN Secretariat	3,165	3,137	44%	1B → 3B
UN-DPO	341	338	5%	33M → 338M
CTBTO	5	5	3%	7M → 5M
FAO	1,283	2,312	81%	891M → 2B
IAEA	275	270	39%	202M → 270M
IARC	16	27	49%	18M → 27M
ICAO	84	95	47%	129M → 95M
ICC	2	9	5%	2M → 9M
IFAD	188	212	29%	80M → 212M
ILO	350	383	45%	248M → 383M
IMO	14		0%	11M → 14M
IOM	2,357	2,735	92%	1B → 3B
ITC	97	95	61%	40M → 95M
ITLOS	0	1	3%	253K → 519K
ITU	15	15	8%	12M → 15M
OPCW	24	15	17%	14M → 15M
PAHO	178	267	18%	741M → 267M
UNAIDS	76	59	26%	34M → 59M
UNCCD	20	11	56%	20M → 11M
UNCDF	118	184	91%	47M → 184M
UNDP	4,422	4,389	82%	4B → 4B
UNEP	400	592	64%	174M → 592M
UNESCO	371	328	50%	323M → 328M
UNFCCC	30	39	35%	38M → 39M
UNFPA	1,050	1,111	69%	357M → 1B
UN-HABITAT	176	149	73%	166M → 149M
UNHCR	4,119	5,154	85%	2B → 5B
UNICEF	6,714	8,700	84%	3B → 9B
UNIDO	190	251	71%	229M → 251M
UNITAID	85	55	30%	3M → 55M
UNITAR	56	42	96%	19M → 42M
UNODC	364	376	87%	238M → 376M
UNRWA	583	440	37%	13M → 440M
UNSSC	14	14	73%	7M → 14M
UNU	32	22	41%	37M → 22M
UN Women	451	428	64%	103M → 428M
UNWTO	11	12	37%	8M → 12M
UPU	28	24	28%	21M → 24M
WFP	9,060	13,694	95%	4B → 14B
WHO	3,226	3,621	83%	1B → 4B
WIPO	9	9	2%	10M → 9M
WMO	23	26	25%	25M → 26M
Total	40,021	49,648	67%	20B → 50B

UNV and UNICRI are included under UNDP and UNODC, respectively.

Source: Chief Executives Board for Coordination (CEB).

For notes – see page 99.

In 2022, three UN entities received more than three-quarters of their funding from this financial instrument: the Office for Project Services (UNOPS), the World Intellectual Property Organisation (WIPO) and the Pan American Health Organization (PAHO).

UNOPS generated its entire reported income (US\$ 1.2 billion) from the provision of services to UN entities and other stakeholders, while WIPO received 95% of its total income from fees paid by users of its patent-, trademark- and industrial design-related intellectual property services. Elsewhere, PAHO obtained 75% of its revenue from the provision of procurement services for vaccines and public health supplies.

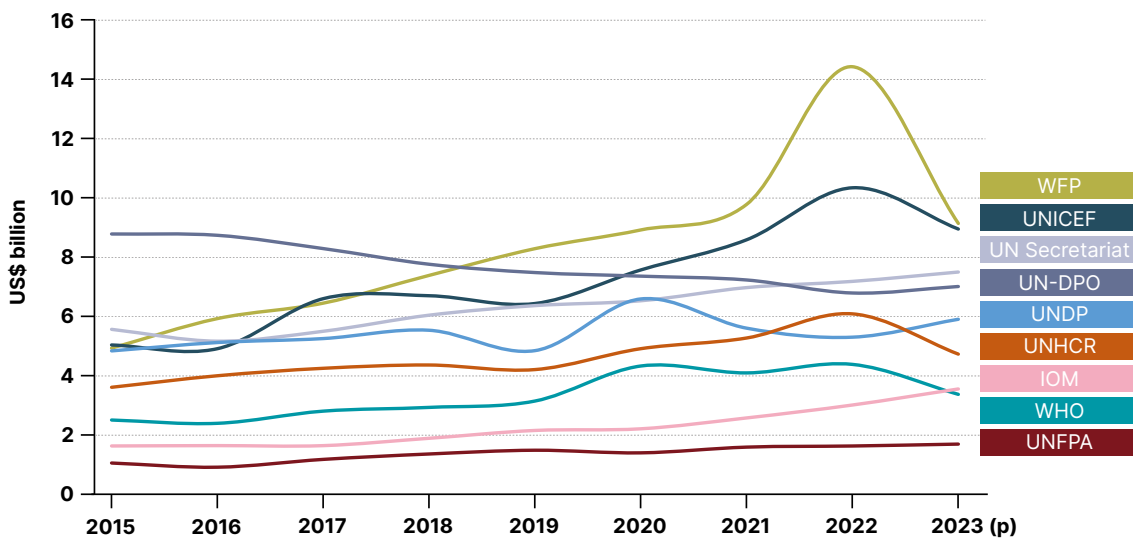
Figure 6 shows total revenue for a selection of nine UN entities since 2015, including preliminary data for 2023. On average, these entities’ total revenue increased at an annual average rate of 4.2 percent over an 8-year interval, going from US\$ 28.6 billion in 2015 to US\$ 51.7 billion in 2023. And while there was an extraordinary increase in some entities’ revenues in 2022, they generally returned to their long-term trends in 2023. In particular,

it is worth noting that 2023 preliminary total revenue figures for the nine entities combined was - with a difference of 31 million - the same as their total revenue in 2021. And while WFP and UNICEF registered record revenue levels in 2022, reaching US\$ 14.4 billion and US\$ 10.3 billion, respectively, these figures went back to US\$ 9.1 billion and US\$ 8.9 billion in 2023. Among the nine entities shown in Figure 6, however, UN-DPO stands out as the only one showing a steady decrease in revenue, at an average annual rate of -3.1 percent between 2015 and 2023. This decrease can in part be attributed to the closure or transitioning of UN peacekeeping missions (further described in section 2.1).

1.3 Who funds the UN?

As depicted in Figure 7, the UN system is funded by a diverse set of partners: governments, multilateral partners, and other non-state funding. In addition, some funding originates from activities not linkable to a contributor (eg foreign exchange gains).

Figure 6: Total revenue of select UN entities, 2015 – 2023 (US\$ billion)



Note: Preliminary 2023 data from the CEB 2024 data collection.

Source: Chief Executives Board for Coordination (CEB).
For notes – see page 100.

Governments are the primary source of funding for the UN system. In 2022, 72.4% of funding came directly from governments, with an additional 17.0% from multilateral funding, which is predominantly supported by governments. Although the share of government funding remained stable compared to the previous year, there was a 2% shift in the composition of funding between OECD-DAC members and non-OECD-DAC members. In terms of volume, government contributions rose from US\$ 48.5 billion in 2021 to US\$ 53.8 billion in 2022, with US\$ 44.2 billion of this coming from OECD-DAC members.

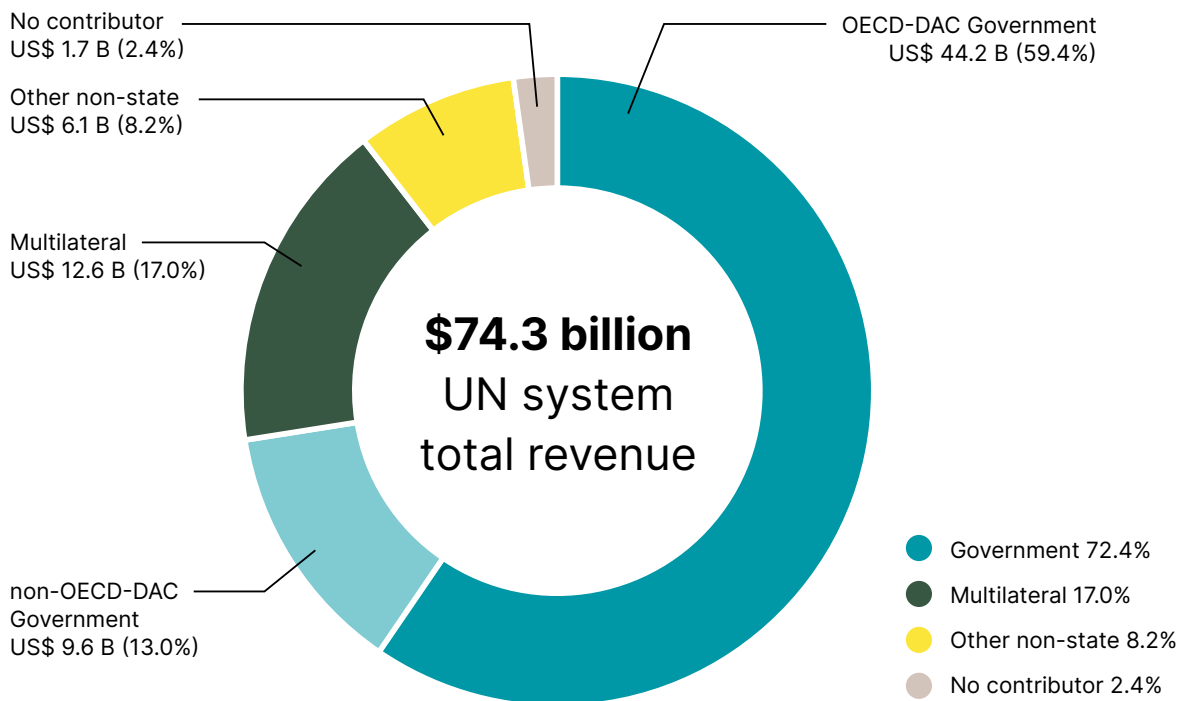
Revenue from Member States

Every UN Member State is required to contribute to the organisation’s budget through assessed contributions. The overall level of this mandatory funding is determined

by Member States through negotiation and agreements concerning the UN’s regular and peacekeeping budgets, as well as budgets for specific UN programmes and entities. Additionally, many governments make voluntary untied contributions to specific UN entities or voluntary contributions tied to a specific programme or project.

Funding to the UN remains highly concentrated, with the top ten Member States contributing 53% of total UN system revenue in 2022. Figure 8 illustrates how the distribution of total UN system revenue among contributors has evolved since 2010. The United States has maintained its position as the largest contributor to the UN throughout the period, providing around 20% of total funding. In 2022, the United States increased its funding to the UN system by US\$ 5.6 billion, reaching an all-time high of US\$ 18.1 billion.

Figure 7: Funding sources for the UN system, 2022

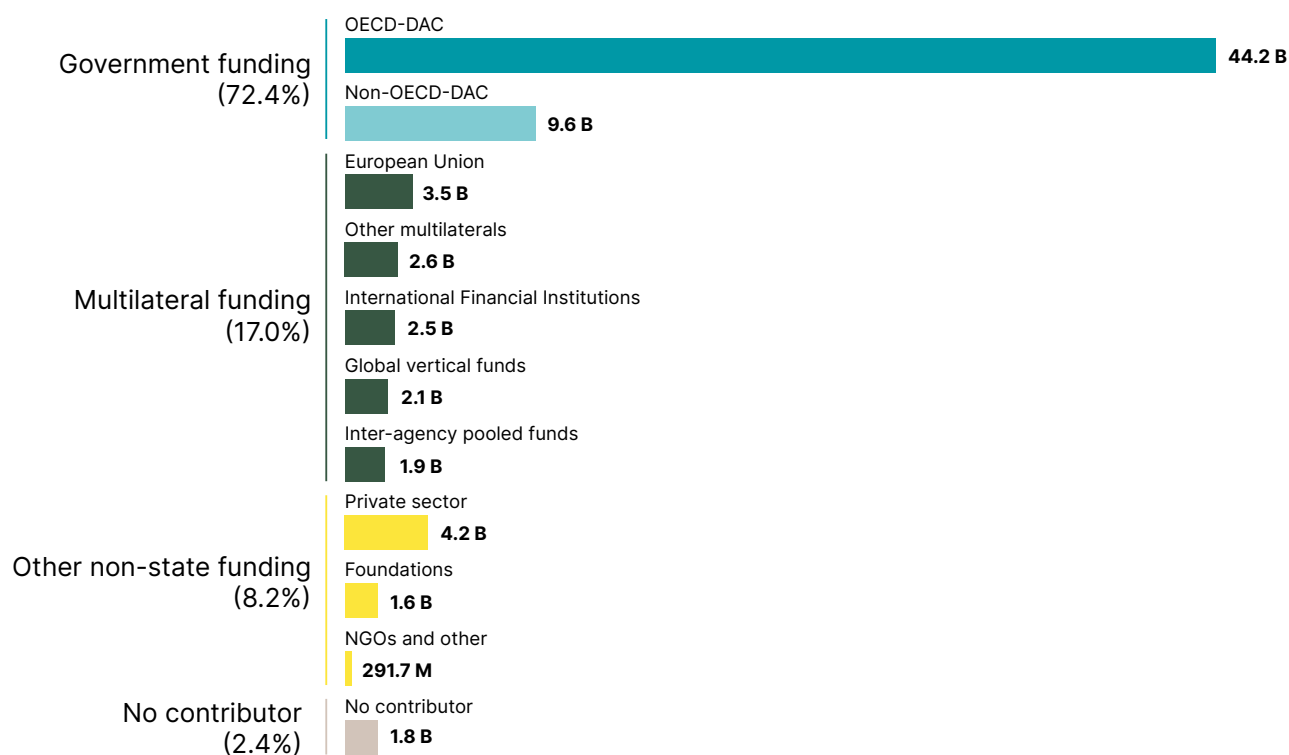


Revenue provided by non-Member State contributors grew from US\$ 10.7 billion to US\$ 20.5 billion over the same period, partly due to increased contributions from the European Union (EU) and other multilateral sources.

Delving deeper into the data, Figure 9 illustrates the top ten Member States' funding to the UN system in 2022, encompassing both contributions reported by UN entities to the CEB and those provided through inter-agency pooled funds. The top ten Member State contributors have remained largely consistent since 2015, the year in which China – the only non-OECD-DAC country among them – emerged as part of the group. Additionally, Figure 9's right-hand side axis measures what proportion of a country's GNI the contribution makes up, with Norway providing the highest funding to the UN system relative

to its GNI (0.27%), followed by Sweden (0.23%) and the Netherlands (0.2%).

More than 70% of the US\$ 18.1 billion in funding provided by the United States to the UN system in 2022 went to four entities: WFP (40%), UNHCR (12%), UNICEF (10%) and UN-DPO (10%). Canada entered the top five contributors in 2022, with 23% of the country's funding directed towards the WFP. Further down the table, the Netherlands re-entered the top ten in seventh place, with 20% of its funding going to the UN Office for the Coordination of Humanitarian Affairs (UN-OCHA). Compared to 2021, Sweden exhibits the most movement, dropping from third to tenth. This shift arises from the full revenue recognition in 2021 of multi-year agreements with UN entities totalling around US\$ 2.2 billion for the period 2022–2025.



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 100.

Revenue from multilateral channels

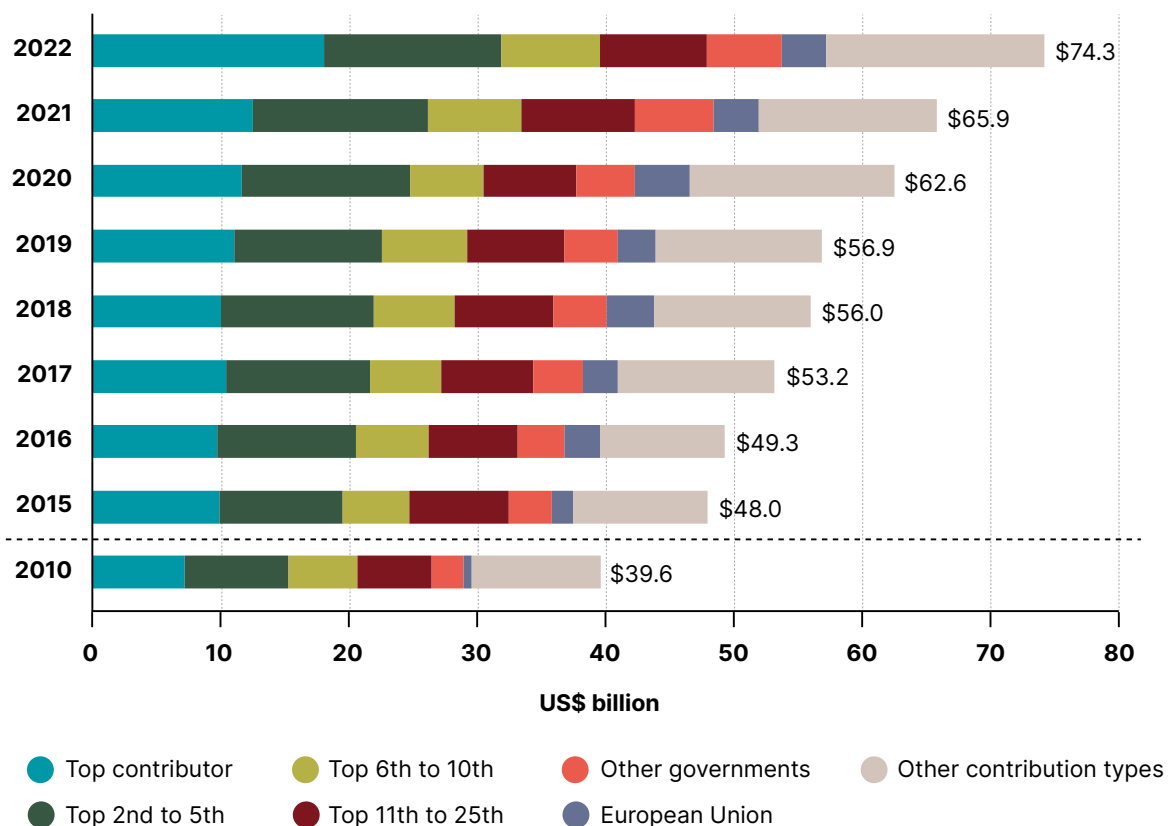
The UN system is funded by a diverse set of multilateral institutions, including the EU and international financial institutions (IFIs), and through global vertical funds and UN inter-agency pooled funds.

Most of the funding for multilateral institutions comes from governments: the EU is fully funded by EU Member States, and IFIs are generally funded by national governments. For instance, the World Bank is funded by member contributions and by issuing bonds, while the International Monetary Fund (IMF) is funded by member quotas and multilateral and bilateral borrowing agreements. Inter-agency pooled funds were 93% funded by governments in 2022. Moreover,

global vertical funds – such as the Global Environment Facility (GEF), the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), and Gavi, the Vaccine Alliance – receive much of their funding from governments.

Central to the EU’s external policy is a commitment to effective multilateralism, with the UN at its core.¹¹ The two organisations are the world’s leading proponents of a multilateral system founded on universal rules and values, able to respond successfully to global crises, threats and challenges. The EU, an inter-governmental institution with supranational functions, has enhanced observer status in the UN. Over the past decade, EU cooperation with the UN has grown in importance, with EU contributions to the UN Secretariat and

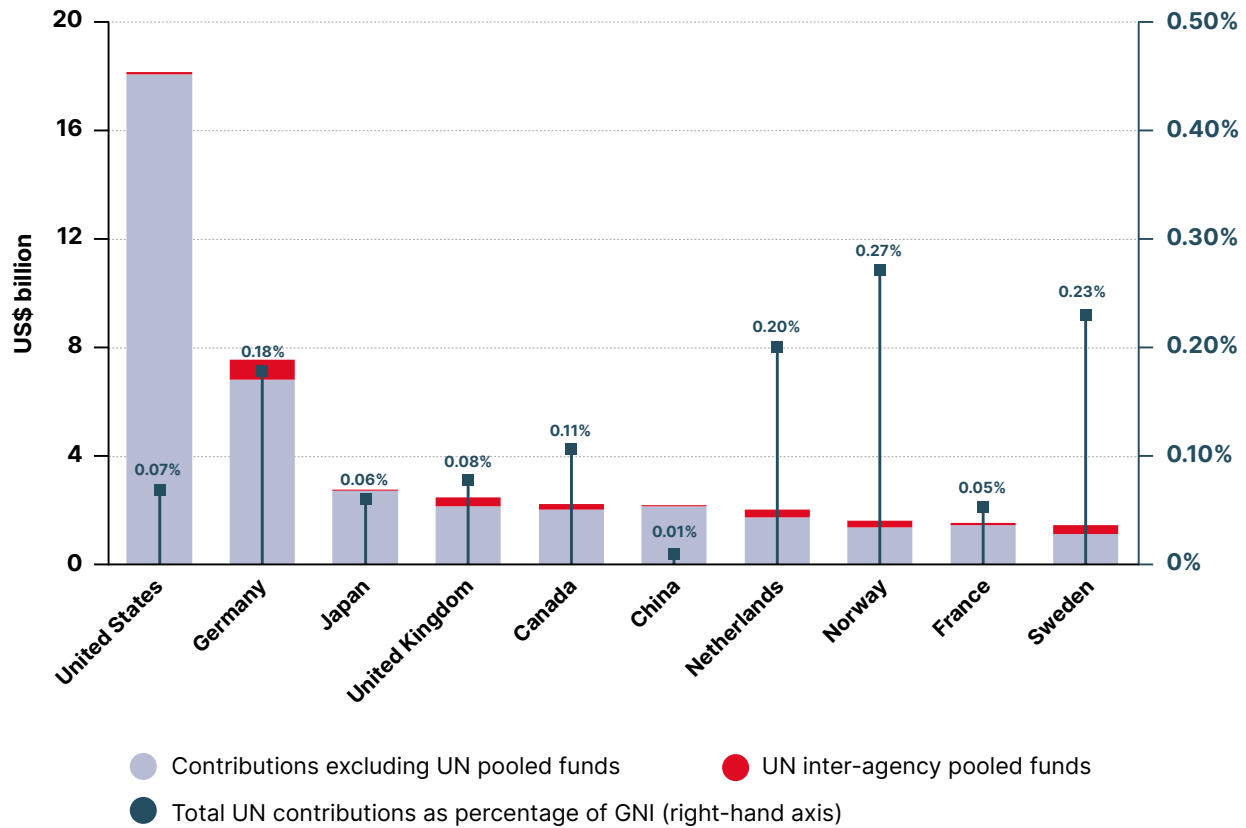
Figure 8: UN system funding by Member States and other contributors, 2010-2022 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 101.

Figure 9: Top 10 Member State contributors to the UN system, 2022 (US\$ billion and percentage share of GNI)



Source: Chief Executives Board for Coordination (CEB), UN Pooled Funds Database, and UN Statistics Division (UNSD).

For notes – see page 101.

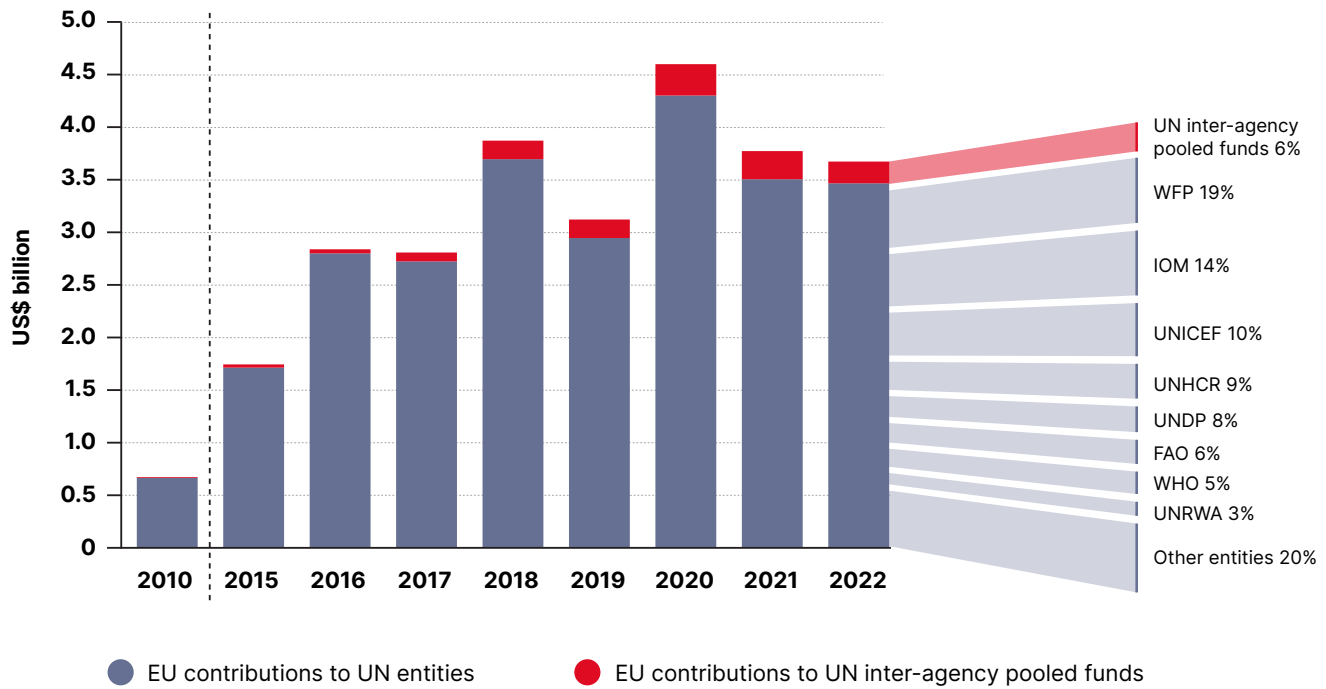
the various UN agencies, funds and programmes spanning all policy areas. Given its legal and structural framework as a political and economic union of member countries, however, the EU itself rarely contributes assessed or voluntary core contributions to the UN. While the EU has enhanced observer status at the UN, it is not a full member.

Figure 10 shows the evolution of EU funding to the UN system, including resources provided through inter-agency pooled funds, from 2010 to 2022, along with a breakdown of 2022 funding per UN entity. Contributions grew from US\$ 0.7 billion in 2010 to US\$ 3.7 billion in 2022, having

reached an all-time high in 2020 (US\$ 4.6 billion) due to the COVID-19 response. The EU is one of the main funding partners for inter-agency pooled funds, providing US\$ 206 million in 2022 – equivalent to 6% of the EU’s total contributions to the UN system.

The EU allocates its UN funding almost entirely to humanitarian and development assistance. The WFP, IOM, and UNICEF received 43% of total EU funding in 2022. Shifts in EU funding largely reflect changing humanitarian funding needs arising from current and anticipated crises. For instance, in 2022, of the US\$ 268 million the EU

Figure 10: EU funding to the UN system, 2010-2022 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB) and UN Pooled Funds Database.

For notes – see page 101.

contributed to Ukraine, more than 70% was channelled through UN entities.¹² Contributions to the Spotlight Initiative Fund, a UN inter-agency pooled fund established in 2017 for the elimination of violence against women and girls, has been a driving factor behind the EU’s increased engagement in inter-agency pooled funds.

Vertical funds are development financing mechanisms focused on a particular issue or theme. According to the World Bank’s definition, they are ‘partnerships and related initiatives whose benefits are intended to cut across more than one region of the world and in which the partners: (1) reach explicit agreement on objectives; (2) agree to establish a new (formal or informal) organisation; (3) generate new products or services; and (4) contribute dedicated resources to the programme.’¹³ Although vertical

funds are not directly administered by a UN entity and the UN does not play a lead role in fund allocations, UN entities receive resources from these global funds as implementers.

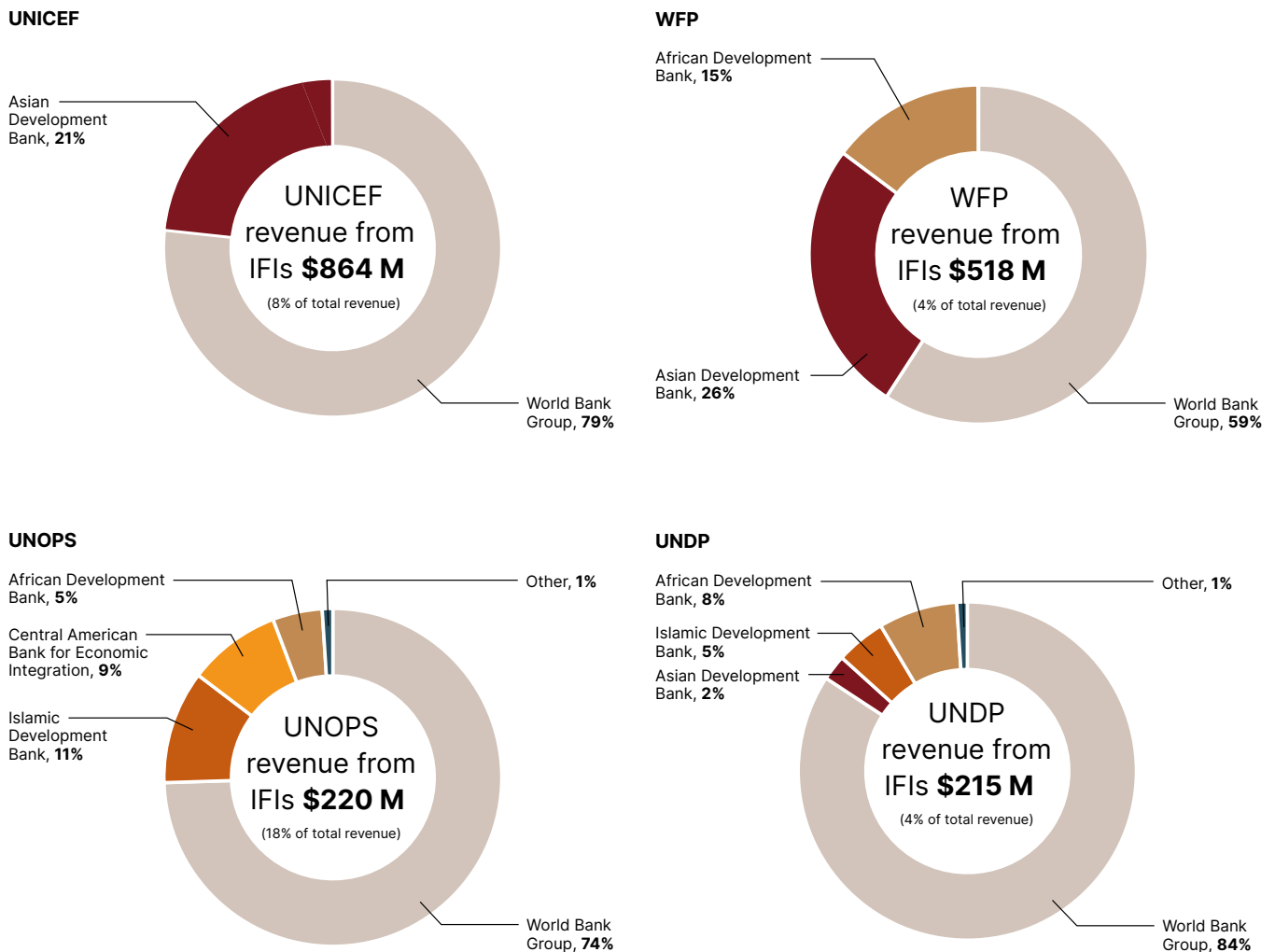
International financial institutions are another multilateral channel through which the UN system receives funding. IFIs are constantly seeking to leverage new sources of financing and require implementing partners capable of keeping pace with the increasing scale and complexity posed by overlapping global challenges. As such, UN entities have partnered with IFIs to deliver global public goods, build national capacity, and catalyse private finance.¹⁴ Direct financial flows from IFIs to the UN system are limited, despite the 2022 share of total revenue growing to 3%, equivalent to US\$ 2.5 billion. These figures do not, however, fully reflect the level of collaboration between UN

entities and IFIs. Such cooperation can take other forms, with the ultimate intention being to mobilise capacity and additional resources for SDG achievement.

Figure 11 illustrates the funding received from IFIs for a selection of UN entities where such revenue plays a significant role. Overall, the World Bank Group is the main contributing partner, alongside several regional and national development banks.

IFIs are a key partner for UNICEF when it comes mainstreaming child-sensitive planning, budgeting, and programming. In 2022, UNICEF maintained the most substantial level of IFI engagement of all the UN entities, receiving 8% of its total revenue (US\$ 864 million) through these multilateral funding partners. More specifically, the World Bank Group provided the greatest overall IFI contribution (US\$ 682 million).¹⁵

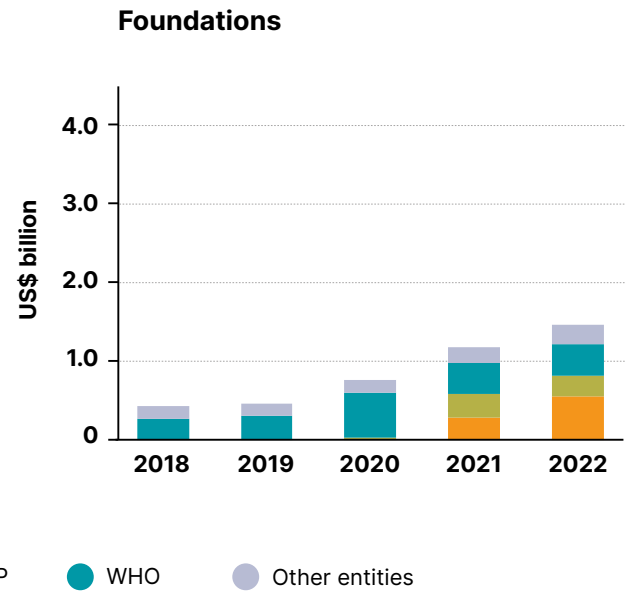
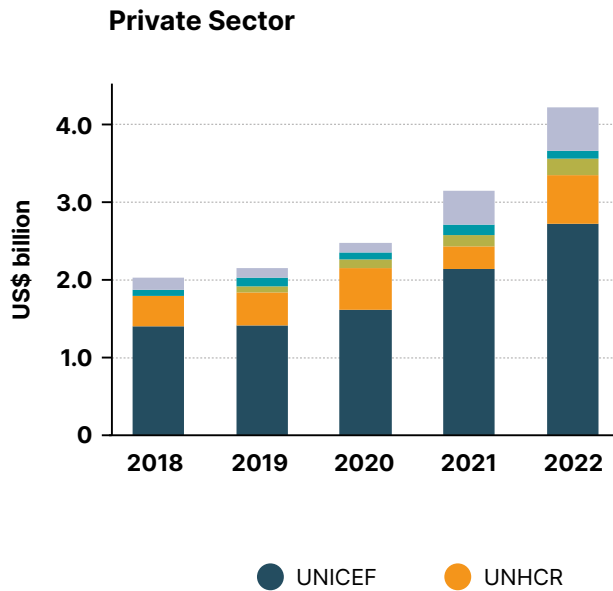
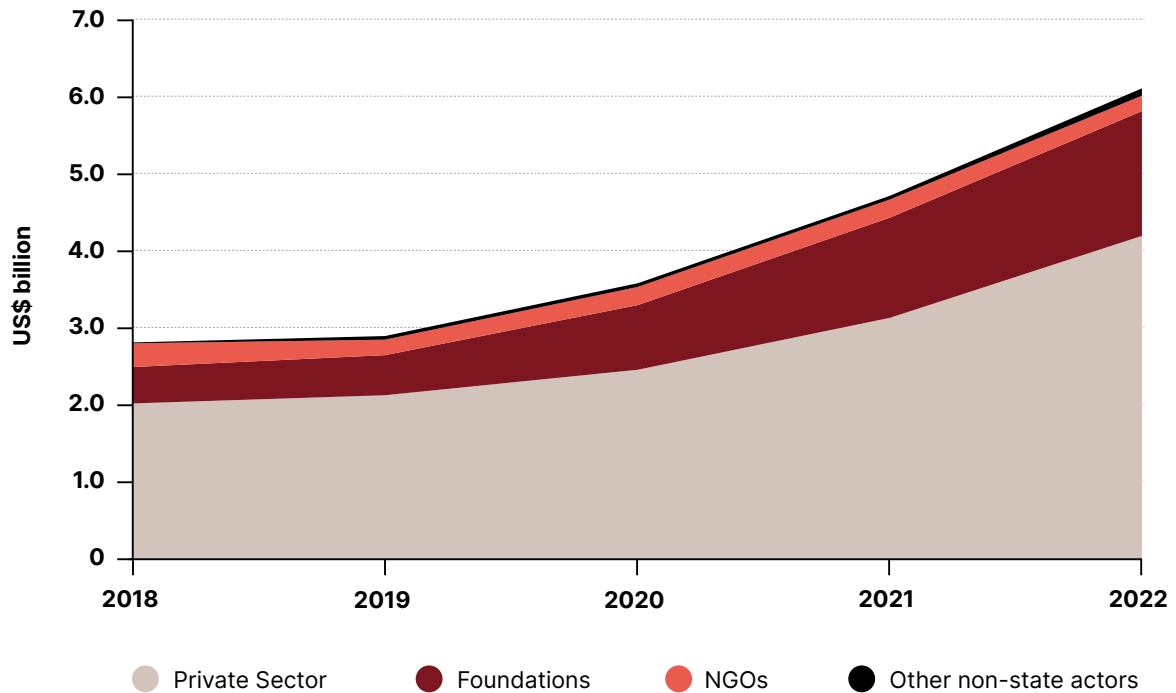
Figure 11: International Financial Institutions (IFIs) funding to four select UN entities, 2022 (US\$ million)



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 101.

Figure 12: Funding from non-state actors to the UN system, 2018–2022 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 101.

The strategic partnership framework (established in 2018) between WFP and the World Bank brings together the latter's analytical and financial expertise with the former's strong operational capacity in fighting extreme poverty and hunger.¹⁶ In 2022, WFP received almost 4% of its total revenue through IFIs, equivalent to US\$ 518 million, of which 59% was channelled by the World Bank.

UNOPS collaborates with IFIs on, among other areas, climate action, resilient infrastructure, resilient health systems, gender equality and building public procurement capacity.¹⁷ In 2022, 18% of its fees were funded by IFIs.

In the case of UNDP, partnerships with IFIs are both financial and non-financial, involving collaboration, capacity development and project implementation aimed at supporting government efforts towards sustainable, inclusive growth. In 2022, UNDP continued to strengthen its collaborations with IFIs in order to help governments leverage the financing needed to achieve the SDGs and address the socioeconomic challenges brought about by the COVID pandemic and other crises.¹⁸ Of the US\$ 215 million of revenue channelled by IFIs, 84% came from the World Bank.

Revenue from non-state actors

Non-state actors, such as the private sector, foundations, and non-governmental organisations (NGOs), represent a smaller but growing source of UN funding, with the share of funding from such contributors increasing from 5% in 2018 to 8% in 2022.

Figure 12 shows total revenue volumes from non-state actors to the UN system in recent years, revealing an average annual growth rate of 21.3% between 2018 (US\$ 2.8 billion) and 2022 (US\$ 6.1 billion). This is largely related to revenue from foundations and the private sector, in particular UNICEF's ability to raise funds from the latter source and the rapid growth in UNHCR's revenue from both sources.

Most UN entities receive only a limited share of non-state resources, with UNICEF, UNHCR, WFP and the World Health Organization (WHO) the exceptions. Figure 12 also shows a breakdown of non-state revenue directed at these four UN entities. Here, UNICEF, which relies entirely on voluntary

contributions, stands out, with 26% of its total resources generated from the private sector – equivalent to over US\$ 2.7 billion in 2022. UNICEF has 33 National Committees (independent local NGOs) that not only promote children's rights but fundraise core and earmarked contributions from individuals and enterprises.

Private sector donations and foundations are also an important income stream for UNHCR, which received 20% of its revenue through these sources in 2022. WFP has increased its revenues from non-state actors in recent years, receiving 3.5% of its total 2022 revenue from the private sector and foundations. Finally, WHO sources most of its non-state income from foundations, with the Bill & Melinda Gates Foundation contributing US\$ 396 million in 2022 (9% of its total revenues).

1.4 Funding mix

Up to this point, the data presented has been for revenue to the UN system as a whole, incorporating all entities that report to the CEB. Figures 13 to 18 focus on the UN development system (UNDS), which encompasses entities promoting sustainable development and welfare in developing countries and countries in transition – referred to as UN operational activities for development (OAD). Despite what the name might suggest, OAD includes both development assistance-related activities and humanitarian assistance. In essence, the entities that constitute the UNDS are those with a mandate to promote economic and social development. In 2022, contributions to UN OAD were 73%, or US\$ 54.5 billion, of total UN system revenue (see definitions in Box 2).

The distribution of core and earmarked contributions to UN OAD since 2010 is depicted in Figure 13. Revenue growth over this period is primarily explained by increased earmarked funding, which had an average annual growth rate of 8.1% between 2022 and 2010, compared to a 3.2% annual average increase for core funding over the same period. In 2022, earmarked contributions comprised 84% of UN OAD revenues, compared to 67% for the UN system. This difference can be attributed to the fact that the other two UN functions – peace operations and to a

lesser extent global agenda – are largely funded from assessed contributions. Earmarked contributions to OAD in 2022 reached a historic high of US\$ 45.6 billion, following a consistent upward trend. Compared to 2021, earmarked funding for OAD grew 24%, while core contributions decreased 8%. This decline is primarily due to reduced voluntary core contributions recorded as 2022 revenue, stemming partly from the upfront revenue recognition of multi-year agreements following IPSAS (see Box 1).

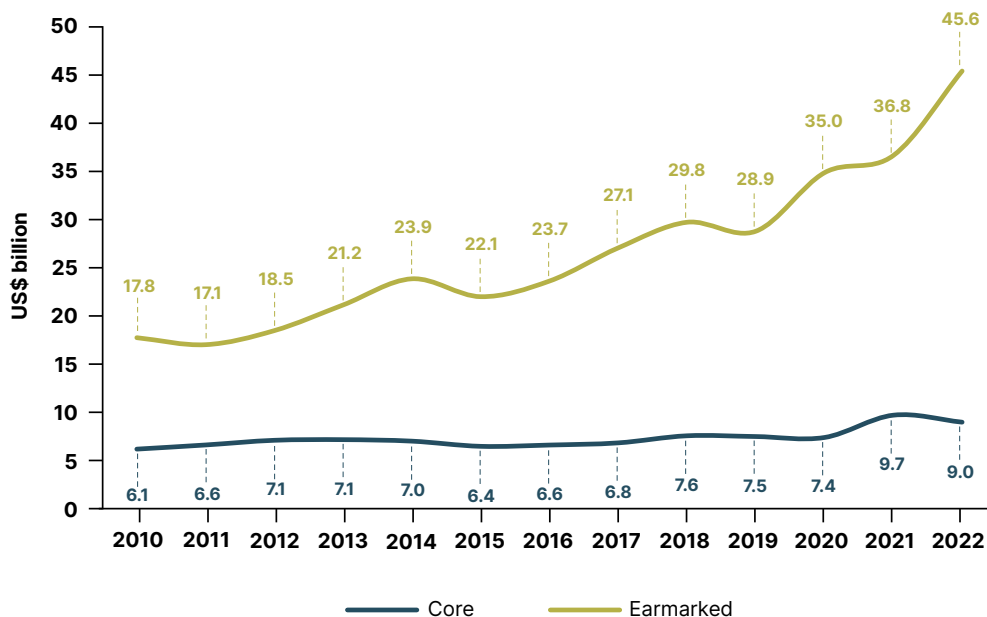
The total 2022 contributions by the top ten OECD-DAC members are illustrated in Figure 14, along with a breakdown of the financing instruments they utilised to support UN OAD. It is noteworthy that, unlike in Figure 9, the EU’s status as an OECD-DAC member means it is included within the top contributors. As previously remarked, the EU rarely provides assessed or voluntary core contributions to the UN. Of the US\$ 3.3 billion the EU contributed to UN OAD in 2022, just 3% was core funding. The majority of this was provided to address climate and biodiversity crises, with

US\$ 1.4 million going to UNEP and US\$ 0.9 million to the United Nations Framework Convention on Climate Change (UNFCCC).

Eight of the top ten UN OAD contributors are also among the top ten contributors to the UN system, with funding concentrated among a consistent group of donors. Figures 14 and 15 present the funding mix to the UNDS of, respectively, the top ten OECD-DAC and top ten non-OECD-DAC contributors. Inter-agency pooled funds and single-agency thematic funds are singled out due to their ‘core-like’ features of more flexible earmarked funding.

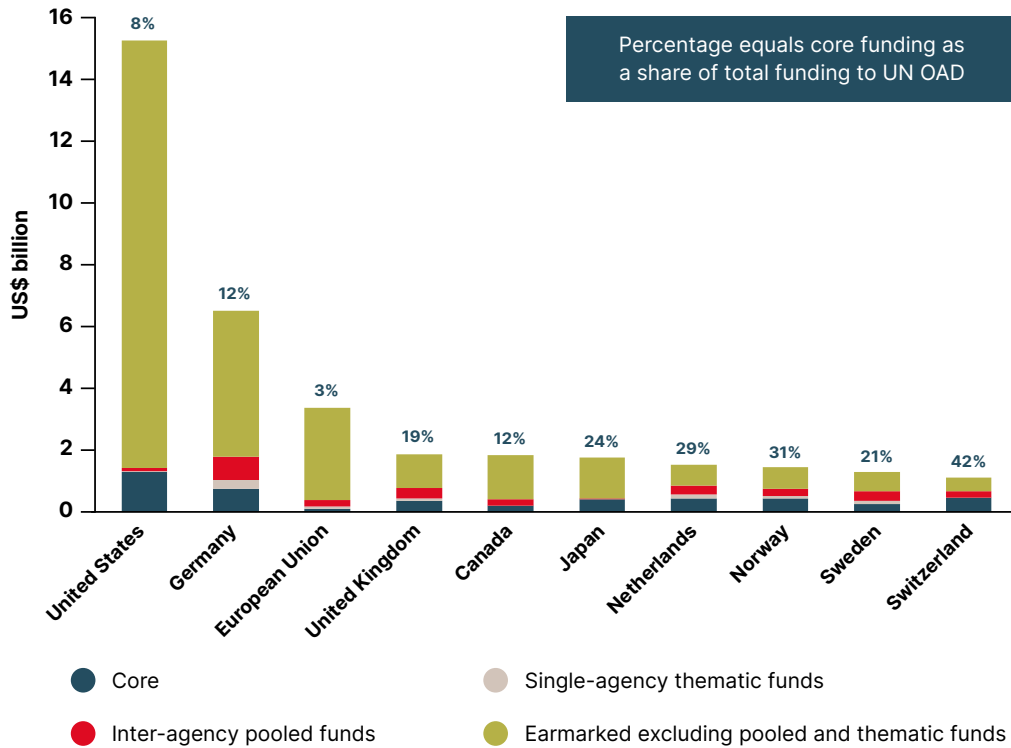
The percentages in Figure 14 indicate the proportion of core funding within each OECD-DAC contributor’s total funding to UN OAD. While five out of the top ten provide 20% or more of their contribution through core funding, the three largest contributors – the United States, Germany, and the EU – predominately funnel resources through earmarked funding.

Figure 13: Total core and earmarked contributions to UN OAD, 2010–2022 (US\$ billion)



Source: Report of the Secretary-General (A/79/72 - E/2024/12). Historical data from various reports.
For notes – see page 102.

Figure 14: Funding composition for UN OAD: Top 10 OECD-DAC contributors, 2022 (US\$ billion)



Source: Report of the Secretary-General (A/79/72 - E/2024/12) and UN Pooled Funds Database.

For notes – see page 102.

The top ten OECD-DAC contributors together provided 65% of overall UN OAD funding in 2022, with the choice of financing instrument varying between contributors. Switzerland and Norway contributed more than 30% of their funding as core resources.¹⁹ Netherlands, Sweden, the United Kingdom and Germany also provided a substantial share of their contributions as core, or ‘core-like’ resources, while the United States and Japan contributed mainly through more tightly earmarked funding. Again, the EU is a unique case, rarely providing core funding due to the nature of the organisation.

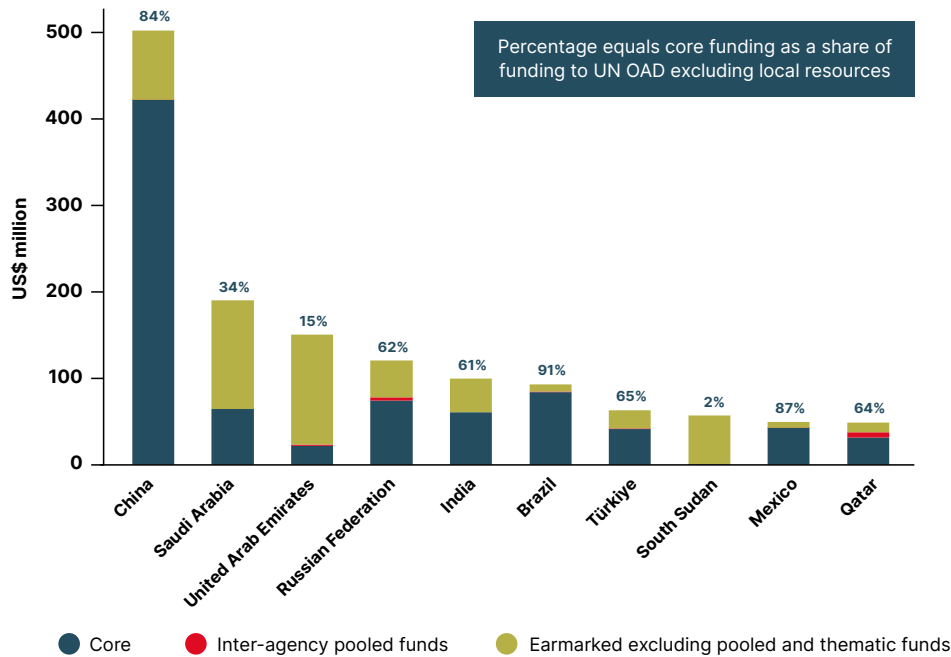
Figure 15 illustrates the top ten non-OECD-DAC members’ total OAD contributions in 2022. On the top figure, the ranking excludes local resources – which are provided by countries for the purposes of implementing their own national development plans – while on the bottom

figure, they are included. In both cases, China is the largest contributor to UN OAD, providing more than US\$ 500 million. When considering local resources, Argentina, the Democratic Republic of Congo, Somalia, and Colombia enter the top ten UN OAD funding partners within the non-OECD-DAC group.

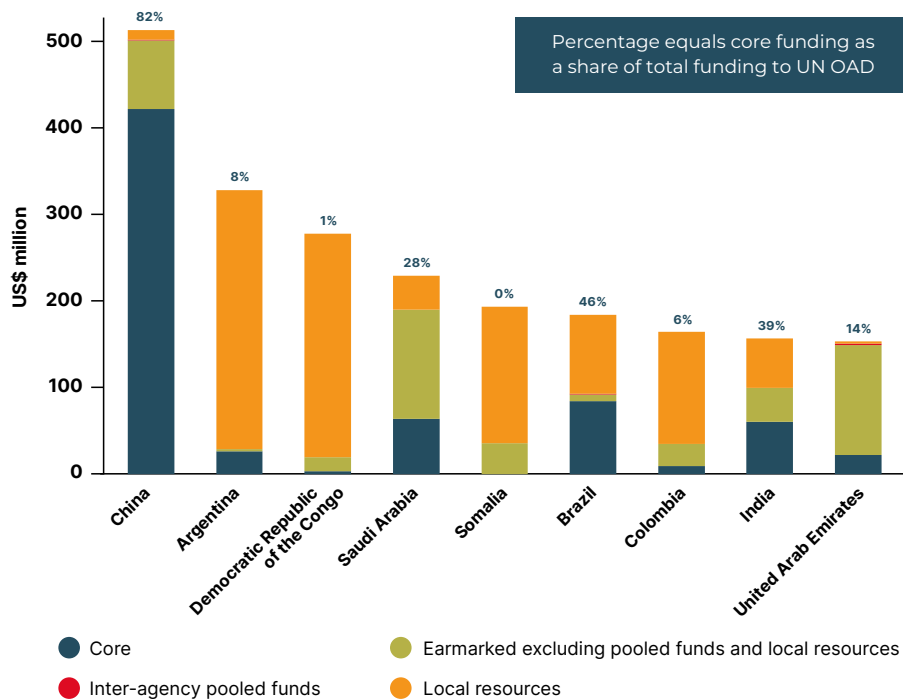
The non-OECD-DAC contributors to UN OAD display a more diverse funding mix. Contributions to inter-agency pooled funds, although more limited in this group, are to a degree growing. Qatar, the Russian Federation, Türkiye, and Brazil funded the UN Central Emergency Response Fund (CERF), as well as country funds in their respective regions. Single-agency thematic funds have not been singled out as such contributions are not significant within the group. Most countries contribute a higher proportion of core funding than the top OECD-DAC countries.

Figure 15: Funding composition for UN OAD: Top 10 non-OECD-DAC contributors, 2022 (US\$ million)

(A) Excluding local resources



(B) Including local resources



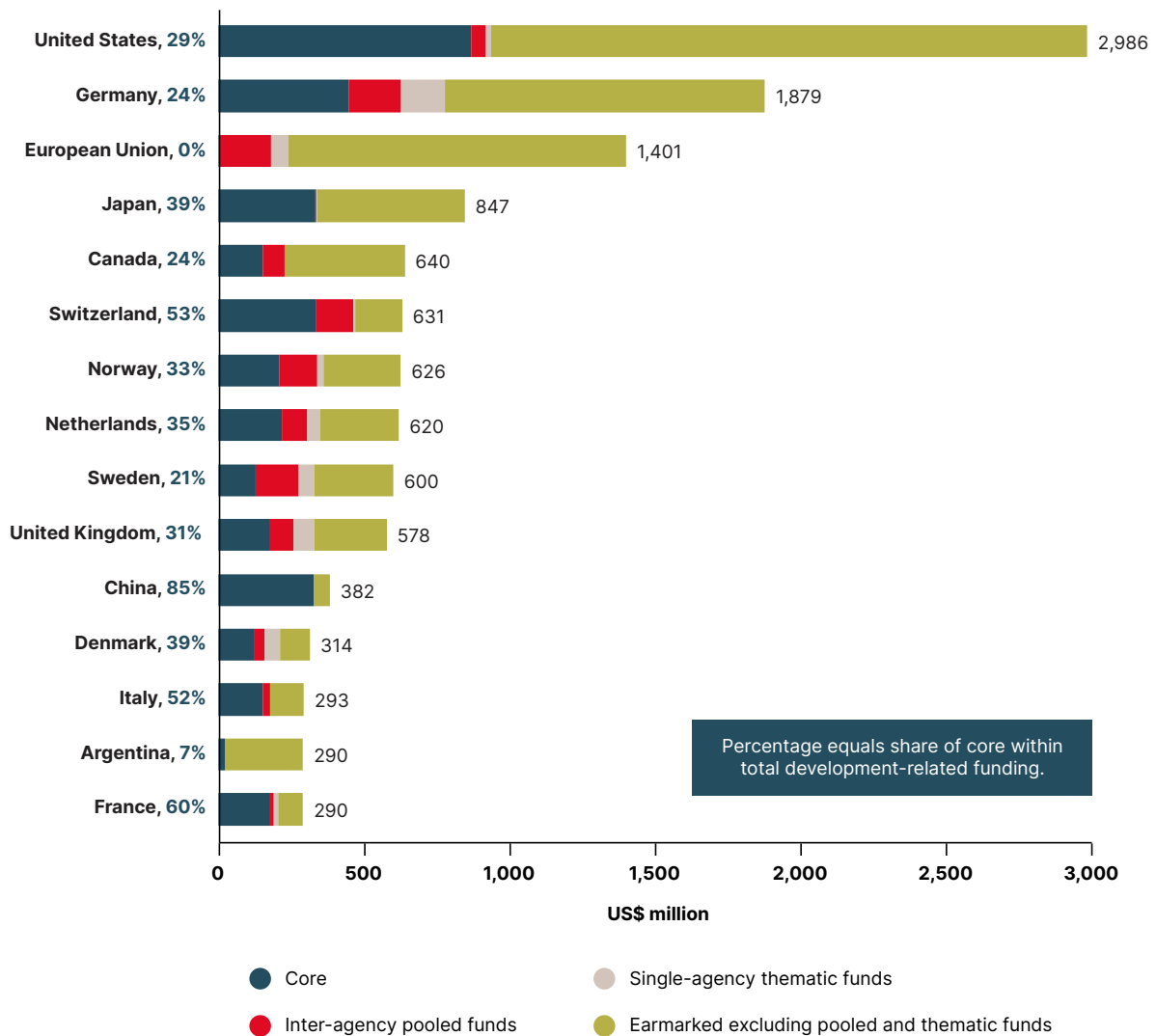
Source: Report of the Secretary-General (A/79/72-E/2024/12) and UN Pooled Funds Database.

For notes – see page 102.

Figures 16 and 17 illustrate the funding mix of the top 15 contributors to, respectively, development assistance and humanitarian assistance – the two functions that constitute UN OAD. Although the funding mix differs between development and humanitarian assistance, the pattern of funding being concentrated in a limited number of contributors remains the same.

The top five development assistance donors – the United States, Germany, the EU, Japan, and Canada – accounted for 39% of total contributions to development assistance. On the humanitarian side, the concentration of funding resources in a few contributors is even higher, with the top five donors – the United States, Germany, the EU, the United Kingdom, and Canada – accounting for 60% of total contributions to humanitarian assistance.

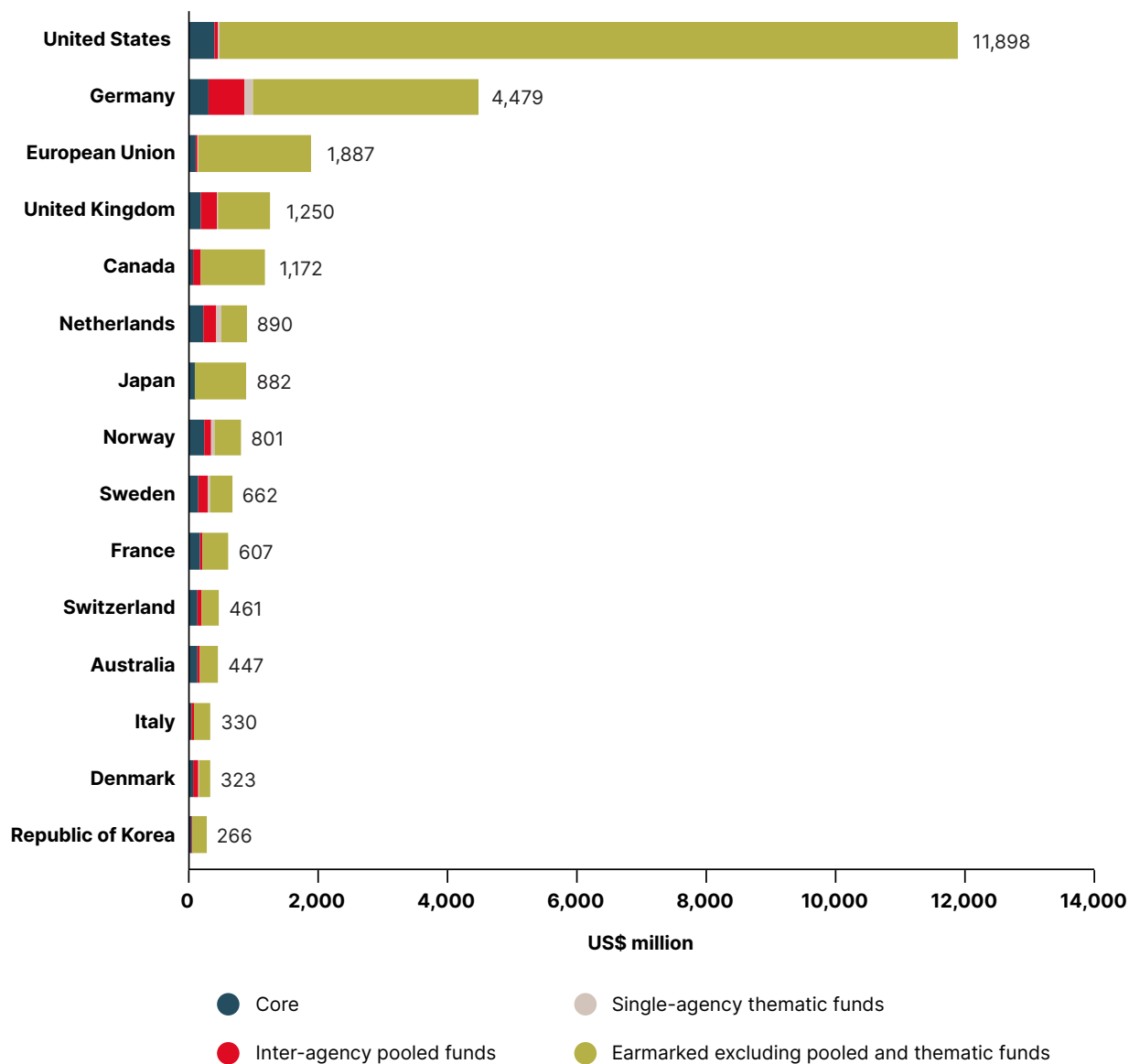
Figure 16: Funding composition for UNDS development assistance: Top 15 contributors, 2022 (US\$ million)



Source: Report of the Secretary-General (A/79/72 - E/2024/12) and UN Pooled Funds Database.

For notes – see page 102.

Figure 17: Funding composition for UNDS humanitarian assistance: Top 15 contributors, 2022 (US\$ million)



Source: Report of the Secretary-General (A/79/72 - E/2024/12) and UN Pooled Funds Database.

For notes – see page 102.

Total funding for development assistance increased to US\$ 20 billion in 2022, compared to around US\$ 19 billion the previous year. Of these resources, US\$ 5.6 billion for core resources (28%), US\$ 8.9 billion (45%) for resources earmarked to a specific project or programme, and US\$ 1.3 billion (6%) channelled through inter-agency pooled funds.

Looking at the funding mix, there is considerable diversity between contributors. In general, development assistance is funded with core resources to a higher degree than humanitarian assistance. As Figure 16 demonstrates, nine of the top 15 contributors in 2022 provided more than 30% of their development assistance funding in core resources.

Funding for humanitarian assistance grew to US\$ 34.6 billion in 2022, compared to US\$ 27 billion in 2021. The United States was the top contributor, providing 58% of the humanitarian funding to UN OAD in 2022, equivalent to US\$ 12 billion. This represented an increase of US\$ 5.6 billion compared to the previous year's US\$ 7 billion. WFP received US\$ 7 billion – US\$ 3.4 billion more than in 2021 – and UNHCR US\$ 2.2 billion.

Core funding accounted for 10% of humanitarian assistance funding in 2022. Among the earmarked resources, 71% (US\$ 24.6 billion) was earmarked for a specific programme or project, while 9% came via more flexible earmarking, including both single-agency thematic funds and inter-agency pooled funds.

1.5 Inter-agency pooled funds

As previously shown in Figure 5, 5% of the total earmarked contributions to the UN system in 2022 was channelled through UN inter-agency pooled funds. UN inter-agency pooled funds are a pass-through financing mechanism that provides more flexible, predictable earmarked funding for jointly agreed-on UN priority programmes. Contributions are co-mingled rather than allocated to a specific UN entity, with a UN administrative agent holding resources in trust until the UN-led steering committee decides on the fund allocation to participating implementing organisations.

UN inter-agency pooled funds strengthen coherence and coordination within UNDS entities, serving as a platform for giving voice and visibility to key stakeholders – from donors to implementing civil society organisations. These funds support multi-stakeholder partnerships involving a specific thematic and/or geographic focus. Funds may address broad global or regional cross-border challenges through multi-partner trust funds (MPTFs), or more specific national concerns through country-level MPTFs or standalone pass-through joint programmes.

At a country level, multi-stakeholder collaboration enables various partnerships to coalesce under a common results framework, thereby fostering implementation of national development plans and facilitating programmatic funding

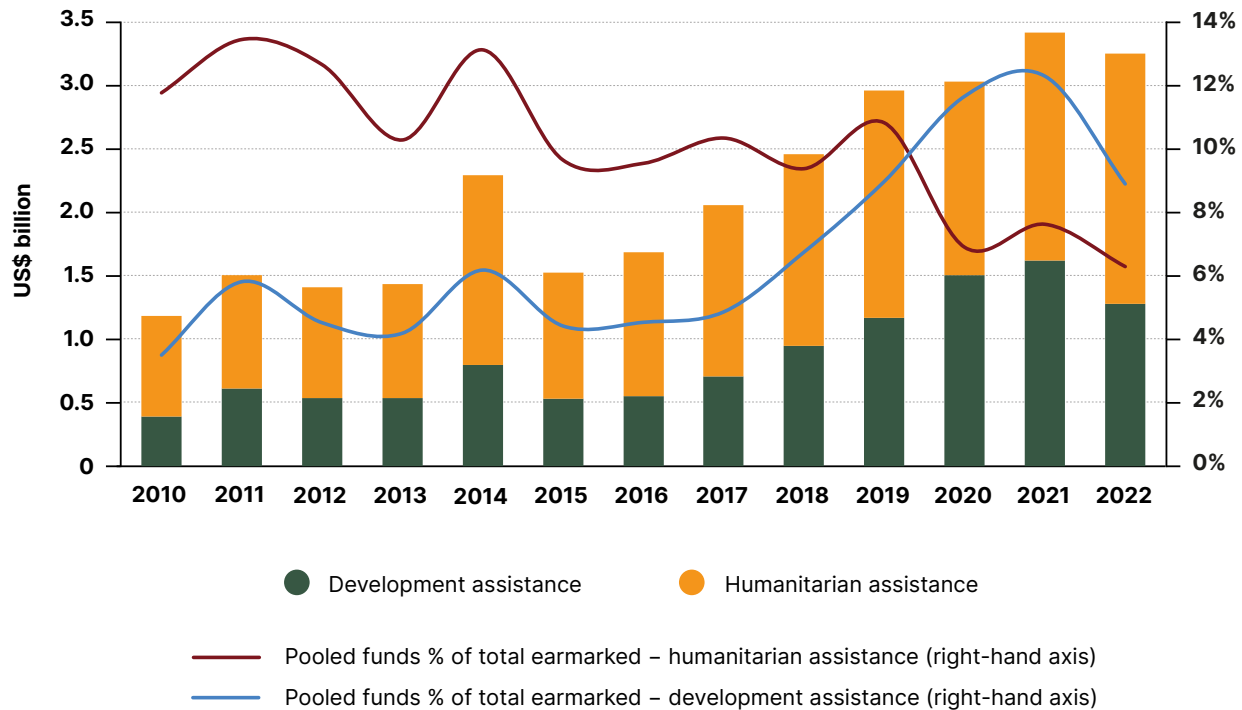
across various in-country priorities. When utilised to finance a country-level United Nations Sustainable Development Cooperation Framework (UNSDCF)²⁰, inter-agency pooled funds serve as 'core-like' resources capable of supporting a wider results framework while providing scope for flexibility.

Figure 18 shows the annual contributions received by UN inter-agency pooled funds since 2010, disaggregated by thematic area. Total contributions have nearly tripled from US\$ 1.2 billion in 2010 to US\$ 3.3 billion in 2022. While contributions to humanitarian pooled funds more than doubled from US\$ 0.8 billion in 2010 to US\$ 2.0 billion in 2022, it was development-related pooled funds that experienced the largest proportional growth during this period, from US\$ 0.4 billion to US\$ 1.3 billion.

Over the 2010–2022 period, humanitarian funds constituted roughly 60% of all the contributions received by UN inter-agency pooled funds, reflecting a long-term trend of pooled funding being used to respond with flexibility to humanitarian needs. Contributions to development-related funds represented 39% of pooled fund contributions in 2022 and 8.9% of all earmarked funding to UN development-related activities, falling below the original Funding Compact target of 10%. Additionally, after six consecutive years of growth, contributions to development-related inter-agency pooled funds decreased from US\$ 1.6 billion in 2021 to US\$1.3 billion in 2022 – a 21% reduction. Contributory factors to this particularly low level of capitalisation include the closing of the inaugural phase of the Spotlight Initiative Fund and reduced levels of funding for the Joint SDG Fund and the Peacebuilding Fund.

The new iteration of the Funding Compact between UN Member States and the UNSDG underscores that the UN's capacity to provide transformative support relies on Member States taking concrete, timely steps to improve their quality of funding to the UNDS. In particular, this should be achieved through: 1) strengthening core funding and increasing the flexibility and predictability of non-core funding; 2) increasing contributions to inter-agency pooled funding; 3) aligning contributions to the priorities and needs outlined in strategies and budgets, as well as country-level Cooperation Frameworks; and 4) harmonising requirements across donors.²¹

Figure 18: Deposits to UN Inter-agency pooled funds, 2010-2022 (US\$ billion)



Source: Report of the Secretary-General (A/79/72 - E/2024/12) and UN Pooled Funds Database. Historical data from various reports. For notes – see page 103.

Clear targets for strengthening resources to UN inter-agency pooled funds have been established as part of this high-level agreement. For instance, the proportion of voluntary non-core contributions to development activities provided by Member States through inter-agency pooled funds is set to be 30% by 2027, while the annual capitalisation of both the Joint SDG Fund and the Peacebuilding Fund is expected to reach US\$ 500 million by the same year. Moreover, total annual contributions to development-related country-level MPTFs in support of UNSDCF are targeted to reach US\$ 800 million in 2027.²²

Under the new Funding Compact, UNSDG entities have committed to work for a UNDS that is more strategic and responsive, more collaborative and integrated, and more efficient and streamlined. Regarding UN inter-agency pooled funds, the UNSDG entities have pledged to implement common quality-management features in all UN

inter-agency pooled funds by 2028, and to have completed mid-term and final evaluations of 25 inter-agency pooled funds with annual contributions above US\$ 5 million by the same year.²³

Despite the positive trend in funding received from sources other than governments sources, the observation that UN system funding is concentrated in a stable, limited group of OECD-DAC contributors also applies to inter-agency pooled funds. Figure 19 illustrates the top ten contributors’ thematic priorities when it comes to investing in inter-agency pooled funds, divided between humanitarian pooled funds and the three themes that fall under development-related pooled funds: 1) peace and transition funds; 2) climate and environment funds; and 3) development funds. Together, these ten contributors provided 80% of the resources UN inter-agency pooled funds received in 2022. There are some shifts in the top ten ranking compared to

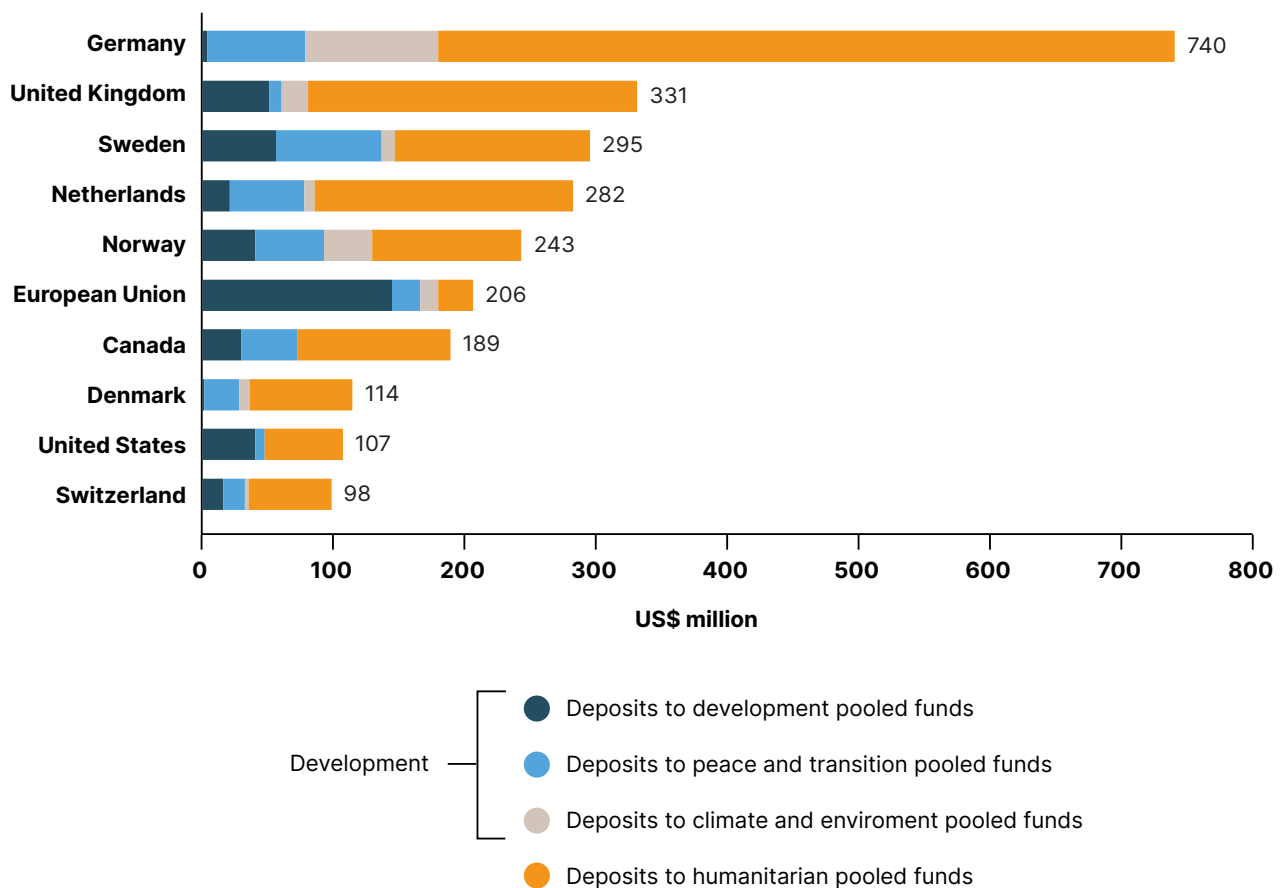
2021, with the United States entering the group in ninth place and Switzerland in tenth.

German funding to UN inter-agency pooled funds continued to be noteworthy in 2022, with the CERF (US\$ 146 million) and the Afghanistan Humanitarian Fund (US\$ 114 million) receiving the highest volume of contributions. Germany, the United Kingdom, the Netherlands and Denmark displayed a strong focus on humanitarian pooled funds, while Germany and Norway contributed significantly to climate and environment funds. The growing urgency of combatting climate change means the importance of climate and environment funds within the UN inter-agency

pooled funds portfolio has increased accordingly. These funds have grown from a modest US\$ 43 million in 2015 to US\$ 231 million in 2022. Driving this positive trend is the Central African Forest Initiative (CAFI), which received funding in excess of US\$ 150 million in 2022, equivalent to 65% of the total funding allocated to UN climate- and environment-related inter-agency pooled funds.

Figure 20 shows that 25 countries surpassed the 10% threshold for channelling earmarked contributions to development assistance through inter-agency pooled funds in 2022. This group includes all the top ten Member State contributors to inter-agency pooled funds aside from the

Figure 19: Deposits to UN inter-agency pooled funds from the top 10 contributors, 2022 (US\$ million)



Source: UN Pooled Funds Database.

For notes – see page 103.

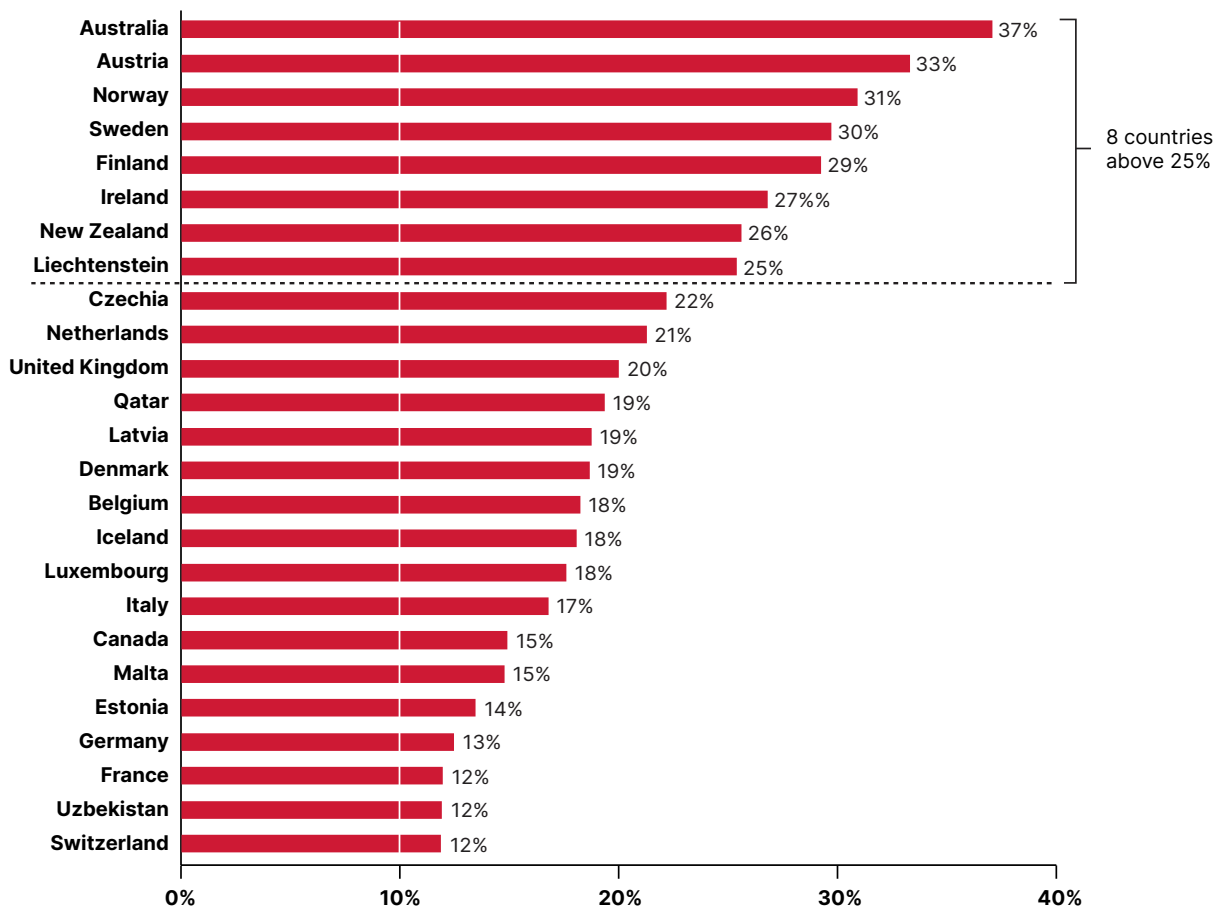
United States. As previously mentioned, one of the Member State commitments set out in the new Funding Compact is to provide 30% of non-core contributions for development activities through inter-agency pooled funds by 2027. Figure 20 reveals that four Member States – Australia, Austria, Norway, and Sweden – are already fulfilling this commitment, while Finland, Ireland, New Zealand, and Liechtenstein are closing in on the target, having surpassed the 25% mark.

Turning to the receiving end of inter-agency pooled funds, Figure 21 illustrates which ten UN entities are the largest implementers of pooled funds and disaggregates the

resources they receive by the fund's thematic area. The figure is divided into two parts: the first shows the top ten entities for 2022, while the second shows the top ten entities for the period between 2016 – when implementation of the SDGs began – and 2022.

In 2022, the UN Secretariat received US\$ 410 million from the MPTF Office as fund administrator for six country-based humanitarian pooled funds, under which OCHA also managed contracts with NGO recipients (Afghanistan, Central African Republic, the Democratic Republic of Congo, South Sudan, and Sudan).

Figure 20: Countries contributing more than 10% of their total earmarked funding to UN development assistance through UN inter-agency pooled funds, 2022 (25 countries)

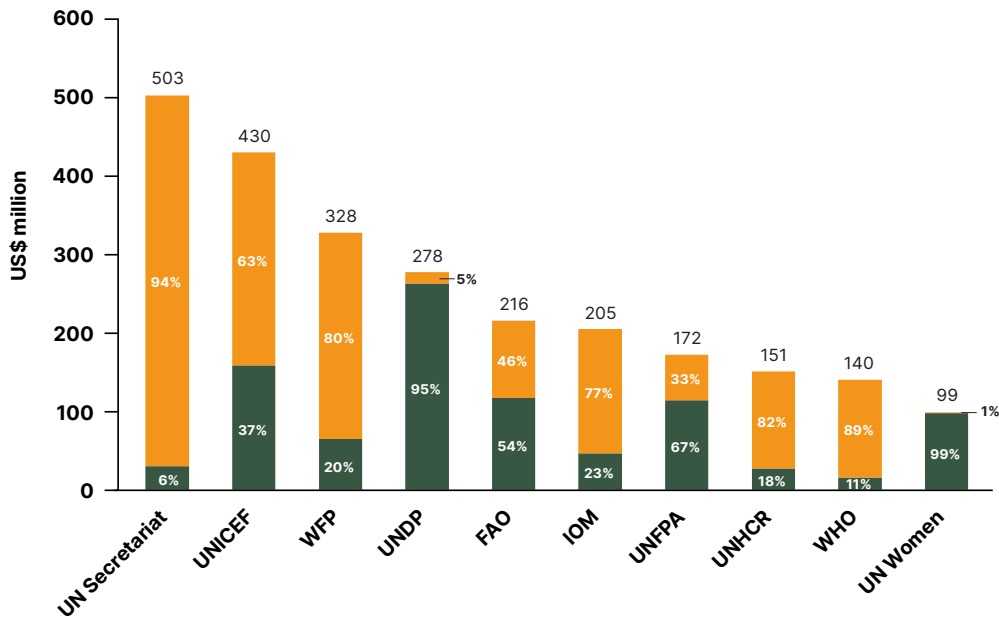


Source: Report of the Secretary-General (A/79/72-E/2024/12) and UN Pooled Funds Database.

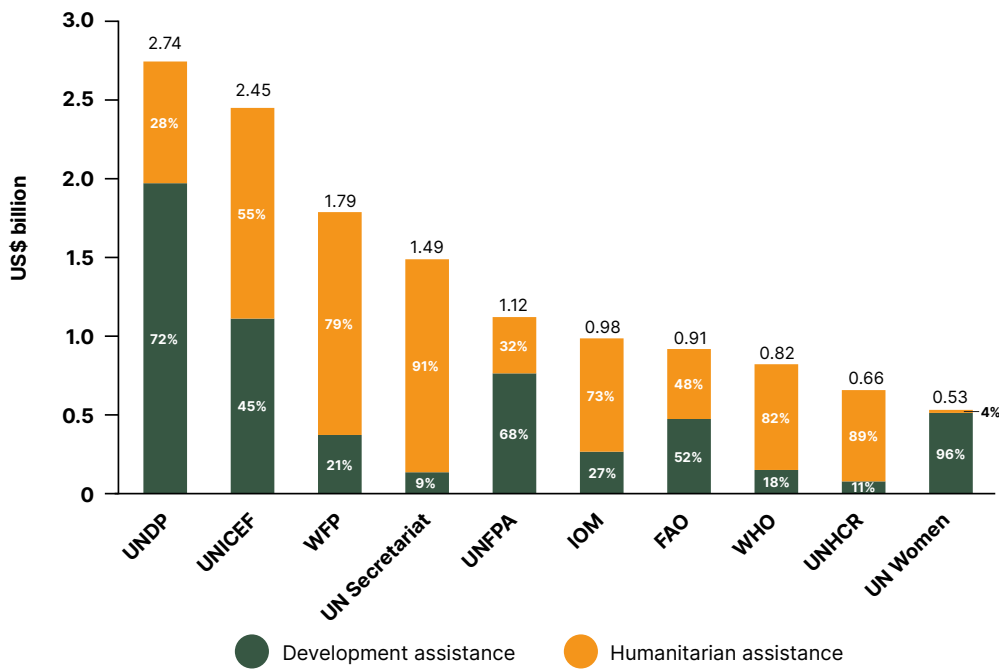
For notes – see page 103.

Figure 21: Top 10 implementing UN entities receiving revenue through inter-agency pooled funds, by fund thematic area, 2022 and 2016–2022

(A) 2022 (US\$ million)



(B) 2016 – 2022 (US\$ billion)



Source: UN Pooled Funds Database.

For notes – see page 103.

UNDP was the UN entity that saw the largest aggregated volume of transfers from UN inter-agency pooled funds during the 2016–2022 period, with 72% of the US\$ 2.74 billion received originating from development-related inter-agency pooled funds. UNICEF and WFP were second and third in terms of resources channelled through inter-agency pooled funds, receiving US\$ 2.45 billion and US\$ 1.79 billion respectively.

Figure 22 illustrates the countries in which pooled funds accounted for 15% or more of earmarked development-related expenditure. This gives an indication of the amount of flexible funding available for strategic implementation of, among other things, UNSDCF. In 2022, 34 countries surpassed the 15% threshold, while a total of 58 countries received more than 10% – about the same level as in 2021, but a significant increase from 28 in 2018.

There is a clear trend towards more countries benefitting from inter-agency pooled funds. Looking at the top three countries, both Tuvalu and Gabon received resources from the Peacebuilding Fund. In the case of Papua New Guinea, the 83% of earmarked development funding channelled through UN inter-agency pooled funds came mainly from two country funds: the Papua New Guinea UN Country Fund administered by MPTF Office, and Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea (STREIT PNG), administered by FAO.

Some programme countries have also enhanced implementation of their national Cooperation Framework by investing in country-level pooled funds and accelerating SDG attainment. In 2022, Montenegro provided funding to the Montenegro UN Country Fund, while Uzbekistan did likewise for the Aral Sea UN Human Security Trust Fund for the Aral Sea in Uzbekistan.

Figure 23 illustrates the total amounts transferred in 2022 to implement programmes/projects in the top 15 Member States receiving resources channelled through UN inter-agency pooled funds. In Afghanistan, there was a dramatic increase in needs driven by a combination of repeated economic shocks, political turmoil and severe food insecurity caused by the country's worst drought in 27 years.²⁴ Afghanistan continues to be the country receiving

the most funding from inter-agency pooled funds, with the total amount increasing from US\$ 310 million in 2021 to US\$ 475 million in 2022, predominantly sourced from the Afghanistan Humanitarian Fund.

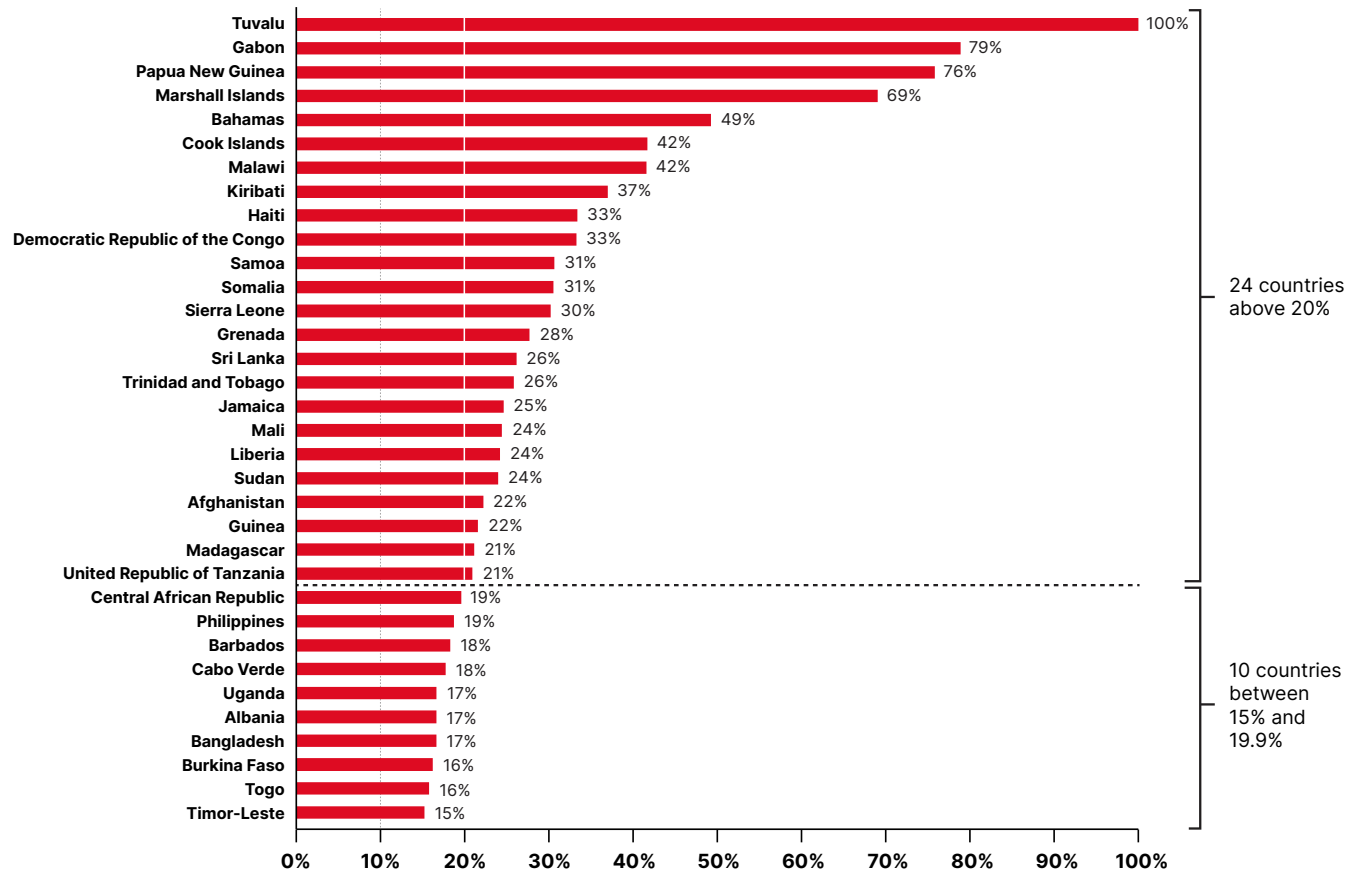
While conflict-affected countries in need of humanitarian support are the largest receivers of inter-agency pooled funds overall, some countries – such as Papua New Guinea and Malawi – benefit from development-related pooled funds mainly for the purposes of SDG acceleration. Climate and environment funds have also increased in importance in recent years. Such funds address the impacts of climate, biodiversity and environment-related risks on intersectional challenges related to food security, vulnerable communities, and resilient infrastructure. CAFI and the Global Fund for Coral Reefs are two notable climate and environment pooled funds: the former aims to support Central African countries in protecting and sustainably managing their forest resources, while the latter is an innovative blended finance mechanism dedicated to coral reef conservation and raising resilience in reef-dependent communities.

1.6 Broader ODA picture

In bringing Chapter 1 to a conclusion, this section expands the perspective by contextualising the UN system within the broader multilateral ecosystem, Figure 24 compares the official development assistance (ODA) provided by OECD-DAC members to various multilateral institutions, including the distribution of funding between core and earmarked funding.

Turning to data from the OECD's Creditor Reporting System (CRS), it is again apparent that OECD-DAC members earmark a higher proportion of their total funding to the UN system than they do to any other multilateral institution, including the EU, regional banks, the World Bank Group, and the IMF. Earmarked funding to the UN system accounted for 60% of OECD-DAC member funding in 2011, rising to 71% in 2022. By contrast, the corresponding 2022 figure for regional development banks and the other multilateral institutions was approximately 36%.

Figure 22: Countries in which more than 15% of earmarked resources is channelled through development-related UN inter-agency pooled funds, 2022 (34 countries)



Source: Report of the Secretary-General (A/79/72 - E/2024/12) and UN Pooled Funds Database.

For notes – see page 103.

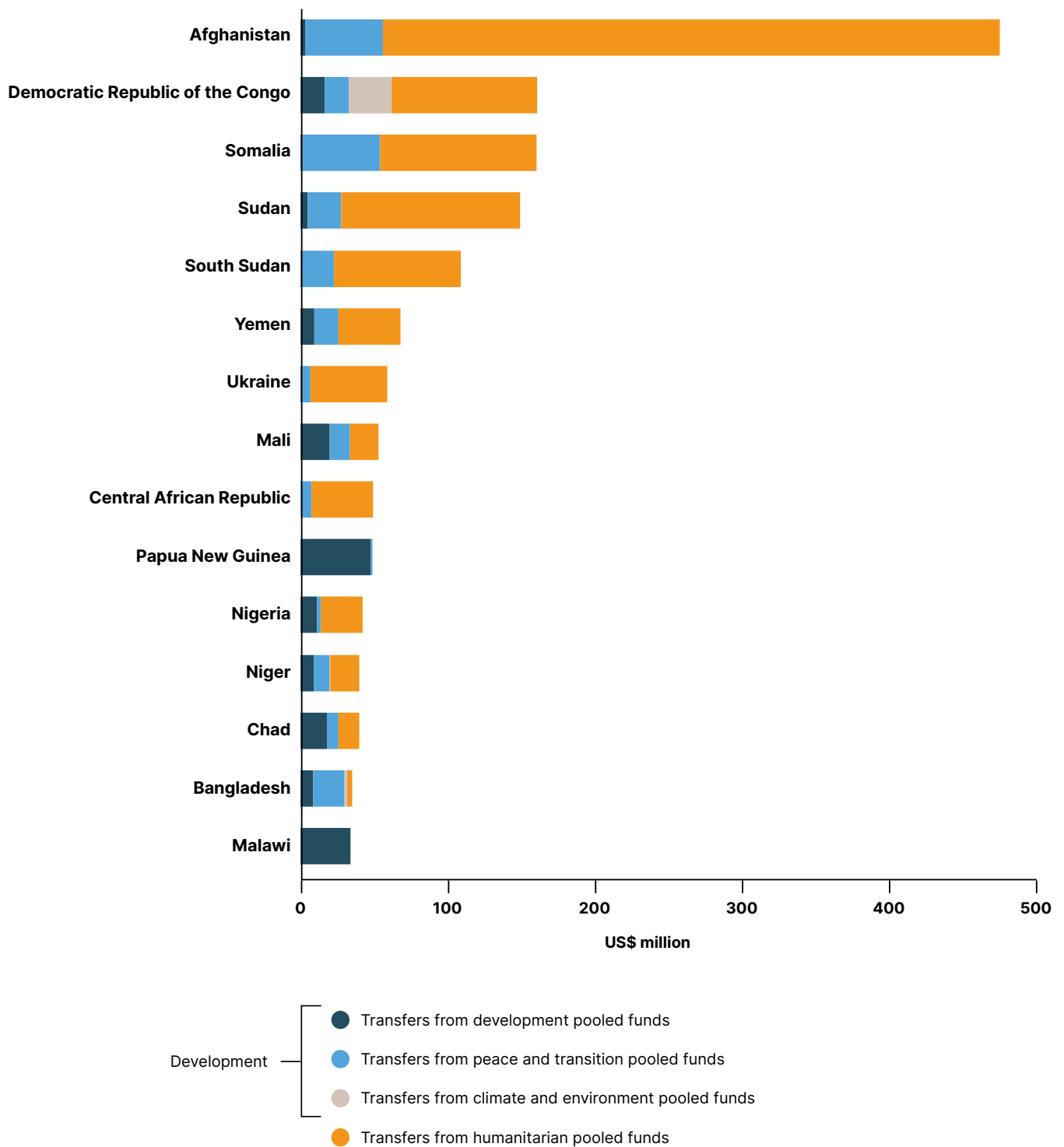
The OECD-DAC members’ total use of earmarked resources channelled by the World Bank Group grew from US\$ 2.7 billion to US\$ 12.1 billion between 2021 and 2022. This US\$ 9.4 billion increase is primarily attributable to funding from the United States to Ukraine, which involved US\$ 8.5 billion channelled through the International Development Association.²⁵ In 2021, total earmarked contributions from the United States to the World Bank Group stood at just US\$ 0.1 billion.

The ‘other multilateral institutions’ category also saw a substantial increase, doubling its funding from US\$ 9.3 billion in 2011 to US\$ 18.6 billion in 2022. As depicted in Figure 24’s

detail, this growth is primarily fuelled by resource mobilisation of global vertical funds within the development sphere.

The funding profiles among multilateral institutions vary widely depending on their mandates and governance structures. The UN system’s relatively large share of earmarked funding may in part be down to its strong track record of channelling humanitarian relief resources when faced by crises and emergency responses that exceed an individual nation’s capacity – as was the case during the COVID-19 pandemic. This humanitarian assistance is largely funded by earmarked resources.

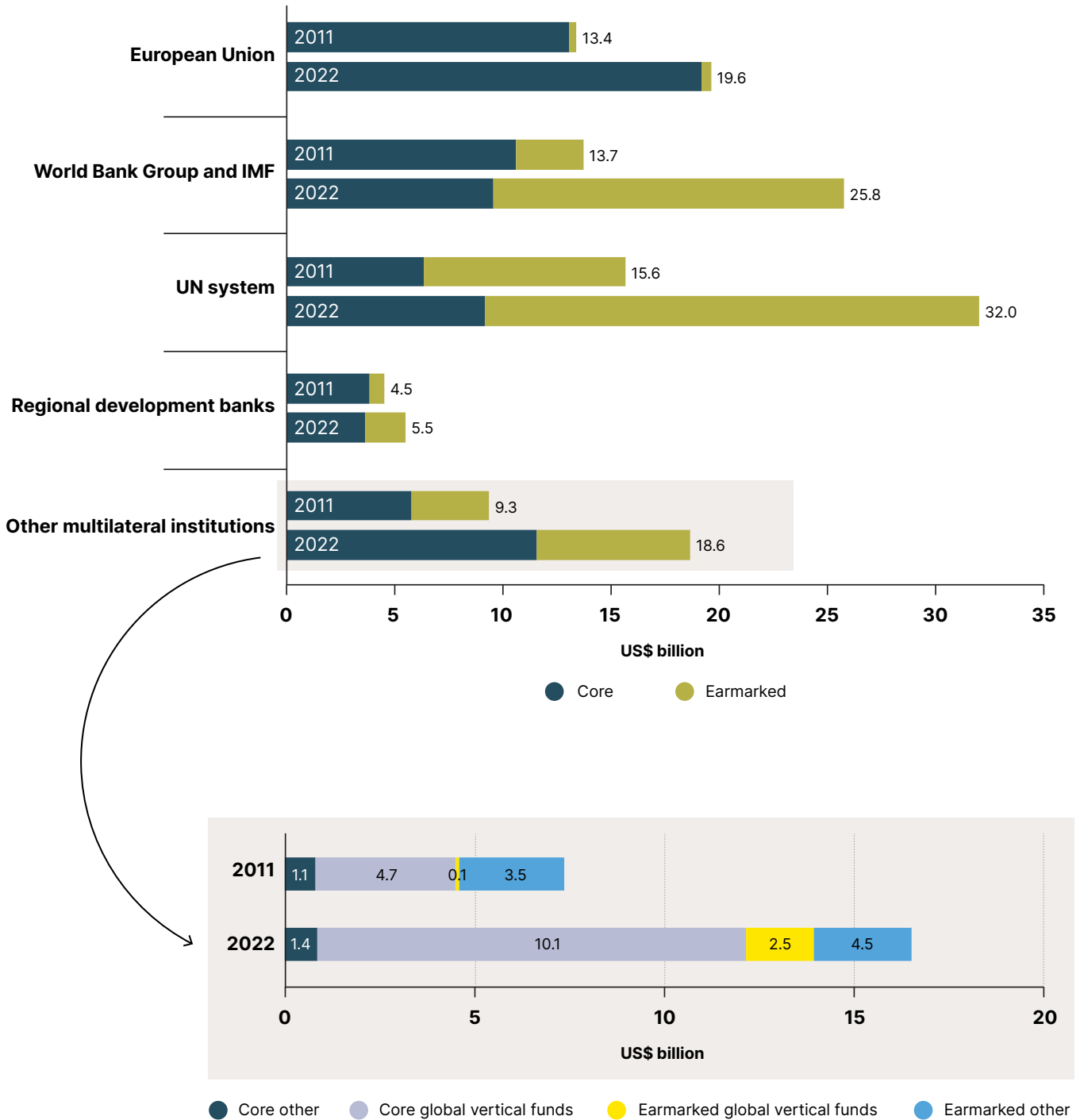
Figure 23: Top 15 countries receiving resources through UN inter-agency pooled funds, 2022 (US\$ million)



Source: UN Pooled Funds Database.

For notes – see page 103.

Figure 24: Channels of multilateral assistance from OECD-DAC countries, core and earmarked, 2011 and 2022 (US\$ billion, at 2021 constant prices)



Source: Organisation for Economic Co-operation and Development (OECD).

For other notes – see page 103.

Part One — Chapter 2

Where is UN funding allocated?

While the previous chapter explored funding flows to the UN, this chapter shifts focus to the disbursement or expenditure of funds across various UN functions and geographic areas, as well as their connection to SDG implementation.

Despite being interrelated, the UN system's revenue and expenditure volumes do not precisely align in a given fiscal year, with a number of factors influencing the timing of inflows and outflows. For instance, following IPSAS accounting principles, the total revenue reflected in multi-year contribution agreements is fully accounted for in the year of signature, even if funds are to be disbursed over subsequent years (see Box 1). In addition, the financial constraints mentioned in section 1.1 related to the large volume of unpaid assessed contributions and the concentration of single-year voluntary contributions in the last quarter of a calendar year have exacerbated the 'delay factor' between revenues and expenses

2.1 Total UN expenditure

The Data Standards for UN system-wide reporting of financial data was developed through a joint initiative between the CEB's HLCM and UNSDG. The standards seek to enable accurate, comparable disaggregated financial reporting across the entire UN system, based on agreed definitions and classifications aligned with the SDGs and international standards.

These agreed definitions encompass the four UN functions: 1) development assistance; 2) humanitarian assistance; 3) peace operations; and 4) global agenda and specialised assistance. Development assistance aims to promote the sustainable development of UN programming countries, with a focus on long-term impacts. The primary objective of humanitarian assistance is to save lives, alleviate suffering and maintain human dignity, often as a response to natural disasters or man-made crises. Peace operations involve activities that help conflict-affected countries create the conditions for lasting peace. Finally, global agenda and specialised assistance refers to activities that either address global or regional challenges without a direct link to the other three functions, or support for sustainable development in non-UN programming countries.²⁶

The UN system's total expenditure reached US\$ 67.5 billion in 2022, an increase of US\$ 7 billion – almost 12% – compared to the previous year. As shown in the doughnut in Figure 25, which illustrates how these funds were distributed among the four functions in 2022, development assistance accounted for US\$ 20.1 billion, comprising 30% of total annual UN system-wide expenditure, while the equivalent figures for humanitarian assistance were US\$ 31.1 billion and 46%.

The bar graph on the right-hand side of Figure 25 illustrates the yearly breakdown of expenditure across the four functions from 2018 to 2022. While the proportion allocated

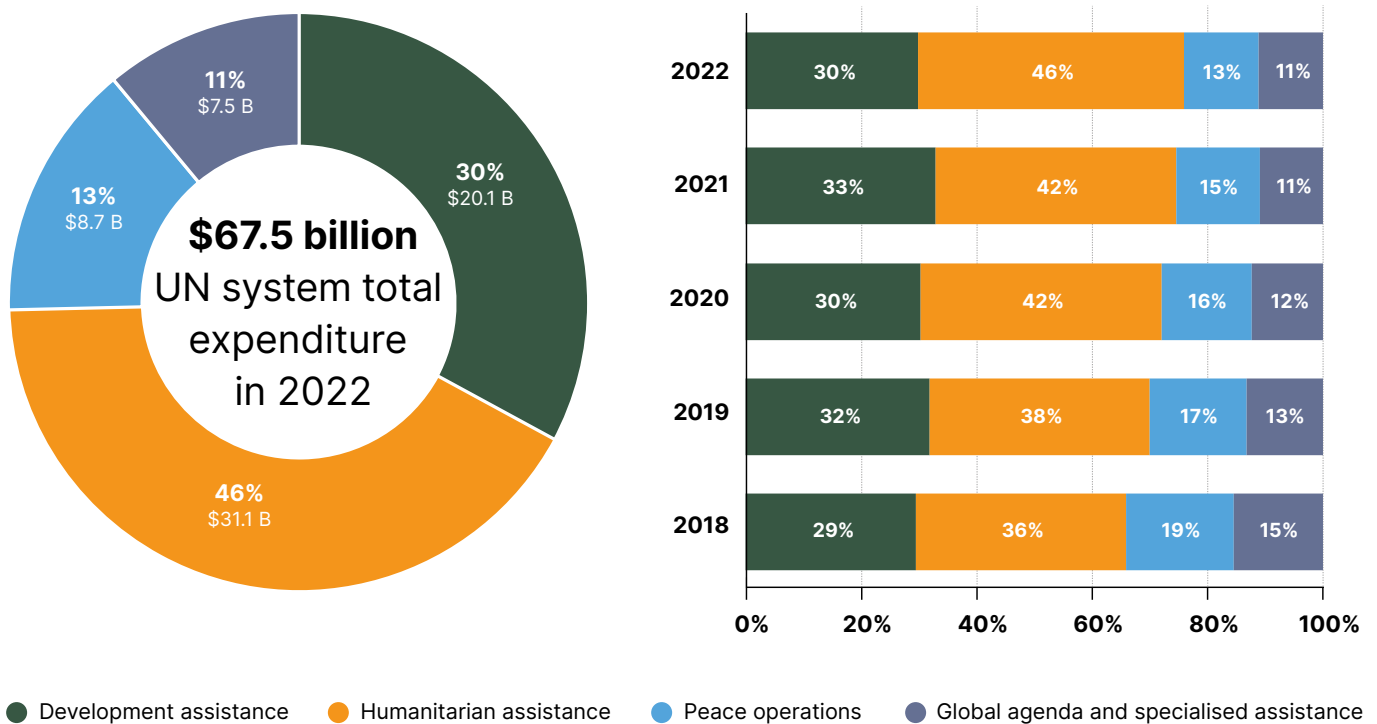
to development assistance shows minor fluctuations, it has generally remained stable, on average accounting for 31% of total UN system expenditure.²⁷ By contrast, the proportion allocated to humanitarian assistance shows a clear upward trend, having increased from 36% in 2018 to 46% in 2022. Meanwhile, the share allocated to peace operations declined from 19% to 13% over the same five-year period, alongside a decrease in the proportion of expenditure on global agenda and special assistance, which fell from 15% to 11%.

There has been a dramatic rise in the number of people in need of humanitarian assistance over the period in question, from 136 million people worldwide in 2018 to 339 million people in 2022. Behind this expansion lies what has

been termed a ‘polycrisis’, which encompasses factors ranging from health epidemics to protracted conflicts; forced displacement to increased costs-of-living; acute food insecurity to the impacts of climate change. Unmet appeal requirements – the disparity between needs and required funding – reached US\$ 21.3 billion in 2022: although the US\$ 30.4 billion of coordinated plan funding represented a record high, the estimated resources required to assist the 230 million people most in need of humanitarian assistance stood at US\$ 51.7 billion.²⁸

Peace operations expenditure is largely accounted for by spending on UN peacekeeping and political missions. Peacekeeping operations are led by UN-DPO, which is tasked with assisting Member States and the Secretary-

Figure 25: UN system expenditure by function, 2018–2022



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 104.

General in their efforts to advance peace and security. When it comes to the implementation of UN Security Council mandates, UN-DPO provides political and executive direction to UN peacekeeping operations – including the deployment of civilian, police and military personnel – and is responsible for maintaining contact with the Security Council, troop and financial contributors, and parties to the conflict. In 2022, there were 12 UN peacekeeping operations spread across three continents.²⁹

Total spending on peace operations fell from US\$ 9.9 billion in 2018 to US\$ 8.7 billion in 2022. This decrease is explained by the closure or transitioning of UN peacekeeping missions: the UN Mission in Liberia (UNMIL) closed on March 2018; the UN Mission for Justice Support in Haiti (MINUJUSTH) closed on October 2019; and the African Union–UN hybrid operation in Darfur in 2020 (UNAMID) officially ended its mission in December 2020. Moreover, while the UN Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) has not closed, it has undergone reductions in troop levels and adjustments in mandate focus.

The Department of Political and Peacebuilding Affairs (DPPA) provides support to the Secretary-General and his envoys, as well as UN political missions deployed around the world, with the aim of defusing crises and promoting lasting solutions to conflict. In 2022, country-level expenditures for the 39 continuing special political missions, including preventive diplomacy and post-conflict peacebuilding missions, amounted to US\$ 728 million (for further details regarding UN expenditure on crisis-affected countries, see section 2.3).³⁰

Table 4 provides a comprehensive breakdown of 2022 expenditure by UN entity and function, with the sparklines showing how expenditure has developed over time. In line with UN revenue dynamics, expenditure has increased 69% since 2010. This growth is largely attributable to five UN entities – WFP, UNICEF, UNHCR, the UN Secretariat and WHO – which collectively account for 78% of this increase. WFP and UNHCR both have a primary focus on humanitarian support, while UNICEF's allocations are distributed between development and humanitarian assistance. WHO focuses mainly on global agenda and

specialised assistance, and the UN Secretariat distributes expenditure across all four functions.

Figure 26, which illustrates development and humanitarian assistance expenditure trends from 2015 onwards, stands out as the sole figure in Chapter 2 presenting 2023 preliminary expenditure as reported to the CEB. Notably, the UN Secretariat and UNICEF feature on both. Development assistance expenditure levels have remained relatively stable, with the UN Secretariat showing the highest average annual growth rate for the period 2015–2023, at 10.0%. When it comes to humanitarian assistance, all the UN entities saw their expenditure increase between 2015 and 2022. For example, in this period, WFP expenditure increased by US\$ 5.8 billion and UNICEF expenditure by US\$ 3.1 billion, which corresponds to average annual growth rates in expenditures of 10.8%, 11.3%, respectively.

The central role played by the UN in responding to growing humanitarian need across the world is evident in Figure 27, which illustrates total UNDS expenditure by function. In 2022, UN OAD allocations amounted to US\$ 51.2 billion, comprising US\$ 20 billion in development assistance and US\$ 31.1 billion in humanitarian assistance. Humanitarian expenditure shows a notable upward trend, reflecting an annual average increase rate of 11.0% between 2010 and 2022. By contrast, funding for development assistance – an area in which numerous other development partners, including IFIs, are active – fluctuated between US\$ 15 billion and US\$ 20 billion over the same period, with a modest annual average increase rate of 2.0%.

Table 4: Total expenditure of the UN system by entity and function, 2022 and 2010-2022 (US\$ million)

Entity	Humanitarian assistance 2022	Development assistance 2022	Peace operations 2022	Global agenda 2022	Total expenditure 2022	2010-2022
UN Secretariat	2,887	1,419	1,347	1,624	7,277	4B → 7B
UN-DPO			7,091		7,091	8B → 7B
CTBTO				117	117	125M → 117M
FAO	220	1,244		478	1,942	1B → 2B
IAEA				687	687	585M → 687M
IARC				51	51	46M → 51M
ICAO				199	199	235M → 199M
ICC				174	174	187M → 174M
IFAD		220			220	784M → 220M
ILO	72	572		147	791	587M → 791M
IMO				65	65	68M → 65M
IOM	1,810	737		376	2,923	1B → 3B
IRMCT				86	86	86M → 86M
ISA				13	13	8M → 13M
ITC		158			158	71M → 158M
ITLOS				18	18	12M → 18M
ITU		54		165	219	193M → 219M
OPCW				89	89	84M → 89M
PAHO		1,436			1,436	927M → 1B
UNAIDS		195			195	284M → 195M
UNCCD				23	23	19M → 23M
UNCDF		116			116	65M → 116M
UNDP	552	4,796			5,348	6B → 5B
UNEP		627			627	449M → 627M
UNESCO	14	478		191	683	797M → 683M
UNFCCC				133	133	95M → 133M
UNFPA	624	819			1,443	824M → 1B
UN-HABITAT	19	119		80	218	201M → 218M
UNHCR	5,362				5,362	2B → 5B
UNICEF	4,927	3,614			8,541	4B → 9B
UNIDO		330			330	225M → 330M
UNITAID	190				190	216M → 190M
UNITAR				41	41	20M → 41M
UNODC		406			406	211M → 406M
UNOPS	66	908	246	3	1,223	65M → 1B
UNRWA	1,312				1,312	555M → 1B
UNSCC		15			15	10M → 15M
UNU				146	146	60M → 146M
UN Women	65	425		50	540	198M → 540M
UNWTO				30	30	22M → 30M
UPU				81	81	50M → 81M
WFP	11,865	374			12,239	4B → 12B
WHO	1,117	990		1,741	3,848	2B → 4B
WIPO		73		322	395	324M → 395M
WMO				105	105	88M → 105M
WTO		19		289	308	226M → 308M
Total	31,101	20,142	8,685	7,522	67,450	40B → 67M

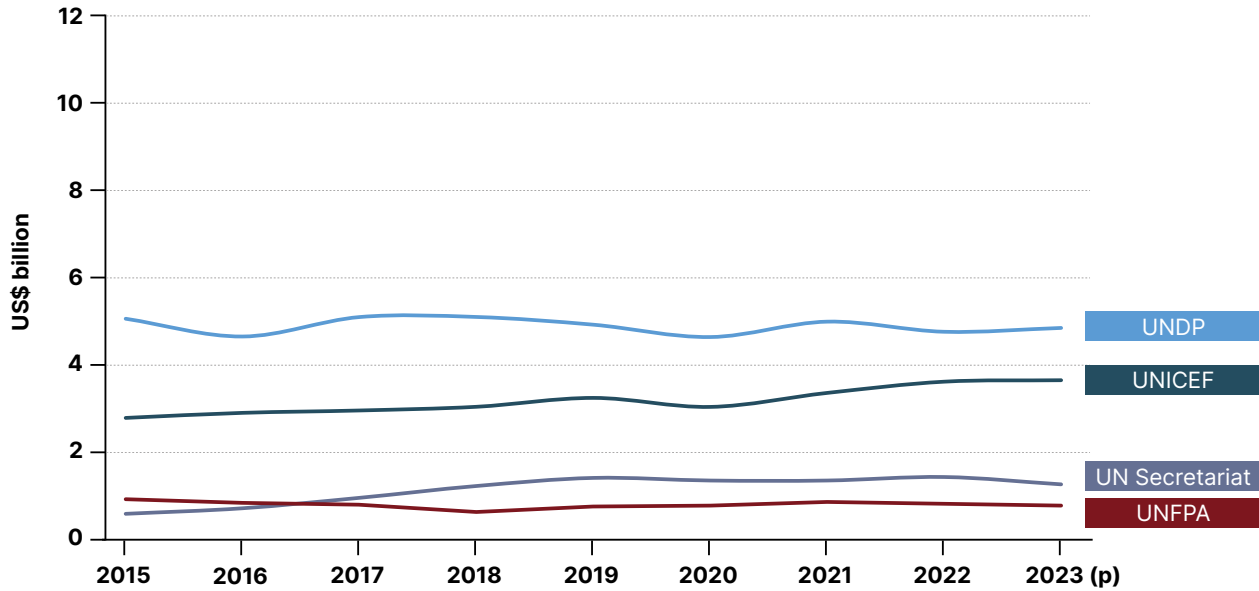
UNV and UNICRI are included under UNDP and UNODC, respectively.

Source: Chief Executives Board for Coordination (CEB).

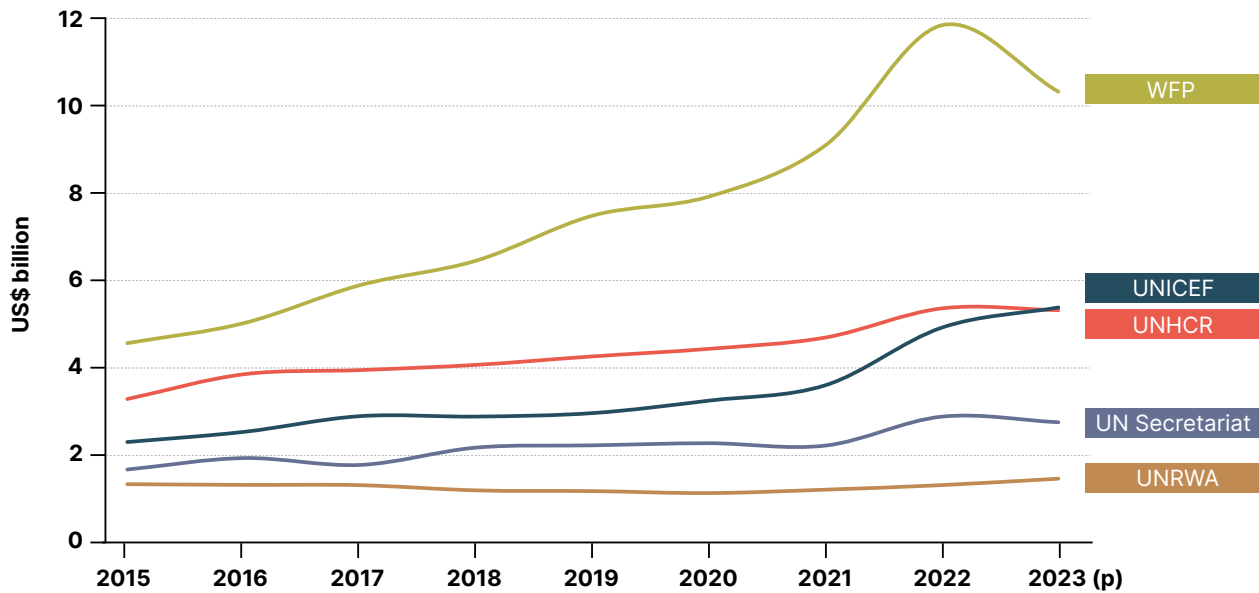
For notes – see page 99.

Figure 26: Select UN entities expenditure, 2015-2023 (US\$ billion)

(A) Development assistance



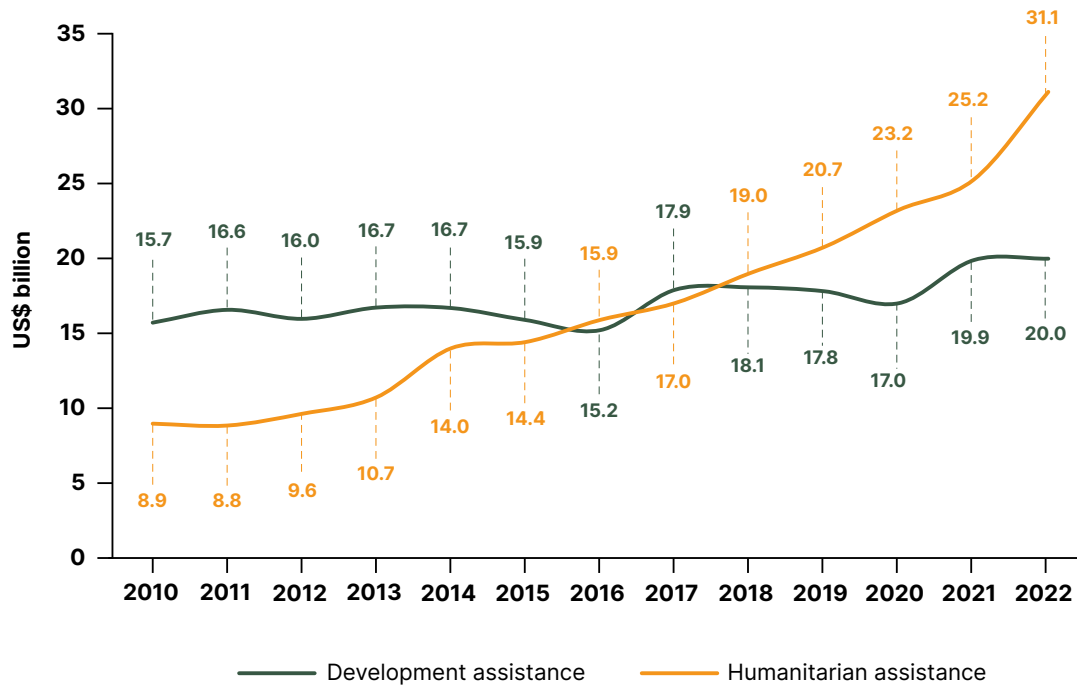
(B) Humanitarian assistance



Note: Preliminary 2023 data from the CEB 2024 data collection.
Source: Chief Executives Board for Coordination (CEB).

For notes – see page 104.

Figure 27: Total UN expenditure on development and humanitarian assistance, 2010–2022 (US\$ billion)



Source: Report of the Secretary-General (A/79/72 - E/2024/12). Historical data from various reports.

For notes – see page 104.

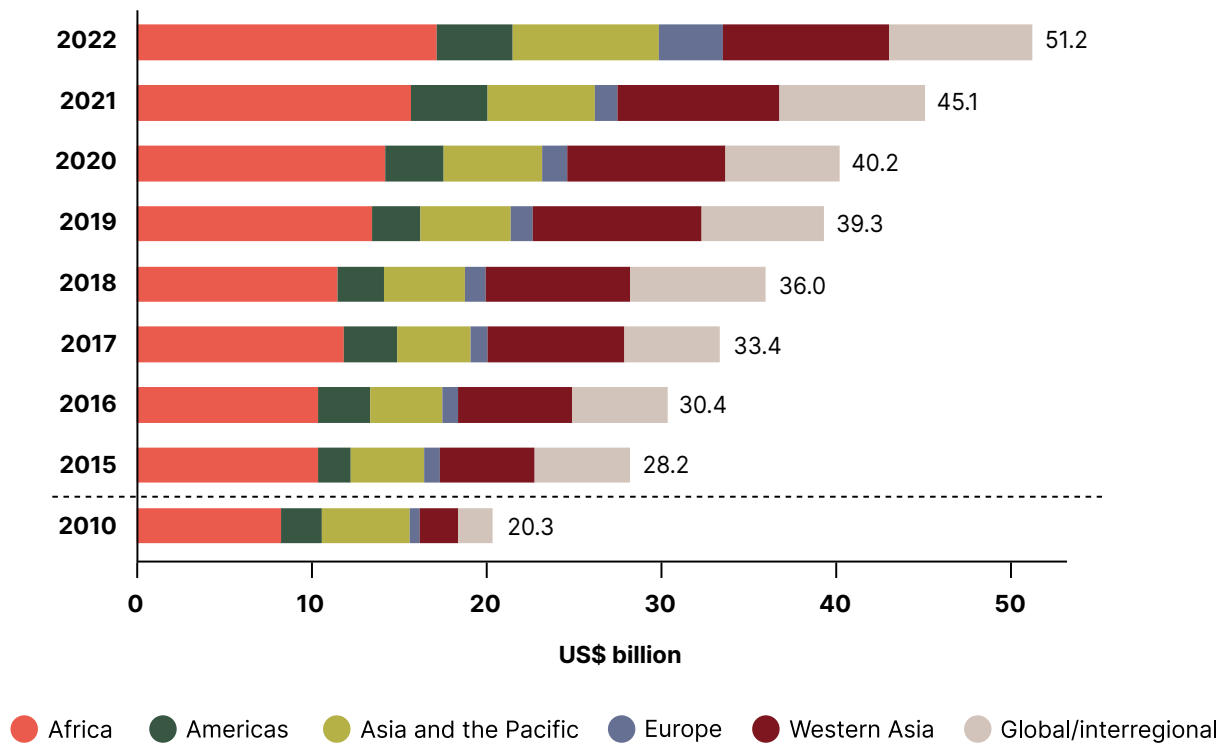
2.2 Distribution of resources per region and country income levels

Having outlined how expenditure is distributed across the UN’s different functions, this section turns to the relationship between resource allocations and geography, as well as a country’s income status.

Figure 28 provides an overview of how UNDS expenditure has evolved by region since 2010. Africa and Western Asia had the largest shares of UN OAD expenditure in 2022, receiving 34% and 19% respectively of the US\$ 51.2 billion distributed. Notably, Europe saw the highest growth between 2021 and 2022, with expenditures surging from US\$ 1.3 billion to US\$ 3.7 billion. This 2022 total includes US\$ 2.2 billion allocated to address critical humanitarian needs resulting from the intensified armed conflict in

Ukraine. Here, the US\$ 2 billion allocated to address critical humanitarian needs in 2022 can mostly be attributed to the intensified armed conflict in Ukraine.

The growth of UNDS allocations in Africa – from US\$ 8.3 billion in 2010 to US\$ 17.2 billion in 2022 – is largely down to multiple humanitarian crises, with more than 60% of expenditure going towards humanitarian assistance. More specifically, higher expenditure on emergency relief efforts can be explained by protracted armed conflicts in the Democratic Republic of the Congo, Ethiopia, Somalia, South Sudan and Sudan, combined with climate-related crises, natural disasters and epidemics. The UNDS has also implemented development programmes in Africa focused on, among others, poverty reduction, climate adaptation and mitigation, education, healthcare, agriculture, equality for women and girls, and infrastructure development.

Figure 28: Expenditure on UN OAD by region, 2010–2022 (US\$ billion)

Source: Report of the Secretary-General (A/79/72 - E/2024/12). Historical data from various reports.

For notes – see page 104.

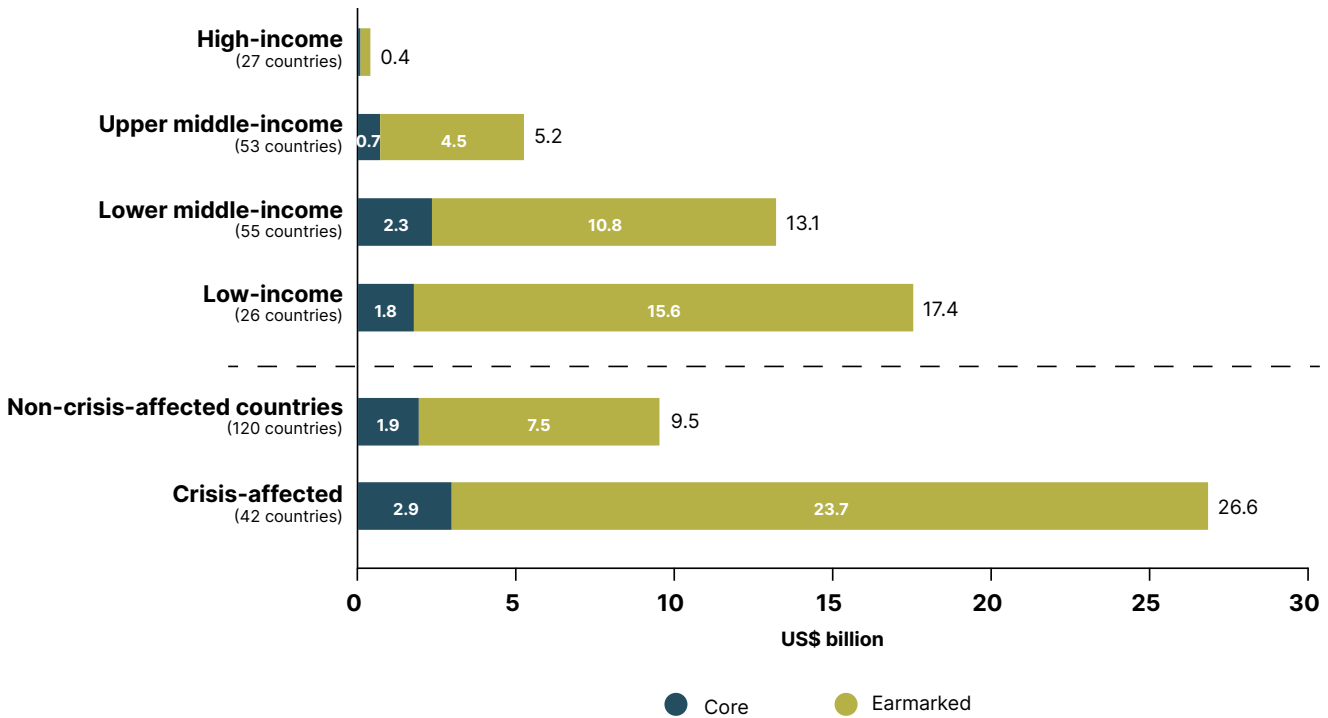
UNDS allocations in Western Asia have seen more rapid growth than in Africa, increasing from US\$ 2.2 billion in 2010 to US\$ 9.5 billion in 2022. The growth from 2017 onwards is mainly connected to successive crises in Yemen, which have accounted for 28% of the region's expenditure. Moreover, humanitarian crises in Syria have driven increased expenditure since 2012, also affecting humanitarian support to neighbouring countries such as Jordan, Lebanon and Türkiye, where many Syrian refugees have been hosted.

The surge in UN OAD expenditure in Asia and the Pacific – from US\$6.1 billion in 2021 to US\$ 8.3 billion in 2022 – was largely driven by the US\$ 3.3 billion allocated to address Afghanistan's spike in humanitarian and development needs following the 2021 withdrawal of United States

and NATO troops, and the subsequent Taliban take-over. More than 28 million people, or two-thirds of the country's population, required assistance in 2022 as the deteriorating humanitarian situation led to higher poverty levels, severe food insecurity and widening gender inequalities. The crisis also saw Afghanistan's internally displaced population swell to 3.2 million people, with Iran and Pakistan hosting a further 8.2 million Afghans.³¹

Figure 29 displays UN OAD expenditure in relation to the income level of UN programming countries, adding the perspective of crisis-affected versus non-crisis-affected countries. Here, it should be noted that there is a difference in the sum of values between figures 28 and 29 due to the latter only including resources linked to a specific country and not those allocated at a global or regional level.

Figure 29: Expenditure on UN OAD in UN programming countries by income status, 2022 (US\$ billion)³²



Source: Report of the Secretary-General (A/79/72 - E/2024/12), Financial report of United Nations peacekeeping operations (A/78/5 (Vol.II)), Secretary-General proposed programme budget for special political missions (A/78/6 (Sec. 3)/Add.1), World Bank.

For notes – see page 105.

Total allocations to low-income countries increased from US\$ 16 billion in 2021 to US\$ 17.4 billion in 2022. Notably, ODA funding to low-income countries is earmarked to a higher extent than support to higher-income UN programme countries. In 2022, only 10% of UN OAD to low-income countries consisted of core (assessed and voluntary core) funding.

Of the 162 UN programme countries, 42 are defined as conflict-affected countries, meaning they meet one or more of the following criteria: 1) reports expenditure for an ongoing or recently discontinued peacekeeping mission; 2) reports expenditure for an ongoing or recently discontinued political mission such as a group of experts, panel, office of special envoy or special adviser; 3) reports Peacebuilding Fund expenditure directed towards transition facilitation and cross-border peacebuilding of more than US\$ 500,000; and 4) has a humanitarian response plan for 2021 or 2022.

Conflict as a development challenge severely threatens efforts to end extreme poverty in both low- and middle-income countries. According to the World Bank, an estimated 59% of the world’s extreme poor will live in countries affected by conflict, fragility and violence by 2030.³³

The recipients of UN OAD within the crisis-affected countries group are predominantly low-income, although there are a few exceptions to this: Lebanon, Nigeria and Ukraine are classified as lower middle-income countries, while Colombia and Iraq are categorised as upper middle-income countries.³⁴ Hazardous weather events, such as droughts, floods and other climate crises, have joined conflict among the root causes of famine and displacement. Notably, 80% of those displaced by conflict and persecution – refugees and internally displaced persons (IDPs) – originate from countries on the climate emergency frontlines.³⁵

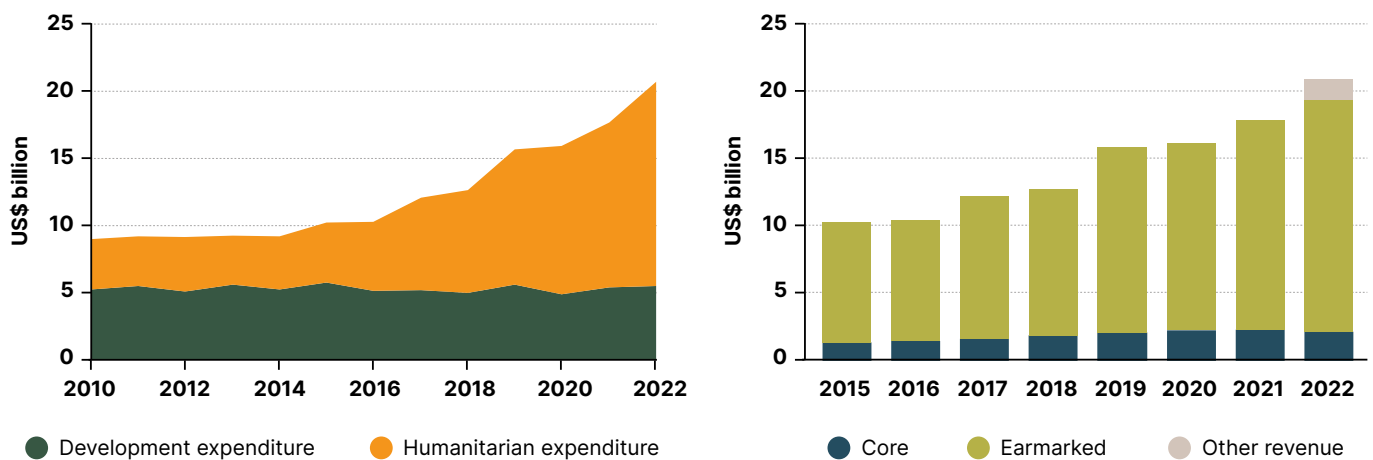
The UN established the least developed countries (LDCs) category as a means of recognising the special support measures needed to assist the least developed of developing countries. A country is designated an LDC if it meets the following three criteria: 1) an average per capita income below US\$ 1,018, as established at the 2021 triennial review; 2) a low score on the Human Assets Index, which measures health and economic outcomes; and 3) economic and environmental vulnerability based on, among other things, unstable agricultural production, exports and non-traditional activities.³⁶ It is worth noting that many LDCs are either suffering from or emerging from conflict. Despite representing only 14% of the global population, LDCs host more than half the world’s extreme poor, while their economies account for just 1.3% of the global economy.

Given their low levels of income, LDCs face severe structural barriers to sustainable development, with an over-reliance on a limited number of primary commodities rendering them highly vulnerable to economic and environmental shocks. Some LDCs have diversified into the manufacturing sector,

but often remain limited to products in labour-intensive industries, such as textiles and apparel.

The left-hand side of Figure 30 depicts UN OAD expenditures in LDCs from 2010 to 2022, disaggregated by function. Following the overall distribution, the rise in allocations to LDCs was largely driven by an increase in humanitarian assistance. Total funding for humanitarian and development support in LDCs increased from US\$ 17.6 billion in 2021 to US\$ 20.6 billion in 2022, although only 26% of the latter was allocated to more long-term development assistance – down from 30% the year before. Meanwhile, the right-hand side of Figure 30 presents a breakdown of core- and earmarked-funded expenditure in LDCs during 2015–2022. Allocations to LDCs are primarily earmarked, oscillating between 85% and 89% of expenditure over the period – only 11% of UN expenditure was funded from core contributions in 2022. It should be noted that the 2022 data collection exercise introduced a new level of granularity to the breakdown of UN expenditure, including expenditures funded by revenue from other activities (ie an ‘other revenue’ category).

Figure 30: Expenditure on UN OAD in least developed countries, 2010–2022 (US\$ billion)



Source: Report of the Secretary-General (A/79/72 - E/2024/12). Historical data from various reports.

For notes – see page 105.

2.3 Expenditure along the humanitarian–development–peace nexus in crisis-affected countries

This section focuses on UN expenditure in crisis-affected countries amid the context of the humanitarian–development–peace nexus. The nexus, which acknowledges the multi-dimensional nature of crises, aims to bridge humanitarian assistance and long-term development efforts while simultaneously addressing or preventing conflict.

Figure 31 displays the 29 crisis-affected countries that received UN expenditure beyond US\$ 200 million in 2022. It also delineates the distribution between humanitarian assistance, development assistance, peacekeeping missions, and political and peacebuilding affairs. In 2022, UN expenditure across the 42 crisis-affected countries amounted to US\$ 36 billion, 48% of which was directed to seven countries: Afghanistan, the Democratic Republic of Congo, Lebanon, Somalia, South Sudan, Ukraine and Yemen. Each of these countries received UN expenditure surpassing US\$ 2 billion.

Breaking down total UN expenditure to the 29 crisis-affected countries featured in Figure 31, 62% of 2022 funding was directed to humanitarian activities, 18% to development assistance, and 20% to peacekeeping operations and political and peacebuilding affairs. Implementing projects or programmes in these countries is challenging not only due to security concerns, but because of limited capacity and access. Additionally, the challenges facing regional or cross-border programmes are heightened by the need for extensive coordination efforts and having to take account of political sensibilities among countries.

Several of the countries hosting ongoing UN peacekeeping operations in 2022 – such as the Democratic Republic of Congo (MONUSCO), Mali (MINUSMA), the Central African Republic (MINUSCA) and South Sudan (UNMISS) – have more than half their total UN expenditure allocated to peacekeeping operations and peacebuilding missions. There are also examples, as in Somalia, where there is a blend of expenditures along the humanitarian–development–peace nexus, with significant allocations

made to political and peacebuilding affairs, as well as development assistance.

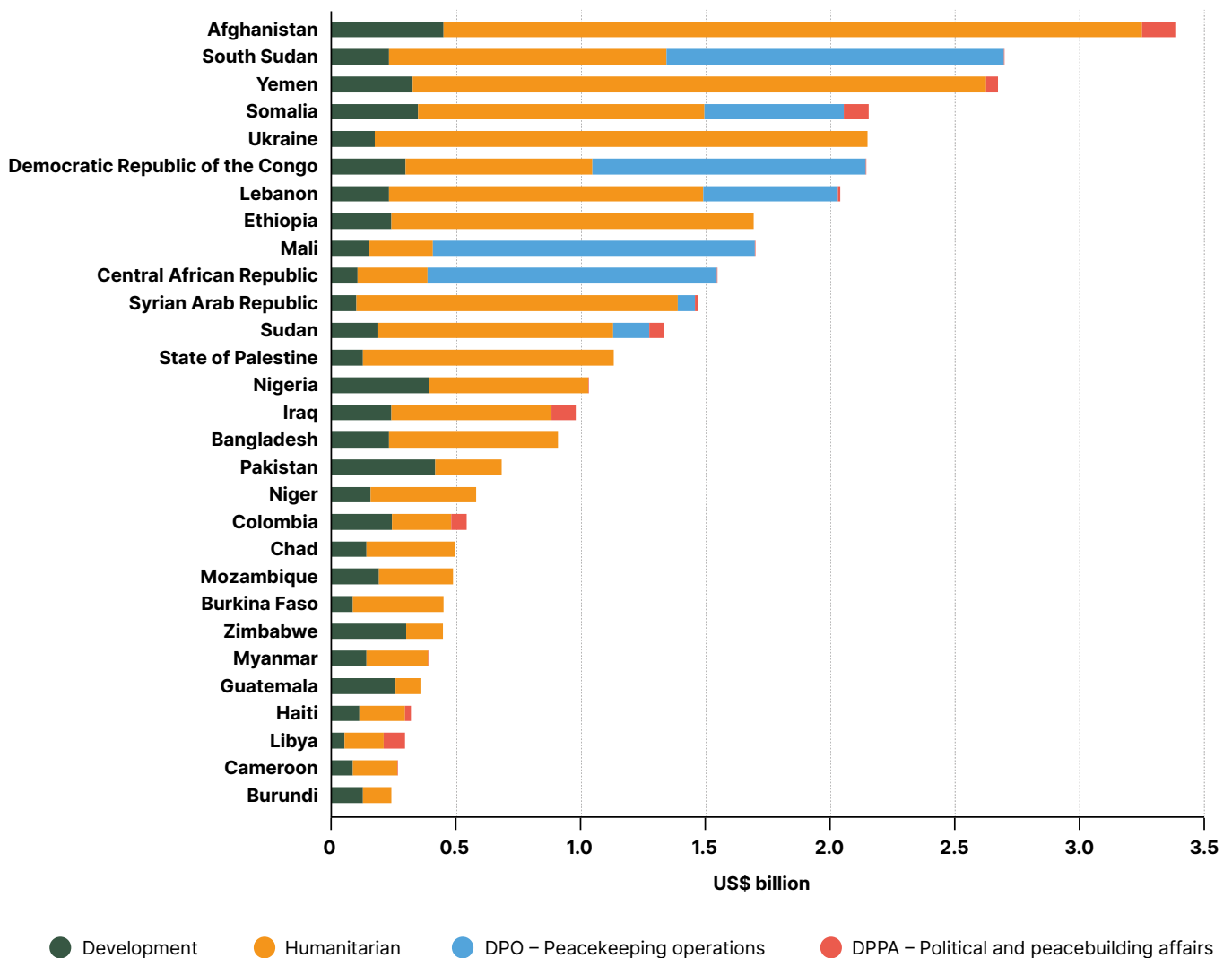
By contrast, there are some crisis-affected countries where a large proportion of UN expenditure is directed towards development activities, as exemplified by Colombia (45%), Guatemala (72%), Pakistan (61%) and Zimbabwe (67%). Here, it is worth highlighting the increases in development expenditure seen in these countries over time. For instance, total UN development expenditure in Guatemala increased from US\$ 67 million in 2015 to US\$ 256 million in 2022. This is reflective of the UNDS's attempts to scale up existing development activities – such as investments in basic health services, improving access to quality education and strengthening institutions – in order to reduce poverty and promote sustainable development.

As outlined in previous sections, conflict surge and acceleration has been a driving factor behind the escalating need for humanitarian support. Consequently, the majority of UN expenditure in crisis-affected countries has been allocated to emergency response and humanitarian assistance. Figure 32 depicts how the distribution of UN expenses in the 29 crisis-affected countries featured in Figure 31 has evolved over time. As can be seen, humanitarian assistance has grown steadily since 2010, while development, peacekeeping and peacebuilding operations have remained relatively constant over the same period.

Strategic UN allocations, alongside in-country coordination and emergency responses have been essential when it comes to addressing the complex challenges posed by multiple protracted conflicts. A confluence of crises, ranging from the Syrian civil war to conflicts in South Sudan, Yemen and Somalia, as well as irregular political transitions and conflicts – including those in Afghanistan and Ukraine – have inflicted substantial regional and global costs in terms of economic growth, food security and forced displacement.³⁷ As such, these conflicts have played a significant role in the steady escalation of humanitarian needs and expenditure.

A considerable proportion of UN humanitarian expenditure has been allocated to expanding access to infrastructure and basic services for refugees, IDPs and host communities,

Figure 31: UN humanitarian, development, and peace- and security-related expenditure by crisis-affected country, 2022 (US\$ billion)



Note: This figure shows crisis-affected countries with expenditures exceeding US\$ 200 million in 2022.

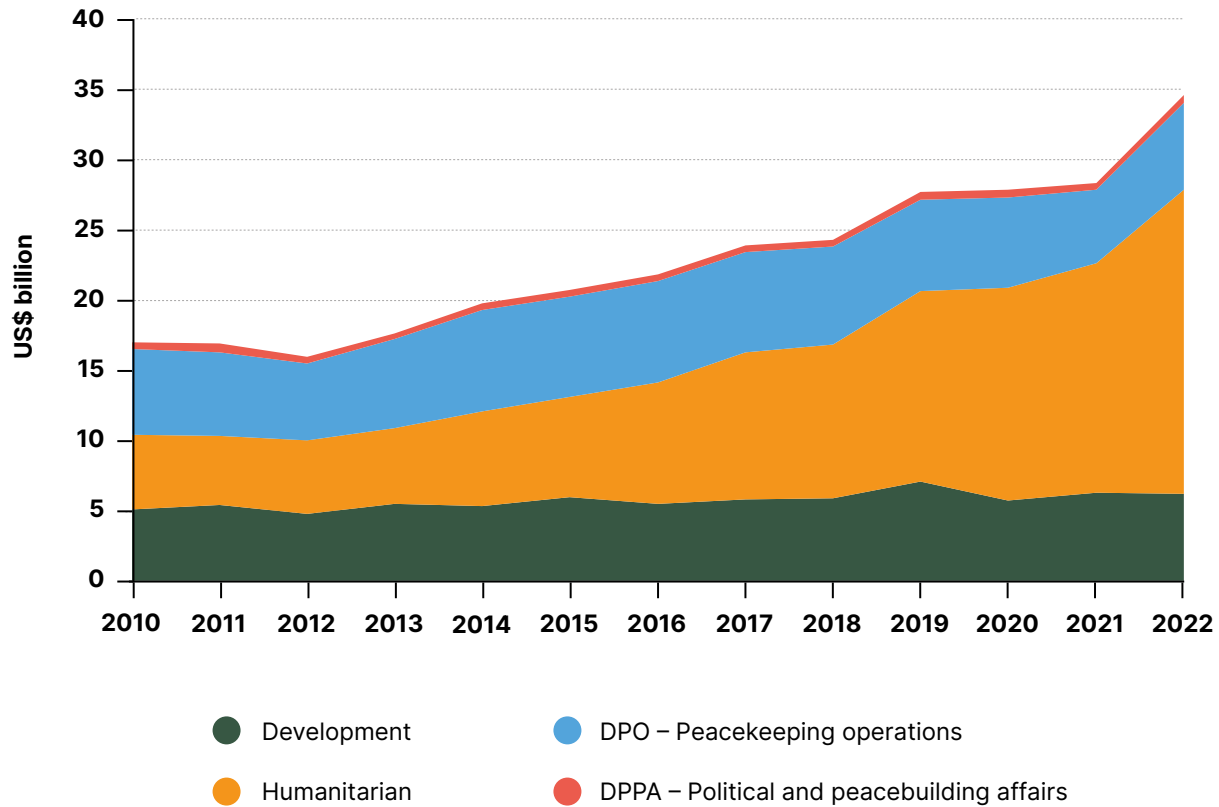
Source: Report of the Secretary-General (A/79/72 - E/2024/12), Financial report of United Nations peacekeeping operations (A/78/5 (Vol.II)), Secretary-General proposed programme budget for special political missions (A/78/6 (Sec. 3)/Add.1).

For notes – see page 105.

as well as to safeguarding and protecting camps where they reside. By the end of 2022, the number of forcibly displaced individuals had surpassed 108.4 million people – two and a half times higher than a decade ago.³⁸ Of this population, 71.1 million people are living in internal displacement. It is important to acknowledge that displace-

ments are associated with conflict, violence and, increasingly, disasters, such as those triggered by the 2022 monsoon flooding in Pakistan, India and Bangladesh.³⁹ Displacements have spillover effects that extend beyond forcibly displaced populations to encompass cross-border violence and regional instability.

Figure 32: UN humanitarian, development, and peace- and security-related expenditure in 29 crisis-affected countries, 2010-2022 (US\$ billion)



Source: Report of the Secretary-General (A/79/72 - E/2024/12), Financial report of United Nations peacekeeping operations (A/78/5 (Vol.II)), Secretary-General proposed programme budget for special political missions (A/78/6 (Sec. 3)/Add.1). Historical data from various reports.

For notes – see page 105.

2.4 Allocation of resources to the SDGs

The SDGs are a set of 17 interconnected global goals adopted by all UN Member States in 2015 as part of the 2030 Agenda for Sustainable Development. They represent a call to action to end poverty, protect the planet, and ensure peace and prosperity for all. Achieving the goals requires collective action from governments, the private sector and civil society, both at the national and international level. Thus, the SDG framework has become a platform for joint action towards addressing social, economic and environmental challenges, and achieving a better, more sustainable future.

Considerable progress has been made in ensuring financial reporting by UN entities to the CEB is aligned with the SDGs. In 2018, only 11 UN entities reported their expenditures as linked to SDGs – by 2022, this figure had risen to 40. The reporting follows UN Data Standards for aligning expenditure to the SDGs, including the common methodology established for tracking the contribution made by UN activities to the 17 SDGs and their 169 targets. Notably, four entities reported their expenses as linked to the SDGs for the first time in 2022: the UN Secretariat, UNAIDS, UNEP and IRMCT.

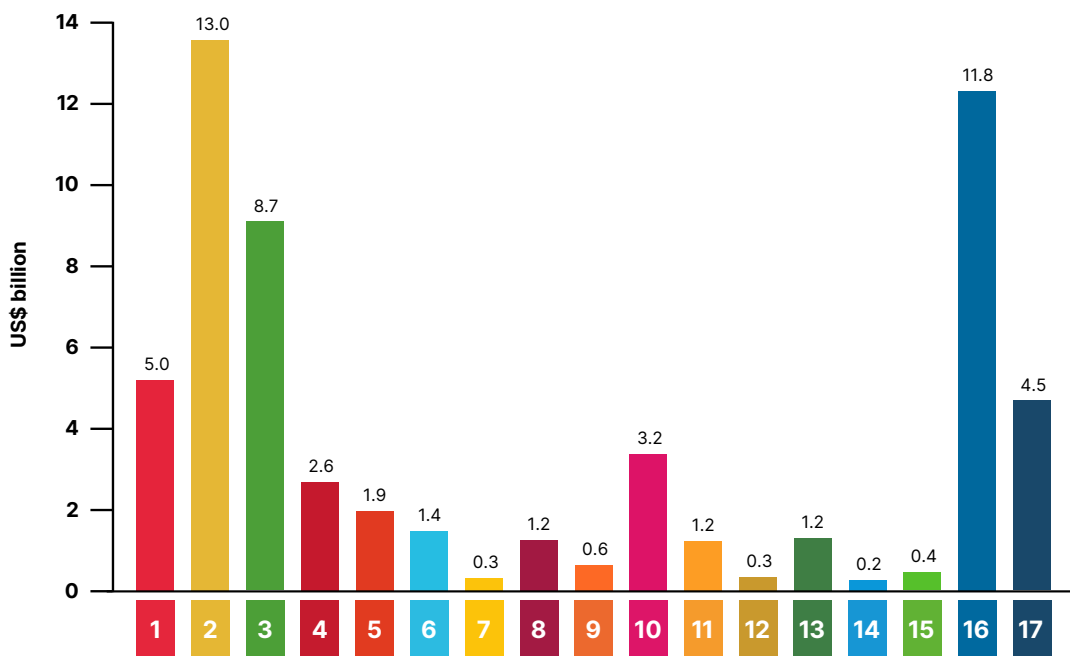
The advances made in ensuring financial expenditure reporting is aligned to SDG goals have not necessarily extended to improving the tracking of each UN entity's contribution towards achievement of the SDG targets. While reporting expenses at a target level is strongly advised by the Data Standards, only about half of the SDG expenditures were linked to SDG targets, US\$ 28.3 billion in expenditures (of 14 UN entities). Moreover, the Data Standards recognise that certain entities may have expenditure that can only be allocated to an SDG more broadly rather than specific targets.

In 2022, 40 UN entities reported US\$ 57.6 billion in allocations aligned with SDG goals, accounting for 85% of the total UN system expenditure of US\$ 67.5 billion. Figure 33 illustrates how this was distributed among the 17 SDGs, with expenditure directed towards eradicating hunger (SDG 2), ensuring health and well-being (SDG 3), and promoting peace, justice and strong institutions (SDG 16) accounting for 58% of these resources.

The distribution of resources across SDGs varies significantly between UN entities. Specialised agencies often prioritise SDGs aligned with their core mission: for instance, UN-DPO, the ICC and IRMCT focus exclusively on SDG 16, while WHO dedicated 97% of its expenditure to SDG 3. Other entities may primarily support achievement of a particular SDG while also contributing to a broader spectrum of SDGs: for example, ILO allocates 60% of its expenditure to promoting decent work and economic growth (SDG 8), while also contributing to SDG 16, reducing inequalities (SDG 10), partnerships (SDG 17) and promoting gender equality (SDG 5). Certain UN entities, such as the UN Secretariat and UNDP, contribute to all the SDGs, highlighting the integrated, interdependent nature of the global goals.

The substantial expenditure aligned with SDG 2 in 2022 (US\$ 13 billion) underscores the challenges currently faced by global food supply systems. Of the expenditure reported by WFP (US\$ 12.2 billion), 85% was aligned

Figure 33: Aggregated UN expenditure linked to the SDGs as reported by 40 UN entities, 2022 (US\$ billion)



Source: Chief Executives Board for Coordination (CEB).

For notes – see page 106.

to SDG 2 (US\$ 11.1 billion) (See Figure 33). Additionally, the conflict in Ukraine has introduced another threat to global food security given that Ukraine and the Russian Federation are between them responsible for supplying half the world's global wheat and maize exports (30% and 20% respectively), and are also major exporters of fertilisers.⁴⁰

SDG 16 was the subject of the second-largest volume of financial resources reported in 2022 (US\$ 11.8 billion). Peacekeeping operations, led by UN-DPO, account for 60% of this expenditure, while the majority of the 12% share provided by the UN Secretariat went towards peacebuilding missions under UN-DPPA. The allocations to SDG 16 are closely linked to the surge in violent conflicts worldwide, underlining how ending armed conflict, enhancing institutions, and implementing inclusive, equitable legislation to safeguard human rights is pivotal to promoting sustainable development.

Procurement of goods such as food or vaccines involves a series of structured transactional operations, including the issuance of requests for proposals, supplier selection and drawing up contracts, all of which facilitates straightforward record-keeping. By contrast, measuring normative work – which involves setting standards, guidelines and regulations – can be more challenging, as its impacts lack targets that can be quantified monetarily. While other indicators, such as compliance levels and changes in behaviour, can provide insights into the effectiveness of normative standards, it is important to recognise that correlating UN entity allocations to SDG impact does not provide a correct picture. Normative work and support for national development policies may not require large financial resources but can nonetheless have a substantial impact on sustainable development.

It should be highlighted that, considering the high priority given to preserving the environment and combatting climate change, UN allocations to the relevant SDGs appear relatively low. In 2022, only US\$ 3.6 billion, or 5% of total UN system expenditure, was linked to the SDGs dedicated to water and sanitation (SDG 6), clean energy (SDG 7), climate action (SDG 13), life below water (SDG 14), and life on land (SDG 15).

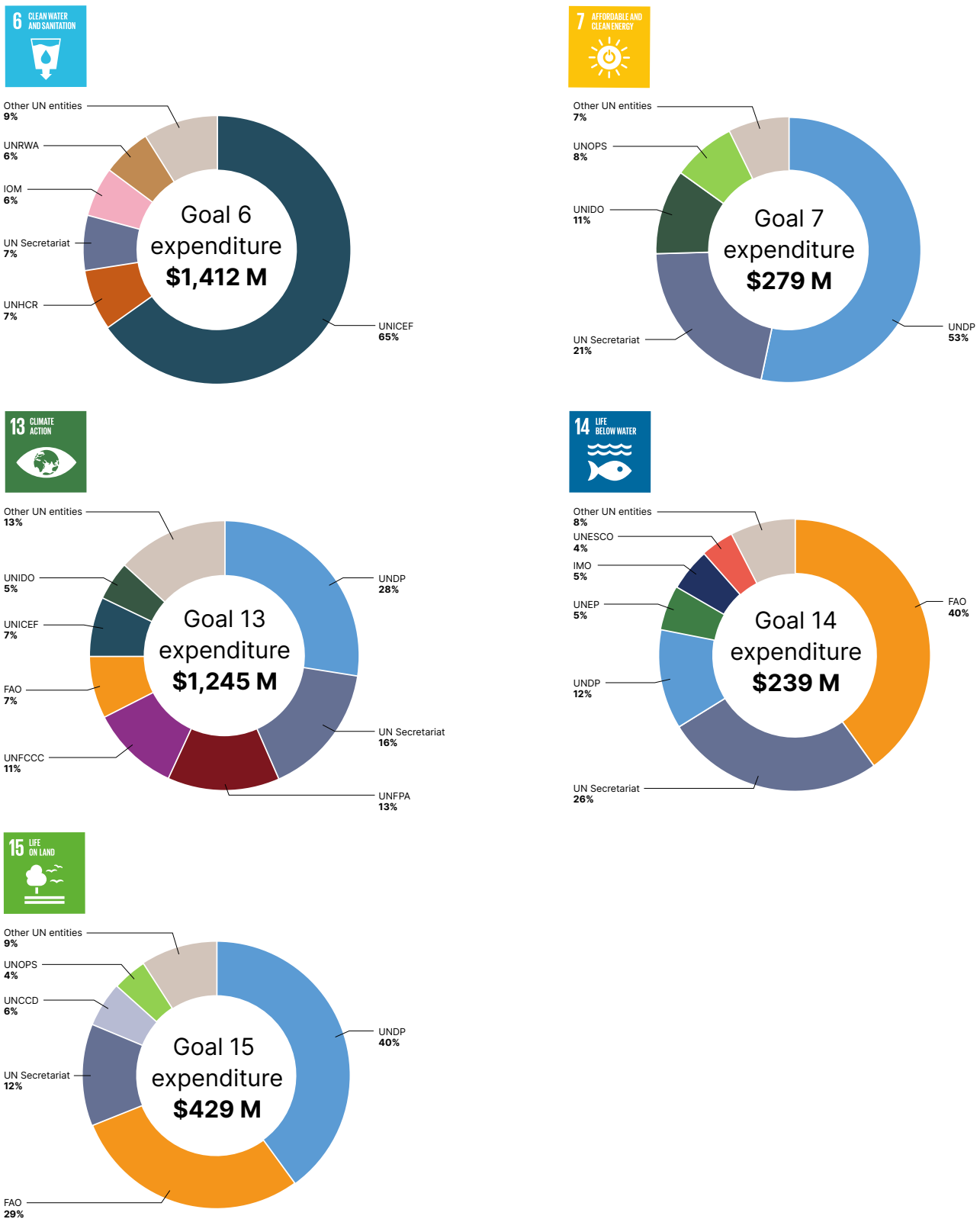
Figure 34 highlights which entities are contributing to the above-mentioned climate and environment-related goals, as well as selected goals related to the SDGs' socioeconomic dimension, namely zero hunger (SDG 2), good health and well-being (SDG 3), quality education (SDG 4) and gender equality (SDG 5).

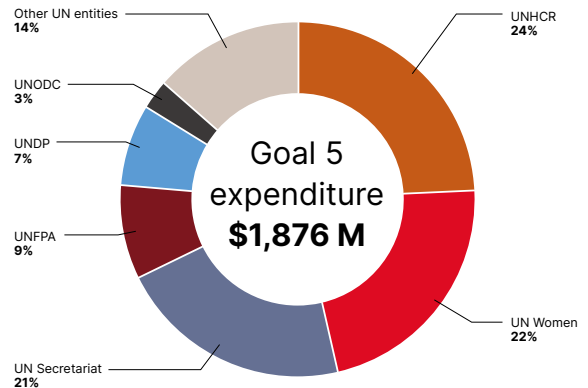
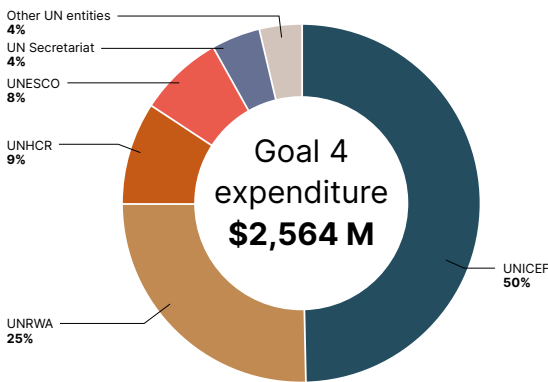
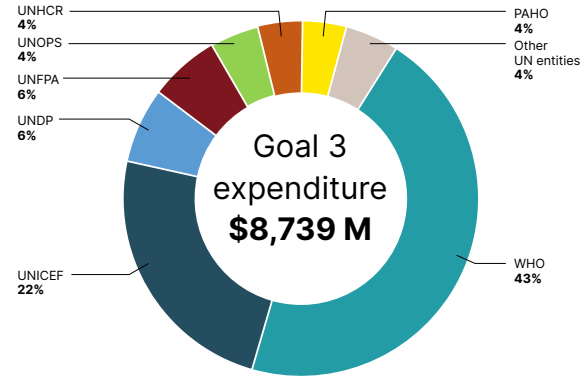
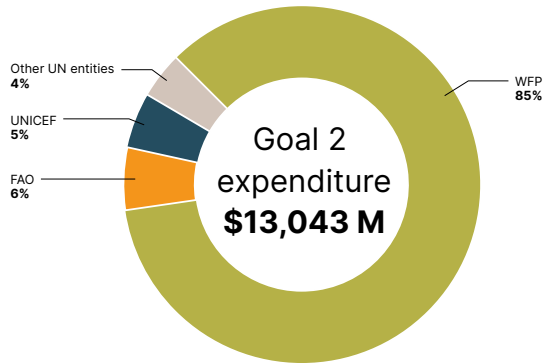
With the UN Secretariat reporting 56% of its expenditures as linked to the SDGs in 2022, the breakdown of SDG expenses by UN entities has changed compared to last year's Financing the *UN Development System* report. The three main SDGs to which the UN Secretariat allocated resources are SDG 16 (32%), SDG 17 (15%) and SDG 5 (10%). In particular, the UN Secretariat's contribution to SDG 5 represented an important share in allocations towards achievement of the goal. As can be seen in Figure 32, the UN Secretariat was responsible for 21% of the reported US\$ 1,876 million of UN system expenses aligned to SDG 5 in 2022.

UNICEF is the UN entity responsible for allocating the majority of resources to SDG 6 (65%), through providing children with access to clean water and reliable sanitation and promoting basic hygiene practices.⁴¹ Meanwhile, UNDP remains the main implementer of SDG 7 (53%), SDG 15 (40%) and SDG 13 (28%), highlighting how nature, climate and energy formed a large part of UNDP's 2022 work through its US\$ 3.2 billion nature portfolio – the largest in the UN system.⁴² FAO is the largest implementing entity for SDG 14 (40%) and contributes significantly to the promotion of SDG 15 (29%), in line with the environmental dimensions of agri-food systems, which forms one of the four pillars ('a better environment') of FAO's Strategic Framework. As this implies a healthy planet capable of sustaining agri-food systems that can provide a healthy diet for all is a cornerstone of SDG implementation.⁴³

The WFP, with its mandate to fight world hunger and malnutrition, was the main contributor to SDG 2 in 2022 (85%). SDG 3, for equivalent reasons, is largely implemented by WHO (43%), although UNICEF (22%) and various other UN entities also contribute. Elsewhere, UNICEF allocated half the resources provided to promote education (SDG 4), together with UNRWA (25%), which provides education to

Figure 34: UN expenditure linked to select SDGs as reported by UN entities, 2022 (US\$ million and percentage)





Source: Chief Executives Board for Coordination (CEB).

For notes – see page 106.

young Palestinian refugees.⁴⁴ Gender inequality continues to exist in both old and new forms, which explains why work aimed at achieving gender equality, particularly in terms of empowering women and girls, cuts across 27 UN entities. Even so, 67% of resources directed towards SDG 5 in 2022 originated from three entities: UNHCR (24%), UN Women (22%) and the UN Secretariat (21%).

SDG 16 and SDG 17 are the goals with the greatest variety of implementing UN entities: 30 and 28 respectively. This underscores the diversity of UN entities providing support to populations in conflict-affected countries and the promotion of peaceful, inclusive societies for sustainable development (in the case of SDG 16), and similarly to strengthening and revitalising global partnerships and international cooperation (in the case of SDG 17).

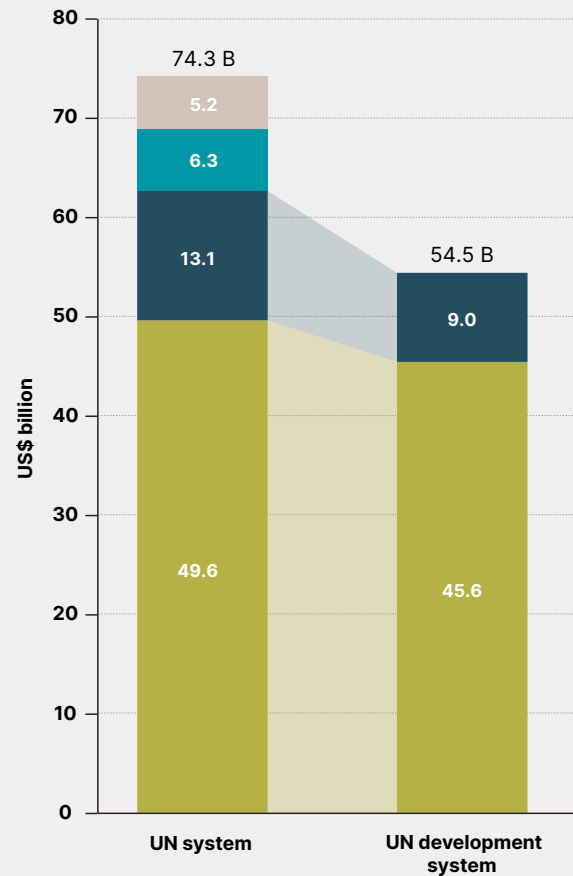
Box 2: Reporting perspectives and data sources

- 1) The UN system, which includes all revenue and expenditure aggregated from 43 United Nations entities (in some instances with further disaggregation) reporting to the UN CEB. UN system revenue contributions are channelled through four financing instruments, which are further defined in Box 3: 1) assessed contributions; 2) voluntary core contributions (these prior two combined are also referred to as 'core'); 3) earmarked contributions (which are also referred to as 'non-core'); and 4) revenue from other activities. Contributions to peace operations are included in the UN system but not in the UN development system – as shown in Figure 35, a substantial part of core funding is dedicated to UN-DPO.

- 2) The UN development system (UNDS) encompasses those UN entities defined as carrying out normative, specialised and operational activities for development to support countries in their efforts to implement the 2030 Agenda for Sustainable Development. Contributions to the UNDS consist exclusively of funding for development and humanitarian activities, also referred to together as 'operational activities for development' (OAD). These two categories of assistance can be provided as assessed, voluntary core or earmarked funding.

Figure 35 shows which types of expenditure are included in the UN system and UNDS respectively. The UN system has four functions: 1) humanitarian assistance; 2) development assistance; 3) peace operations; and 4) global agenda and specialised assistance. The UNDS supports the first two functions (see Chapter 2).

Figure 35: Contributions to the UN system and UN development system, 2022 (US\$ billion)



Revenue from other activities
 Core contributions
 Core contributions to DPO
 Earmarked contributions

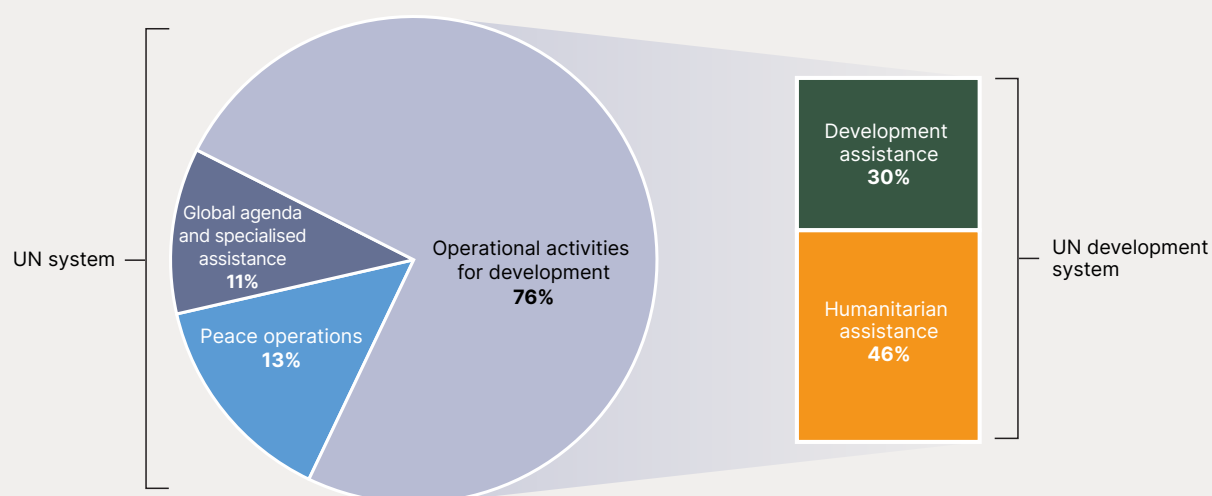
Source: Chief Executives Board for Coordination (CEB) and Report of the Secretary-General (A/79/72 - E/2024/12).

For notes – see page 107.

The data used in the tables and figures in Part One is primarily drawn from the following four sources:

- 1) The UN CEB, which collects and publishes data from the 43 United Nations entities (in some instances with further disaggregation) that have committed to collectively reporting their financial data.
- 2) The UN Department of Economic and Social Affairs (UN DESA), which draws on the CEB dataset but only includes data on the UNDS, which constitutes the UN OAD segment. The DESA data is contained in an annex to the Secretary-General's annual report on implementation of the QCPR process.
- 3) The OECD, which provides data on the sources and uses of official development assistance. It is defined by OECD-DAC as government aid that promotes and specifically targets the economic development and welfare of developing countries.
- 4) The UN Pooled Funds Database, which collects disaggregated data on UN inter-agency pooled funds, provided by UN Administrative Agents of inter-agency pooled funds.

Figure 36: UN system expenditure by function, 2022



Source: Chief Executives Board for Coordination (CEB) and Report of the Secretary-General (A/79/72 - E/2024/12).

For notes – see page 107.

Box 3: The spectrum of UN grant financing instruments

The UN system mainly makes use of four financing instruments, as defined in the UN Data Standards for system-wide financial reporting. The table below sets out the four instruments, their definitions, and the six types of earmarked funding.

Table 5: UN financing instruments and definitions

Assessed contributions		Fixed amount contributions calculated based on an agreed formula that UN Member States undertake to pay when signing a treaty.	
Voluntary core contributions		Voluntary untied contributions.	
		In-kind untied contributions – Revenue transactions recorded for donations or goods and/or services, in accordance with the accounting policies of the organization.	
Earmarked contributions	Voluntary contributions that are tied to a specific purpose	UN inter-agency pooled funds	Co-mingled contributions to multi-entity funding mechanism, not earmarked for specific UN entity; funds are held by UN fund administrator and fund allocations are made by UN-led governance mechanism.
		Single-agency thematic funds	Co-mingled contributions to single-entity funding mechanism designed to support high-level outcomes within strategic plan; single UN entity is fund administrator and takes the decisions on fund allocations.
		Revenue from global vertical funds	Contributions from ‘vertically’ focused funds with specific themes; funds are not directly administered by a UN entity and do not have a UN lead role in fund allocations.
		Local resources	Contributions from programme countries financed from government resources for use in support of their own development framework.
		Project/programme specific resources	Grants earmarked by the contributor to a specific programme or project, provided they do not fall within the above earmarked contribution categories.
		In-kind contributions	Revenue transactions recorded for donations or goods and/or services, in accordance with the accounting policies of the organisation that are earmarked by the contributor to a specific programme or project.
Revenue from other activities	Revenue linked to UN entity’s other activities that is not considered a ‘contribution’ under the organisation’s accounting policies.	Other revenue – specific to the UN entity	Revenue earned directly by the UN entity, including from investments, exchange gains etc.
		Other revenue – other UN entities	Revenue earned from services to/activities performed on behalf of other UN entities.
		Other revenue – external to UN	Revenue earned from services to/activities performed on behalf of governments and others outside the UN system.

Source: Data Standards for UN System-Wide Reporting of Financial Data.

Assessed contributions are obligatory payments made by UN Member States to finance the UN regular budget and its peacekeeping operations. They can be thought of as a membership fee. Assessed contributions are based on pre-agreed formulas related to each country's 'capacity to pay'. The formula for the regular UN budget is based on GNI, with debt burden adjustments for middle- and low-income countries and adjustments for low per-capita income factored in. The formula for peacekeeping operations also takes account of the fact that the five permanent members of the Security Council (the P5) pay a larger share due to their special responsibility for maintaining international peace and security. These two formulas are adjusted by the UN General Assembly and Member States, normally every three years. Assessed contributions and voluntary core contributions constitute the core funding for UN entities.

Voluntary core contributions, also referred to as regular resources, are funds provided to a specific UN organisation. Core contributions provide resources without restrictions. In other words, they are fully flexible, non-earmarked funds that are not tied to specific themes or locations. They are often used to finance an entity's core functions in line with its work plans and standards. Voluntary core contributions are, therefore, an important channel of funding, especially for UN entities that do not receive assessed contributions.

Earmarked contributions, also referred to as non-core resources, are funds tied to specific projects, themes or locations. While voluntary, such contributions are restricted in terms of how the receiving entity can use them. Earmarked contributions are widely used in the UN system, though the actual extent of earmarking varies. While some funds may be tightly connected to a specific project or programme, others may be part of flexible pooled funds with a thematic or geographical focus. The degree of flexibility may be suitable for different purposes. Strict earmarking and attribution of funding to individual projects may limit results, while soft earmarking to joint pooled funds can enable responses

across mandates, help integrate policy, blend financing streams and expand partnerships, thereby increasing impact and improving results. To overcome the steady increase of strict earmarking, Member States and the UN system alike have been pushing for more predictable and flexible UN funding. See Table 5 for an overview of the different instruments for earmarked contributions.

Revenue from other activities covers a variety of income from both state and non-state actors generated through public services, knowledge management and product services. It also includes revenue from investments, exchanges gains and similar sources. Since the 2021 data reporting exercise this revenue can be reported in the following sub-categories: specific to the UN entity, other UN entities, and external to the UN. See Table 5 for the definition of each one of these sub-categories.

In addition to the four financing instruments now used to fund the UN, there are **negotiated pledges**. Negotiated pledges are legally binding mutual agreements between UN entities and external funders. While not currently a revenue channel for the UN system, they represent a major funding stream for other multilateral organisations. The World Bank, for example, has used negotiated pledges for replenishment of the International Development Association. One UN entity, IFAD, applies something called negotiated replenishment, which was further described in last year's edition of this report.

Part One — Chapter 3

Year two of the Data Cube strategy: Taking stock of where we are

By United Nations System Chief Executives Board for
Coordination (CEB) Secretariat

Under the chairmanship of the United Nations Secretary-General, the **Chief Executives Board** (CEB) brings together the Executive Heads of the UN, its 12 funds and programmes, the 15 specialised agencies, and three related organisations. The CEB fosters a coherent approach to policy and management matters, enhancing UN system-wide coordination in support of intergovernmental mandates. The CEB is committed to supporting Member State efforts aimed at strengthening the multilateral system and regaining traction in the achievement of the Sustainable Development Goals (SDGs). Through its High-Level Committee on Management (HLCM), the CEB strives to foster systemic transformation through, among other things, stronger performance and results orientation; better data, analysis and communications; and innovation and digital transformation.

Introduction

CEB Secretariat is the UN inter-agency entity responsible for supporting the CEB's work, and as such is the UN system's highest-level coordination forum when it comes to programmatic, policy and management issues. The CEB Secretariat collects and publishes revenue, expense and budget data from all UN system organisations on an annual basis.

The UN Data Cube, a joint initiative of the CEB's HLCM and the UN Sustainable Development Group (UNSDG), is

one of the three strategic data initiatives recognised in the 2020 Data Strategy of the Secretary-General for Action by Everyone, Everywhere with Insight, Impact and Integrity.⁴⁵

The initiative's long-term goals are to improve the quality of financial data reported to the CEB and ensure the UN system has timely, reliable, verifiable and comparable system-wide and entity-level financial data aligned with the SDGs, in order to 'make better decisions and deliver stronger support to those we serve'.

The Data Cube initiative’s central component during the period 2017–2021 was the establishment and implementation of the Data Standards for UN system-wide reporting of financial data. A core principle of the initiative is ‘maximising transparency and minimising effort’.

In December 2021, the HLCM’s Finance and Budget Network approved the UN Data Cube strategy 2022–2025, aimed at taking the Data Cube initiative to the next level. The new strategy’s ultimate ambition is to ensure a fully-fledged UN system-wide Data Cube featuring financial data that can be disaggregated for each SDG in every country. Towards this end, the strategy builds towards

having six complementary UN system-wide financial data cuts. Together, these will provide UN stakeholders with a transparent, comprehensive snapshot of UN system-wide revenue and expenses, enabling better analytics and evidence-based decisions.

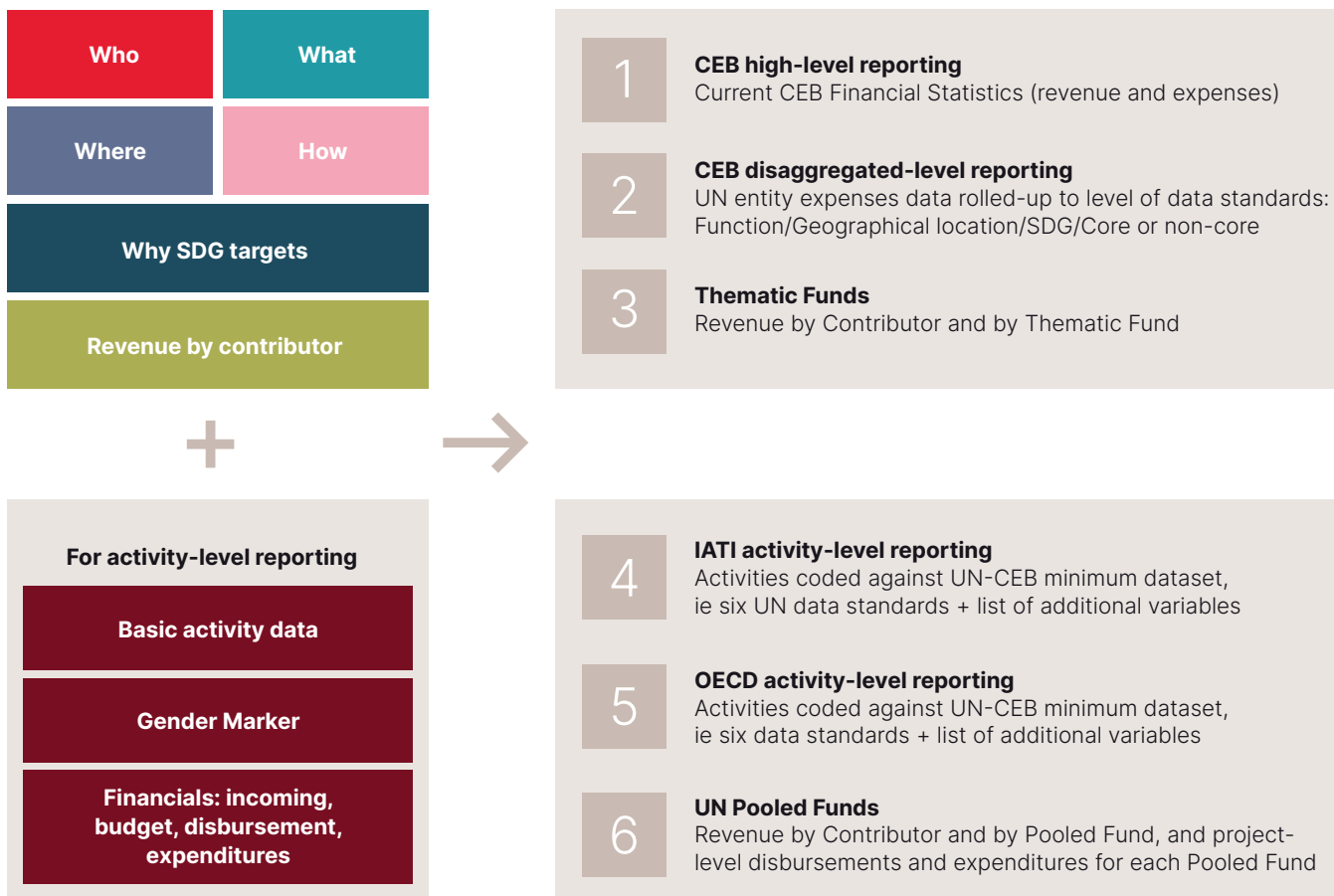
Figure 38 illustrates the elements underpinning the strategy. Each UN entity will construct a master dataset incorporating all the variables included in the UN-CEB minimum dataset (on the left side of the figure). Having done so, the UN entity can then slice-and-dice the master dataset to produce the data necessary to report on each of the six data cuts shown on the right-hand side of the figure.

Figure 37: Background to the Data Cube strategy 2022–2025



Source: Chief Executives Board (CEB).

Figure 38: Elements underpinning the UN Data Cube strategy 2022–2025



Source: Chief Executives Board (CEB).

Implementation of year two of the Data Cube strategy 2022–2025

The Data Cube strategy 2022–2025 reflects a strategic, forward-looking perspective on UN system-wide financial reporting. As the results listed below demonstrate, year two of the strategy saw continued efforts to build on previous successes and address persistent challenges.

Enhanced monitoring of CEB financial data: A monitoring tool was developed to measure and track progress of the Data Cube strategy’s implementation, with the results from 2022 reaffirming the significant advances made in recent years towards comprehensive, quality reporting by UN

entities. The tool assists the CEB Secretariat in providing feedback to UN entities regarding areas where they have made progress and areas that require improvement. Some highlights of these results are provided in Box 4.

Continuous improvement: The introduction of mandatory expenditure reporting for enabling functions in the ongoing collection of the 2023 financial data means progress is being made towards commitment 13 of the 2019 Funding Compact, which calls for improved comparability of cost classifications and definitions. The CEB Secretariat recognises that some entities may only be in the initial stages of establishing methodologies that support the reporting of enabling functions, and so is conducting consultations with

UN organisations. This will enable a better understanding of how enabling costs are defined, thereby enhancing the guidance issued to entities regarding the identification and allocation of these costs.

More comprehensive access to data: The CEB Secretariat has continued to enhance the CEB website's functionality as the central place for Member States and other data users to find UN system-wide financial data. Disaggregated data on funding flows at entity and system-wide level can be accessed on the CEB website in a user-friendly format, including visualisations and the option of downloading datasets in Excel or comma-separated values (CSV) formats.⁴⁶ More comprehensive data and additional interactive charts were also made available through the CEB website in 2023, including revenue by contributor type and data on thematic funds.

Maintaining partnerships: The CEB Secretariat continues to foster strategic partnership opportunities with the International Aid Transparency Initiative (IATI), the Organisation for Economic Cooperation and Development (OECD), the International Forum for Total Official Support to Sustainable Development (TOSSD) and other important partners. These partnerships assist with efforts to **maximise the transparency** of UN system financial data, with the ultimate aim of ensuring quality UN system-wide financial data is available to users on both the CEB website and other data platforms. A key achievement in this respect was agreement on an UN-CEB minimum dataset that, alongside the harmonised code lists, will enable UN entities to (re)use the same dataset in reporting their data to the CEB, IATI and OECD.

UN pooled funds: Continued collaboration with the UN Multi-Partner Trust Fund Office (MPTFO) focused on enhancing the timeliness and quality of UN inter-agency pooled funds data. An assessment is being undertaken regarding necessary next steps for publishing pooled fund data on the CEB website. Doing so will provide UN Member States with a single place where they can find data on their total contributions to the UN system (through both direct contributions to UN entities and contributions to UN pooled funds).

Areas of continued focus

Continued improvements in the comprehensiveness and quality of UN entity reporting since the introduction of the UN Data Standards are indicative of impactful collaboration across the whole UN system.

In 2024, the CEB Secretariat will continue to address the challenges impacting full achievement of the Data Cube strategy's objectives. These ongoing efforts include focusing on more strategic goals that balance the needs of various stakeholders, such as data reporters, users and partners. Actions towards this end could include:

- Assessing the degree of success in implementing the UN-CEB minimum dataset, including developments in IATI and/or OECD reporting, and recommending action to ensure datasets remain compatible between CEB, IATI, OECD and TOSSD.
- Considering adjustments to the CEB data platform with a view to introducing far more granular data on UN system-wide expenses. The consolidated UN system-wide disaggregated data would ideally show how much each UN entity, as well as the UN system as a whole, spends on each function, in each geographical location and against each SDG target, as well as which source of funding is used.
- Trying to better understand the reporting requirements of UN system organisations, in recognition of the reporting burden.
- Finalising a draft common methodology for determining the top financial contributors to the UN system, in collaboration with the Peacebuilding Support Office (PBSO) and MPTFO.
- Liaising with the UNSDG Development Coordination Office and Department of Economic and Social Affairs (DESA) on the new Funding Compact and its potential future impact on CEB Financial Statistics and the UN Data Standards.

As a final note, it is important to bear in mind that the ambitions of the Data Cube strategy 2022–2025 can only be fully realised if sufficient human and financial resource capacity is secured within the CEB Secretariat to provide the necessary strategic leadership and technical support for implementation and management of the strategy.

Box 4: Improvements in data quality for reporting against the Data Standards, 2018–2023

UN entities: The number of UN organisations reporting financial data to the CEB increased from 34 (2016 data) to 43 (2022 data). This means that 100% of UN system organisations participated in the CEB Financial Statistics exercise for the 2022 financial year.

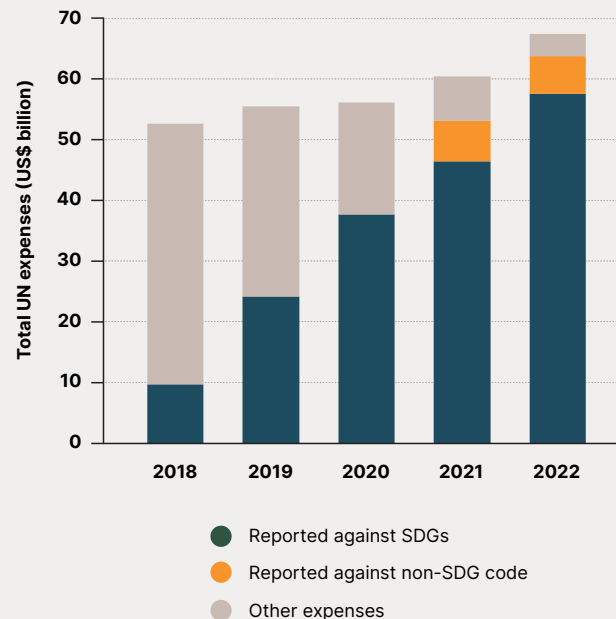
Expense by UN function: For the 2022 data, 100% of UN entities that reported their expenses by geographical location broke down the data by UN function. In addition, 15 UN entities voluntarily reported their expenses against OECD Common Reporting Standard purpose codes, compared to 13 the previous year.

Expense by geographical location: 100% of UN entities reported their 2022 expenses by geographical location. Moreover, the 2022 data continued to see improvements in the correct use of global codes, rather than codes for countries in which headquarters are located.

Expenses by source of funding: New granularity was introduced for the reporting of expenses funded from core and voluntary non-core contributions, with the CEB Secretariat undertaking additional follow-up with some entities to assure data quality.

Expense by SDG: Overall, 85% of total UN expenses in 2022 were reported against either SDG goals or targets, an increase from 78% in the 2021 data (see Figure 3). A further 9% was reported against the non-SDG code. It is hoped that the three UN organisations that did not report against this standard will do so in the next reporting period. The CEB Secretariat is continuing to follow up with UN entities that do not fully comply with the SDG standard, providing advice on how to ensure full compliance. In 2022, four UN entities provided a further breakdown of their SDG expenses to the country level, representing US\$ 19.8 billion of SDG expenses.

Figure 39: Progress in reporting UN expenses against SDGs



Source: Chief Executives Board for Coordination (CEB).

Revenue by contributor: A standardised CEB contributor list was introduced in 2021 to reduce errors in contributor coding and facilitate data aggregation. This list is reviewed and updated annually.

Gender Equality Marker: In November 2022, a new data standard on the UN Gender Equality Marker (GEM) was approved by the CEB's Finance and Budget Network for use in activity-level reporting to OECD, IATI and TOSSD. UN Women and the CEB Secretariat continue to collaborate on supporting adoption and implementation of this new reporting standard, which will become mandatory as of 1 January 2026.

Endnotes for Part One

1. All monetary amounts in this chapter are expressed in current United States dollars, unless otherwise stated. ‘Real term’ values are based on amounts expressed in constant 2021 United States dollars, using deflators published by OECD-DAC that consider the combined effect of inflation and exchange rate movements.
2. The International Residual Mechanism for Criminal Tribunals (IRMCT) contributed US\$ 80 million to total UN system revenue in 2022 – the first time it has reported. To ensure consistency with previous reports, financial data for the UN Volunteers programme (UNV) has remained in the aggregate for UNDP, despite the former reporting separately since 2020. Similarly, the UN Interregional Crime and Justice Research Institute (UNICRI) is reported together with the UN Office on Drugs and Crime (UNODC), which began reporting separately from 2021.
3. United Nations Secretary-General, letter on liquidity crisis, 25 January 2024, www.un.org/pga/wp-content/uploads/sites/108/2024/01/SG-Letter-on-Liquidity-Crisis.pdf.
4. UN Sustainable Development Group (UNSDG) and Chief Executive Board for Coordination (CEB), ‘Data Standards for United Nations System-wide reporting of financial data’, March 2024, <https://unsceb.org/sites/default/files/2024-03/Data%20Standards%20March%202024%20edition.pdf>. <https://www.un.org/pga/wp-content/uploads/sites/108/2024/01/SG-Letter-on-Liquidity-Crisis.pdf>.
5. The full text of the UN Charter is available at www.un.org/en/about-us/un-charter/full-text.
6. The most recent General Assembly decision regarding the scale for the regular budget is contained in Resolution 76/238, 24 December 2021, <https://undocs.org/en/A/RES/76/238>.
7. The most recent General Assembly decision regarding the scale of assessments for apportioning UN operational expenditure is contained in Resolution 76/239, 24 December 2021, <https://undocs.org/en/A/RES/76/239>.
8. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), ‘Annual Operational Report 2022’, p. 3. UNRWA provides assistance in the areas of education, health care, protection, relief and social services, infrastructure and camp improvement, microfinance, and emergency response. See https://www.unrwa.org/sites/default/files/content/resources/2022_annual_operational_report_-_english.pdf.
9. UN General Assembly and UN Economic and Social Council (ECOSOC), ‘Report of the Secretary-General: Implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding compact for United Nations support to the Sustainable Development Goals’, A/79/72/Add.2-E/2024/12/Add.2, 11 April 2024, p. 3 See <https://www.un.org/pga/wp-content/uploads/sites/108/2024/01/SG-Letter-on-Liquidity-Crisis.pdf>.
10. Since the 2021 financial data collection, the CEB has introduced the possibility of disaggregating this revenue into three reporting categories: 1) other revenue – specific to the UN entity; 2) other revenue – other UN entities; and 3) other revenue – external to the UN.

11. This commitment is enshrined in Article 21 of the Treaty on European Union: 'The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.'
12. Organisation for Economic Co-operation and Development (OECD) Creditor Reporting System (CRS) Aid Activity database. ODA gross disbursements at constant 2022 prices. <https://data-explorer.oecd.org/>.
13. World Bank, 'Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs', (Washington DC: World Bank, 2004), p. 2, https://ieg.worldbankgroup.org/sites/default/files/Data/reports/gppp_main_report_phase_2.pdf.
14. UN Office for Project Services (UNOPS), 'Update to the Executive Board of UNDP/UNFPA/UNOPS on UNOPS Engagement with International Financial Institutions', <https://content.unops.org/documents/libraries/executive-board/documents-for-sessions/2023/first-regular-session/joint-segment-item-2-update-on-undp-unfpa-and-unops-engagement-with-the-international-financial-institutions/en/Update-on-UNOPS-engagement-with-international-financial-institutions.pdf>.
15. It is important to note that the information presented in this section regarding IFI funding to the UN is based on the information UN entities reported to the CEB, following IPSAS, and does not align with other management publications, such as the funding compendiums. United Nations Children's Fund (UNICEF), 'Funding Compendium 2022', p. 25, www.unicef.org/sites/default/files/2023-07/UNICEF_FundingCompendium2022_FINAL_WEB.pdf.
16. World Bank, 'World Bank and World Food Programme map out joint strategy for tackling humanitarian and development challenges', 14 March 2018, www.worldbank.org/en/news/press-release/2018/03/14/world-bank-and-world-food-programme-map-out-joint-strategy-for-tackling-humanitarian-and-development-challenges.
17. UNOPS (note 14).
18. UN Development Programme (UNDP), 'Funding Compendium 2022', p. 26, www.undp.org/sites/g/files/zskgke326/files/2023-08/undp_funding_compendium_2022_vs_1_as_of_24_aug_2023.pdf.
19. France (11th place), Australia (12th place) and Denmark (13th place) reached the same high standard.
20. The Cooperation Framework is the most important planning and implementation instrument for UN development activities within countries. It is co-designed and co-signed by the UNDS and the government, and guides the entire programme cycle, driving planning, implementation, monitoring, reporting and evaluation of collective UN support for achieving the 2030 Agenda. UNSDG, 'United Nations Sustainable Development Cooperation Framework: Internal Guidance', 2019, <https://unsdg.un.org/resources/united-nations-sustainable-development-cooperation-framework-guidance>.
21. UN General Assembly and ECOSOC (note 9) p. 2.
22. UN General Assembly and ECOSOC (note 9). Framework for global-level monitoring and reporting on the Funding Compact for the UN's support to the SDGs. p. 2-3. <https://ecosoc.un.org/sites/default/files/2024-04/Final-Global-Level-Monitoring-and-Reporting-Framework-for-Funding-Compact.pdf>.
23. The agreed UNSDG standards on common management features for inter-agency pooled funds include 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 concerning UN norms and values; risk management systems and strategies; operational effectiveness/reporting/visibility/transparency standards; and planning and funding for joint and system-wide evaluations.
24. UN Office for the Coordination of Humanitarian Affairs (OCHA), 'Global Humanitarian Overview 2022', (OCHA, 2021), p. 10, <https://cerf.un.org/sites/default/files/resources/Global%20Humanitarian%20Overview%202022.pdf>.
25. OECD CRS Aid Activity database. The International Development Association was created in 1960 to make concessional loans (with low interest rates and long repayment periods) and currently also provides grants.
26. UNSDG and CEB (note 4).

- 27.** By contrast, the average proportion allocated to development assistance for the period 2010–2014 was 38%.
- 28.** OCHA, 'Global Humanitarian Overview 2023', (OCHA, 2022), <https://humanitarianaction.info/document/global-humanitarian-overview-2023> and <https://fts.unocha.org/plans/overview/2022>.
- 29.** The 12 active UN peacekeeping operations in 2022 included: United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA); United Nations Stabilization Mission in the Democratic Republic of the Congo (MONUSCO); United Nations Interim Force in Lebanon (UNIFIL); United Nations Disengagement Observer Force (UNDOF); United Nations Mission in South Sudan (UNMISS); and United Nations Mission for the Referendum in Western Sahara (MINURSO). MINUSMA subsequently closed in 2023. For current peacekeeping operations see <https://peacekeeping.un.org/en/where-we-operate>.
- 30.** Secretary-General proposed programme budget for special political missions (A/78/6 (Sec. 3)/Add.1). p. 33, [https://undocs.org/Home/Mobile?FinalSymbol=A%2F78%2F6\(Sect.3\)%2FAdd.1&Language=E&DeviceType=Desktop&LangRequested=False](https://undocs.org/Home/Mobile?FinalSymbol=A%2F78%2F6(Sect.3)%2FAdd.1&Language=E&DeviceType=Desktop&LangRequested=False).
- 31.** UN High Commissioner for Refugees (UNHCR), 'Afghanistan Humanitarian Crisis', www.unrefugees.org/emergencies/afghanistan/.
- 32.** As of July 2021, Venezuela was temporarily unclassified pending the release of revised national accounts statistics. Thus, expenditure on OAD in Venezuela is only depicted within the crisis-affected countries group.
- 33.** World Bank, 'Fragility, conflict & violence', www.worldbank.org/en/topic/fragilityconflictviolence/overview.
- 34.** World Bank classifications are updated each year on 1 July and are based on the GNI per capita of the previous year (in this case, 2021). Lebanon was downgraded from an upper middle-income country to a lower middle-income country classification by the World Bank in 2022. This downwards reclassification reflects the severe economic and financial crisis experienced by the country, which has been marked by significant economic contraction, high inflation and sharp exchange rate depreciation.
- 35.** UNHCR, 'Key Messages and Calls to Action COP26', www.unhcr.org/us/media/key-messages-and-calls-action-cop26.
- 36.** The list of 46 LDC countries is available at www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf. The list is reviewed every three years by the UN Committee for Development. To exit the LDC category, a country must meet the thresholds established for at least two of the three criteria for two consecutive triennial reviews.
- 37.** World Bank, 'Qualitative Portfolio Meta-analysis — Input for the Mid-Term Review of the World Bank Group Strategy for Fragility, Conflict, and Violence (2020–25)', 2023, p. 45, <https://documents1.worldbank.org/curated/en/099102523150028132/pdf/BOSI-B00eef97e208a0937700f5b7e85e393.pdf>.
- 38.** UN Department of Economic and Social Affairs (DESA), 'Goal 16', <https://sdgs.un.org/goals/goal16>. See also (<https://www.unhcr.org/refugee-statistics/>).
- 39.** Internal Displacement Monitoring Centre (IDMC), '2023 Global Report on Internal Displacement (GRID)', 2023, p. 7-12, <https://www.internal-displacement.org/publications/2023-global-report-on-internal-displacement-grid/>
- 40.** UN, 'The Sustainable Development Goals Report 2022', 2022, p. 28, <https://unstats.un.org/sdgs/report/2022/>.
- 41.** UNICEF, 'Water, Sanitation and Hygiene (WASH)', www.unicef.org/wash.
- 42.** UNDP, 'United Nations Development Programme Annual Report 2022', 2023, p. 14–17, <https://annualreport.undp.org/2022/assets/Annual-Report-2022.pdf>.
- 43.** Food and Agriculture Organization of the UN (FAO), 'FAO Strategic Framework 2022–31', 2021, <https://openknowledge.fao.org/server/api/core/bitstreams/29404c26-c71d-4982-a899-77bdb2937eef/content>.
- 44.** UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), 'What We Do', www.unrwa.org/what-we-do/education.
- 45.** United Nations, 'Data Strategy of the Secretary-General for Action by Everyone, Everywhere with Insight, Impact and Integrity, 2020–22', May 2020, www.un.org/en/content/datastrategy/images/pdf/UN_SG_Data-Strategy.pdf.
- 46.** UN System Chief Executives Board for Coordination (CEB), 'Financial Statistics', <https://unsceb.org/financial-statistics>.

Notes to figures and tables in Part One

Tables

General Notes

- I.** The UN system is defined as all the UN entities included in UN Data Standard I, 'UN entity' (see note V of the General Notes: 'UN Data Standards', p.6-7).
- II.** 43 United Nations entities (in some instances with further disaggregation) reported to CEB their 2022 financial data.
- III.** UN Women reported its data to the CEB for the first time as part of the 2011 data collection exercise.
- IV.** The Comprehensive Nuclear Test-Ban Treaty Organization (CTBTO); the International Criminal Court (ICC); the UN Capital Development Fund (UNCDF); the United Nations Framework Convention on Climate Change (UNFCCC); and the United Nations System Staff College (UNSSC) reported their data to the CEB for the first time as part of the 2017 data collection exercise.
- V.** The International Agency for Research on Cancer (IARC); the Organisation for the Prohibition of Chemical Weapons (OPCW); and UNITAID reported their data to the CEB for the first time as part of the 2018 data collection exercise.
- VI.** The International Tribunal for the Law of the Sea (ITLOS) reported its data to the CEB for the first time as part of the 2019 data collection exercise.
- VII.** The United Nations Volunteers programme (UNV) independently reported its financial data to the CEB for the first time as part of the 2020 data collection exercise. To be comparable with historical data, their data is included under UNDP since 2020.
- VIII.** The United Nations Interregional Crime and Justice Research Institute (UNICRI), the United Nations Convention to Combat Desertification (UNCCD) and the International Seabed Authority (ISA) reported their data to the CEB for the first time as part of the 2021 data collection exercise. For consistency, UNICRI revenues are included under UNODC.
- IX.** The International Residual Mechanism for Criminal Tribunals (IRMCT) reported its data to the CEB for the first time as part of the 2022 data collection exercise.
- X.** Included within the UN Secretariat are the following 19 Departments and Offices: Development Coordination Office (DCO); Department of Economic and Social Affairs (UN-DESA); Department of General Assembly and Conference Management (DGACM); Department of Global Communications (DGC); Department of Management Strategy, Policy and Compliance (DMSPC); Department of Operational Support (DOS); Department of Political and Peacebuilding Affairs (DPPA); Department of Safety and Security (DSS); Economic Commission for Africa (ECA); Economic Commission for Europe (ECE); Economic Commission for Latin America and the Caribbean (ECLAC); Economic and Social Commission for Asia and the Pacific (ESCAP); Economic and Social Commission for Western Asia (ESCWA); Office for the Coordination of Humanitarian Affairs (OCHA); Office of Counter Terrorism (OCR); Office of the United Nations High Commissioner for Human Rights (OHCHR); Technology Bank for the Least Developed Countries; United Nations Office for Disaster Risk Reduction (UNDRR); and United Nations Research Institute for Social Development (UNRISD).
- XI.** The values in the trendlines followed by a 'K' are in thousands of US dollars; the ones followed by an 'M' are in millions of US dollars; and those followed by a 'B' are in billions of US dollars.

Table 1: Total UN system revenue by entity and financing instrument, 2022 and 2010–2022;**Table 2: Assessed contributions to the UN system by entity, 2010–2022 (US\$ million);****Table 3: Earmarked contributions to the UN system by entity, 2010–2022 (US\$ million)**

- i) Data from CEB Financial Statistics database, series ‘Revenue by Entity’, available from <https://unsceb.org/fs-revenue-agency>.
- ii) The revenue amounts reflect data as reported to the CEB by the UN entities following their respective financial statements, without adjustments for revenue and/or expenses associated with transfers of funding between UN entities.
- iii) Total amounts reflect the sum of all UN entities’ revenues that form part of the UN system.
- iv) Values have been rounded up. Data below US\$ 1 million dollars is shown as 0 in the tables (eg, In table 1, voluntary core contributions for IARC and the revenue from other activities for the International Criminal Court (ICC).

Table 4: Total UN system expenditure by entity and function, 2022 and 2010–2022 (US\$ million)

- i) Data from CEB Financial Statistics database, series ‘Total Expenses’, available at <https://unsceb.org/expenses-function>.
- ii) Total amounts reflect the sum of all UN entities’ expenditures that form part of the UN system

Figures**General Notes**

- I. For Figures 1–3, 5-12, 25-26, 33-36, 39; Tables 1-4; ‘Chief Executives Board for Coordination (CEB)’ refers to data retrieved from the CEB Financial Statistics database. Data downloaded in November 2023 and available at <https://unsceb.org/financial-statistics>. The CEB Financial Statistics database is the only comprehensive source of financial statistics for the organisations of the United Nations system. CEB figures reflect revenue and expenses as reported to the CEB by UN entities, based on their audited financial statements. Wherever possible, figures are validated with

the organisations’ audited financial statements. They have not been adjusted for revenue and/or expenses associated with transfers of funding between UN entities. This data is currently collected annually by the CEB Secretariat.

- II. For Figures 13–18, 20, 22, 25, 27-33, 35-36, ‘Report of the Secretary-General (A/79/72–E/2024/12)’ refers to data retrieved from Report of the Secretary-General, ‘Implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system’, (A/79/72–E/2024/12, 19 April 2024), Statistical annex on 2022 funding data. Data was shared with the Multi-Partner Trust Fund Office (MPTFO) in March 2024. The statistical annex is available at <https://ecosoc.un.org/en/what-we-do/oas-qcpr/quick-links/2024-operational-activities-development-segment>. This data comprises the funding and expenditure data for operational activities for development (OAD) in the UN development system (UNDS).
- III. For Figure 24, ‘Organisation for Economic Co-operation and Development (OECD)’ refers to data retrieved from the Creditor Reporting System (CRS). The CRS database comprises all contributions from OECD Development Assistance Committee (OECD-DAC) members to developing countries or territories eligible for official development assistance (ODA). It presents members’ total use of the multilateral system through their multilateral and bilateral aid channelled by multilateral organisations. Data is based on individual project and programme disbursements measured on a calendar year basis. Data downloaded in April 2024 and available at <https://data-explorer.oecd.org>.
- IV. For Figures 9-10, 14-23, ‘UN Pooled Funds Database’ refers to the database compiled for the Fiduciary Management Oversight Group (FMOG). It incorporates all contributions to and transfers by inter-agency pooled funds with a UN administrative agent. The UN fund administrators or trustees are: the Food and Agriculture Organization (FAO), the International Labour Organization (ILO), the International Organization for Migration (IOM), the Multi-Partner Trust Fund Office (MPTFO), the United Nations Office

for the Coordination of Humanitarian Affairs (OCHA), the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Population Fund (UNFPA), the United Nations Children's Emergency Fund (UNICEF), the United Nations Office for Project Services (UNOPS), and the World Food Programme (WFP).

- V.** 'UN Data Standards' refers to the data standards developed through a joint initiative of the UN Sustainable Development Group (UNSDG) and the CEB's High-Level Committee on Management (HLCM), documented in 'Data Standards for United Nations System-wide Reporting of Financial Data'. The latest version, approved in March 2024, is available at <https://unsceb.org/data-standards-united-nations-system-wide-reporting-financial-data>.
- VI.** Following the revision of the peace and security pillar within the UN peacebuilding architecture and the adoption of resolution A/RES/72/262 C (available at <https://undocs.org/A/RES/72/262C>), from 1 January 2019 the Department of Political Affairs (DPA) and the Peacebuilding Support Office (PBSO) formed the new Department of Political and Peacebuilding Affairs (DPPA), while the Department of Peacekeeping Operations (DPKO) became the United Nations Department of Peace Operations (UN-DPO). For consistency, previous data series under the label DPKO have been renamed UN-DPO and previous data series under the label DPA have been renamed DPPA.
- VII.** Unless otherwise stated, all data presented is expressed in current United States dollars.

Figure 1: Funding of the UN system by financing instrument, 2022 (US\$ billion); and

Figure 2: Distribution of UN system funding by financing instrument, 2010–2022 (US\$ billion)

- i)** Data from CEB Financial Statistics database, series 'Revenue by Entity', available at <https://unsceb.org/fs-revenue-agency>.
- ii)** There were 43 United Nations entities (in some instances with further disaggregation) reporting to the CEB for the 2022 data collection (see notes on Tables 1, 2 and 3).

Figure 3: Nominal and real UN system funding, 2010–2022 (US\$ billion and US\$ billion at 2021 constant prices)

- i)** Data from CEB Financial Statistics database, series 'Total Revenue', available at <https://unsceb.org/fs-revenue>.
- ii)** Real UN system funding is based on amounts expressed in constant 2021 United States dollars by applying deflators for resource flows from DAC countries published by the OECD, available at <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/>. These deflators consider both the effect of price and exchange rate movements.

Figure 5: Earmarked contributions to the UN system by type, 2018–2022 (percentage share of total earmarked contributions)

- i)** Data from CEB Financial Statistics database, series 'Revenue by Financing Instrument', available at <https://unsceb.org/fs-revenue-type>.
- ii)** Definitions of the different types of earmarked funding are available under UN Data Standard IV, 'UN grant financing instruments', (see note V of the Figures General Notes: 'UN Data Standards', p. 32).

Figure 6: Total revenue of select UN entities, 2015–2023 (US\$ billion)

- i)** Preliminary 2023 data from the CEB 2024 data collection. Data shared with MPTFO in June 2024.
- ii)** Data for 2015 - 2022 from CEB Financial Statistics database, series 'Revenue by Entity', available at <https://unsceb.org/fs-revenue-agency>.

Figure 7: Funding sources for the UN system, 2022

- i)** Data from CEB Financial Statistics database, series 'Revenue by Government donor' and 'Revenue by Non-government donor', available at <https://unsceb.org/fs-revenue-government-donor> and <https://unsceb.org/fs-revenue-non-government-donor>, respectively.
- ii)** Additional data received by MPTFO from the CEB Secretariat in November 2023.
- iii)** OECD-DAC members are defined as countries that are members of the Development Assistance Committee. By the end of 2022 there were 31

OECD-DAC members, after Lithuania's accession as 31st member in November 2022. The list of OECD-DAC members is available at <https://www.oecd.org/en/topics/development-co-operation.html#development-assistance-committee.html>.

- iv) The 2% share with no contributor, represents the contributor type C09: 'No contributor'. Following CEB guidelines, within the category of 'Revenue from other activities', other revenue specific to the UN entity can often not be allocated to a contributor due the general nature of the revenue, such as interest and investment revenue, and foreign exchange gains. However, for the other two categories – 'Other revenue - other UN entities' and 'Other revenue - external to United Nations' – a link to contributor type is encouraged (for definitions of the categories within 'Revenue from other activities' see Table 5 in Box 3, p. 88).
- v) The European Union (EU) is listed separately, based on UN Data Standard VI, 'Reporting on revenue by contributor' (see note V of the Figures General Notes).
- vi) Included within the category 'Other multilaterals' are resources from 'UN organizations excluding pooled funds' (US\$ 1,087 million), 'Other excluding the European Commission' (US\$ -105 million), and 'Other multilateral institutions' (US\$ 68 million).

Figure 8: UN system funding by Member States and other contributors, 2010–2022 (US\$ billion)

- i) Total contributions to the UN system from the CEB Financial Statistics database, series 'Total Revenue', available at <https://unsceb.org/fs-revenue>.
- ii) Government contributions data from the CEB Financial Statistics database, series 'Revenue by Government donor', available at <https://unsceb.org/fs-revenue-government-donor>.
- iii) EU contributions from the CEB Financial Statistics database, series 'Revenue by Non-government donor', available at <https://unsceb.org/fs-revenue-non-government-donor>.
- iv) DPO assessed contributions by Member States for 2010 were calculated based on assessment rates presented in Report to the Secretary-General, 'Implementation of General Assembly resolution

55/235 and 55/236', (A/64/220/Add.1., 31 December 2009), available at <https://documents.un.org/api/symbol/access?j=N0967111&t=pdf>.

- v) Revenues reported to the CEB without being linked to a contributor type are within 'Other contribution types.'

Figure 9: Top 10 Member State contributors to the UN system, 2022 (US\$ billion and percentage share of GNI)

- i) Member State contributions from the CEB Financial Statistics database, series 'Revenue by Government donor', available at <https://unsceb.org/fs-revenue-government-donor>.
- ii) Inter-agency UN Pooled Funds data from the UN Pooled Funds Database (see note IV of the General Notes).
- iii) Gross national income (GNI) data from the UN Statistics Division, UN DESA, available at <http://data.un.org>. Series 'GNI at current prices – US dollars.'

Figure 10: EU funding to the UN system, 2010–2022 (US\$ billion)

- i) EU contributions to UN entities from the CEB Financial Statistics database, series 'Revenue by Non-government donor', available at <https://unsceb.org/fs-revenue-non-government-donor>.
- ii) EU contributions to inter-agency pooled funds from the UN Pooled Funds Database (see note IV of the Figures General Notes).

Figure 11: International Financial Institutions (IFIs) funding to four select UN entities, 2022 (US\$ million)

- i) Data received by MPTFO from the CEB Secretariat in November 2023.
- ii) For UNOPS, included within the category 'Other' (US\$ 4 million) are US\$ 3 million from the Inter-American Development Bank.

Figure 12: Funding from non-state actors to the UN system, 2018–2022 (US\$ billion)

- i) Data from CEB Financial Statistics database, series 'Revenue by Non-government donor', available at <https://unsceb.org/fs-revenue-non-government-donor>.
- ii) Additional data received by MPTFO from the CEB Secretariat in November 2023.

Figure 13: Total core and earmarked contributions to UN OAD, 2010–2022 (US\$ billion)

- i) Data from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 1, ‘Funding for operational activities, by entity, core and non-core: 2011–2022’ (see note II of the Figures General Notes).
- ii) 2010 Data available from Report of the Secretary-General (A/78/72–E/2023/59), Statistical annex on 2021 funding data, Table 1, ‘Funding for operational activities, by entity, core and non-core: 2003–2021’ available at <https://ecosoc.un.org/en/what-we-do/oas-qcpr/ecosocs-operational-activities-segment/2023-operational-activities-development>.
- iii) ‘Core contributions’ refer to untied funding used at the sole discretion of the relevant UNDS entity and its governing board; it includes both assessed contributions and voluntary core (unearmarked) contributions. Earmarked’ contributions refer to earmarked funding directed by contributors towards specific locations, themes, activities and/or operations. Details on the distinction between the different funding types are available under UN Data Standard IV, ‘UN grant financing instruments’ (see note V of the Figures General Notes).
- iv) The 2020 Operational Activities for Development provided a ‘Supplementary note to Addendum 1 on funding: Technical note on definitions, sources and coverage’, available at <https://ecosoc.un.org/en/what-we-do/oas-qcpr/ecosocs-operational-activities-segment/2020-operational-activities-development>. There, the UNDS is defined as constituted by ‘entities that carry out operational activities for development to support countries in their efforts to implement the 2030 Agenda for Sustainable Development’, and OAD are ‘considered to consist of those activities that fall under either “development assistance” or “humanitarian assistance”’.
- v) IOM was incorporated as part of the UNDS since the publication of 2018 data. Historical data has been revised to incorporate IOM data in previous years.
- vi) Since the publication of 2018 data, UN Secretariat and UNEP’s OAD coefficients were adjusted, and definitions have been aligned with the UN Data Standards.

Figure 14: Funding composition for UN OAD: Top 10 OECD-DAC contributors, 2022 (US\$ billion); and Figure 15: Funding composition for UN OAD: Top 10 non-OECD-DAC contributors, 2022 (US\$ million)

- i) Member State contributions data from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 2, ‘Funding provided, by contributor, by entity, by resource type: 2022’ (see note II of the Figures General Notes).
- ii) Inter-agency pooled funds contributions data from the UN Pooled Funds Database (see note IV of the Figures General Notes).
- iii) OECD-DAC contributors are defined as countries that are members of the Development Assistance Committee. By the end of 2022 there were 31 OECD-DAC members, after Lithuania’s accession as 31st member in November 2022. The list of OECD-DAC members is available at <https://www.oecd.org/en/topics/development-co-operation.html#development-assistance-committee>.
- iv) For figure 15, non-OECD-DAC countries are defined as countries that are not members of the OECD Development Assistance Committee.
- v) ‘Core contributions’ refer to untied funding used at the sole discretion of the relevant UNDS entity and its governing board; it includes both assessed contributions and voluntary core (unearmarked) contributions. ‘Earmarked’ contributions refer to earmarked funding directed by contributors towards specific locations, themes, activities and/or operations. Details on the distinction between the different funding types are available under UN Data Standard IV, ‘UN grant financing instruments’ (see note V of the Figures General Notes).

Figure 16: Funding composition for UNDS development assistance: Top 15 contributors, 2022 (US\$ million); and Figure 17: Funding composition for UNDS humanitarian assistance: Top 15 contributors, 2022 (US\$ million)

- i) Member State contributions data from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 2, ‘Funding provided, by contributor, by entity, by resource type: 2022’ (see note II of the Figures General Notes).

- ii) Inter-agency pooled funds contributions data from the UN Pooled Funds Database (see note IV of the Figures General Notes).
- iii) 'Core contributions' refer to untied funding used at the sole discretion of the relevant UNDS entity and its governing board; it includes both assessed contributions and voluntary core (unearmarked) contributions. 'Earmarked' contributions refer to earmarked funding directed by contributors towards specific locations, themes, activities and/or operations. Details on the distinction between the different funding types are available under UN Data Standard IV, 'UN grant financing instruments' (see note V of the Figures General Notes).

Figure 18: Deposits to UN inter-agency pooled funds 2010–2022 (US\$ billion)

- i) Total development and humanitarian assistance data from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 2, 'Funding provided, by contributor, by entity, by resource type: 2022' (see note II of the Figures General Notes).
- ii) Inter-agency pooled funds contributions data from the UN Pooled Funds Database (see note IV of the Figures General Notes).
- iii) The 'development assistance' category aggregates the 'development', 'climate and environment' and 'peace and transition' categories.

Figure 19: Deposits to UN inter-agency pooled funds from the top 10 contributors, 2022 (US\$ million); and Figure 20: Countries contributing more than 10% of their total earmarked funding to UN development assistance through UN inter-agency pooled funds, 2022 (25 countries)

- i) Inter-agency pooled funds contributions data from the UN Pooled Funds Database (see note IV of the Figures General Notes).
- ii) In figure 20, Total earmarked funding to UN development assistance from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 2, 'Funding provided, by contributor, by entity, by resource type: 2022' (see note II of the Figures General Notes).

Figure 21: Top 10 implementing UN entities receiving revenue through inter-agency pooled funds, by fund thematic area, 2022 and 2016–2022

- i) Inter-agency pooled funds transfers data from the UN Pooled Funds Database (see note IV of the Figures General Notes).
- ii) Figure (A) illustrates 2022 values, while figure (B) shows aggregate 2016–2022 values.

Figure 22: Countries in which more than 15% of earmarked resources is channelled through development-related UN inter-agency pooled funds, 2022 (34 countries)

- i) Member State contributions data from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 2, 'Funding provided, by contributor, by entity, by resource type: 2022' (see note II of the Figures General Notes).
- ii) Inter-agency pooled funds transfers data from the UN Pooled Funds Database (see note IV of the Figures General Notes).

Figure 23: Top 15 countries receiving resources through UN inter-agency pooled funds, 2022 (US\$ million)

- i) Data from Inter-agency pooled funds transfers from the UN Pooled Funds Database (see note IV of the Figures General Notes).
- ii) The categories of 'Transfers from development pooled funds', 'Transfers from climate and environment pooled funds', and 'Transfers from peace and transition pooled funds' constitute Development assistance.

Figure 24: Channels of multilateral assistance from OECD-DAC countries, core and earmarked, 2011 and 2022 (US\$ billion, 2021 constant prices)

- i) OECD-DAC members' contributions to the regular budgets of multilateral institutions retrieved from the OECD Creditor Reporting System (CRS) statistics database (see note III of the Figures General Notes).
- ii) Values are gross disbursements at 2021 prices.
- iii) OECD-DAC members are defined as countries that are members of the Development Assistance Committee. By the end of 2022 there were 31 OECD-DAC members, after Lithuania's accession

as 31st member in November 2022. The list of OECD-DAC members is available at <https://www.oecd.org/en/topics/development-co-operation.html#development-assistance-committee.html>.

- iv) Core contributions to multilateral organisations refer to resources transferred to multilateral organisations for which the governing boards of these organisations have the unqualified right to allocate as they see fit within the limits prescribed by the organisation's mandate.
- v) Earmarked contributions are resources channelled through multilateral organisations over which the donor retains some degree of control over decisions regarding the allocation of the funds. Such flows may be earmarked for a specific country, project, region, sector or theme.
- vi) The CRS database presents the International Monetary Fund (IMF) and the World Bank Group (WBG) as separate categories. For this Figure, their data has been integrated into one category to describe a channel of multilateral assistance.
- vii) In the CRS database, the World Trade Organization (WTO) is presented as a channel of multilateral assistance separate from the 'UN development system'. For this figure both have been integrated under the latter category.

Figure 25: UN system expenditure by function, 2018–2022

- i) Data from CEB Financial Statistics database, series 'Expenses by function', available at <https://unsceb.org/expenses-function>.
- ii) Details on the distinction between the different functions are available under UN Data Standard II, 'UN system function' (see note V of the Figures General Notes).
- iii) Global agenda and specialised assistance are activities that: 1) address global and regional challenges without a direct link to development and humanitarian assistance, or peace operations; or 2) support sustainable development with a focus on long-term impact in non-UN programming countries.

Figure 26: Select UN entities expenditure, 2015–2023 (US\$ billion)

- i) Preliminary 2023 data from the CEB 2024 data collection. Data shared with MPTFO in June 2024.

- ii) Data for 2015 - 2022 from CEB Financial Statistics database, series 'Expenses by function', available at <https://unsceb.org/expenses-function>.

Figure 27: Total UN expenditure on development and humanitarian assistance, 2010–2022 (US\$ billion); and Figure 28: Expenditure on UN OAD by region, 2010–2022 (US\$ billion)

- i) 2022 data from report of the Secretary-General (A/79/72-E/2024/12), Statistical annex on 2022 funding data, Table 6, 'Expenses by location and type of activity, 2022' (see note II of the Figures General Notes).
- ii) Historical UN OAD data extracted from previous statistical annexes of Reports of the Secretary-General on the Implementation of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR): Funding analysis' (A/78/72-E/2023/59), (A/77/69-E/2022/47), (A/76/75-E/2021/57), (A/75/79-E/2020/55), (A/74/73-E/2019/4), (A/73/63-E/2018/8), (A/72/61-E/2017/4), (A/71/63-E/2016/8), (A/70/62-E/2015/4), (A/69/63-E/2014/10), (A/68/97-E/2013/87) and (A/67/93-E/2012/79). Data can be accessed through the 2024 Operational Activities Segment site at <https://ecosoc.un.org/en/what-we-do/oas-qcpr/quick-links/2024-operational-activities-development-segment>.
- iii) Figures show UN OAD. Expenditure on peace operations and global agenda and specialised assistance is excluded as such activities do not fall within the scope of the QCPR.
- iv) For Figure 27, details on the distinction between the different functions are available under UN Data Standard II, 'UN system function' (see note V of the Figures General Notes: 'UN Data Standards', p. 12).
- v) For Figure 28, countries are aggregated to a regional level following Appendix 1 of UN Data Standard III, 'Geographic location' (see note V of the General Notes: 'UN Data Standards', p. 25-27). To align these regions to those used in Report of the Secretary-General, expenditures of countries listed under Western Asia in the UN Data Standards

were extracted to calculate the total expenditure for Western Asia. Expenditures for the remaining countries in the Asia region and all countries in the Oceania region, as listed in the UN Data Standards, were combined to calculate the total expenditure for Asia and the Pacific.

Figure 29: Expenditure on UN OAD in UN programming countries by income status, 2022 (US\$ billion)

- i) Data from report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 6, ‘Expenses by location and type of activity, 2022’ (see note II of the Figures General Notes).
- ii) 2022 classification of countries by income from the World Bank Analytical Classifications (presented in World Development Indicators). Available at <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>
- iii) The figure shows only UN programming countries, ie, countries covered by a Resident Coordinator (including those covered by a Resident Coordinator in another country, such as for multi-country offices). The list of programming countries is available in Appendix 3 of UN Data Standard II, ‘UN system function’ (see note V of the General Notes: UN Data Standards’, p.21-22).
- iv) For analytical purposes, the World Bank classifies economies into four income groups: 1) low; 2) lower-middle; 3) upper-middle; and 4) high. For 2022, low-income economies were defined as those with a GNI per capita of US\$ 1,135 or less; lower-middle-income countries were those with a GNI per capita between US\$ 1,136 and US\$ 4,485; upper-middle-income economies were those with a GNI per capita between US\$ 4,466 and US\$ 13,845; and high-income economies were those with a GNI per capita above US\$ 13,845.
- v) The World Bank estimates GNI per capita data in US dollars, converted from local currency using the World Bank Atlas method, which is applied to smooth exchange rate fluctuations (Further information available at [https://datahelpdesk.worldbank.org/knowledgebase/articles/77933-](https://datahelpdesk.worldbank.org/knowledgebase/articles/77933-what-is-the-world-bank-atlas-method)

[what-is-the-world-bank-atlas-method](https://datahelpdesk.worldbank.org/knowledgebase/articles/77933-what-is-the-world-bank-atlas-method)). The World Bank estimates the size of the population from a variety of sources, including the UN’s biennial World Population Prospects, available at <https://population.un.org/wpp/>.

- vi) Crisis-affected countries are those that fulfil one or more of the following criteria: 1) report expenditure for an ongoing or recently discontinued peacekeeping mission (DPO); 2) report expenditure for an ongoing or recently discontinued political mission, group of experts, panel, office of special envoy or special adviser (DPPA); 3) report expenditure from the Peacebuilding Fund windows financing facilitating transitions and cross border peacebuilding (UN Pooled Funds Database); and 4) have had a humanitarian response plan for 2021 or 2022 (OCHA).
- vii) Western Sahara and Cyprus were not included on the list of crisis-affected countries, despite fulfilling at least one criterion, as neither are a UN programming country.

Figure 30: Expenditure on UN OAD in least developed countries, 2010–2022 (US\$ billion)

- i) 2022 data from report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 6, ‘Expenses by location and type of activity, 2022’ (see note II of the Figures General Notes).
- ii) Historical UN OAD data extracted from previous statistical annexes of Reports of the Secretary-General on the Implementation of the QCPR. (See note II of the Figures General Notes and note ii of Figures 27 and 28).
- iii) The list of least developed countries (LDCs) is available at <https://www.un.org/ohrlls/content/list-ldcs>.

Figure 31: UN humanitarian, development, and peace- and security-related expenditure by crisis-affected country, 2022 (US\$ billion); and

Figure 32: UN humanitarian, development, and peace- and security-related expenditure in 29 crisis-affected countries, 2010–2022 (US\$ billion)

- i) Depicted in figure 31 are the UN development system expenditures by function, on operational activities and the peace- and security-related

expenditure in 29 UN programming countries that fulfilled one or more criteria to be classified as crisis-affected country and for which the UN expenditure surpassed the US\$ 200 million threshold.

- ii)** For the selection criteria of crisis-affected countries see note vi for Figure 29.
- iii)** The UN programming countries classified as crisis-affected in 2022 not portrayed in figure 31 are: Albania, Côte d'Ivoire, Democratic People's Republic of Korea, El Salvador, Guinea, Guinea-Bissau, Honduras, Iran, Kosovo (As per UNSCR 1244), Kyrgyzstan, Liberia, Sierra Leone, and Venezuela.
- iv)** For Figure 32, historical UN OAD data extracted from previous statistical annexes of Reports of the Secretary-General on the Implementation of the QCPR. (See note II of the Figures General Notes and note ii of Figures 27 and 28).
- v)** The humanitarian and development assistance data does not include expenditure from: 1) UNDS entities that did not report disaggregated country expenditures to the CEB in 2022; and 2) those UN-related organisations that are not included in UN DESA's definition of the UNDS.
- vi)** 2022 data DPO extracted from UN Peacekeeping Operations financial reports and audited financial statements (A/78/5 (Vol. II)), available at <https://documents.un.org/doc/undoc/gen/n24/006/02/pdf/n2400602.pdf?token=jBx7J4jDMqSOjQ0MDz&fe=true>. This report of the Board of Auditors is for the 12-month period 1 July 2022 to 30 June 2023.
- vii)** Historical data compiled from previous financial reports, available at <https://www.un.org/en/auditors/board/auditors-reports.shtml>.
- viii)** From the DPO missions, African Union–UN Hybrid Operation in Darfur (UNAMID) expenditure is allocated to Sudan; the UN Disengagement Observer Force (UNDOF) expenditure is allocated to Syria; and the UN Interim Security Force for Abyei (UNISFA) expenditure is allocated equally to South Sudan and Sudan. Expenditure in the UN Peacekeeping Force in Cyprus is not presented because Cyprus is not a UN programming country.
- ix)** 2022 data from DPPA from Report of the Secretary-General, 'Proposed programme budget for 2024, Part II, Section 3 – Political affairs', (A/78/6 (Sect. 3)/Add.1 available at https://digitallibrary.un.org/record/4018160/files/A_78_6_%28Sect._3%29_Add.1-EN.pdf).
- x)** Historical DPPA expenditure data from various 'Proposed programme budget for, political affairs' (A/77/6 (Sect. 3)/Add.1), (A/76/6 (Sect.3)/Add.1), (A/75/6 (Sect.3)/Add.1) and (A/74/6)/Add.1), and 'Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council' (A/73/352), (A/72/371), (A/71/365), (A/70/348), (A/69/363), (A/68/327) and (A/67/346), available at <https://documents-dds-ny.un.org>.

Figure 33: Aggregated UN expenditure linked to the SDGs as reported by 40 UN entities, 2022 (US\$ billion); and Figure 34: UN expenditure linked to select SDGs as reported by UN entities, 2022 (US\$ million and percentage)

- i)** Data from CEB Financial Statistics database, series 'Expenses by SDG', available at <https://unsceb.org/expenses-sdg>.
- ii)** The Sustainable Development Goals (SDGs) are a call for action by all countries to promote prosperity while protecting the planet. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs, including education, health, social protection, and job opportunities, while tackling climate change and environmental protection. The SDGs are included in a UN Resolution called 'Transforming our world: the 2030 Agenda for Sustainable Development' (A/RES/70/1), available at https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf. Descriptions of all 17 SDGs available at <https://sdgs.un.org/goals>.
- iii)** Not all entities mapped 100% of their expenditure onto the SDGs.

Figure 35: Contributions to the UN system and UN development system, 2022 (US\$ billion)

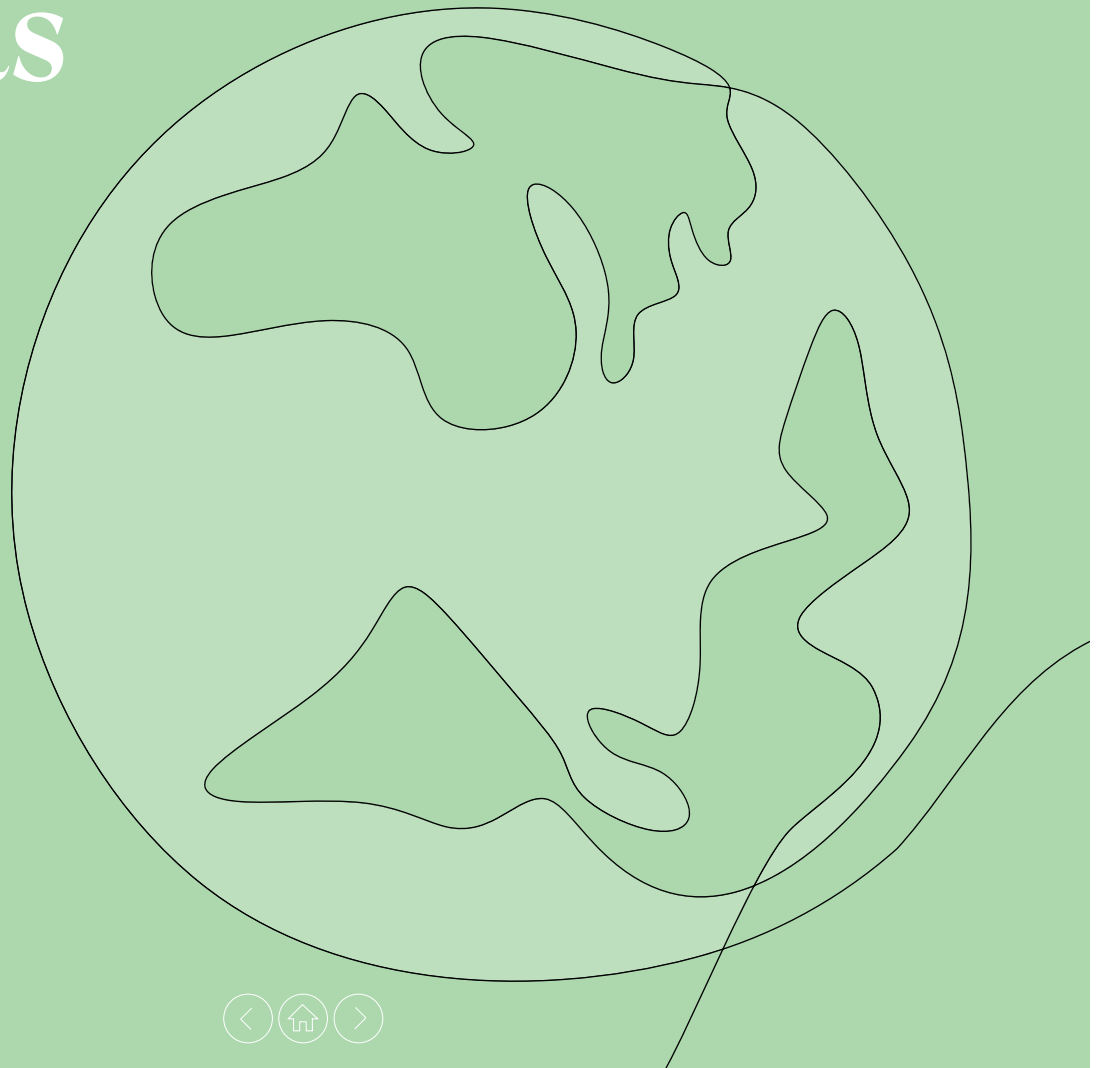
- i) United Nations system data from CEB Financial Statistics database, series 'Total Revenue', available at <https://unsceb.org/fs-revenue>, (see note I of the Figures General Notes).
- ii) United Nations Development System data from Report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 2, 'Funding provided, by contributor, by entity, by resource type: 2022' (see note II of the Figures General Notes).

Figure 36: UN system expenditure by function, 2022

- i) United Nations system data from CEB Financial Statistics database, series 'Expenses by function', available at <https://unsceb.org/expenses-function>.
- ii) United Nations Development System data from report of the Secretary-General (A/79/72–E/2024/12), Statistical annex on 2022 funding data, Table 6, 'Expenses by location and type of activity, 2022' (see note II of the Figures General Notes).

Part Two

Marketplace
of ideas



Marketplace of ideas

- **Financing global public goods: Threat or opportunity for sustainable and inclusive development?**

By Pedro Conceição

- **Perspectives on financial reform to bridge the North-South divide**

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By Annelies Hickendorff and Marijana Markotić Andrić

Financing global public goods: Threat or opportunity for sustainable and inclusive development?¹

By Pedro Conceição

This contribution draws on the 'Human Development Report 2023/2024, Breaking the gridlock'.

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economics of innovation and technological change as well as development. Prior to joining UNDP, Pedro Conceição was an Assistant Professor at the Instituto Superior Técnico, Technical University of Lisbon, Portugal, teaching and researching science, technology and innovation policy. He has degrees in Physics from Instituto Superior Técnico and in Economics from the Technical University of Lisbon and holds a doctoral degree Public Policy from the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin in the United States.

Introduction

The imperative of providing global public goods is sometimes perceived as competing with other priorities associated with development, such as eliminating poverty and promoting the convergence of living standards of low- and middle-income countries with those with higher levels of income. This contribution shows how failure to provide global public goods actually exacerbates development challenges, be it increases in extreme poverty or divergence in living standards. Evidence comes from the impact on human development from the way in which the COVID-19 pandemic was managed.

Looking ahead, the contribution shows how the provision of global public goods, like climate change mitigation, is key to advance inclusive and sustainable human development. Moreover, domestic support in high income countries for the international transfer of resources to lower income countries is associated both with altruistic motivations of supporting the poor in lower income countries, as well as with addressing globally shared challenges. In sum, financing global public goods is a complement, not a substitute, for either humanitarian assistance or official development assistance. Moreover, failure to advance an agenda focused on providing global public goods can exacerbate challenges to multilateralism, which may be perceived as not delivering on contemporary and emerging challenges.

The world today is vastly different from what it was in the aftermath of World War II, when the idea and practice of international development emerged. A core tenet of today's world is the reality of living on a shared planet undergoing dangerous changes for human and other forms of life, as well as societies that are deeply connected via instantaneous flows of information powered by rapidly accelerating technological transformations, such as artificial intelligence. A multilateralism fit for the 21st century has to take account of this new reality, and a global public goods lens provides a structured way of understanding these challenges as well as what to do to address them.

By many accounts, the world seems to be rebounding from the globally traumatic experience of the COVID-19 pandemic. For example, the latest Human Development

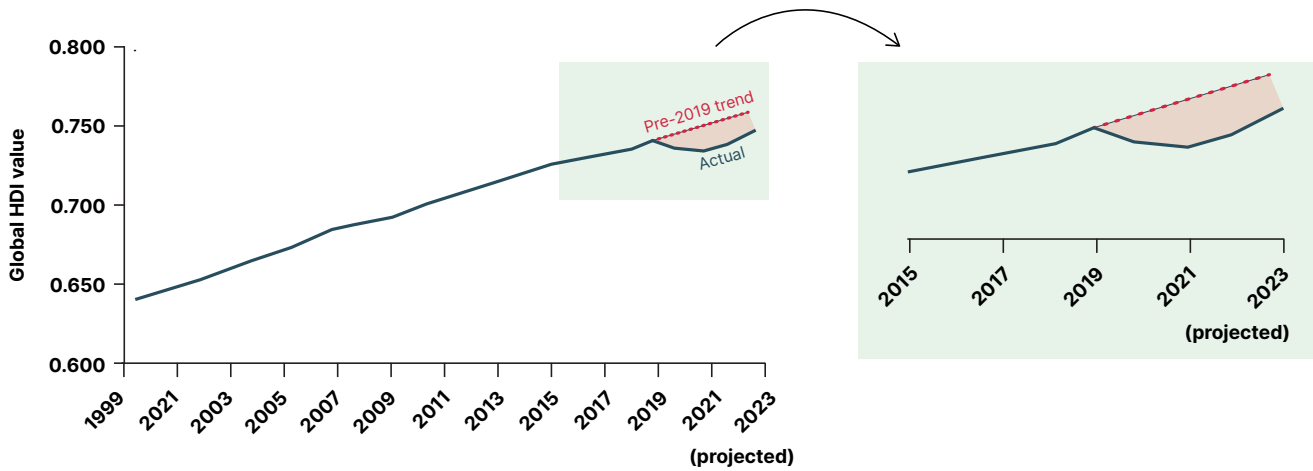
Report for 2023 and 2024 documents that the global Human Development Index (HDI) is projected to have reached the highest value on record in 2023 – as a whole and on each of its three dimensions, associated with standards of living, and achievements in health and education.² These three dimensions were heavily affected by the pandemic, which was simultaneously an economic, health, and education crisis that hit all the world's countries simultaneously. But there are two concerning characteristics of this rebound.

First, given the decline of the global HDI in 2020 and 2021, the recovery that started in 2022 is on a path that sits below the pre-2019 trend (figure 1). If the progress remains below the pre-2019 trend for a long time, this represents long-lasting losses in human potential, compared with what we would have expected had the decline in the global HDI never taken place. If the actual path of progress never bends to move it above the pre-2019 trend, the scarring from the temporary dip in human development would become permanent. The recognition that temporary shocks can have long-lasting, potentially permanent scarring effects, is increasingly recognised by a series of new studies published in recent years.³ The fact that shocks, even when transitory, can have long-term or even permanent effects, changes the calculus about how much one should invest in preventing them or, at a minimum, allocate resources to mitigate their negative impacts on people.⁴ These investments will have to be much higher than under the assumption that shocks are transitory and the recovery implies that things will go back to the pre-shock path.

Second, after decades in which the countries at the bottom of the HDI rank have narrowed their distance from the countries at the top – the very essence of the notion of 'development' – those gaps are now increasing, with a reversal from a process of convergence to one of divergence that has unfolded over the last four years (figure 2). This goes against the pledge of the 2030 Agenda of leaving no one behind and reaching the furthest behind first: the opposite is happening.

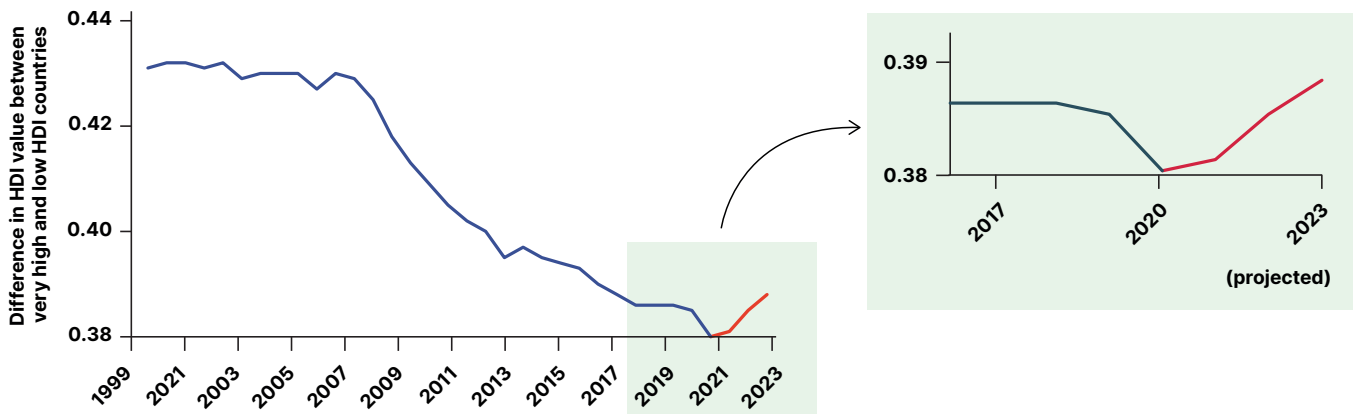
The two concerning characteristics revealed by the analysis of the HDI are also reflected in the trajectory of reduction in extreme poverty. The path has shifted,

Figure 1: Do we confront permanent losses in human development?



Source: United Nations Development Programme (UNDP) 2024.

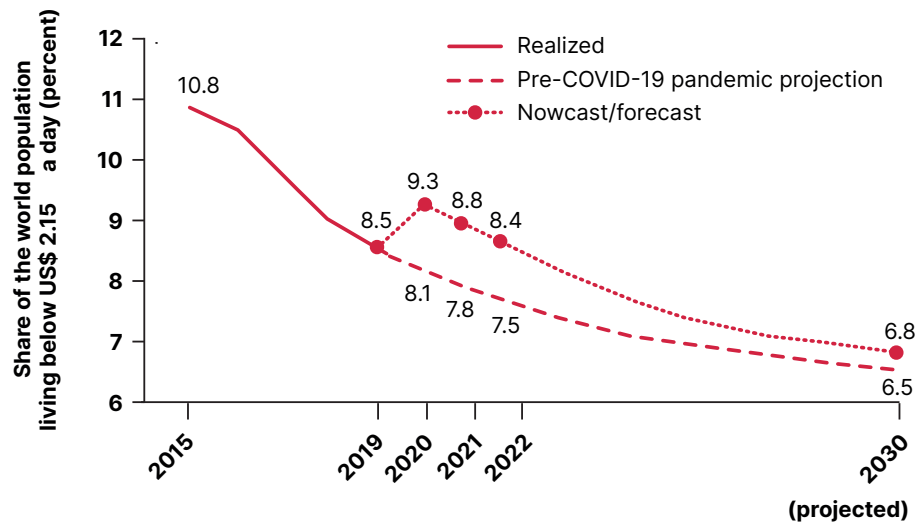
Figure 2: Leaving no one behind and reaching the furthest behind the first?



Source: United Nations Development Programme (UNDP) 2024.

potentially permanently, to a slower trajectory than would have been expected had the COVID-19 shock not taken place or measures adopted to avoid the increase in extreme poverty, and the rank of the extreme poor increased, with the headcount poverty ratio increasing by almost one percentage point from 2019 to 2020 (figure 3). So, the message is clear, the mismanagement of the COVID-19 pandemic hurt the poor, hurt development, and

the implications will be long-lasting, potentially permanent. But, oh well, *tant pis*, we could have done better, but it is what it is. Let us now redouble the efforts to eradicate poverty and get low-income countries to converge, once again, to the standards of living of the high-income countries. While this is absolutely needed, it would be a missed opportunity not to reflect more deeply about what transpired during the COVID-19 pandemic.

Figure 3: A long-lasting shift in the extreme poverty reduction trajectory

Source: The Sustainable Development Goals Report, (New York: United Nations, 2023).

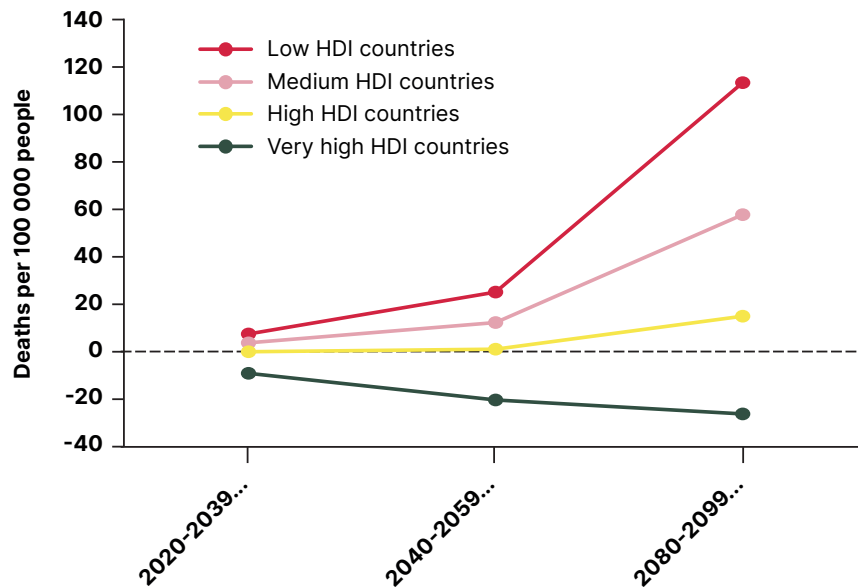
We can look at it from multiple perspectives, with mistakes made at different points, by different actors, at multiple scales. But, fundamentally, the response to COVID-19 reflects the mismanagement of a challenge in which countries were interdependent with one another. Even a country with all the resources in the world, with all the right policies within borders, would be subject to decisions made elsewhere. How else can we explain that over 90% of the world's countries suffered a decline in their HDI during the 2020 and 2021 period?⁵

From this point of view, the mismanagement of COVID-19 represents just one case of several others in which the fate of countries is interlinked. Of course, low-income countries, and, within countries, the poorest and most vulnerable, need to be supported and assisted. But what the COVID-19 experience is telling us is that if the international community does not systematically address those challenges in which countries are interlinked and mutually dependent on one another, poverty will increase, development will regress, people will suffer, particularly those with the least means to respond to the consequences of that mismanagement.

One way of looking at this type of interdependent challenges is through the prism that they reflect the under provision of global public goods.⁶ The adequate management of these interdependent challenges requires enhancing the provision of global public goods within, in turn, depends on collective action across many actors, including (and often primarily) by countries.

The COVID-19 pandemic is in our rear-view mirror now, but we know that there will be more pandemics in the future. While we cannot predict when the next pandemic will happen, pandemic control is but one example of global public goods, and we do know about the implications of not providing other global public goods looking into the future. For example, take a glimpse at what is in store for a world that fails to enhance the provision of the global public good of climate change mitigation.

Climate change models provide increasing precision about the kind of hazards the world will confront. One such hazard is change in temperature, that will vary across space and will have differentiated impacts on different aspects of human development not only across, but also within

Figure 4: A long-lasting shift in the extreme poverty reduction trajectory

Note: Under the RCP 8.5 emissions scenario.

Source: Source: Human Development Report Office based on Carleton and others 2022. and Human Climate Horizons: <https://horizons.hdr.undp.org/>.

countries. For example, under a scenario of high emissions of greenhouse gases, inequalities in mortality rights will explode from now until the end of the century, with the incidence of increases falling more heavily on countries the lowest their levels of human development... (figure 4).

The provision of global public goods requires varying levels of cooperative action among states and wide-ranging actors that can contribute in different ways. Cooperation across countries needs to go beyond cooperation within countries, which is supported by affiliation with abstract notions, such as being part of a nation.⁷ National parochialism – strong cooperation within countries – is ubiquitous.⁸ But global public goods require some form of transnational cooperation that transcends country boundaries.⁹

Much of the discussion around the conditions for transnational cooperation take the country as the unit of analysis. But it is also important to look within countries: what are the domestic factors that may hinder transnational cooperation?

Turning the lens inward: How political polarisation within countries harms the provision of global public goods

One of the barriers to international cooperation is associated with within-country political polarisation, which is particularly harmful when it takes the form of affective polarisation, as people favour their group even more and other groups even less. Political polarisation goes beyond differences in views between various social groups. It collapses people's beliefs and preferences into differences defined by a single, salient group identity, coupled with animosity towards those with different viewpoints and priorities.

Polarisation is often associated with people perceiving their differences as zero-sum, making them less likely to seek joint actions and identify shared goals. Zero-sum beliefs make people in polarised societies less likely to trust or associate with individuals from an opposing political or ideological camp¹⁰ and more likely to seek

social and moral distance from their perceived outgroups and describe their political opponents in dehumanizing or derogatory terms.¹¹ Zero-sum beliefs lead to predictable psychological reactions and behaviours driven by the idea that if one country gets ahead, others must be left behind, and vice-versa.¹² Narratives premised on zero-sum beliefs tend to make countries less inclined to cooperate with others¹³ and are at the root of political polarisation in countries.¹⁴

Polarisation shaped by zero-sum beliefs can also alter the functioning of political institutions, leading to gridlock and dysfunction. And because it is often deployed as a political strategy, it can create conditions for a vicious cycle: polarising rhetoric and mobilisation by one party leads opposing groups to also adopt polarising messages.¹⁵ Thus, polarisation coupled with zero-sum beliefs has contributed to recent threats to democratic norms and practices,¹⁶ sometimes increasing support for authoritarianism.¹⁷

The rise in political polarisation and zero-sum beliefs makes international cooperation more politicised and contested in domestic politics, enflaming beliefs and narratives about international institutions. Partisanship and group affiliation often determine people's preferences on whether leaders should engage in international cooperation and how.¹⁸ Thus, polarisation can also contribute to policy instability, where shifts in political power are accompanied by dramatic policy changes, including on matters of international cooperation and engagement, with direct bearing on the prospects for the provision of global public goods.

Political polarisation's impact on international cooperation is manifested, in part, through reduced support for official development assistance in more polarised high-income countries (see also the contribution of John Hendra in this volume).¹⁹ It is also manifested in reduced domestic support for global public goods, such as mitigating climate change.²⁰ Scepticism about international cooperation is not new.²¹ But there is a growing recognition that lack of domestic support for international cooperation has paralleled the increase in political polarisation.²²

International cooperation has become more politically contentious in countries where political polarisation

around economic inequality and immigration has gained prominence in public debate.²³ The package of openness that international institutions are associated with – the combination of economic integration with exposure to foreign cultural influences and ideas – can contribute to perceptions of insecurity and become a fault line in political polarisation.²⁴ Cultural explanations also feature popular support for leaders espousing nationalism, protectionist policies and opposition to outside influences, complementing economic explanations for backlash against international engagement.²⁵

With rising polarisation, international cooperation can be undermined by political campaigns against international institutions. Participation in international institutions can become polarising. Polarisation can make the domestic political dynamics of international participation (domestic ratification processes) uncertain and disincentivise the executive branch of governments from entering agreements. Other nations may view a polarised country as less reliable and predictable in its foreign policy decisions, reducing trust in its commitments and alliances. One country's effort to contest them can prompt others to do the same, contributing to a contagion effect.²⁶ And the failure of such efforts can intensify contestation on the basis that the international institution in question has proven unwilling to accommodate demands.²⁷ Given the current state of global politics and the polarisation examples listed, international collective action can be enhanced in part by expanding international financing for international cooperation beyond official development assistance to include financing for domestic contributions to global public goods, as argued in the next section.²⁸

Enhancing international collective action – now

The prospects for cooperation might seem uncertain given increases in domestic political polarisation just described. In addition, geopolitical upheaval is reshaping the conditions for international collective action. Even though the current geopolitical upheaval may hinder international institutions, there is no reason to give up on the aspiration of enhancing collective action because of geopolitical challenges –and there is perhaps even

more reason to pursue collective action, including through multilateral organisations.

Continuing with the theme of looking inward, the extent of domestic support to channel resources internationally is crucial for prospects for international cooperation. A key question in this regard is whether arguments to finance global public goods crowd out the motive to provide official development assistance.²⁹ There are reasons to believe that crowding out domestic motivations is unlikely.

Domestic support for international flows of resources can be primarily motivated by a commitment by people living in high income countries to support the development aspirations of lower- and middle-income countries, as in official development assistance. Financing for global public goods follows a different rationale – international flows are meant to enhance the receiving countries' ability to contribute to the provision of global public goods.³⁰ Still, even if the concern is purely motivated, say, by pledge of the 2030 Agenda for Sustainable Development to leave no one behind, the provision of global public goods still matters, given that their under provision can drive exclusion and inequality, as argued earlier in this chapter. Moreover, when the incidence of benefits from the provision of global public goods is favourable to those who have the least, that provision can be progressive.³¹

Using public resources internationally depends on support from domestic constituencies. A rationale to finance global public goods might be seen to risk alienating domestic constituencies that support international flows and development cooperation motivated by altruistic, and even moral, reasons. Those reasons sustain support for humanitarian aid to save lives and income transfers to low-income countries and people living in fragile settings. To address this concern, it is important to establish, first, whether people who support distribution at the national level also support it internationally.

While individual support for international flows of resources is a new area of study, the main determinants of that support, whatever the rationale for the flows, seem to be people's beliefs about the geographic and moral boundaries of concern.³²

Do people believe they hold moral obligations towards others anywhere in the world, a more universalist belief, or only to those who are closer or similar, including those living in the same country (a more parochial belief)? The variation in these beliefs is widespread both within and across countries, but it is possible to place individuals along a spectrum from lower to higher levels of universal beliefs.

Evidence from 60 countries with 85% of the world's population and 90% of global GDP reveals a strong correlation between more universal beliefs and support for the global poor versus helping the local poor and for protecting the global environment versus protecting the local environment.³³

So, people who hold more parochial beliefs are not opposed to redistribution as such, since they support it when asked about local or community-based redistribution.³⁴ Thus, there is little reason to believe that presenting a rationale for international flows from high-income countries to finance global public goods would dilute a commitment to international flows based on altruistic motives for domestic support for international transfers, given that the underlying motive for domestic public support for international flows is associated with less parochial beliefs. Even if altruism were the only motive for domestic support, enhancing the provision of many global public goods is key to reducing global inequalities as well as vulnerability to poverty and other deprivations. In addition, some evidence suggests that people in low- and middle-income countries do not always favour international aid as a means of reducing intercountry inequality,³⁵ with recipients more interested in framings that address justice and enhance dignity and agency³⁶ than in charity-based rationales that recipients may perceive as stigmatising.³⁷

Conclusion

In sum. Advancing arguments for financing global public goods does not imply less support for international flows from high-income countries. Financing global public goods is likely to result in the need to substantially increase international flows and potential domestic resource mobilisation in high income countries. But it is

likely to enhance global equity through two channels. One, by mitigating the drivers of inequality associated with the under provision of global public goods. And two, by generating ancillary national benefits, such as less local pollution or poverty through job creation which is typically one of the explicit intents of official development assistance.

Multilateral institutions might need to articulate more clearly their potential role in channelling these resources,

building, but also expanding, on their track record of pooling and allocating international financial resources to meet country needs.³⁸ This is well established in the humanitarian realm, for instance, with strong evidence suggesting that when the United Nations allocates humanitarian assistance, it does so on the basis of actual needs and is not driven by other considerations. The expansion would need to consider supporting low- and middle-income countries to contribute to global public goods.

Endnotes

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- 37 Catherine C.Thomas, Nicholas G. Otis, Justin R, Abraham, Hazel Rose Markus and Gregory M. Walton, 'Toward a Science of Delivering Aid with Dignity: Experimental Evidence and Local Forecasts from Kenya', *Proceedings of the National Academy of Sciences* 117(27), 2020, pp 15546-15553 emphasise that enhancing agency implies looking at a broader set of interventions beyond income transfers (see also Thomas Bossuroy, Markus Goldstein, Bassirou Karimou, Dean Karlan, Harounan Kazianga (et al) 2022, 'Tackling Psychosocial and Capital Constraints to Alleviate Poverty', *Nature* 605(7909), 2022, pp 291-297.) and that what enhances agency and confers dignity is likely to be context specific, which implies the need to attend to cultural differences (see also Catherine Cole Thomas and Hazel Rose Markus, 'Enculturating the Science of International Development: Beyond the WEIRD Independent Paradigm', *Journal of Cross-Cultural Psychology* 54(2), 2023, pp 195-214.)). There is evidence from a large study in China that moving out of poverty does not seem to change preferences towards inequality but does reduce selfishness (Wenchao Li, Zhiming Leng, Junjian Yi and Songfa Zhong, 'A Multifaceted Poverty Reduction Program Has Economic and Behavioral Consequences', *Proceedings of the National Academy of Sciences* 120(10): e2219078120, 2023).
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Perspectives on financial reform to bridge the North-South divide

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Introduction

International finance institutions are continuing to play a central role in channelling resources to United Nations Member States and capital markets to gain greater traction in the global development arena. The International Finance Institution (IFI) reform has been discussed for almost a decade now. There is no shortage of ideas on how to reform the International Financial Institutions, and I think the bigger question is: What is preventing the uptake of these proposals? I think we need to focus now on what we should do, at least in some of those areas, for the reforms to be applied. The proposals include for example, governance and voices in those institutions which were set up in 1945 in the San Francisco Conference by only 50 countries of the world, with only four countries from Africa: Egypt, Liberia, Ethiopia and South Africa. Many of today's countries were not there when the international institutions

were founded.¹ Where is their voice and representation? Do we just want a longer list of ideas of what we should do? Or should we now be doing something about the reforms? Perhaps some of them are politically difficult to execute because of power relationships in the world, so what do we do next?’

More work needs to be done when it comes to how the IFIs can resource and finance development more effectively to address contemporary challenges in emerging economies such as climate change, digitalisation, and income inequality on a global scale. We have the challenge of addressing global poverty and inequality, which have now been worsened and deepened by challenged global public goods like climate change, and pandemics, but and the world is not very well equipped to deal with this. For instance, in May 2024 the World Health Organization failed to negotiate a final draft of a global agreement on how to best handle the next pandemic.² We have to shape up.

There are many proposals on the table on how to deal with these challenges. One example comes from the World Bank’s new president who has the mantra of ‘addressing poverty on a liveable planet’.³ This means a planet free of pandemics and able to deal with climate change, migration, conflict and fragility. These are two sides of the same coin – global public goods and poverty. If we fail in one, we fail in the other. To deal with global poverty, the question remains, how to mobilise resources to protect public goods?

Resources are not a problem, there are more than enough resources on the planet. The question is how those resources are deployed in terms of what this is about and what resources are needed. I think the challenge is how to deploy enough political muscles to the intermediate resources, between what they are and where they are most needed.

As contributor to the 2023 Financing the UN Development System Report, I called for reform of the international financial architecture and the lack of intermediation from the global North to the global South.⁴ Neary a year later I can say without hesitation that on the one hand the global North is facing a problem with aging populations and therefore an increasing level of surpluses and savings. For example, in Japan, although having a period of negative

interest rates, consumption and investment have not increased due to demographic issues. The same goes with South Korea and many European countries due to ageing profiles. The savings are increasing, but the return on investments in savings, with the exception of a few narrow areas like new technologies, have been very low. On the other hand, in the global South there is potentially increasing demand, but precisely because of the same problems the savings are very low and the needs are very high. But the opportunities for returns are also very high.’

The world still lacks a mechanism to intermediate the savings of the global North to get better returns and increase social returns in the South. The fund managers of the global model consider the global South risky and therefore, they don’t deploy the capital where it should be deployed. Rather than concertation on how much money they collect and disburse, the international financial institutions should focus on how much additional capital they can catalyse by using the resources they have to de-risk investments in the global South.

A proposed solution to the problem can be that fund managers in the global North can look for a third party that will help de-risk investments in the global South and increase flow of capital from the North to the South. That mechanism is still needed, and I do not know if it will happen. Not much has happened since the report on multilateralism was published in 2023.⁵

There is more work to be done with regards to the future relationship between the African Development Bank and the United Nations as an example. The African Development Bank is part of the ecosystem of multilateral development banks (MDBs) such as the Inter-American Development Bank (IDB), the International Bank for Reconstruction and Development (World Bank Group), European Investment Bank (EIB), and others. At the core of their work are the Sustainable Development Goals (SDGs) to which we all agreed in 2015. So now the issue is, how do we deploy the ability of global institutions and then regional institutions, some bringing the global rich, others bringing the local knowledge? I think that institutions like the African Development Bank, the Asian Development Bank, and Inter-American Development Bank bring local

knowledge while the international institutions bring in the global rich. The two together can deal with global public goods and local challenges. I hope and expect that in the coming years, because of the increasing global shocks and geopolitics, that there will be a much more robust cooperation between the global financial institutions, the United Nations and the regional development banks to be able to achieve those objectives. I think that is underway, and the goal is to accelerate it.

Reform of multilateral development banks can support developing countries to catalyse increased private sector investment for sustainable development. Since the world we live now in is characterised by an increasing level of global shocks, they are deeper, much more frequent and require that we all shape up and address things differently.

One example is the COVID-19 global pandemic which was a health and security crisis and how the world dealt the crisis. The rich countries decided to do whatever it takes to deal with the virus. They had the ability to fiscally respond, and to throw all their financial power at this issue, while low-income countries had less access to vaccines and faced dire shortages while the rich countries hoarded vaccines. Countries in the global South had less access to financial and medical capacities to deal with the pandemic.

That was a huge indication of the gap between the North and the South, and the absence of a global framework to deal with these issues. This was a very big lesson, about political power and power distribution, not about resources or science.

Conclusion

I was hoping that we had all learned lessons from the pandemic. We have to remember something unique happened. I was very surprised looking at a report that showed how countries like South Korea, Vietnam and my own country Rwanda, did extremely well in terms of vaccine response, creating safety nets and preserving livelihoods, in contrast to places like northern Italy, and parts of the United State, which had much more resources and capacities available, but did extremely badly.⁶ So here we have a unique problem, and we can see that at the core of the solution is in fact the ability to generate social capital around a problem. Here we have a lesson to learn, and I hope we can come to a point where we are able to say: Here is a problem, it poses a threat to all of us, let us all deploy our abilities to solve it and it should not matter how far up you are 'on the food chain' or how wealthy you are. Are we there yet? I am not sure, but I hope we get there soon.

Endnotes

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| <p>1 United Nations Conference on International Organization, 24 October 1945, https://www.un.org/en/about-us/un-charter.</p> | <p>https://www.worldbank.org/en/news/speech/2023/10/13/remarks-by-world-bank-group-president-ajay-banga-at-the-2023-annual-meetings-assembly.</p> | <p>Programme], September 2023), https://www.daghammarskjold.se/wp-content/uploads/2023/11/dhf-financialreport-2023-final.pdf.</p> |
| <p>2 The Seventy-seventh World Health Assembly is being held in Geneva, Switzerland, on 27 May – 1 June 2024, https://www.who.int/about/accountability/governance/world-health-assembly/seventy-seventh.</p> | <p>4 Donald Kaberuka, 'Financing the United Nations for people and planet', Financing the UN Development System: Choices In Uncertain Times' (Uppsala: Dag Hammarskjöld Foundation/United Nations Multi-Partner Trust Fund Office [including the UN Development</p> | <p>5 High-Level Advisory Board on Effective Multilateralism (HLAB), 'A Breakthrough for People and Planet: Effective and Inclusive Global Governance for Today and the Future', (New York: United Nations University, 2023).</p> |
| <p>3 Ajay Banga, 'Remarks by World Bank Group President Ajay Banga at the 2023 Annual Meetings Plenary', October 13, 2023,</p> | <p>Office [including the UN Development</p> | <p>6 https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19.</p> |

Reductions, reallocations and replenishments – Will this be the year of the big squeeze on the UN Development System?

By John Hendra

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Introduction

Today our world continues to suffer multiple crises stemming from wars in Ukraine and Gaza, concomitant cost-of-living, food and fuel crises, an uneven recovery from the COVID-19 pandemic, a debt crisis for many countries in the Global South and a burning climate crisis, to name a few. While the 2030 Agenda remains the roadmap going forward, there is no doubt that the world must scale up significantly to get back on a path to achieve the Sustainable Development Goals (SDGs). The United Nations Development System (UNDS) has a key role to play in helping galvanise governments to achieve the SDGs by moving from funding to helping leverage much larger development financing for national SDG priorities. However, the UNDS needs sufficient and predictable *quality* funding to be able to play this role while also fulfilling its specific multilateral mandate. Instead, development funding to the UN is at risk of being further cut – if not severely squeezed – just at this critical time when it is needed most; what's more, it continues to be provided in a heavily earmarked manner that inhibits the more strategic and collaborative responses required.¹

With increased polarisation and possible radical electoral shifts in top contributing governments there is significant uncertainty. Already there are serious storm clouds on the immediate horizon as the three top donors to the UNDS – the United States (US); Germany; and the United Kingdom (UK) – are reducing their Official Development Assistance (ODA) quite significantly in 2024. On top of that there is need for a major International Development Association (IDA) replenishment this year amidst a traffic jam of other multilateral funds from Gavi (the vaccine alliance) to new entities like the Loss and Damage fund also seeking replenishment. With the multilateral system under unprecedented strain, it becomes even more critical to incentivise much greater complementarity, coordination and consolidation across the system and its various key functions.

Preliminary 2023 ODA Figures

Preliminary ODA figures from the Organisation for Economic Co-operation and Development (OECD), released in April 2024, show that a record US\$ 223.7 billion was provided

in 2023, a 1.8% increase from the US\$ 211 billion provided in 2022.² The largest providers again by volume were the United States, Germany, Japan, the United Kingdom and France. For the second straight year, Ukraine received the most ODA, rising 9% in 2023 to reach US\$ 20 billion, including US\$ 3.2 billion in humanitarian aid. ODA also increased to the West Bank and Gaza in 2023 with estimates showing a 12% increase from 2022 to US\$ 1.4 billion with just half of that being humanitarian aid. Globally, humanitarian assistance from ODA allocations rose by 4.8% in 2023 to US\$ 25.9 billion.³ Despite these increases, the amount that's been allocated for multilateral organisations overall including the World Bank, the International Monetary Fund (IMF) and health funds such as Gavi, has only increased slightly overall, and even shrank twice in the past six years.⁴

Importantly, ODA to least developed countries (LDCs) and Sub-Saharan Africa increased by 3% and 5% respectively from 2022 and was helped by the 6.2% fall in share of ODA that Development Assistance Committee (DAC) members spend domestically on hosting of asylum seekers – although the amount spent was the same, US\$ 31 billion or 13% of ODA.⁵ Carsten Staur, the DAC chair, said that while there had been a bounce back in aid to LDCs and sub-Saharan Africa it was 'not enough...given the challenges many of our partner countries are facing, stemming from climate change, from the long-term effects of COVID, from the war in Ukraine and all the knock-on effects of these crises, we're falling short'.⁶

Many activists went further; as Matthew Simonds, senior policy officer at the European Network on Debt and Development said: 'Even though wealthy countries reported spending more money on overseas aid, the devil is in the detail. A closer look reveals that yet again, geopolitical priorities and domestic budgets have taken precedence over the needs of the world's poorest people'.⁷

Whither quality UNDS funding in the near term?

While ODA figures in the aggregate are perhaps more encouraging than some observers thought they'd be even excluding still very high levels of domestic support for asylum seekers, a more detailed analysis later below

reveals some underlying challenges. In a similar vein, total final funding figures to the United Nations operational activities for development for 2022 were also recently released and they amounted to US\$ 54.5 billion in 2022, representing an impressive increase of 17% compared to 2021.⁸ That said, as shown in Figure 1, this increase was almost entirely humanitarian funding as the past year has been characterised by crises and violence in various parts of the globe. Conflicts are responsible for most of the world's humanitarian needs; nearly 300 million people are estimated to require humanitarian assistance and protection this year.⁹

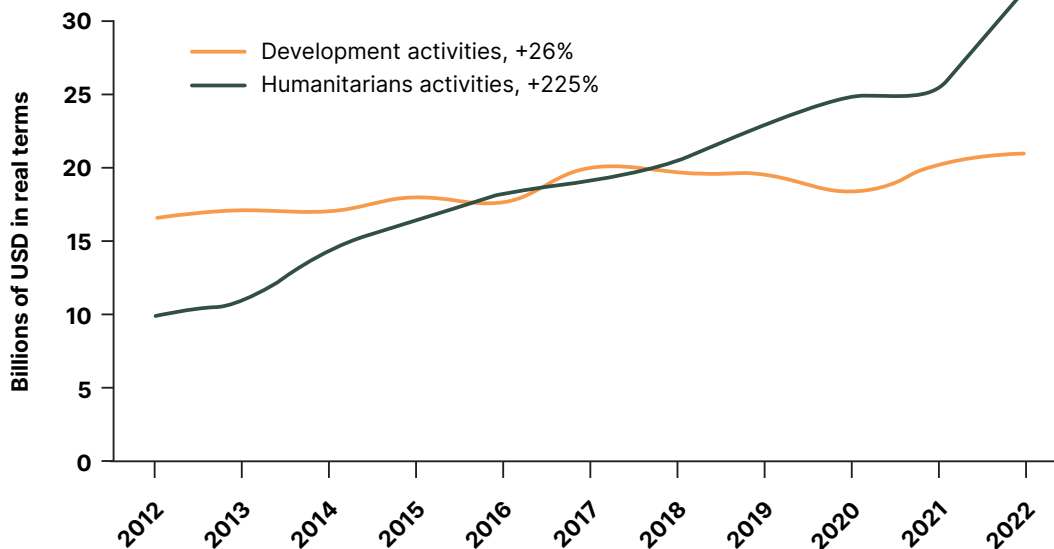
When one scratches the surface, 2022 was a setback for more quality UN development funding with core funding for development-related activities dropping to 18.3% from 21.4% in 2021, significantly below the target of 30% set in the 2019 Funding Compact. Excluding assessed contributions, core funding accounted for only 12% of total voluntary funding in 2022, the lowest share ever, which poses a real threat to the effectiveness of United Nations

development work.¹⁰ Feedback from governments also shows that projects financed by core resources are more likely to be closely aligned to their national needs and priorities.

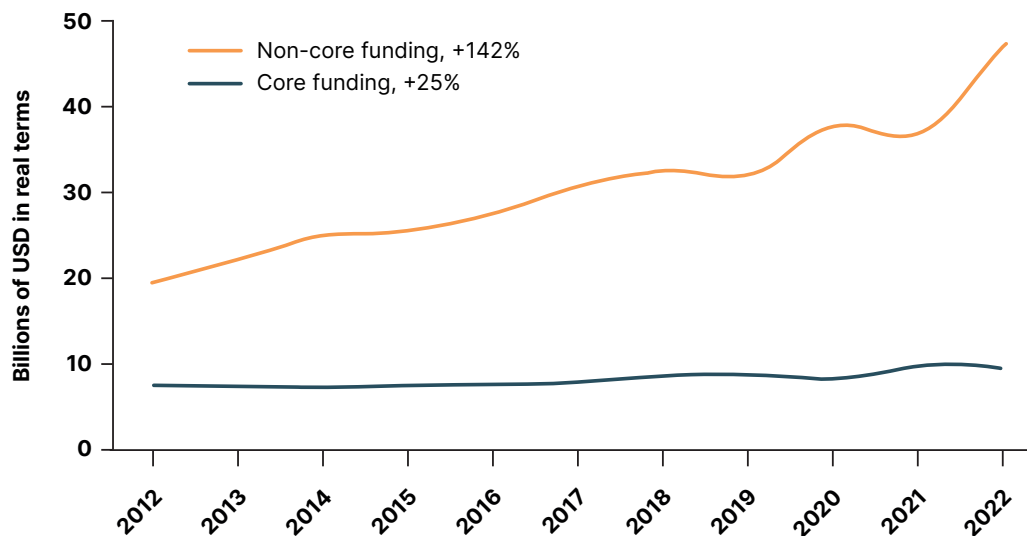
As shown in Figure 2 below, the growth in core resources to the UNDS has ostensibly flatlined over the past decade while growth in non-core resources has increased by almost 150%. The best way to reduce crises remains addressing their root causes and underlying inequalities which is the focus of much of UN core resources. Investing in sustainable development is critical for prevention and exit out of crises thereby enabling more resilient recovery; and these efforts must be supported and incentivised by funds which enable delivery in a coherent, complementary and strategic manner.

Other key aspects for enhancing the quality of UN development funding also saw setbacks in 2022. In 2021, 12.3 % of all non-core funding to development activities was channelled through inter-agency pooled funds, surpassing

Figure 1: UNDS Funding Flows by Type of Activity, 2012–2022



Source: CEB, 2024. See Report of the Secretary-General (A/79/72/Add.1-E/2024/12/Add.1), p. 18.

Figure 2: Trends in core and non-core funding flows to the UNDS, 2012–2022

Source: CEB, 2024. See Report of the Secretary-General (A/79/72/Add.1-E/2024/12/Add.1), p. 18.

the funding compact target of 10%. However, in 2022 contributions to inter-agency development pooled funds declined by 22%, accounting for 8.9% of total non-core funding for development.¹¹ Multi-year financial commitments are another effective method of providing funding with flexibility and predictability; they also help entities be more strategic through longer-term programme and resource planning while dealing with negative impacts of income fluctuations. Here, too, 2022 figures show a general trend of decreasing proportion of voluntary core funds that are part of multi-year commitments to the lowest level in five years.¹²

In short, the latest Quadrennial Comprehensive Policy Review (QCPR) report by the UN Secretary-General shows that attracting high quality funding is increasingly a *major challenge* for the United Nations development system. A new and ambitious Funding Compact has just been developed that is less technical and more strategic as discussed in more detail below. It will be critical that this new Funding Compact resonates with senior decisionmakers and facilitates much greater political will, as well as

buy-in at the country level. Addressing the worsening imbalance between core and non-core resources remains a particular priority.

Three major reasons for increased concern

Unfortunately, further analysis of ODA projections, continued pressure on many OECD/DAC countries regarding support to Ukraine, and the North Atlantic Treaty Organisation (NATO), and a year rife with replenishments to major multilateral funds and institutions means that this challenging quality funding situation facing the UNDS will likely become substantially worse before it gets better.

First, reductions: Decline of the top donors to the UN

Upon closer inspection of 2023 ODA figures, it becomes clear that G-7 countries continue to dominate ODA with US\$ 170.9 billion, or 76% of total ODA in 2023, coming from the G-7 with US\$ 52.8 billion coming from all the rest.¹³

Looking forward, two things should be of considerable concern to the UNDS. First, that four of the top overall providers of ODA – USA; Germany; UK and France – all have announced significant reductions for 2024, and in some cases, 2025 as well. Second, that the top three government contributors alone – again USA; Germany; and the UK – accounted for a staggering 42% of total funding to the UNDS in 2022.

In the case of the USA, the largest contributor to ODA and UN development activities, it finally passed its long-delayed 2024 budget (fiscal year 2024 runs from October, 2023 through to September, 2024) which includes a nearly 6% cut in foreign affairs funding.¹⁴ Overall, it appears that major increases to humanitarian assistance and refugee support, while much needed, will come at the cost of development. While the US will meet its regular UN budget obligations at the assessed rate of 22% along with funding of UN Specialised Agencies, core funding to UN Funds and Programmes at US\$ 437 million is being reduced by almost 17% from the previous year. While such a drop will have real implications on UN development work, the fractitious legislative backdrop potentially portends a significantly bleaker future in this election year as the starting point was a House of Representatives bill with zero funds for the UN regular budget, zero voluntary contributions towards core funding and a small amount for UN peacekeeping.¹⁵

Germany, traditionally the second largest donor to the UN, is also sharply reducing its ODA. In 2023, the development budget was cut by € 1.7 billion while the humanitarian budget was trimmed by € 430 million when compared to 2022. The revised budget for 2024 went further reducing the foreign development budget by nearly another € 1 billion (US\$ 1.08 billion) while the humanitarian budget was cut another nearly € 500 million.¹⁶ Recent leaked German Finance Ministry forecasts show a further planned reduction of € 400 million to the development budget in 2025, sparking outrage both within the Federal Ministry of Economic Cooperation and Development (BMZ) and amongst development and humanitarian organisations while risking violating the coalition government's agreement that Germany provides at least 0.7% ODA/gross national income (GNI).¹⁷

Despite previous indications to the contrary, the United Kingdom is diverting GB £ 3.2 billion (US\$ 4.1 billion) from its aid budget to pay the hotel bills of asylum seekers – a 600 million GBP year-on-year increase from last year when 29% of the aid budget was spent on domestic in-donor refugee costs.¹⁸ The OECD called on the UK to cap its domestic spending of aid in a very critical report in early March, 2023.¹⁹ Meanwhile, France, the fourth largest provider of aid, has also recently slashed its ODA budget by 12.5% or € 742 million (approximately US\$ 805.9 million).²⁰

Regarding the rest of the G7, Japan, the third highest contributor to ODA in 2023 after increasing its ODA by almost 16% for both bilateral and multilateral contributions, will likely not see any increase in 2024.²¹ Canada should see a slight increase to just over CAN\$ 7 billion for fiscal year 2024/2025 thanks to an increased CAN\$ 350 million in humanitarian funding over the next two years.²² That said, last year Canada allocated CAN\$ 6.9 billion, down 15% from 2022 ODA levels, so the increase is marginal. Italy's budget documents indicate that the country would spend € 6.3 billion (US\$ 6.6 billion) on ODA in 2024, a slight increase from 2023.²³

Some other non-G-7 donors have also been cutting aid and radically changing long-held policies. The new Dutch Government recently released its coalition agreement which states that the current development budget will be reduced by two-thirds over 2025-2027 with € 350 million cut in 2025, increasing to € 350 million in 2026, and reaching € 2.5 billion annually from 2027. In 2022, The Netherlands was the sixth highest donor to the UNDS.

This past March Sweden announced a major change in development policy terminating all agreements to deliver aid through 17 Swedish NGOs as strategic partners and also opening up competition for contracts to NGOs from outside Sweden.²⁴ The Swedish government has taken other measures affecting development assistance since coming to power in late 2022 including ending the long-time commitment to spending 1% GNI on Swedish development assistance and reducing the portion of its assistance going to the UN and its agencies and rechanneling it instead as bilateral aid through Sida.²⁵

Second, reallocations: A tale of two targets

While a fifth DAC member achieved the UN target to spend 0.7% of GNI on aid – with Denmark joining Norway, Luxembourg, Sweden, and currently Germany – preliminary 2023 figures for ODA showed the collective average spend was unchanged at just 0.37%, only half-way to the (very) longstanding internationally agreed target of 0.7%.

In a sign of the times, another (very) longstanding target – that all NATO members should be allocating 2 % of their national budgets to defence expenditures – is also receiving unprecedented attention. The upshot may be that cuts in ODA could be even greater, as Germany, like many other European countries, is concerned not only with Ukraine but their broader security vulnerability, especially with a possible future Trump administration in the US. According to research by Germany's Ifo Institute for Economic Research, NATO's European members need to reallocate an extra € 56 billion a year to meet the alliance's defence spending target. The research also showed that many of the European countries with the biggest shortfalls in being able to hit the 2% of GDP target – Italy, Spain and Belgium – also have among the highest debt and budget deficits in Europe.²⁶ There is also a possibility of Germany going to as high as 3.5%; such a significant amount of budget increase will need to come from somewhere – and, in some cases, from already cannibalised aid budgets.²⁷

Third, replenishments: Pileup on the runway?

As highlighted by the Centre for Global Development, with replenishment campaigns for close to a dozen major development funds including the World Bank's International Development Association (IDA), thematic funds like Gavi and new multilateral funds like the Loss and Damage Fund all set for 2024-2025 to the tune of over US\$ 100 billion from donors over the next two years, a fundraising pile-up looms large on the horizon.²⁸ As most funds are on three- or five-year fundraising cycles this *has* happened before; the last time was in 2019-2020 when 6 funds raised close to US\$ 60 billion. However, the climate is much different today and there are at least twice as many funds vying for what is still a limited share of the pie. This is particularly so for a couple of reasons.

First, as noted earlier, development assistance budgets of many major donors are under great pressure this year. What's more, many of them are heading into major elections this year, many of which are uncertain. Second, a number of new funds have been established including the Loss and Damage Fund (with approximately US\$ 700 million in contributions) and the Pandemic fund (approximately US\$ 2 billion raised) while the World Health Organization is hosting an 'investment round' in late 2024 to raise US\$ 7.1 billion for its core budget for 2025-2028.²⁹ While there are some new contributors such as the United Arab Emirates (UAE) to the Loss and Damage Fund, and China has now risen to be the sixth largest donor to IDA, all these funds will largely depend on the same donors to deliver.

What should be done?

Going forward, a number of reinforcing political and policy actions can help to start rebuild more quality funding for the UNDS, help mitigate the risk of a 'force majeure' funding crisis in some key parts of the UN (eg unique normative functions) and also strengthen coordination, complementarity and collaboration across the multilateral system at a time when it has rarely been so sorely needed.

Ensure greater levels of quality UNDS Funding through the new Funding Compact, the next QCPR and the upcoming UN Financing for Development (FfD) Conference

First, for the UNDS itself, the new *Funding Compact for the United Nations' Support for the Sustainable Development Goals*, released with the Secretary-General's 2024 Report on the QCPR for the Operational Activities Session of the United Nations Economic and Social Council (ECOSOC), becomes critical as the current funding architecture of the UNDS is not fit for purpose. As noted in previous articles in this publication, five years after the adoption of the current Funding Compact, advances towards its commitments and targets have been very uneven.³⁰

A shift towards more flexible, predictable funding requires real political will, as well as much greater awareness

at senior levels in capitals where funding decisions are made, and among funding partners on the ground. A new round of dialogues with Member States and United Nations Sustainable Development Group (UNSDG) entities was held over five months with a focus on identifying commitments that are most critical to fortifying the business case for effective funding in delivering greater results. This has resulted in a new and ambitious Funding Compact – importantly shorter, simpler and more strategic – with the expectation that it will better resonate with senior decisionmakers and encourage greater buy-in at the country level.

As set out below in Figure 3, the new Funding Compact consists of 12 mutually reinforcing commitments – six by Member States and six by United Nations Sustainable Development Group entities – and a balanced number of ambitious, measurable indicators to transparently track implementation; if fully implemented, the renewed Funding

Compact can be a game changer.³¹ Addressing continuing declines in core funding, reducing such high dependence on a limited number of contributing governments, ensuring adequate and predictable funding for the UN Resident Coordinator system, and increased resources for pooled funds will make or break the UNDS’ ability to deliver more transformative impact at a time when this is more critical than ever.

What’s more, the fact that every new multilateral fund established is a replenishment model has surely not been lost on the UN Funds and Programmes (UNDP; UNICEF; United Nations Population Fund (UNFPA); UN Women; World Food Programme (WFP) who have depended on voluntary core (and non-core) contributions since their inception decades ago when they were primarily viewed as mechanisms for redistributing funds between North and South (and for this reason never had access to assessed contributions, with the exception of UN Women).³² While donor governments

Figure 3: Objectives and commitments of the re-energized Funding Compact for the UN’s support to the Sustainable Development Goals



Member States will:



- | | | |
|--|---|--|
| <ol style="list-style-type: none"> 1. Increase predictable core/unearmarked resources 2. Enhance flexibility of non-core funding | <ol style="list-style-type: none"> 3. Increase contributions to interagency pooled funds 4. Ensure funding to the Resident Coordinator system | <ol style="list-style-type: none"> 5. Enhance donor coordination 6. Ensure alignment of non-core funding to strategic priorities and needs |
|--|---|--|

UN development system will:



- | | | |
|--|--|--|
| <ol style="list-style-type: none"> i. Clearly demonstrate the UN’s contribution towards SDG results ii. Ensure visibility, recognition and transparency | <ol style="list-style-type: none"> iii. Enhance joint resource mobilization and pooled funding iv. Fully support coordination of UN development activities | <ol style="list-style-type: none"> v. Strengthen the achievement and reporting of efficiencies vi. Ensure alignment of programmes and capacities to strategic priorities & needs |
|--|--|--|

Source: Report of the Secretary-General (A/79/72 -E/2024/12), page 61.

continue to indicate that a key reason they are reluctant to increase the degree of flexibility of their funding is a lack of visibility on the use of core resources despite the many efforts being made, if the Funds and Programmes don't soon see *visibility of a turnaround in core funding* they may determine that securing core funding on a multi-annual basis may be better served by exploring the possibility of a 'replenishment-like' model synchronising policy-setting and programming over a multi-annual cycle.³³

While this may be what must happen, the unintended consequences in the very near-term would make the 'pileup' of replenishment mechanisms that much deeper and much more complicated to prioritise and finance. Hence, it is critical that contributing countries find the political will to make the new Funding Compact a success.

The forthcoming QCPR negotiations (2025-2028), along with the Fourth Financing for Development Conference (FfD) in 2025, both present an opportunity not only to evaluate progress in accelerating SDG financing, and implementation of the Addis Ababa Action Agenda in the case of FfD, but also to address the deleterious state of UN financing today. While the upcoming Summit of the Future did not initially take up funding of the UNDS despite the dire financial situation facing it, action 42 c of revision one of the 'Pact for the Future' calls for sustainably funding the UNDS, including the RC system, in order to better support countries to meet their sustainable development ambitions.³⁴

First among replenishments – The World Bank's IDA

While there was some emphasis during the 2024 Spring meetings of how the World Bank is trying to get 'better' through a new scorecard, shorter project approval times and an expanded Crisis Preparedness and Response Toolkit, most of the focus was on its efforts to get 'bigger' by leveraging its balance sheet, through new funding mechanisms and via the upcoming IDA replenishment. Although the question of capital increase still remains, donors did pledge US\$ 11 billion to some of the Bank's innovative funding instruments including its portfolio guarantee platform, its hybrid capital mechanism and the

new Livable Planet Fund which would then be leveraged to some US\$ 70 billion over ten years.³⁵

Ambitious plans were announced to provide affordable electricity to 360 million people across Africa by 2030 and 1.5 billion people with health care by 2030, although with little detail except that significantly more resources would be required. This was countered by the lack of any progress on the extraordinary debt distress in many developing countries with the ONE Campaign announcing on the eve of the meetings the sobering news that countries in the Global South are likely to pay out US\$ 50 billion more in 2024 than they receive in grants and loans.³⁶

Second, and in line with this, the World Bank's fund for the poorest countries, the International Development Association (IDA), is in need of the 'largest replenishment ever' of financial resources to provide cheap loans and grants to 75 developing countries.³⁷ Unquestionably, IDA is a very important and much needed poverty reduction vehicle – many governments see it as one of the most effective financing mechanisms as it can leverage capital markets to triple its annual windfall and provide those funds to poor countries at concessional or marginal rates.³⁸ World Bank president Ajay Banga has indicated he is targeting US\$ 30 billion in donor contributions this round which the Bank could leverage to lend or grant about US\$ 100 million to borrower countries.

This would seem to take priority as IDA is an important and unique vehicle. Three prior assessments of the quality of official development assistance (QuODA), a tool developed by the Centre for Global Development for comparing performance across dimensions of aid quality across 49 of the largest bilateral and multilateral agencies, consistently found IDA to be among the best-rated organizations at delivering official development assistance (ODA).³⁹ Using a revised methodology, QuODA 2021, ranks IDA as the third-best organisation.⁴⁰ To the extent possible it will be important that China, India and South Korea, former IDA recipients who have recently become key donors, and Gulf States such as Saudi Arabia substantially increase their contributions this year if at all possible or, again, it will be 'the usual (DAC donor) suspects' who also overwhelmingly foot the bill for the UNDS.⁴¹

Towards a more systemic approach to funding across the multilateral system

Third, starting with the Summit of the Future through to the Fourth Financing for Development Conference in June 2025 and beyond, it is critical that government leaders start to take a more systemic look across the entire multilateral system. In doing so, it will be important that they determine what critical multilateral functions need to be sustainably financially supported – eg key normative functions like public health, human rights, gender equality and new ones including artificial intelligence; scaled up development and climate finance; humanitarian response (etc) – and where there might be opportunities for some kind of consolidation or rationalisation.

Just as the G-20 has served as an important place to discuss Multilateral Development Bank (MDB) reform with key proposals for change emanating from it, it would be important that the G-20 also does something similar on enhancing complementarity and impact across the broader multilateral system. While World Bank/MDB reform is squarely on the table now, it would be important if a couple of think tanks and/or foundations could incubate a group of very diverse and experienced thinkers and practitioners in multilateral effectiveness and reform to start to develop possible scenarios and options for greater effectiveness more systemically encompassing MDBs, the UNDS and major multilateral funds that could then be taken up in the G-20 and other key forums.

Addressing multilateral ‘Funditis’

Fourth, as outlined, a series of multilateral funds have proliferated in recent years, especially those with single-issue focus such as health or agriculture. As also noted, replenishments for such funds can generate competition for limited donor resources between organisations with replenishment models and with more normatively focused UN entities as replenishments are considered independent exercises where allocations are often made without looking across the multilateral system and without systematic information about what other donors are planning.⁴² This has rightfully led to calls for greater coordination

of replenishments, for example by strengthening donor dialogue on resource needs and better understanding of the performance of multilateral organisations through such mechanisms as Multilateral Organization Performance Assessment Network (MOPAN) assessments as well as perhaps QuODA 2021 as outlined above. Better coordination and clearer communication among donors on how they intend to distribute multilateral funding across the system is much needed today.⁴³

Coordination is important but so too is consolidation. As Bright Simons, Vice President of research at Ghanaian think tank Imani puts it ‘there is an issue of duplication, where too many funds seem to be chasing similar prospects – without coordinating their investments’. This results in an ‘overheads overhang’ where multiple bureaucracies are ‘all marketing a bewildered array of poorly differentiated financing solutions to overwhelmed developing countries’.⁴⁴ While some of these funds can take in alternative private sources of investment such as philanthropic contributions which is key, many legally cannot.

One clear candidate for massive consolidation is multilateral climate funds. As outlined in the UN’s *Our Common Agenda Policy Brief 6*, there are currently 62 multilateral funds on climate disbursing only US\$3 billion to US\$4 billion in total in 2020.⁴⁵ While the UN policy brief suggests consolidating the disperse climate mitigation funds and replenishing the Green Climate Fund (GCF) as the primary climate finance vehicle, the total portfolio of the GCF is only US\$ 10.6 billion. Consequently, a recent policy review questioned both whether it is reasonable to expect the GCF to manage the trillions needed for climate mitigation or if an intergovernmental body – whether GCF or the World Bank – was the best suited for mobilising private capital for the energy transition and natural capital?⁴⁶

Instead, the Brookings policy paper highlights an approach proposed by Hafez Ghanem to replace the 62 multilateral climate mitigation funds by a Green Bank which would be different from existing MDBs in five ways: (1) it would be a public-private partnership with private and government shareholders; (2) countries of the Global South and the Global North and private actors would have equal voice in its governance; (3) it would only finance mitigation

projects; (4) it would only provide financing (equity, loans, and guarantees) to private projects without adding to governments' debts or asking for government guarantees; and (5) it would specialise in mobilising innovative forms of financing such as the sale of carbon credits and green bonds.⁴⁷ Simply put, it is proposed that a Green Bank that has private shareholders and uses innovative financing instruments to leverage public money would be more effective than 62 multilateral climate mitigation funds.

In moving to greater complementarity, if not some kind of rationalisation, it will be important to build on other experiences such as global health where there is a plethora of big multilateral funds. Here the Future of Global Health Initiatives (FGHI), a time-bound, multistakeholder process involving representatives from across funders, governments, global health organisations, civil society and the research and learning community, came together to identify and support opportunities for various global health initiatives (GHI) to maximise health impacts as part of country-led trajectories toward Universal Health Coverage.⁴⁸

The Lusaka Agenda, the conclusions of the FGHI, was agreed in December 2023, and highlighted the importance of partners developing a common vision where the future role of development assistance for health is coherent, catalytic, country-driven and complementary to domestic investments. Discussions are to be linked with broader processes on development assistance, financial architecture and debt relief as well as responding to critical challenges posed by climate change and other global challenges affecting health. The creation of new GHIs is to be avoided, with an emphasis instead on strengthening and enabling flexibilities within existing structures and systems to address priority needs.⁴⁹

How to best move towards greater coordination, consolidation and rationalisation of the plethora of multilateral funds should be high on the list of priorities for the aforementioned analytical work on a more systemic approach across the multilateral system.

Towards greater complementarity and collaboration amongst the World Bank and MDBs as well as the World Bank/MDBs and the United Nations

Fifth, with the entire multilateral system under great strain, enhanced complementarity and collaboration not only between the World Bank and the UN but also starting with MDBs themselves becomes imperative. On the margins of the Spring Meetings the heads of nine MDBs and the World Bank announced joint steps to enhance their work as a system in five areas: (1) scaling-up MDB financing capacity; (2) boosting joint action on climate; (3) strengthening country-level collaboration and co-financing; (4) catalysing private sector mobilisation; and (5) enhancing development effectiveness and impact.⁵⁰

For many observers, though, there is much more that can be done. As Rachel Kyte, Professor of Practice in climate policy at the University of Oxford, said in a Devex podcast post-Spring Meetings in response to a question whether development finance institutions, including MDBs, can work together on a given country's priorities: 'sounds obvious; doesn't exist at the moment' Kyte said. 'We've seen extraordinary fragmentation in development aid over the last 20 years. Private sector finance gets leveraged deal by deal, rather than being pooled. And so, it is a good idea. But where is the radical collaboration?'⁵¹

Closer collaboration, and greater complementarity, between the UNDS and the International Financial Institutions (IFIs) is also essential to see greater progress against the SDGs. The UN and the World Bank are now collaborating in over 50 countries, including on prevention, food security and forced displacement, among other areas. Contributions from IFIs for UN development activities doubled between 2021 and 2022 and now account for 5 per cent of total funding.⁵² In 2023, the United Nations Peacebuilding Support Office's Partnership Facility supported collaboration between the UN and IFIs in more than a dozen country and regional settings, to enable joint data and analysis and facilitate advisory support to Resident Coordinators/Humanitarian Coordinators and UN Country Teams.⁵³

That said, when asked via recent DESA surveys about collaboration between IFIs and UN Country Teams since the repositioning of the UNDS in 2019, 62% of programme country governments responded that collaboration has improved to a medium to large extent.⁵⁴ While it is an improvement on 2022, there is much more to be done. According to a recent report by MOPAN on MDBs and Climate Change, joint monitoring and joint analytics by MDBs should be prioritised and means of providing concessional finance should be harmonised among partners at country-level to ensure that critical upstream support is consistently given priority. Beyond facilitating deeper MDB co-ordination, these approaches should consider how to harmonise processes to strengthen partnerships with other development actors, including the United Nations, to promote a more coherent ‘whole-of-society’ approach and reduce fragmentation.⁵⁵

On the UN side, findings from external evaluations confirm that the UNDS needs to reorient some of its capacity to enhance its offer around Integrated National Financing Frameworks (INFFs) so as to better meet increasing and more complex demands and enhance collaboration with MDBs, IFIs and other public and private financing partners.⁵⁶ And there is also untapped potential for the UN to act as a technical partner to MDB financing such as loans, grants, and policy-based lending rather than outsourcing technical assistance work to largely private firms/consultancies or in some cases non-governmental organisations.

Conclusion

While preliminary ODA figures for 2023 are again higher than the previous year, when you look beyond the aggregate there are a number of concerns – none more serious than that four of the top five ODA providers, who also fund almost half of the UNDS, will be reducing significantly in 2024. For the UNDS, this portends to an even further deterioration in the *quality* of the funding it receives thereby undermining its core mission and compromising the multilateral nature of UN support. The new Funding Compact, and its ability to engage senior decision-makers, will be critical.

Going forward, with the multilateral system under great strain – and with so many institutions and funds competing for grants and/or replenishments – there is a pressing need for leaders to look across the *whole system* in terms of relative comparative advantage, how to incentivise greater complementarity and, importantly, how to ensure that the unique assets of the multilateral system, such as the normative role, are adequately funded. As this new era of polycrisis has tragically shown, less money for sustainable development today often translates into greater spending on humanitarian crises tomorrow.

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Multifaceted approaches to financing of sustainable environmental action

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Introduction

The United Nations Environment Programme (UNEP) is the leading environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment. It strives to uphold an inclusive commitment to sustainability with the mission to bring leadership and encourage partnership to care for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations. UNEP works to bring transformational change for people and planet with core activities anchored around climate action, chemicals and pollutions action, nature action, science policy, environmental governance, finance and economic transformations and digital transformations.¹

In Part One of this report, the conversation is primarily about resource flows in and out of the United Nations and provides an overview of the funding mechanisms, processes and monitoring. This contribution will bring us closer to how the world's leading environmental entity resources its own work and how it supports the activities of Member States. Unlike other UN entities, UNEP relies almost entirely on voluntary contributions from Member States, making financial planning challenging. The UN regular budget forms a smaller portion, less than 5%, supporting the core functions of the UNEP Secretariat and its coordination within the UN system.

The voluntary funding comes from three primary streams with the core Environment Fund providing essential capacity for UNEP's operations, at only about 15% of the total, which is a drop in the ocean considering the magnitude of the environmental challenges we face. The Voluntary Indicative Scale of Contributions (VISIC), introduced in 2002, encourages Member States to contribute based on their capacity with the aim of widening the funding base and enhancing funding predictability. Nevertheless, currently 90% of UNEP's core funding comes from 15 donor countries.

Earmarked contributions are provided for specific environmental action designated for specific projects, themes,

or countries, often determined by funding partners in collaboration with UNEP. They amount to around 80% of UNEP's funding, half of which is provided by various global funds such as the Global Environment Facility and the Green Climate Fund and another half by earmarked funds received from the Member States and others.^{2,3} Additionally, to address specific and emerging environmental needs more flexibly, UNEP established thematic funds in 2022 which supports strategic priorities, including climate action, nature conservation, and pollution control.

The United Nations Environment Assembly (UNEA), with participation from 193 Member States, provides a platform to discuss UNEP's major decisions and financial commitments global environmental issues and mandates UNEP to take specific actions. The sixth session of the Environment Assembly which took place in February 2024 in Nairobi, Kenya focused on shaping priorities and actions for the coming years.

However, the implementation of these mandates depends on the availability of adequate resources, which remains a challenge, especially in the current geopolitical landscape that has affected resource allocation to the United Nations. The UN Environment Assembly also discusses the organisation's medium-term strategy and program of work. The seventh session of the Assembly to be held in December 2025 will review and adopt the next medium-term strategy for 2026 to 2029 and the program of work and budget for 2026 to 2027. Additionally, UNEP is expected to report on the implementation of previous decisions and resolutions and on the alignment of the mandates and the organization of work, ensuring to avoid overlaps among the governing bodies and other conventions as guided by the development in the new strategy. This alignment is crucial to prevent overlapping or contradictory decisions from various governing bodies with those of the Environment Assembly.

For example, in the last Assembly, a High-level Dialogue on public and private finance systems was held to focus on creating enabling conditions to align these systems with sustainability and development goals. This event provided a unique opportunity for global leaders to discuss strengthening the push to mainstream sustainable finance and integrate green economics into sectoral, institutional, legal, and regulatory frameworks.

Other notable outcomes were the Ministerial Declaration led by the Minister of Environment of the Kingdom of Morocco and the adoption of 15 resolutions. This included a significant financial sector resolution related to the sound management of significant financial sector resolution related to the sound management of metal, mineral resources, chemicals and waste.⁴ It requests UNEP to facilitate coordination between the new global framework on chemicals and other institutions to strengthen the implementation of multilateral environmental agreements at the national level. Another resolution addresses combating sand and dust storms, asking UNEP to facilitate dialogue between development sectors and financial institutions to explore gaps and solutions.⁵

An important resolution in the current geopolitical climate relates to environmental assistance and recovery in areas affected by armed conflicts. This includes incorporating the issue into the development of UNEP's next medium-term strategy and addressing concerns related to conflict and its connection across various aspects of the strategy. The Assembly also adopted resolutions to strengthen climate change, nature action, and pollution action through multi-stakeholder initiatives and to link science to policy and decision-making in line with the mandate of the organisation. Another notable resolution calls for UNEP to enhance its engagement with the UN development system at regional and country levels, increasing its country presence within existing resources but highlighting the need for additional resources.

In the context of the urgent need to tackle the planetary crisis balancing the objective of the requirement of a clean energy transition with environmental protection, particularly with regards to mining for essential minerals has become critical. UNEP is at the centre of supporting Members States as the world is intensifying its energy transition. This is a point that was emphasised at the 28th meeting of the Conference of the Parties (COP 28) in 2023.⁶ The call to move away from fossil fuels is crucial if we are to stay below a 2°Celsius increase by 2050. Achieving this target will require over 3 billion tons of minerals and metals for energy transition technologies, including solar energy storage.

This transition offers significant opportunities, particularly for developing countries rich in these minerals and metals. By investing in sustainable development, we can ensure that sustainability strategies are in place to secure these supplies. It is essential to foster trust and ensure a just transition, benefiting communities and promoting economic diversification. This approach will create value-added opportunities for producer countries, rather than following colonial models where benefits were historically concentrated in the global North. Additionally, we must avoid pollution and biodiversity loss to meet commitments under frameworks such as the Kunming-Montreal Global Biodiversity Framework is an outcome of the 2022 United Nations Biodiversity Conference and the Minamata Convention on Mercury.^{7,8}

Politically, it is crucial to design products for repair and remanufacturing, covering their entire lifecycle. Statistics indicate that around 50 million tons of e-waste are generated annually, yet only 20% is properly recycled.⁹ Specific actions are being taken within the UN system to support a just energy transition. The UN Secretary-General recently launched a multi-stakeholder panel on critical energy transition minerals, mandated to develop a set of common and voluntary principles aimed at building trust and accelerating the transition to renewable energy.

These principles will be a key component of the UN framework on just transition for critical energy transition minerals, currently being prepared by the Secretary-General's working group on transforming extractive industries for sustainable development. This working group, led by UNEP and involving the UN regional economic commissions, is collaborating with entities such as the Intergovernmental Forum on Mining, Minerals, Metals, and Sustainable Development, and the World Bank.¹⁰ The framework is part of a broader UN effort to support mineral-producing developing countries in building long-term institutional capacity in the mineral sector, promoting responsible mining, and ensuring sustainable use of minerals and metals. This topic was high on the agenda at the recent UNEA-6, where a resolution on responsible and sustainable extraction was adopted.

Governments need to strengthen and harmonise policy frameworks to encourage responsible extraction and sustainable use of energy transition minerals. The mining industry must work towards coherent standards and frameworks for responsible mining, developing multi-stakeholder settings with credible verification mechanisms. It includes managing health risks, promoting gender and social justice, and protecting human rights to a clean, healthy, and sustainable environment.

We encourage companies along the value chain to ensure they source minerals responsibly and design products for circularity. Electric vehicle manufacturers, for example, can gain market advantage by positioning themselves as users of responsibly sourced minerals and metals. By taking these steps, we can ensure an equitable energy transition that mitigates climate change, reduces air pollution, protects nature, and fosters growth and wealth creation in developing nations for the benefit of people and the planet.

Encouraging the private sector

To this effect UNEP actively engages with the private sector to mobilise financial resources and to encourage environmentally sustainable practices in their activities and operations. This is especially critical in the agricultural and industrial sectors, where there is a need to shift from activities that harm the environment to those that protect and conserve it. Our goal is not only to secure financial resources but also to ensure that these resources are used to foster environmental sustainability. UNEP manages several specialised funds and initiatives in collaboration with the private sector, particularly in the areas of green energy and sustainable land use.

For example, the Seed Capital Assistance Facility (SCAF), is a multi-donor trust fund that supports private sector investment and development companies working in high-risk frontier markets in Africa and Asia. The SCAF shares project development costs and seed financing with private equity funds, venture capital funds, and project development companies to make finance available during

the development phase of projects promoting climate-friendly technologies. Since its launch, SCAF has supported the development of 2.5 gigawatts of new renewable energy capacity across 18 countries in Asia and Africa, providing US\$ 20 million in funding which leveraged US\$ 4 billion from 24 investment funds and development companies in the private sector.¹¹

Another example is the AGRI3 Fund, created by UNEP together with Rabobank and other partners, including the Dutch Entrepreneurial Development Bank.¹² This fund supports the transition to sustainable agriculture by providing credit, risk management tools, and technical assistance to projects that prevent deforestation, stimulate reforestation, and promote sustainable agricultural production and value chains. These efforts aim to reduce carbon emissions and improve rural livelihoods.

In addition to innovative transactions, UNEP's Finance Initiative (FI) has established critical sustainable frameworks within the finance industry, including the Principles for Responsible Investment, Principles for Sustainable Insurance, and Principles for Responsible Banking.¹³ These frameworks have seen significant adoption, with over 50% of the global banking industry now committed to the Principles for Responsible Banking. Notably, 90% of these banks have embedded sustainability oversight at the board or chief executive officer (CEO) level, and 79% have systems to identify and monitor the most significant impacts of their financing. Since 2021, all banks under this initiative report annually, with 277 banks having benefited from individual annual review meetings and receiving confidential feedback reports for their CEOs.

The Finance Initiative also includes a Civil Society Advisory Body and has helped establish the new Environmental Risk Disclosure Framework, including the Task Force on Nature-Related Financial Disclosures (TNFD).¹⁴ This task force is expecting over 400 global corporations and financial institutions to start issuing nature exposure reports for the first time, having committed to the TNFD recommendations.

Public finance drives systemic change across sectors

UNEP believes that mobilising financial resources for environmental protection also requires changing the norms of the financial system. Public finance and an enabling macroeconomic policy environment are essential for sustainability, supporting foundational investments, policies, and innovations needed to address the triple planetary crisis. Public finance can drive systemic change across sectors, align financial and trade systems with sustainable goals, and support green job policies, sustainable infrastructure planning, and resource-efficient industrial policies. The entity is actively involved in creating policy frameworks by engaging public finance institutions to establish and implement policies that drive the greening of the economy. For example, UNEP supports finance ministers to put sustainability at the heart of financial and economic policies, and we are encouraged by the increasing number of countries establishing climate finance units within their finance ministries.

Finally, seeing a critical need for creating favourable conditions for private sector participation in environmental projects. This can be achieved through guarantees, subsidies, and other financial instruments that make environment-related projects more attractive to private investors. A notable example is the Sustainable Finance Facility in Mongolia, which serves as a model of public-private partnership to mobilise private sector investment.¹⁵

In moving from working at the policy level to access climate finance is crucial for implementing climate adaptation and mitigation projects in the global South, UNEP has an important role in opening access to the Green Climate Fund (GCF) and the Global Environment Facility (GEF). This includes supporting Member States in overcoming barriers. These efforts are multifaceted, addressing both opportunities and barriers in accessing these critical funds. As a founding member of the GEF and a key partner of the GCF, UNEP leverages its strategic position to advocate for the needs of developing countries, ensuring their unique challenges are considered in funding decisions. Countries are assisted to develop a robust pipeline of projects that are ready for funding, involving comprehensive planning

and alignment with both UNEP's medium-term strategies and the specific requirements of the GCF and GEF.

UNEP acts as a bridge between countries and funding bodies, ensuring clear communication and alignment of projects with the strategic priorities of the GCF and GEF. Coordination with various national and regional offices helps streamline project submissions and approvals. The work can range from the provision of technical assistance to countries to develop high-quality project proposals that meet the stringent criteria of the GCF and GEF to support project design, feasibility studies, and alignment with national climate strategies and plans. Capacity-building programs are conducted to enhance the skills of national stakeholders, enabling them to effectively manage and implement climate projects. This is crucial for sustaining long-term climate resilience and adaptation efforts.

UNEP is accredited to both the GCF and the Adaptation Fund, allowing direct support to countries in accessing these funds. This end-to-end support, from project conception to implementation, ensures that projects adhere to environmental and social safeguards.

The procedures for applying to the GCF and GEF are often complex and resource intensive. Developing a full project proposal can take several years and significant financial investment, posing a challenge for many developing countries. Projects must meet strict environmental, social, and technical criteria to qualify for funding, which includes demonstrating clear climate benefits, sustainable development impacts, and adherence to environmental safeguards.

Developing countries often struggle with the technical and financial requirements needed to secure these funds. Moreover, projects must meet high standards of environmental sustainability, which can be challenging for countries with limited technical expertise and resources. The rigorous criteria ensure quality but also create barriers to entry. Many countries, especially in the global South, lack the institutional capacity to develop and manage large-scale environmental projects. This includes deficiencies in areas like project management, financial planning, plus monitoring and evaluation.

To overcome these barriers, UNEP continues to provide comprehensive support and advocate for simplified access procedures and enhanced capacity-building initiatives. By doing so, UNEP aims to ensure that countries in the global South can effectively leverage climate finance to achieve their adaptation and mitigation goals.

Since UNEP's core resources are dependent on voluntary contributions the importance of the Environment Fund as a central element in UNEP's ability to spearhead multilateral environmental initiatives, particularly amidst the current global environmental crises. It is the financial backbone that supports UNEP's core activities, enabling the organisation to implement its mandates effectively across various environmental sectors. UNEP can respond swiftly to emerging environmental challenges by providing flexible funding which is crucial in addressing urgent issues such as climate change, biodiversity loss, and pollution.

The fund supports capacity-building initiatives and technical assistance that helps nations to enhance their environmental governance, implement sustainable practices, and meet international environmental standards. By demonstrating UNEP's capacity to manage and implement effective programs, the Environment Fund helps attract additional funding from various donors, including governments, private sector entities, and other international organisations.

Resources from the Environment Fund enables UNEP to support countries in the coordination and implementation of multilateral environmental agreements, such as the Paris Agreement on Climate Change and the Convention on Biological Diversity.^{16,17} It ensures that UNEP can provide the necessary support and oversight to countries striving to meet their international commitments.

Yet, despite its critical role, UNEP faces several challenges in fostering effective multilateral collaboration in the context of increasingly complex global environmental issues. Since the beginning, UNEP has had the mandate as convening decisive authority to bring different stakeholders together to deal with issues which Member States could not tackle on their own. However, we also see in the last couple of years other issues and tensions have come in also influencing the discussions at our UN Environment Assembly.

An example is the conflict in Ukraine or ongoing conflict in Gaza and the state of Palestine. UNEP immediately looks at the environmental impact of the conflict where we are competing with the urgent needs of saving lives, with humanitarian support, because people need to eat today and therefore environment can hold on. We need to support people to get into a safer place and therefore we can deal with the environment later. In the meantime, delayed environmental consideration means also creating more damage for the people, the planet and the area today and in the future. These environmental issues at times tend to be used as proxies for other differences. It can be positive by using environment or negative in terms of delaying taking action on environment. Another impact can be the inability to avoid the slowdown of environmental debate and the urgency to address environmental issues.

Conclusion

UNEP tries to bring in an even stronger voice of science, evidence of common denominators to the debate and to the decision making because environmental crisis we know they do not know borders. This is where the scientific evidence base becomes key for decision makers to be able to take decisions especially on environmental crisis matters which are not only national issues, but they also know no borders. UNEP has been working in terms of building and strengthening the capacities of many countries, especially the vulnerable countries, in meeting their environmental commitments. Championing the work of the UN, UNEP has been advising countries to making the case to access funding from the available sources such as the Green Climate Fund, the Global Environment Facility, the Adaptation Fund and others. This is how we can both support the countries with our own funding but also support direct investment in the countries. International Financial Institutions and donors can better support these efforts by including environmental sustainability aspects in their decision making on financial support.

Endnotes

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Financing the triple nexus in Somalia

Interview with George Conway

George Conway is the United Nations Deputy Special Representative of the Secretary-General and Resident Coordinator and Humanitarian Coordinator for Somalia. He has more than 20 years of experience in development, crisis prevention and recovery, and humanitarian affairs with the United Nations Development Programme (UNDP) and other UN entities. Prior to his current post, he served as Deputy Director at UNDP's Crisis Bureau in New York and previously worked in Somalia as UNDP Country Director. He has also served as UNDP's

Strategic Advisor for Africa, Country Director a.i. in South Sudan, and Head of Programmes in Juba. In Indonesia, he assisted in crisis prevention and recovery following the 2004 Indian Ocean Tsunami. Before UNDP, he was an analyst on peace and conflict issues in Ottawa and worked on civilian deployments for peacekeeping operations. George Conway holds a master's degree in international Affairs from Carleton University in Ottawa, an Interdisciplinary master's degree from the University of Western Ontario, and a Bachelor's

degree in Anthropology from the University of Winnipeg, Canada.

The Dag Hammarskjöld Foundation was in conversation with George Conway, the United Nations Deputy Special Representative of the Secretary-General and Resident Coordinator and Humanitarian Coordinator for Somalia to learn more about the operational modalities of how financing the triple nexus works at the country level.

1. Over the past years, humanitarian funding for Somalia has been under increasing strain while development funding is often hard-earmarked. In what ways is financing a key challenge for a successful triple nexus approach in the country?

The humanitarian context in Somalia has been volatile. Last year, 2023, started with the worst drought in over 60 years, risking a famine, and ended the year with the worst flooding in over a century. This necessitated a scaling up of humanitarian assistance, to over US\$ 2 billion in 2022. These cyclical shocks are getting more frequent and more intense, and the humanitarian financing needs are becoming unsustainable. To break the cycle of these recurrent crises and anticipate future challenges, there's a need for proactive investment in prevention and adaptation responses, particularly in addressing climate-driven crises.

Despite Somalia's minimal contribution to global climate change, it is one of the countries most affected by the climate crisis. And yet, Somalia hasn't received adequate climate financing commensurate with the need.

Decision-making by traditional Official Development Assistance (ODA) partners is often affected by political dynamics at home and in recipient countries. In a context like Somalia, with its recurring humanitarian crises, and enduring political complexity, there's a tendency for humanitarian aid to dominate the engagement by donor countries since it is guided by humanitarian principles and can show some immediate results. There's a risk of reverting towards emergency assistance, and deprioritising development investments, when things get complicated, in part because of their more long-term horizons, lack of immediate results, and more political nature. This has led

to some discontinuity in financing streams and presents challenges in maintaining consistent support for a long-term development trajectory.

Efforts have been underway to step up climate and development-oriented financing approaches, both to address drivers of vulnerability and need in the long-term and provide more predictable disaster risk financing solutions in the short and medium term. Following the Heavily Indebted Poor Countries (HIPC) decision point in March 2020, Somalia regained access to the International Development Association, leading to more than US\$ 2 billion in development resources for Somalia in the years following. This went a long way in beginning to expand access to the development resources needed.

Across the African continent, development has been increasingly fuelled by domestic revenue and private sector investment. Conversely, in Somalia, the prolonged absence of a functioning state resulted in the disintegration of national revenue systems and the emergence of a war economy with few options for foreign direct investment and private sector growth. Over the past decade, the Government of Somalia has endeavoured to reconstruct its financial management infrastructure from the ground up. Notable advancements have been achieved, with domestic revenue increasing fourfold since 2012 and rising by 25% in 2023. The government is now on the verge of covering its salary expenditures and has set a target to cover operational costs by 2027. Nonetheless, substantial increases in domestic revenue are imperative to facilitate investments in essential developmental sectors crucial for Somalia's future progress.

Despite progress in rebuilding financial systems, Somalia will continue to rely on external financing for its service sectors and human capital investments in the coming years. While this presents a significant challenge, there's a positive trajectory with increasing resources being aligned with Somalia's own development efforts. A key challenge in this regard is to increase the amount of ODA provided through national systems – on budget or through treasury (a figure that currently stands at less than 25% of annual ODA) – in order to better contribute to state- and institution-building.

2. What financial instruments are available to enable the application of the triple-nexus modality in a protracted crisis such as in Somalia? Are there any available pooled funding mechanisms for joint programming that enable this approach?

A deliberate effort has been made since 2014, when the UN presence in Somalia became an integrated mission, to strengthen collaboration and incentivise collective action between the UN political mission, the UN country team, and the Humanitarian Country Team. Pooled financing mechanisms exist for each part of the humanitarian, development and peace nexus. Our Somalia Humanitarian Fund was established in 2010 in response to the then occurring famine. In 2014, the first Multi Partner Trust Fund (MPTF) for Somalia was launched, aligning with the UN Cooperation Framework and the 'New Deal for Somalia'. The MPTF facilitated integrated programming, fostering unity of purpose between the peacebuilding and state building goals of the special political mission, the United Nations Assistance Mission in Somalia (UNSOM), and the capacity development initiatives of the UN Country Team. This pooled fund, capitalised at around half a billion US dollars, focused on key political, rule of law, social-economic, and resilience priorities agreed upon by Somalia and the international community.

A next-generation continuation of the MPTF the Somalia Joint Fund (SJF) was officially launched in May 2023.¹ The launch of the SJF was the culmination of a two-year reform process that redesigned the Fund, in line with the logic of the UN Sustainable Development Group Funding Compact. The reform process addressed a host of issues, including shifting towards a model of unearmarked contributions to new thematic funding windows, in order to better leverage flexible funding to promote deeper UN integration. It has also sought to forge a closer partnership with the government and partners, and to facilitate evidence-based strategic dialogue and alignment between the government, donors and the UN. The SJF is currently being implemented, having developed a next-generation portfolio of strategic interlinked programming in support of Somalia's nationally defined priorities for inclusive politics, rule of law, human rights and gender as well as climate resilience.

Background

The United Nations (UN) has supported Somalia since its independence in 1960. The country has depended on humanitarian aid since the collapse of state structures during the 1990s, compounded by persistent conflict and recurrent climate related disasters.^{2,3} The UN recognises that sustained peacebuilding and state building efforts require a coordinated approach across humanitarian, development, and peacebuilding sectors. At the beginning of 2014, the UN entities in Somalia became structurally integrated, working closely together in areas such as peacebuilding, governance, the rule of law, security, gender equality, human rights, protection of internally displaced persons (IDPs), and disengaged combatants. Currently, 24 agencies and funds carry out the UN's mandates through programmes, the United Nations Assistance Mission in Somalia (UNSOM) and United Nations Support Office in Somalia (UNSOS).

Somalia remains fragile due to climate-induced shocks like floods, droughts, and cyclones, coupled with over two decades of armed conflict and the presence of violent extremist groups, which have weakened the country's resilience. However, in the past decade there has been a significant shift towards development investments, leading to improved resilience and capacities for crisis management. In 2023, Somalia achieved debt relief status – a major milestone towards expanding opportunities for investing in development. Government leadership has been critical in attaining this shift. As government capacity has grown, nationally defined development priorities provide the blueprint for international partners to align their support.

Nonetheless, increasing frequency and severity of climate-induced droughts and floods highlight the urgency of investing in sustainable development efforts. Striking a balance between humanitarian and development priorities remains crucial and necessitates nuanced strategies to ensure effective delivery of humanitarian assistance, when necessary, without compromising neutrality or independence, whilst investing in longer-term state-building and peacebuilding. The effective collaboration of UN, development and peace-building partners have been critical in Somalia's recovery. However, official development assistance alone cannot help Somalia reach its aspirations. Private sector financing and concessional loans are crucial. Likewise, is the need to focus on enablers for growth, including human capital development, energy, transport, and access to international financial markets.

To strengthen Somalia's resilience, the UN emphasises a coordinated, long-term development strategy addressing the root causes of recurrent humanitarian crises. This involves collective efforts across the UN, the Government of Somalia, and its people to achieve the Sustainable Development Goals (SDGs). The UN's efforts are guided by the UN Sustainable Development Cooperation Framework (UNCF) for Somalia 2021-2025, which aligns with Somalia's ninth National Development Plan (NDP-9). This framework underscores the UN's commitment to peace, stability, and prosperity for all Somalis in support of the 2030 Agenda and the SDGs.

The UN has also maintained a very strong strategic, analytical and operational partnership with the World Bank since its reengagement in Somalia, facilitated by a dedicated coordination officer. We have jointly identified priorities focusing on key areas such as local governance systems, inter-governmental fiscal transfers, social safety nets, cash transfers, and a unified social registry. These priorities aim to improve prioritisation based on vulnerability criteria and

enhance engagement in service sectors like health, education, and water. This partnership operates both strategically and operationally, with UN agencies providing technical advisory support for sectoral strategy development, as well playing a role in delivering key components of the Bank's portfolio, with 25% of the Bank's grant-making currently delivered through UN entities, in areas such as social protection, urban resilience, and service delivery.

3. The three UN-administered pooled funds active in Somalia are the Somalia Joint Fund (SJF), Somalia Humanitarian Fund (SHF) and the UN Peacebuilding Fund. Can you tell us a bit more about how these funds collaborate to bridge the Nexus?

The principles guiding the pooled funding sources have been distinct but complementary. The Somalia Humanitarian Fund (SHF) has been reconfigured to focus primarily on integrated, area-based lifesaving activities in prioritised geographic hotspot areas, based on most acute levels of vulnerability and risk. The Fund has also supporting Somalia's localisation agenda, actively engaging local civil society partners, particularly those capable of operating in hard-to-reach areas.⁴ Currently 70% of allocations through the fund are paid to national and local NGOs – the highest such percentage of any humanitarian country-based pooled fund in the world.

Synergies between the SHF and the SJF are especially relevant for investments in resilience. With the SJF now operational, we are exploring the specific complementarity of longer-term development investments in areas at greatest risk of humanitarian need, with the aim of reducing those needs. The SJF is prioritising area-based, locally coordinated programming aimed at empowering local authorities to better engage with communities, understand their needs, and invest in prevention and adaptation more effectively. It's a deliberate strategy aimed at anticipating future crisis risks while simultaneously addressing immediate life-saving concerns.

We are developing a package of promising area-based development investments that are multisectoral and integrated, aiming to address various natural, climate-related, and conflict-related risks in specific geographical areas.

One notable example recently launched is the Jowhar Offstream Storage Programme (JOSP), which operates in an area along the Shabelle River with high risk of recurrent floods, and where agricultural productivity has been compromised by shocks, leading to food insecurity. The JOSP aims to rejuvenate the reservoir infrastructure in the Jowhar district, originally built in the 1970s, in order to

better manage waterflows and significantly reduce flood risks along the Shabelle River, whilst promoting sustainable agricultural development to boost food security. The programme also includes strong local governance, peacebuilding, and social cohesion components to ensure effective natural resource management and mitigate conflict risks. Additionally, it links into the stabilisation agenda by aiding the reestablishment of local governance in areas formerly controlled by Al Shabaab.

Our two country-level funds have also been complemented by sustained engagement with the global Peacebuilding Fund (PBF). There is ongoing substantive interaction between the SJF and the PBF, facilitated by a local PBF coordination officer, enabling proactive engagement in peacebuilding efforts. The PBF and SJF resources have operated concurrently, for example, to help us kick-start support to Women, Peace and Security (WPS) actors at the grass root level, while at the same time complementing this with advocacy for gender equality at the highest political level promoting complementarity of the operational capacities of the UN Agencies, Funds and Programmes (AFPs) to deliver programmatic interventions on the ground, with the good offices role of the special political mission.

4. Conflict prevention requires going for the root causes of conflicts and reoccurring emergencies, building resilience, transforming socio-economic conditions that put people under stress. The UN and the World Bank underline that in Pathways for Peace. And yet coordination of efforts often happens when the conflict and crises is a fact. What strategic choices, what kind of resourcing could make a difference, improve durable results?

When working in a country facing multiple, intersecting shocks – whether climate-related, rooted in deep-seated development deficits, a volatile security context, compounded by complex politics – we have to take the long-term view. Our commitment should be to invest in supporting Somali's to rebuild their country's institutions and systems in ways that can better manage these complexities peacefully, be resilient to these shocks, and create conditions for progressive improvements in people's lives – economic growth that creates jobs, and improved

investments in service sectors that develop human capital. This requires a sustained commitment that resists the short-term thinking too often prevalent in the international community, which often operates within shorter political cycles that can fluctuate and waver over time.

Over the past decade of my engagement in Somalia, we can demonstrate with very concrete evidence that notable progress has been achieved in institution and state-building, which has enabled national, state, and local authorities to assume greater responsibility in providing a protective environment for their citizens. While cyclical shocks will continue to happen, the country's resilience and capacity to manage these shocks is improving. The drought of 2022-2023 was worse than that of 2010 but did not result in a widespread famine as did the latter; the floods of 2023 were worse than their nearest comparator in 1997 but did not have anywhere near the level of fatality.

In addition to long term-commitment, it's crucial to continue to better balance financing flows for the country, not solely reliant on traditional Official Development Assistance (ODA). This involves collaborating with global, international, and regional financing institutions, expanding beyond traditional OECD-DAC donors.⁵ Having reached the HIPC completion point in December 2023 has allowed Somalia to normalise its relationship with International Finance Institutions (IFIs).⁶

Debt-relief has opened up new concessional lending and development financing opportunities. It's crucial to ensure that these opportunities are seized wisely, so they are invested in ways that have the greatest impact on the country's transformative pathway towards stability and development and avoid Somalia entering a new cycle of potential debt distress and unsustainability.

Climate adaptation financing, long absent from Somalia, is now being made available at greater scale, based on strong advocacy from international partners, such as a recent US\$ 100 million commitment from the Green Climate Fund (GCF) for adaptation efforts in Somalia.⁷ Donors supporting the SJF have pushed for broader donor engagement with the fund. Understanding partnerships within the Gulf region is also essential. Moreover, there's a growing emphasis on

increasing Somalia's own domestic revenue mobilisation to enhance the country's financial capability and assume greater responsibility.

Somalia is currently finalising its Centennial Vision for 2060, which aligns broadly with the African Union (AU) 2063 agenda.⁸ This vision aims towards a society that moves past its history of fragility and conflict to provide justice, security, economic opportunities, and investments in human capital for its most vulnerable populations, ultimately transforming Somalia in the years to come towards a middle-income country at peace with itself and the world. The clarity of purpose demonstrated in longer-term frameworks like the Centennial Vision 2060 signifies a more hopeful direction for the country, a change in narrative towards self-reliance and sovereignty in its responsibilities towards its citizens. While steps in this direction are being taken, it's essential to remain committed for the long haul.

Endnotes

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Funding Compact 2.0 holds potential for improving development outcomes

By Annelies Hickendorff and Marijana Markotić Andrić

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Marijana Markotić Andrić is a Programme Manager at the Dag Hammarskjöld Foundation working with United Nations finance issues. She brings more than 10 years of experience working with peace and development issues with the United Nations Development Programme (UNDP) in areas of justice and security, and crisis prevention and recovery in South-East Europe and Central Asia regions. Marijana's work and research have been focused on the conflict-climate nexus, disaster risk reduction (DRR), disaster relief and rebel governance. She holds a Masters of Science in Peace and Conflict Research studies from the Department of Peace and Conflict Research at Uppsala University, Sweden as well as Masters in Disaster Risk Reduction Studies.

Introduction

Over the last five years the United Nations has been working systematically in building the right financial framework and infrastructure to support Member States towards the successful implementation of the 2030 Agenda for Sustainable Development.

The United Nations Funding Compact which was launched in 2019 and revitalised in 2024 represents commitment to a shared responsibility between Member States and the United Nations.¹ Its primary aim is to secure predictable and flexible financing for UN development initiatives in support of the 17 Sustainable Development Goals (SDGs). The Funding Compact commits Member States to provide more core, predictable non-core, and flexible funding, while the UN pledges to strengthen transparency, visibility and accountability and to invest in shared analyses, evaluations and strategic dialogue. However, despite its ambitious goals, progress has been uneven.²

In 2024, the renewed Funding Compact was launched to address these challenges with the aim of reinforcing set commitments, streamlining processes and enhancing funding flexibility.³ In order to gauge progress in this regard, the Dag Hammarskjöld Foundation in collaboration with the UN Development Coordination Office (DCO), carried out an independent qualitative assessment from November 2023 to May 2024 to identify key factors driving country-level progress of the Funding Compact commitments.⁴

During this period over 50 interviews were conducted with government representatives, UN agencies and Member States in 15 countries across Africa, South America and Europe.⁵ The preliminary findings are summarised into five categories, namely (1) awareness; (2) the interplay between Member State dynamics and funding decisions; (3) funding instruments and the transformational potential of pooled funding; (4) transparency and visibility; and (5) leveraging private sector partnerships.

1. Awareness

In probing the level of general awareness about the Funding Compact, the interview results showed that there is greater awareness with most of the participating respondents in most countries. Although the extent of explicit knowledge varied widely among stakeholders, whilst many are showing strong alignment with its principles. Even though this number was higher than initially expected, the intra-group knowledge varied between government officials, donors, and UN representatives. The latter generally showed more knowledge, particularly those directly involved in joint programming and pooled funding initiatives.

Some respondents initially perceived the Funding Compact as irrelevant to their context. This can perhaps be interpreted as having less understanding about how the UN financing architecture is operating and it could also be signal that there is an underutilisation of global benchmarking. Yet, discussions often shifted to a strategic and proactive stance when focusing on identifying common priorities and addressing complex problems requiring collaborative solutions.

2. Interplay between Member State dynamics and funding decisions

Respondents raised a general expectation that the UN should be more strategic, deliver at scale, and support countries in achieving the SDGs. They lifted that the current context of the diverse nature of donor support with regards to flexible funding makes it difficult to achieve financial stability in programme or project funding. This situation is made more challenging when facing negative competition among UN agencies for project funding which exacerbates the problem. Hard earmarking of resources limits the UN's ability to meet Member State expectations.⁶ In addition, the UN often appears to be unprepared to deal with a high degree of funding flexibility.

The interviews indicated that the key issues include a lack of preparedness and advance knowledge of funding availability, practical difficulties in implementing pooled

funds, significant administrative burdens and inefficiencies that often outweigh the benefits.

There is a notable preference for earmarked funding due to perceived inefficiencies and lack of visibility in core funding. Coordination among UN agencies and resource mobilisation strategies are frequently insufficient, with high competition for limited resources and a lack of joint strategic planning. Donors express frustration over the lack of strategic partnerships and inadequate communication about flexible funds, indicating a critical need for improved mechanisms and strategies within the UN to handle flexible funding more effectively.

The crucial role of national leadership and the importance of Resident Coordinators (RC) as the Funding Compact requires coordinated efforts from the UN, Member States, and host governments were highlighted. Respondents called for effective collaboration and alignment of funding priorities with national strategies as essential for optimising the use of funds. A shared view among the different groups is that the UN Cooperation Framework and national steering committees can be used to enhance government ownership together with the UN leadership.⁷

Respondents from multiple countries confirmed the relevance of the Funding Compact in upper-middle and high-income contexts. It was also acknowledged that the Funding Compact supports combining national resources with policy expertise to maximise impact.

3. Funding instruments and the transformational potential of pooled funding

The transformational potential of pooled funding, such as Multi-Partner Trust Funds (MPTFs), is widely recognised, and an increasing number of countries reported working with country-level pooled funds. The respondents emphasised how prioritizing core and pooled funding ensures that the UN can deliver cohesive and high-quality support to Member States, addressing complex global issues through a coordinated and transparent approach.

Although there has been significant progress with the introduction of the Resident Coordinator system, joint

programming could still be improved in many countries. The governance models of most vertical funds, including the Global Environment Facility (GEF), do not enable the office of the Resident Coordinator to play its UN system role. Only the SDG Fund and the Peacebuilding Fund currently acknowledge the coordinating role of the RC. This poses a risk and can lead to the fragmentation of relations with the host government especially if there is weak institutional anchoring.

4. Transparency and visibility

Transparency and visibility were elevated as critical for building trust and ensuring effective use of resources. While improvements have been noted, challenges persist when it comes to the provision of clear and comprehensive information on funding allocation and impacts.

Member State respondents emphasised the importance of visibility of their contributions and identified this need as a central reason for resource earmarking. While donors of earmarked funding are being acknowledged, contributions to core funding often remain invisible.⁸ To address this, some UN Country Teams (UNCTs) have identified the need to bring the group of core contributors together and facilitate dialogue with the host government. This is an example of how visibility can be increased in a qualitative way. Such dialogues could incentivise other Member States to contribute. The host government will similarly get a better idea of what is being delivered with regards to the core funding pot.

5. Leveraging private sector partnerships

The interviews revealed that to date, significant contributions and sustained engagement from the private sector have been limited. Some of the key challenges listed are: inconsistent due diligence criteria among UN agencies; differing expectations from private entities; and political complexities that can hinder collaboration. Another element brought up is that there is a general lack of understanding of the UN's value proposition among private sector actors which further complicates efforts.

Despite these hurdles, respondents also shared examples of successful public-private partnerships and platforms facilitating such cooperation, showcasing the potential benefits of these collaborations. Initiatives have focused on value-based partnerships, in-kind contributions, and the creation of ecosystems for joint financing.

Conclusion

The overall initial preliminary findings reveal that the re-energised Funding Compact 2.0 holds significant potential for improving development outcomes by emphasising strategic country-level engagement, enhancing funding flexibility, and promoting transparency. However, despite progress, awareness remains inconsistent, particularly amongst Member States.

Respondents lifted the importance of the host governments and the role of the Resident Coordinator. The transformative potential of pooled funding and the importance of leveraging private sector partnerships were emphasised as critical components to achieving the Sustainable Development Goals (SDGs). The effective implementation of the Funding Compact requires improved communication, coordinated efforts, and innovative approaches to ensure comprehensive understanding and stable financial support.

Endnotes

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| <p>2 See also article and figure John Hendra on page 123</p> | <p>5 Countries included into the sample at this stage of the assessment were: Guatemala, Dominican Republic, Barbados, Chile, Brazil, Uruguay, Rwanda, Gambia, South Africa, Somalia, Liberia, Kenya, Cabo Verde, Moldova and Montenegro.</p> | <p>7 United Nations, 'Sustainable Development Cooperation Framework' (New York: United Nations, 2019) https://unsdg.un.org/sites/default/files/2022-06/UN%20Cooperation%20Framework%20Internal%20Guidance%20--%201%20June%202022.pdf.</p> |
| <p>3 The United Nations Sustainable Development Group, 'Funding Compact for the United Nations' support to the sustainable development goals', (New York: United Nations Sustainable Development Group, May 2024), https://unsdg.un.org/sites/default/files/2024-06/Funding%20compact_English.pdf.</p> | <p>6 It is important to note that the Funding Compact is not against earmarking per se, it argues for 'smart earmarking' - a strategic approach to allocating funds that balances the flexibility needed for effective UN</p> | <p>8 Reard Part One of this report to learn more about how the UN funding system is currently operating.</p> |

Acronyms and Abbreviations

AFP	UN Agencies, Funds and Programmes
BMZ	Federal Ministry of Economic Cooperation and Development
CAFI	Central African Forest Initiative
CEB	UN system Chief Executives Board for Coordination
COVID-19	Corona Virus Disease 2019
CTBTO	Comprehensive Nuclear-Test-Ban Treaty Organization
DESA	Department of Economic and Social Affairs
DGACM	Department of General Assembly and Conference Management
DGC	Department of Global Communications
DMSPC	Department of Management Strategy, Policy and Compliance
DOS	Department of Operational Support
DPPA	Department of Political and Peacebuilding Affairs
DSS	Department of Safety and Security
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
EIB	European Investment Bank
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
FAO	Food and Agricultural Organization
FfD	Financing for Development Conference
GEF	Global Environment Facility
GEM	gender equality marker
GNI	gross national income
HIPC	heavily indebted poor countries
HLCM	High-Level Committee on Management
IAEA	International Atomic Energy Agency
IARC	International Agency for Research on Cancer
IATI	International Aid Transparency Initiative
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICC	International Criminal Court
IDB	Inter-American Development Bank
IDP	internally displaced person
IFAD	International Fund for Agricultural Development

IFI	international financial institution
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
IOM	International Organization for Migration
IPSAS	International Public Sector Accounting Standards
IRMCT	International Residual Mechanism for Criminal Tribunals
ISA	International Society for Automation
ITC	International Trade Centre
ITLOS	International Tribunal for the Law of the Sea
ITU	International Telecommunication Union
IUCN	International Union for Conservation of Nature
JOSP	Jowhar Offstream Storage Programme
LDC	least developed country
MDB	multilateral development bank
MINUJUSTH	UN Mission for Justice Support in Haiti
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MINUSRO	United Nations Mission for the Referendum in Western Sahara
MONUSCO	UN Organization Stabilization Mission in the Democratic Republic of the Congo
MPTF	multi-partner trust fund
MPTFO	Multi-Partner Trust Fund Office
NGO	Non-governmental organisation
OAD	operational activities for development
OCR	Office of Counter Terrorism
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OECD-CRS	Organisation for Economic Co-operation and Development Creditor Reporting System
OECD-DAC	Organisation for Economic Co-operation – Development Assistance Committee
OPCW	Organisation for the Prohibition of Chemical Weapons
PAHO	Pan American Health Organization
PBF	Peacebuilding Fund
PBSO	Peacebuilding Support Office
SCAF	Seed Capital Assistance Facility
SDG	Sustainable Development Goal
SHF	Somalia Humanitarian Fund
SJF	Somalia Joint Fund
SoF	Summit of the Future
STREIT PNG	Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea
TNFD	Task Force on Nature-Related Financial Disclosures
TOSSD	Total Official Support to Sustainable Development
UN	United Nations
UN CERF	United Nations Central Emergency Response Fund
UN OAD	United Nations operational activities for development

UN Women	United Nations entity for gender equality and the empowerment of women
UN-DPO	United Nations Department of Peace Operations
UN-HABITAT	United Nations Human Settlements Programme
UN-OCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNAIDS	Joint United Nations Programme on HIV and AIDS
UNAMID	African Union–UN Hybrid Operation in Darfur
UNCCD	United Nations Convention to Combat Desertification
UNCDF	United Nations Capital Development Fund
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNDS	United Nations development system
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNIDO	United Nations Industrial Development Organization
UNIFIL	United Nations Interim Force in Lebanon
UNITAID	Unitaid is a global health agency
UNITAR	United Nations Institute for Training and Research
UNMIL	United Nations Mission in Liberia
UNMISS	United Nations mission in South Sudan
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRISD	United Nations Research Institute for Social Development
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNSDG	United Nations Sustainable Development Group
UNSOM	United Nations Assistance Mission in Somalia
UNSOS	United Nations Support Office in Somalia
UNSSC	United Nations System Staff College
UNU	United Nations University
UPU	Universal Postal Union
UNV	United Nations volunteer programme
VISC	Voluntary Indicative Scale of Contributions
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organisation
WMO	World Meteorological Organisation
WPS	Women, Peace and Security
WTO	World Trade Organization



Dag Hammarskjöld Foundation

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The Dag Hammarskjöld Foundation is a non-governmental organisation established in memory of the second Secretary-General of the United Nations. The Foundation aims to advance dialogue and policy for sustainable development, multilateralism and peace.

www.daghammarskjold.se



United Nations
MPTF Office

Multi-Partner Trust Fund Office

The Multi-Partner Trust Fund (MPTF) Office is the United Nations centre of expertise on pooled funding instruments. Hosted by the UN Development Programme, it provides fund design and fund administration services to multi-stakeholder coalitions inclusive of the UN system, governments and non-governmental partners. The MPTF Office administers pooled funds supporting over 140 countries and manages a total cumulative portfolio of over US\$ 19 billion, involving over 200 public and private sector contributors and over 200 participating organisations.

mptf.undp.org

Visit www.FinancingUN.Report for the latest data and articles on financing of the United Nations Development System.

Financing the UN Development System: Resourcing the Future is the 10th edition of this report series, providing a comprehensive overview of the financing of the United Nations (UN) development system.

In 2024, the global community continues to grapple with the COVID-19 aftermath, violent conflicts, and an escalating climate crisis. The UN's role in maintaining peace and protecting human rights is challenged and not all 17 Sustainable Development Goals (SDGs) will be met by 2030.

But despite complex crises, there are opportunities for change.

Financing the UN Development System: Resourcing the Future questions whether the UN and Member States make adequate investments to empower our multilateral response to the ongoing challenges and calls for improved collaboration among Member States, civil society, and the private sector to achieve the SDGs.

The analysis explores the funding structure of the UN development system and its efforts to support the 2030 Agenda. It includes financial data from various UN entities and emphasises the need for systemic transformation through innovation, better data analysis, and stronger performance orientation.

The report highlights the need to improve funding quality and the urgency to protect global public goods. It also gives examples of why investment in the nexus of peace, development and humanitarian work, as well as climate action are critical. It underscores the necessity to work together to achieve sustainable development and address global crises effectively, resourcing the future.