

FUNDING COMPENDIUM 2017

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FOREWORD

2017 marked the end of UNDP's Strategic Plan 2014-2017, the arrival of a new Administrator, the approval of a new Strategic Plan 2018-2021, and the articulation of a new vision as an innovative partner to countries, driving progress towards the Sustainable Development Goals (SDGs) and making a difference in people's lives. The year also witnessed the passing of a reform resolution that will keep the United Nations system relevant and effective, in a changing global development context anchored around the SDGs. Guided by the vision of Agenda 2030, UNDP's new leadership, with guidance and support from Member States and our Executive Board, is forging a UNDP that is fit-for-purpose for many years ahead.

For our funders, stakeholders and partners, the effective translation of taxpayer funds to measurable transformational results remains our highest imperative. UNDP constantly seeks impact of results, efficiencies in delivery, and accountability and transparency in its operations.

Over the period 2014-2017, 37.3 million people benefited from improved livelihoods and 3 million new jobs were created, 41% of them held by women. Nearly 170 million new voters were registered in 52 countries, and more than 6.7 million people were provided with improved access to energy. Furthermore, 4.1 million people gained access to legal aid services in 39 countries, 2 million people received antiretroviral treatment in 22 countries, and 104 countries implemented lowemission and climate-resistant measures.

Such transformational results depend on effective institutions, and UNDP strives for institutional and operational excellence to remain a partner of choice to public and private investors. We are proud to have been ranked first on the Aid Transparency Index as the world's most transparent development agency in 2014 and 2016, and second and highest amongst UN agencies in 2018. In 2017, UNDP was ranked by AidData as the most influential UN agency, ranking highest in value-for-money; and became more efficient by reducing its management efficiency ratio to 6.9%, and balancing its institutional budget.

Member States' assessments highlight the value they see in working with UNDP. The Multilateral Development Review cited UNDP's advantages in its aid delivery platform, country presence and established trust with national and sub-national partners. The MOPAN recognized UNDP's fitness for purpose, strong and transparent results focus and responsiveness to Member States' needs and priorities, but noted challenges in implementing ongoing reforms in the context of reduced regular resources.

We thank our partners who invested their funds in UNDP, convinced that as an institution, UNDP can advance a common agenda towards achieving the SDGs. While overall funding remains stable at close to \$5bn/year, regular resources continue to fall in volume and share of total, reaching only \$612m or 12% in 2017.

I hope this Compendium provides useful insights and information about how UNDP is funded. As I take on my new role, I look forward to strengthening UNDP's current partnerships, building new ones, and engaging in funding discussions with partners, especially around the aspirations of the Secretary-General's Funding Compact on increasing the share of regular resources and shifting from highly earmarked to flexible resources. With today's challenges, we need flexible resources to work more efficiently, respond with coordinated actions, plan strategically and act quickly to obtain sustainable results.

March Moden

Ulrika Modéer

Assistant Secretary-General and Assistant Administrator Bureau of External Relations and Advocacy

EXECUTIVE SUMMARY

The Funding Compendium summarizes contributions received by UNDP in 2017 from its partners, through a variety of funding channels - regular, and other resources including thematic funds; UN pooled funds; funds earmarked to programmes and projects; and vertical funds.

TOTAL DEVELOPMENT AID. In 2017, net Official Development Aid flows (ODA) from official donors amounted to \$146.6 billion, representing a drop of 0.6% compared to 2016. However, aid to the least developed countries was up 4% from 2016. While ODA makes up over twothirds of external finance for least developed countries, it will not be sufficient to achieve the Sustainable Development Goals, making it essential to use ODA as a lever to draw on all sources of finance – public and private, domestic and international. According to UNCTAD, achieving the SDGs will take between \$5 to \$7 trillion per year, with an investment gap in developing countries of about \$2.5 trillion.

TOTAL CONTRIBUTIONS TO UNDP. Total contributions to UNDP increased by 1% from \$4.866 billion in 2016 to \$4.915 billion in 2017. Of the total contributions, \$2.059 billion or 42% was from donor country governments, \$1.789 billion or 36% was from multilateral partners including the private sector and non-governmental organizations, and \$1.068 billion or 22% was from programme country governments.

REGULAR RESOURCES. Contributions to regular resources decreased by 1%, to \$612 million, from \$618 million in 2016. Fifty-three Member States and one non-governmental partner contributed to regular resources in 2017. The ratio of regular to other resources decreased to 12:88 from 13:87 in 2016, highlighting the continuing shift from flexible, less earmarked to tightly earmarked resources.

OTHER RESOURCES. Other resources earmarked to specific themes, programmes or projects represent a critical complement to the regular resource base. These include contributions to UNDP's thematic Funding Windows, as well as resources from UN pooled funds and vertical funds. Total other resources contributions were \$4.303 billion in 2017. marking a 1% increase over the \$4.248 billion received in 2016. Domestic resources received in the form of government cost sharing grew the most.

TRANSPARENCY AT UNDP

With its longstanding commitment, UNDP remains one of the most transparent development organizations in the world. UNDP has continued to enhance the publication of project and financial information to the International Aid Transparency Initiative (IATI) standard, strengthening the link between results and resources, and has been:

- Recognized as a transparent aid organization and the top UN entity among rated agencies – on the 2018 Aid Transparency Index where it has continued to improve its index rating (right).
- A signatory to the International Aid Transparency Initiative and Secretariat member.
- Publishing comprehensive data at open.undp.org about more than 4,500 projects, with more than \$4.6 billion spent annually.

100 95.4 93.3 95 90.6 90 85 80 2014 2016 2018

DEVELOPMENT IN NUMBERS

UNDP's initiatives under Strategic Plan 2014-2017 assisted:





improved livelihoods





4.1M PEOPLE to gain access to legal aid

services in 39 countries

51% of them women

170M NEW VOTERS to register in 52 countries

2018-2021 UNDP STRATEGIC PLAN

To help countries achieve the Sustainable Development Goals, with its new Strategic Plan, UNDP commits to enhance its business model, cultivate new partnerships, work globally across sectors, and introduce significant changes in its work, including:

SIGNATURE SOLUTIONS: A set of integrated responses to development, tailored to countries served, in the areas of poverty, governance, resilience, environment, energy access, and gender equality. Each Solution includes a mix of policy advice, technical assistance, finance, and programmes.

GLOBAL AND COUNTRY PLATFORMS: Support within and across countries: a Global Platform to leverage expertise from around the world to support individual countries; and a Country Support Platform in each country to harness the collective policy and convening power of the UN, and ramp up innovations for development.

DOING BUSINESS BETTER: Boosting performance to maximize return on every dollar invested in UNDP, and harnessing cutting-edge technologies and research to generate new ideas to test and scale up.







to find new jobs, 41% of them women



104 COUNTRIES

to implement low-emission and climate-resilient measures



2M PEOPLE

to receive antiretroviral treatment in 22 countries (as of mid-2017)





to have improved access to energy in 55 countries



UNDP'S PARTNER NETWORK

Working in 170 countries and territories, UNDP is well positioned to continue providing integrated solutions in support of countries' efforts to achieve the 2030 Agenda. While funded from a variety of sources, UNDP's ability to perform at a high level is heavily reliant on its partners' investment in regular resources.

REGULAR \$794

\$12M Average

LOCAL \$324

\$283k Average

Contributors to UNDP's regular resources, 2017: Investing in UNDP's regular resources helps to provide an open platform to deliver integrated whole-of-government solutions.

Government Local Office Costs (GLOC): Contributions in the form of cash, provision in-kind of specific goods, services and facilities that a host Government makes towards meeting the expenses of a UNDP country office.

INVESTING IN UNDP'S REGULAR RESOURCES:

1. Supports national priorities strategically and predictably, leaving no country behind.

Regular resources form the pillar of UNDP's support to countries, yielding demonstrable results focusing on the poorest, with 85% to 91% spent in low income countries and at least 60% in least developed countries (LDCs). 2. Fosters greater inter-agency collaboration to reach the SDGs.

Regular resources serve as seed funding for multi-partner development solutions, and allow UNDP to provide shared assets such as the UN Capital Development Fund (UNCDF), UN Volunteers (UNV), a Multi-Partner Trust Fund Office and the UN Office for South-South Cooperation (UNOSSC).

3. Equips UNDP to deliver timely, effective crisis response.

As an actor on the ground before, during and after crisis, working with humanitarian actors to link immediate response to long term recovery, UNDP promotes the New Way of Working agreed at the World Humanitarian Summit.

4. Promotes development effectiveness for all stakeholders.

Regular resources enable high quality assurance and oversight, and strengthen thought leadership and innovation, allowing UNDP to test, replicate and scale up new approaches to development interventions.

transparency. UNDP's capacity to continuously improve its audit, monitoring and evaluation and ethics oversight, along with measures to ensure transparency and accountability, depends on regular resources. UNDP is proud to remain the toprated UN agency in transparency, and a recipient of unqualified audit opinions for 13 consecutive years.

5. Enables high standards of accountability and

6. Leverages additional financing for development.

Regular resources are catalytic for resource mobilization. In 2014-2017, for every dollar of core funds invested in low-income countries, UNDP mobilized \$7 in other resources, while in middle-income countries UNDP mobilized \$32.

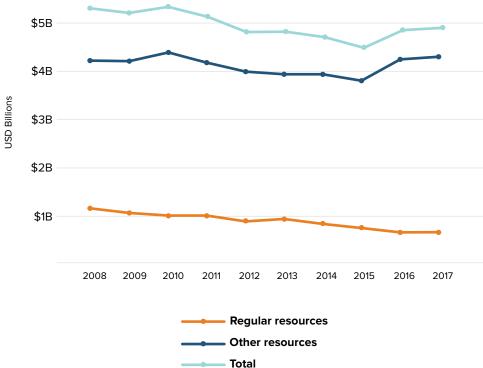
Regular and other resources, 2017

In 2017, total contributions to UNDP amounted to \$4.915 billion, a 1% increase over the previous year. Contributions to regular resources, however, decreased by 1% to \$612 million, due to economic and political challenges faced by some Member States.

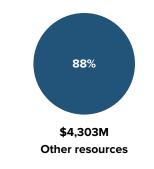


Regular and other resources trend, 2008-2017

Except for a few years coinciding with a global economic crisis, UNDP has remained a \$5 billion organization, with the decline in regular resources being offset by stable or increasing other resources. However, the shift from flexible, less earmarked to tightly earmarked resources cannot be ignored. Further reductions in regular resources will jeopardize UNDP's ability to implement its programmes effectively and achieve its strategic priorities.



Resources by Funding Type



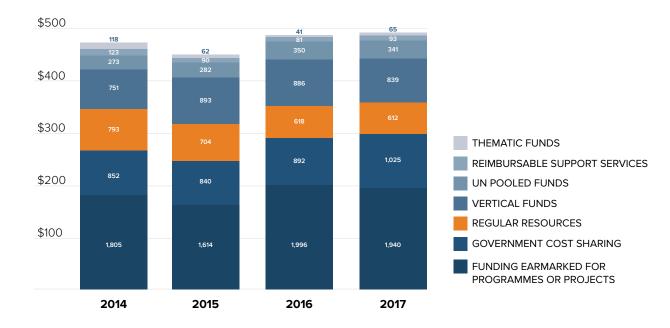
As a multi-funded organization in 2017, partners' investments in UNDP were channeled through the following:

Resources by funding channel, 2017

FUNDING EARMARKED FOR PROGRAMMES OR PROJECTS <u>39.5%</u> Bilateral and multilateral contributions to a specific programme or project. \$1,940M

REIMBURSABLE SUPPORT SERVICES 1.9% Funds for management and support services to third parties, e.g. UN Volunteers, the Junior Professional Officer (JPO) Programme align common goals to support country-level efforts to achieve the SDGs

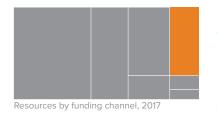
Resources by funding channel trend, 2014-2017 All amounts in USD Millions



Resources by Funding Channel



align common goals to support country-level efforts to achieve the SDGs



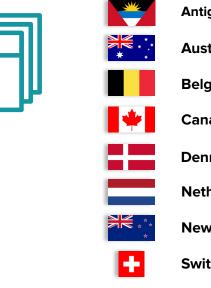
REGULAR RESOURCES

Regular resources allow UNDP to enable coordinated, flexible, and rapid response to development needs and emergencies; provide capability for multi-sectoral responses for partners including the UN system; support countries to leverage financing for the SDGs; and enhance thought leadership, innovation and quality assurance.

Partners that increased their contribution to regular resources, 2017

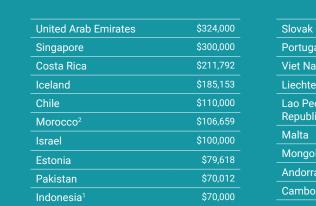


Partners that made multi-year pledges to regular resources



Regular resources, 2017

	OECD-DAC, \$592.5M			
Others, \$19.2M				
Asia and the Pacific \$10M	Europe and CIS \$3M		r states \$2M	
		Non-state partners \$1M		
		Latin America and the Caribbean \$0.3M		
	Africa \$5,000			



Slovak Rep Portugal Viet Nam Liechtenst Lao People Republic Mongolia¹ Andorra Cambodia



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- Pakistan
- **Republic of Korea**

gua and Barbuda	2016-2017
tralia	2016-2019
gium	2017-2020
ada	2016-2018
ımark	2017-2020
herlands	2016-2017
v Zealand	2016-2018
tzerland	2015-2017

ıblic	\$59,242
	\$50,000
	\$35,000
in	\$25,100
s Democratic	\$25,000
	\$21,739
	\$17,000
	\$11,141
	\$10.000
	Q10,000

Guyana	\$9,927		
Samoa	\$6,000		
Cuba	\$5,000		
Antigua and Barbuda	\$2,500		
Myanmar	\$794		

1. Contributions received in 2017 for 2016 not included 2. 2017 contribution recieved in 2018