

65th SESSION OF THE GENERAL ASSEMBLY

**Statement by
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THE 2010 UNITED NATIONS PLEDGING CONFERENCE
FOR DEVELOPMENT ACTIVITIES
New York, 8 November 2010**

Excellencies,
Distinguished delegates,
Ladies and Gentlemen,

It is a pleasure to open the 2010 United Nations Pledging Conference for Development Activities, on behalf of the Secretary-General.

The current world economic and social situation is full of uncertainties. Dark clouds from the economic crisis have still not dissipated. Recovery has been losing steam in many parts of the world. The negative consequences of the crisis will remain for years to come, particularly among poor and vulnerable countries.

With this atmosphere of anxiety and austerity, large gaps remain between aid commitments and delivery. Aid to Africa is falling well behind pledges. The OECD/DAC forecasts a shortfall of nearly \$30 billion in country programmable aid (CPA) compared to commitments for 2010.

In September, the “MDG Summit” expressed concern that the levels of aid, and other aspects of MDG-8, are not conducive to helping

developing countries reach the MDGs. It called for timely implementation of existing aid commitments.

The combined crises have generated new demands and new needs. The United Nations system has strived to meet them.

At the same time, Member States have taken steps to drastically improve the coherence of the United Nations system. GA resolution 64/289 adopted in July created UN women. It also contains important measures to improve the governance and funding of the United Nations system. All acknowledge that while we need more, we also need to do better with what we have.

At country level, many new UNDAFs are being developed. The eight “Delivering as One” pilot countries are charting new courses of action to ensure that the system works in a coherent way. The forthcoming independent evaluation will assess lessons learned from their experience.

These efforts should allow more coherent use of funding allocated to the United Nations system.

This is all the more important that some UN agencies have already felt the repercussions of the crisis. There are clear indications that some major donors reduced their contributions in 2009 -2010. Trends for 2011 are uncertain. The UN development system has to grapple with this decline which comes on top of the stagnation of core contributions.

This Pledging Conference therefore could not be more timely. Last year, during the conference, twenty-two Member States pledged \$ 58 million, in support of the United Nations operational activities for development for 2010. The bulk of this was pledged by developing countries.

I would also like to highlight some facts and recent trends regarding the funding situation of major funds and programmes.

UNDP

2010 is the third year of UNDP's Strategic Plan and integrated resources framework for the period 2008 – 2013. Total contributions to UNDP and to its associated funds and programmes reached \$5.34 billion in 2009. Contributions to regular (core) resources reached \$1.01 billion in 2009 in nominal terms; a decrease of 8 per cent from the level of \$1.10 billion achieved in 2008 and 19 per cent below the 2009 annual target for regular resources set out in the UNDP strategic plan, 2008-2013. Contributions are likely to remain below the level of \$1 billion in 2010 and thus widening the gap between actual contributions and the annual targets set out in UNDP's Strategic Plan.

Other ('non-core') contributions to UNDP in 2009 remained almost unchanged, reaching \$4.13 billion, compared to \$4.16 billion in 2008. Other resources represent an important complement to the regular, un-earmarked resource base of UNDP and shows that UNDP continues to be a development partner of choice for the international community.

The ratio between core and non-core resources remains a concern to UNDP. Core resources, as recognized in numerous decisions by the UNDP/UNFPA Executive Board and resolutions by the General Assembly, are the bedrock of UNDP finances and the fundamental source of support for the organization to fulfill its multilateral mandate and to achieve the outcomes of its multi-year Strategic Plan. The ability of UNDP to deliver effective capacity-building support for development depends on a critical mass of core funding to support strategic and flexible management approaches focused on long-term effectiveness as called for in General Assembly Resolution A/RES/64/289 on System-Wide Coherence.

UNDP remains concerned that the organization continues to rely heavily on a limited number of donors. The top 10 donors to UNDP provided close to 82 per cent of the total contribution to regular resources of UNDP in 2009. Broadening the resource base, thereby underpinning the United Nations' universal development presence and relevance, remains a key priority for the organization.

UNICEF

A total of 102 governments contributed to UNICEF's resources in 2009. UNICEF's total income from donors - both public and private - dropped slightly to US\$3.2 billion in 2009 from US\$3.3 billion in 2008. Core/regular resource contributions from governments experienced a drop of 4% when compared with 2008 funding.

The trend of declining ratio of core resources to overall income is of great concern as UNICEF's global presence and its capacity to provide continued leadership on child-related priorities, including during emergencies, largely depend upon a strong and reliable core income base. In 2009, the proportion of regular/core to total resource income remained largely at the same level as in 2008, but still significantly lower than that of 2007 (37%).

UNICEF is funded entirely from voluntary contributions and donor support to its core resources is vital for the organisation in order to contribute to the attainment of MDGs and results of the Medium Term Strategic Plan on Children and Women, with a focus on equity. UNICEF annually relies on 25 major government donors for 98% of its core funding. Increased support from solidarity initiatives to fight AIDS, Tuberculosis and Malaria is seen as a key component of resource mobilization for children.

For 2010, UNICEF's current planned financial estimates project a decline of US\$85 million (8%) in core resource income in 2010 as compared with 2009 income. As of 1 October 2010, UNICEF recorded core regular resources income of US\$509 million against a projection of US\$981 million for the current year. Predictable multi-year commitments for core resources in 2011 are critical to UNICEF for long-term investment in child development in programme countries.

UNFPA

In 2009, UNFPA total revenue was \$783.0 million, compared to \$845.2 million in 2008. Regular contributions income was \$469.4 million in 2009 compared with \$428.8 million in 2008, an increase of \$40.6 million (9.5 per cent). UNFPA received contributions from 161 donor governments last year and efforts are on-going to maintain a broad donor base.

Other resources during the year were \$296.6 million compared to \$375.7 million in 2009, a decrease of \$79.1 million, 26.7 per cent, comprising of contributions of \$288.8 million, and other income including interests of \$7.8 million.

In 2010, regular contributions are expected to reach approximately \$470.0 million, a slight increase of \$0.6 million, (0.1%) from 2009. This growth is primarily due to increases in national currency commitments from a number of countries including Australia, Austria, Canada, Belgium, China, Finland, Italy, and the United States.

As of 1 October 2010, a total of 132 donors have been officially recorded for 2010, of which 34 are multi-year pledges (from 2010 to future years). The most remarkable is the number of pledges received from the African Region which is a total of 30, of which 16 are multi-year pledges.

UNFPA income for 2010 is adversely affected by the economic downturn as six major donors decreased their commitments from their 2009 levels. If not for the recent strengthening of the Euro and other currencies these past two months, UNFPA's contribution income projection would have been much lower than the estimated \$470.0 million, and would have been a decrease from last year's level.

While income for 2010 seems less threatened by the global financial situation than first predicted, UNFPA is facing the future with a degree of uncertainty. UNFPA continues to expand its donor base and maintain a favourable ratio of regular to other contributions to secure a stable, predictable and secure funding base. However, about 98% of the contributions continue to come from 21 major donors and about 90 per cent of regular contributions consist of commitments in national currency terms which are subject to exchange rate volatilities.

WFP

In 2010, WFP expects to receive US\$3.7 billion against assessed needs of US\$6.9 billion. The current economic climate has made the resource situation very challenging with the volatile exchange rate and the stagnant ODA level. However, the average funding level to WFP has increased since 2007, demonstrating the continued support and increased commitments by donors to WFP's operations.

Concerning the donor base, the OECD- DAC donors continue to provide the bedrock of support to WFP with almost 85 percent of all funds received so far in 2010. A much-welcome development is the increase in contributions from governments who are also host countries of WFP's assistance. In 2009, these host country contributors provided US\$114 million to WFP, reflecting the country-led plans and local resource mobilisation efforts. As of 17 October 2010, 18 governments under this category have contributed almost US\$100 million.

Also, reflecting WFP's continued expansion of partnerships with emerging economies and developing countries, seven governments, namely, Algeria, Bangladesh, Brazil, Kenya, Malawi, Sudan, and Thailand – have provided 25 in-kind contributions, valued at US\$ 39 million to WFP in 2010, so far.

Regarding the distribution of funding, as of October 2010, operations in Africa continue to enjoy the largest share, 53 percent of the direct funding. This is followed by countries in Asia (24 percent share). Latin and Central America received 17 percent of the directed funding, while the Middle East received 6 percent of total directed contributions. The funding environment for 2011 - 2012 is expected to remain difficult.

I would now like to move to the operational part of the Conference.