

Knowledge to lead

Preparations for the 2012 Quadrennial Comprehensive Policy Review of the General Assembly of UN operational activities for development

*organized jointly with the Permanent Mission of Switzerland
and the UN Department of Economic and Social Affairs*

United Nations Headquarters, New York
Conference Room E
Wednesday, 1 February 2012

Workbook

Module 1: Funding for UN operational activities for development: key trends and issues



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Module 1: Funding for UN operational activities for development: key trends and issues

TIME

SESSION

09:30 a.m.

Welcome remarks

Yvonne Lodico, Head, UNITAR New York Office

H.E. Paul Seger, Ambassador Extraordinary and Plenipotentiary and Permanent Representative of Switzerland to the United Nations

09:40 a.m.

The QCPR process

Nadia Isler or Pio Wennubst, Permanent Mission of Switzerland to the UN

Navid Hanif, Acting Director, Office for ECOSOC Support and Coordination, UNDESA

10:00 a.m.

UNICEF's Funding Architecture: key trends and challenges

Afshan Khan, Director, Public-Sector Alliances and Resource Mobilization Office (PARMO), UNICEF

- Structure of funding contributions and expenditures
- Overview of key funding trends

Questions and answers/discussion

10:45 a.m. UNDP's Funding Architecture: key trends and challenges

Romesh Muttukumar, Deputy Assistant Administrator and Deputy Director, Partnerships Bureau, UNDP

- Structure of funding contributions and expenditures
- Overview of key funding trends

Questions and answers/discussion

11:30 a.m. Coffee break

11:45 a.m. Overview of Funding Architecture of UN Operational Activities for Development

Kristinn Sv. Helgason, Deputy Chief, Development Cooperation Policy Branch, DESA

- Volume, sources and destination of funding
- Trends in contributions and predictability of resource flows

Questions and answers/ discussion

12:30 p.m. Closing remarks and evaluation

Yvonne Lodico, UNITAR



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Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Permanent Mission of Switzerland
to the United Nations**

Preparations for the 2012 Quadrennial Comprehensive Policy Review of the General Assembly of UN operational activities for development

Six module course series organized jointly with
the Permanent Mission of Switzerland
and the UN Department of Economic and Social Affairs

1 February 2012
22 February 2012
13 March 2012
2 May 2012
22 June 2012
28 September 2012

Information Note

Background

Operational activities for development of the UN system are defined as those activities of the funds, programmes and specialized agencies which have the specific objective of promoting economic and social development in programme countries. In 2010, nearly two-thirds of all UN system-wide activities were operational activities for development.

The Quadrennial Comprehensive Policy Review (QCPR) is the mechanism through which the General Assembly assesses the effectiveness, efficiency, coherence and impact of UN operational activities for development and establishes system-wide policy orientations for the development cooperation and country-level modalities of the UN system.

The 2012 QCPR process presents an important opportunity for Member States to engage in a dialogue on how to adapt UN operational activities for development to the changing global development cooperation context. To facilitate the QCPR process, the Secretary-General undertakes in-depth analytical work in a number of areas including: funding, UN Development Assistance Framework (UNDAF) process, UN Resident Coordinator system, harmonization of business practices, results-based strategic planning and management, gender equality and women's empowerment, support to countries in transition from relief to development and emerging issues likely to affect the role of the UN development system in the near future.

Course objective

The six-module course series, conducted in cooperation with UNDESA, is intended to provide delegates in Permanent Missions of Member States in New York with an opportunity to examine in greater depth a number of technical issues central to the QCPR, as part of the preparations for the upcoming intergovernmental negotiation process.

At the end of the course series, participants will better understand:

- The key policy issues in the area of funding of UN operational activities for development;
- The role of coordination in enhancing country-level performance of the UN development system;
- The emerging issues/global challenges likely to significantly impact the future role of the UN development system in international cooperation for development;
- The perspectives of key stakeholders at the country-level on the relevance, effectiveness and efficiency of UN operational activities for development.

Organization

The course will be organized into six half-day sessions, led by experts and practitioners in their respective fields. Participants are encouraged to attend all the sessions.

Module 1 (1 February 2012): **Funding for UN operational activities for development:** *key trends and issues* (UNDESA in cooperation with UNDP and UNICEF)

Module 2 (22 February 2012): **Functioning of the UN development system:** (a) UNDAF process, (b) UN Resident Coordinator system and (c) harmonization of business practices: *challenges and opportunities*

Module 3 (13 March 2012): **Positioning of the UN system in a changing development landscape**

Module 4 (27 April 2012): **Perspectives from the field:** findings of surveys of programme country governments, UN Resident Coordinators and UN country teams and civil society organizations working with the UN system at the country-level

Module 5 (22 June 2012): **Briefing prior to the Operational Activities Segment of the Economic and Social Council:** Designed for diplomats coming to New York for the substantive session of the Economic and Social Council, this intensive module will explain the QCPR process and summarize the key messages of the first four sessions.

Module 6 (28 September 2012): **Briefing prior to General Assembly deliberations on QCPR:** Designed for diplomats who arrived during the summer and were unable to attend the other briefings, this last module will present/explain the QCPR process and all the materials produced in the previous sessions.

Logistics

Participants: The Series is open to delegates of permanent missions to the United Nations in New York who are involved or interested in UN operational activities for development, and other representatives of international, intergovernmental, and non-governmental organizations.

Registration: If you wish to participate in the modules, please register online at <http://www.unitar.org/event/new-york>.

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Sponsored by the Permanent Mission of Switzerland to the UN

Selected Funding Terms

Agency-specific thematic funds

These are funds which generally allow UN agencies to programme more responsively, based on country and global priorities, without having to negotiate project agreements and conditions. Thematic funds are pooled and designed to have fewer restrictions on their use than traditional non-core resources. Examples include UNFPA's Maternal Health Thematic Fund and UNICEF's Thematic Fund for Basic Education and Gender Equality.

Core and non-core resources

Operational activities for development are funded by a combination of so-called core and non-core resources. **Core resources** are those that are commingled without restrictions and whose use and application are directly linked to the strategic mandates, guidelines, priorities and goals established by the respective intergovernmental governing bodies. **Non-core resources** are resources that are generally restricted with regard to their use and application as determined by the contributor. The degree to which the use and application of non-core resources are subject to and aligned with the mandates, guidelines, priorities, and goals established by intergovernmental governing bodies is at best indirect. Core resources are generally preferred by UN agencies since they are required to preserve the UN's multilateral, impartial and universal character. Core resources also tend to provide more flexibility to spend on the priorities of programme countries.



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United Nations Institute for Training and Research

Multi-partner trust funds (MPTFs)

These funds are a type of joint programme which uses the pass-through fund management model. Donors agree to channel the funds through one UN agency (the “Administrative Agent”) which distributes the funds to multiple UN participating organizations. MPTFs are designed to enhance coherence and provide more flexible funding than traditional non-core resources. **One UN Country Funds** are a type of MPTF. For example, the Mozambique One UN Fund receives contributions from 6 countries and engages 18 UN funds, programmes and agencies to deliver results in support of the national development objectives and priorities.

Nominal versus real terms

Comparisons and trend analyses in “real terms” are based on nominal amounts expressed in constant United States dollars which take into account the combined effect of inflation and exchange rate movements. This is done to make data comparable across different time periods.

Operational activities for development

These are activities of UN funds, programmes and agencies which have the specific objective of promoting development. Most United Nations entities have specific mandates in this regard. Thirty-six UN entities received contributions for operational activities for development in 2009. Operational activities for development cover both longer-term development-related activities as well as activities with a humanitarian assistance focus. Humanitarian assistance refers to activities that respond to an immediate crisis, such as the emergency operations put in place following the 2010 earthquake in Haiti.

UNICEF's Funding Architecture: Key Trends and Challenges

Afshan Khan
Director
Public Alliances and Resource Mobilization Office

February 1, 2012

(check against delivery)

unite for
children



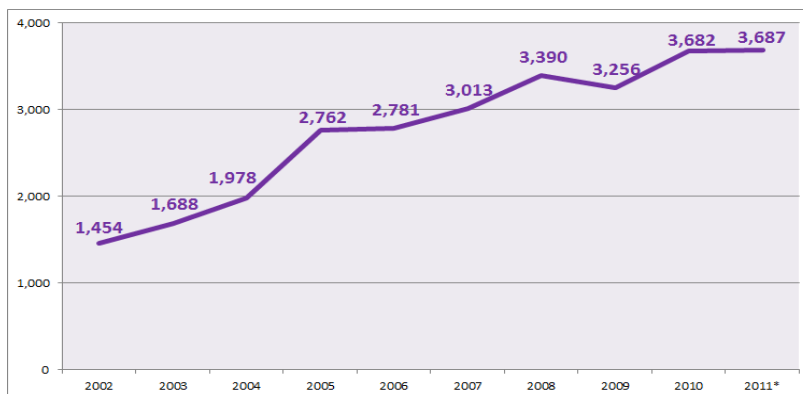
Presentation Outline

- A. Review of key funding trends
- B. Predictability of core resources for UNICEF's mandate
- C. Multiplicity of funding sources for a broad donor base
- D. Quality non-core resources: UNICEF thematic funds
- E. Non-core emergency funding: underfunded crises
- F. Programme expenditures
- G. Narrowing the gaps in achieving MDGs with equity

UNICEF Total Income: 2002 – 2011

(USD millions)

- UNICEF is 100% voluntarily funded



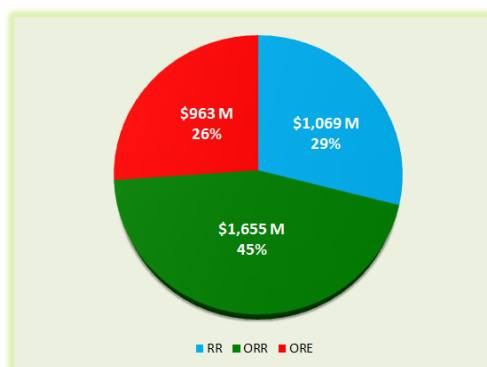
*2011 figures are provisional



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Total UNICEF Income by Funding Type: 2011*

(USD)



*2011 figures are preliminary

Regular Resources (RR)

Un-earmarked, core resources that help sustain UNICEF assisted programmes and enable UNICEF to carry out its mission to improve the lives of children and women.

Other Resources (OR)

Earmarked contributions for programmes that are supplementary to the contributions to Regular Resources and are restricted to a particular programme, geographic area, or strategic priority, or (ORE) an emergency response.



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Un-earmarked regular resources – highest quality funding to UNICEF

- **Regular resources:**
 - Provide the highest quality and flexibility of funding and help ensure the organization's independence, neutrality and role as a trusted partner, with adequate highly-skilled capacity at country level, for country-driven, innovative, and efficient programme activities
 - Enable quick and flexible responses to changing circumstances – allowing the channeling of resources to programme areas where most needed and to new emerging challenges, exploration of innovative approaches, and new partnerships



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Total regular resources expenditure, 2010

UNICEF allocates 90% of its regular resources to developing and implementing programmes



6

Regular resources narrow the gaps in MDGs achievement by investing in the most vulnerable

- UNICEF utilizes a formula approved by its Executive Board that ensures LDCs receive at least 60% of core resources and countries in Sub-Saharan Africa receive at least 50%.
- In 2010, UNICEF allocated 90% of core programme assistance to priority countries based on under-5 child mortality rates, GNI per capita, and size of the child population.

2010: Core resource programme assistance expenditure: Top 10 Countries

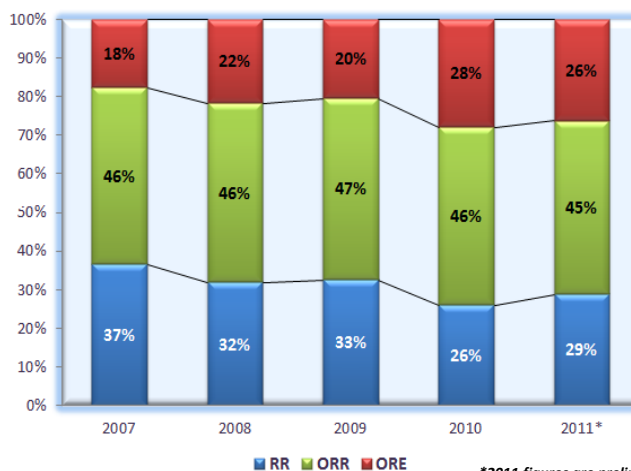
Rank	Country	Amount in USD\$ (millions)
1	Democratic Republic of the Congo	57.67
2	Nigeria	54.32
3	Ethiopia	42.74
4	India	42.16
5	Afghanistan	39.34
6	Bangladesh	24.04
7	Pakistan	23.76
8	Niger	22.81
9	Sudan	22.8
10	United Republic of Tanzania	20.98



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Income by Funding Type: 2007-2011

UNICEF's share of core resources has followed an overall trend of decline



8

The risk to UNICEF of declining regular resources

- A reduced regular resource base:
 - Decreases the proportion directly regulated by UNICEF's Executive Board
 - Compromises UNICEF's ability to deliver on its mandate and complete the plan of work outlined by its Board and UN General Assembly
 - Risks curtailing UNICEF's global presence
 - Reduces the organization's capacity to provide continued leadership and innovation on child-related priorities, including during emergencies
 - Increases fragmentation and programmatic gaps
 - Risks changing the very character of UNICEF

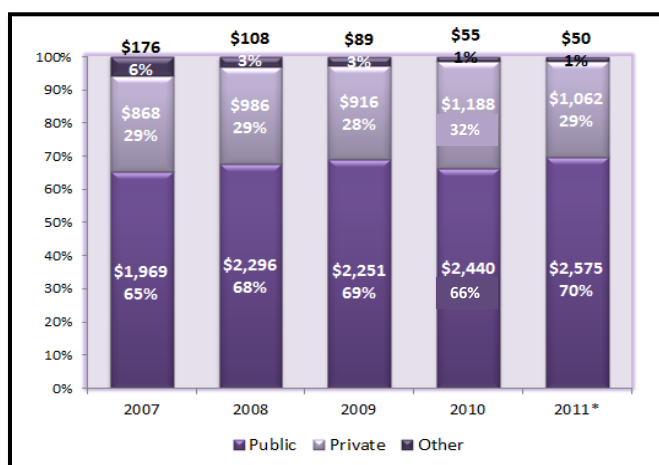


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Strong contribution from the private sector

National Committees contributed 29% of UNICEF resources in 2010 (included in private sector contributions)

Overall Income:
Public vs.
Private:
2007-2011
(USD millions)

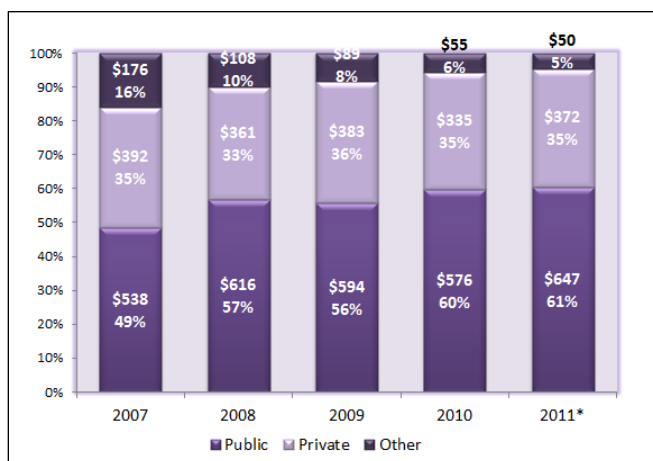


*2011 figures are preliminary

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Regular resources: Public vs. Private, 2007-11 (USD millions)

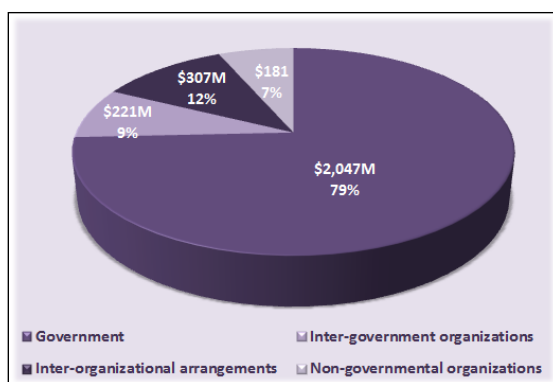


*2011 figures are preliminary



Total Income: Public Sector, 2011* (USD millions)

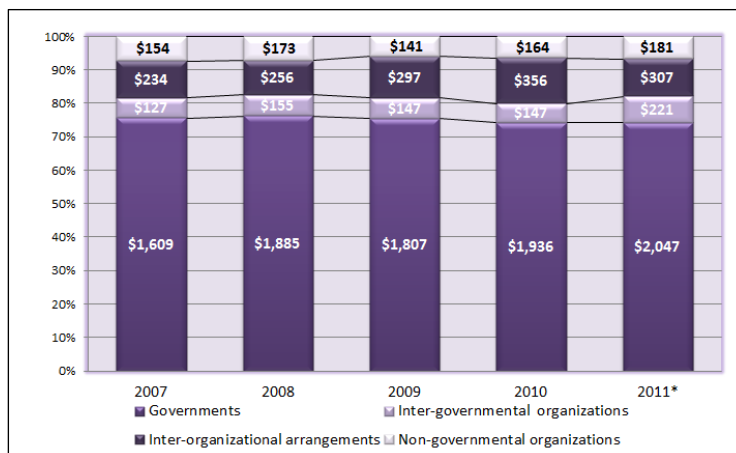
- UNICEF explores multiple funding modalities constituting the new aid architecture in order to secure adequate, predictable and quality funding to fulfil its mandate and achieve the targets of its Medium-Term Strategic Plan



*2011 figures are preliminary



Overall Income - Public Sector, 2007-11 (USD millions)



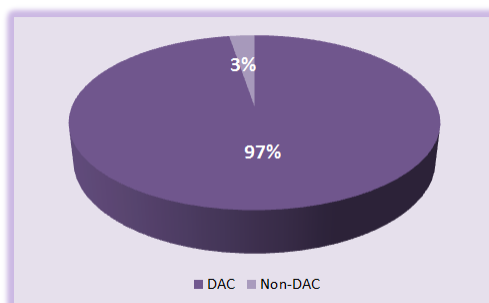
*2011 figures are preliminary



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DAC vs. Non-DAC donors, 2011*

- A broad donor base helps ensure impartial, neutral assistance, and decreases dependencies to implement UNICEF's mandate
- UNICEF is committed to supporting South-South cooperation, through which developing countries are becoming supporters and contributors to other countries' development, particularly in capacity building



*2011 figures are preliminary



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Top 10 Government Donors, 2011*

(USD millions)

Rank	Donor	Regular Resources	Other Resources - Supplementary	Other Resources - Emergency	Grand Total
1	USA	132.3	114.7	98.2	345.2
2	The United Kingdom	68.0	151.3	70.7	290.1
3	Norway	75.6	133.2	16.0	224.8
4	European Commission	0.2	92.2	127.5	219.9
5	Japan	18.3	66.6	97.9	182.8
6	Sweden	75.0	58.9	41.9	175.8
7	Netherlands	48.4	89.5	4.9	142.9
8	Australia	35.0	64.4	33.8	133.2
9	Canada	18.8	103.3	10.3	132.5
10	Denmark	28.6	11.8	16.0	56.4

*2011 figures are preliminary



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Top 10 Non-DAC Donors, 2011*

(USD thousands)

Rank	Donor	Regular Resources	Other Resources - Supplementary	Other Resources - Emergency	Grand Total
1	United Arab Emirates	115	11,418	-	11,533
2	Saudi Arabia	1,000	2,900	2,140	6,040
3	Brazil	-	3,086	100	3,186
4	Russian Federation	1,000	-	2,000	3,000
5	India	841	1,051	-	1,892
6	China	1,316	-	-	1,316
7	Kuwait	200	-	250	450
8	Estonia	49	16	383	448
9	Chile	91	318	-	409
10	Malaysia	284	100	-	384

*2011 figures are preliminary



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Quality other resource thematic funds

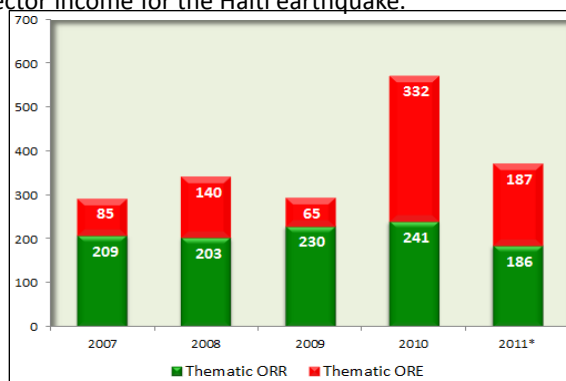
- UNICEF thematic funds are the best alternative to regular resources:
 - Pooled contributions from all donors
 - Earmarked only up to Medium-Term Strategic Programme focus area: Young Child Survival & Development; Basic Education and Gender Equality; HIV/AIDS; Child Protection; Policy & Practice; plus Humanitarian Action
 - Funding at either Global, Regional or Country level
 - Expenditure tracked for overall pooled contributions
 - Consolidated annual narrative report / financial statement per focus area
 - Lower recovery rate (5% vs. 7%) accounting for reduced transaction costs



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Thematic Contributions, 2007-11

- Reversals in 2011 still showing the 2nd best annual performance overall. Thematic funding has a narrow funding base; one donor cut contributions in 2011 following the economic downturn. Humanitarian surge in 2010 is largely private sector income for the Haiti earthquake.



*2011 figures are preliminary

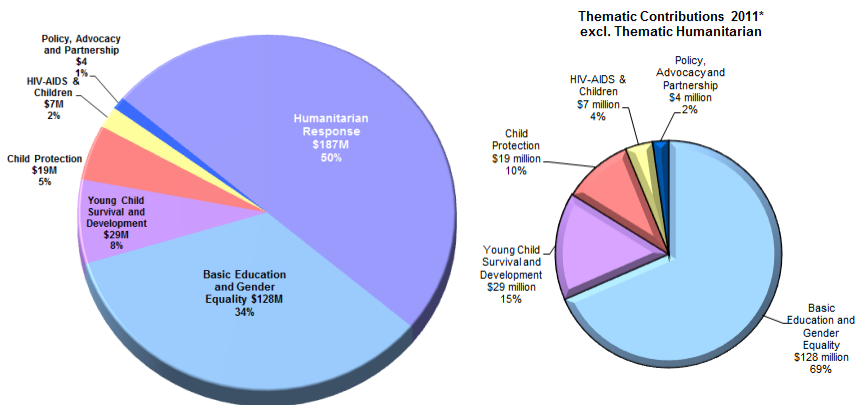


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Thematic Contributions, 2011

by MTSP Focus Areas & Humanitarian

Thematic Contributions 2011*: US\$373 million



*2011 figures are preliminary

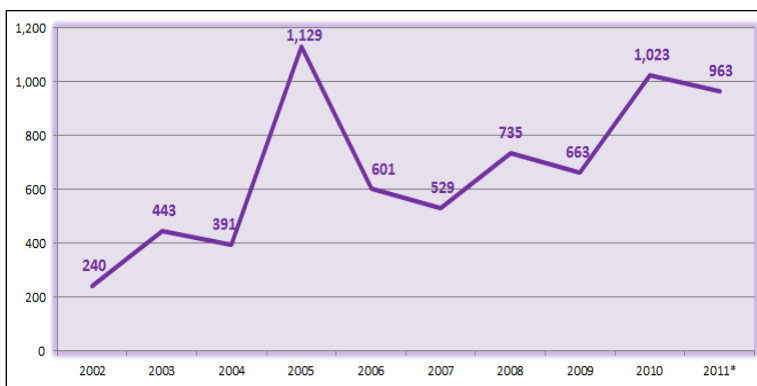


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Other Resources – Emergency, 2002-2011

(USD millions)

- Highly volatile income trend dependent on major global emergencies, e.g.
 - 2004/05: East Asia Tsunami;
 - 2010: Haiti earthquake and Pakistan floods;
 - 2011: Horn of Africa crisis



*2011 figures are preliminary



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Funding Gaps by Types of Emergency Appeals, 2011*

Appeal Type	Target	Funding Gap	% UnFunded
CAP	995,984,775	406,277,311	41%
HAC	462,509,939	236,155,248	51%
FLASH	142,593,863	65,351,333	46%
OTHER	4,965,555	-	-
TOTAL	1,606,054,132	707,783,892	44%

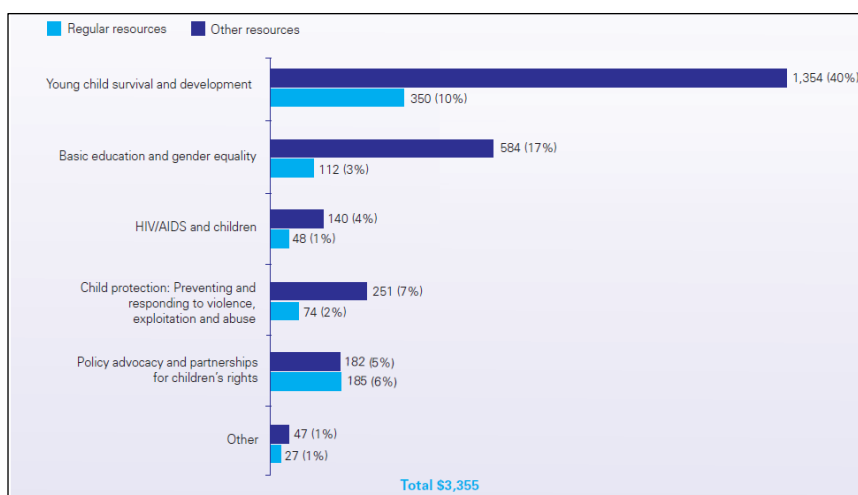
*2011 figures are preliminary

- Significant underfunded rates for emergencies included:
 - **CAP:** Zimbabwe (85% unfunded); Afghanistan (69%)
 - **HAC:** Haiti (100%); CEE/CIS (100%); Eritrea (94%); Uganda (93%)
 - **Flash Appeals:** Pakistan Floods (63%); Cote d'Ivoire (57%)



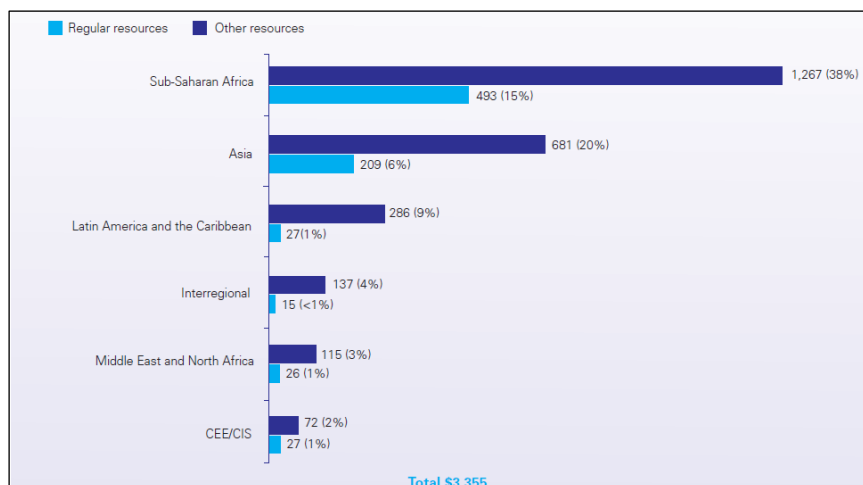
21

Programme assistance expenditure by MTSP focus area, 2010 (USD millions)



22

Programme assistance expenditure by geographic region, 2010 (USD millions)



Narrowing the gaps in MDGs achievement with equity

- UNICEF questioned the conventional wisdom:
 - If the needs are greatest among the most disadvantaged ... and new, more efficient strategies and tools exist to reach them ... might the benefits of concentrating on them outweigh the additional costs of reaching them?
- With partners, UNICEF examined data, literature and country experience on equity approaches to young child survival and development; HIV/AIDS; basic education and gender equality; and child protection
- The outcome: an equity-focused approach is more cost-effective in moving the world towards the MDGs. In low-income, high mortality countries, every additional US\$1 million invested in an equity approach can save up to 60 percent more lives than was possible in the past
- Implementing the equity approach and reaching the most vulnerable is UNICEF's core work. Core regular resources are essential for this core mandate



Thank you!





OVERVIEW OF UNDP INCOME

REGULAR AND OTHER RESOURCES

Orientation session for Member States

Romesh Muttukumaru
Deputy Assistant Administrator

1 February 2012

Bureau for External Relations and Advocacy



SOME BASIC FACTS ABOUT UNDP

- UNDP is a voluntary funded organization
- UNDP is the United Nations' global development network and fulfills two roles: as manager of the UN resident coordinator system; and as a development agency working to achieve sustainable development
- UNDP has a universal presence working in 177 countries; with representational country offices in 127 countries in the world

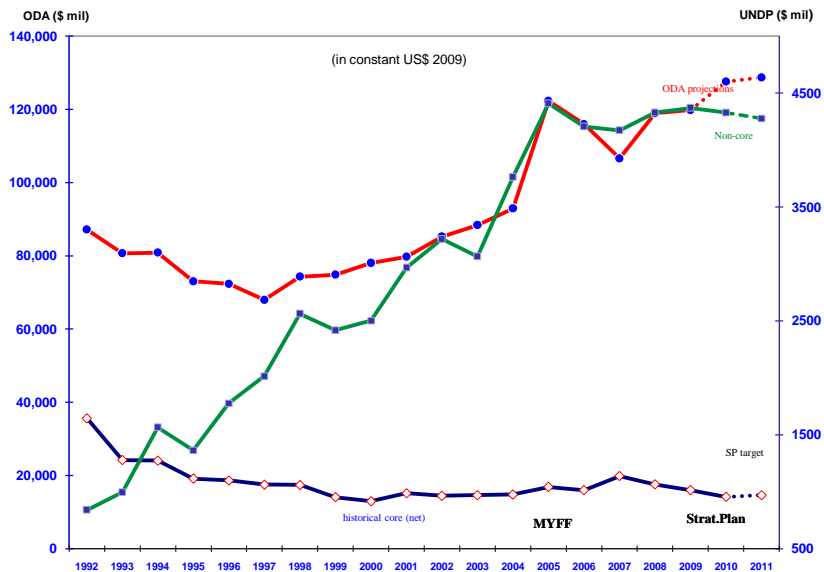


Some key definitions

- Core or regular resources
- Non core or other resources
- Third party Cost-sharing and (vertical) Trust Funds
- Multi Partner Trust Funds
- Government cost-sharing



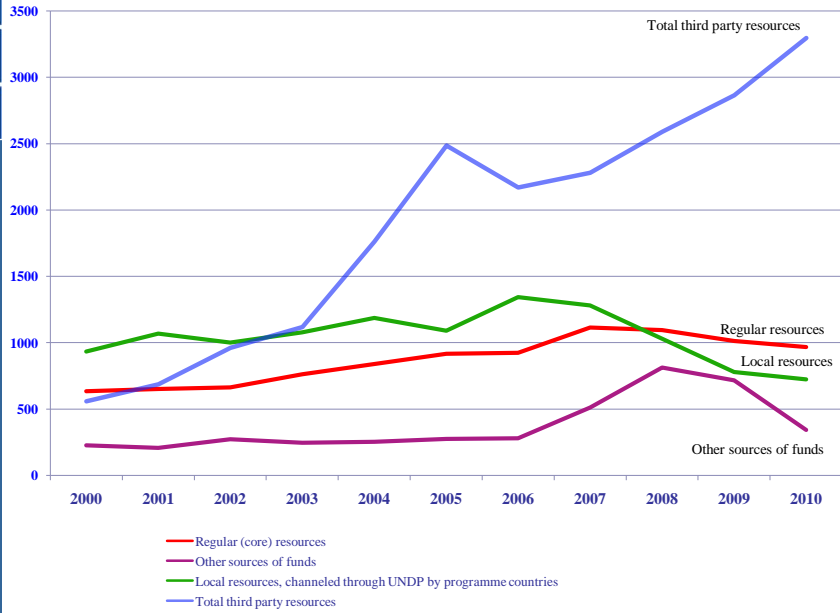
UNDP resources and ODA estimates: 1992-2011





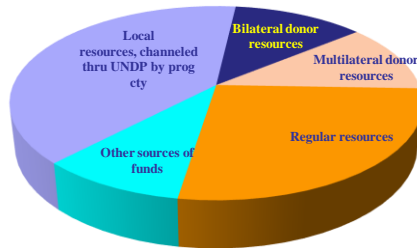
Total income, 2000 - 2010

US \$ million

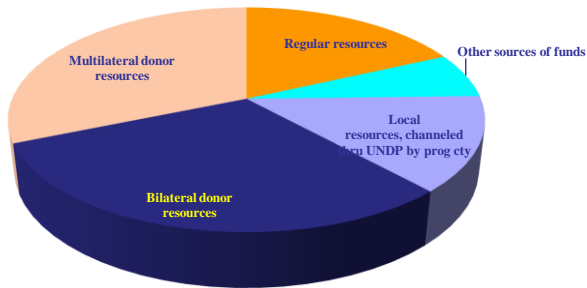


Total income received in 2000 and 2010

2000 (US\$ 2.3 billion)



2010 (US\$5.3 billion)



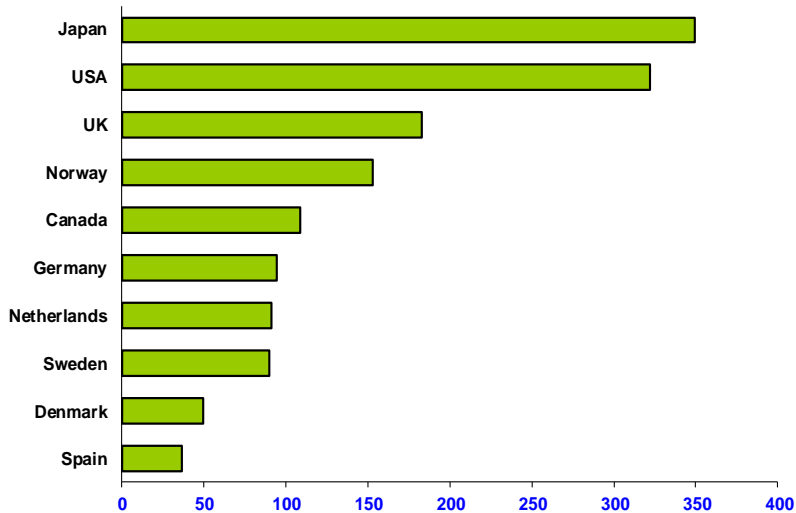


Top donors (contributing \$1 million and more) to regular resources: 2011

Countries	US\$	% share	Countries	US\$	% share
Norway	133,222,959	13.5%	Australia	23,707,774	2.4%
Sweden	105,144,287	10.7%	France	22,643,646	2.3%
Netherlands	93,829,607	9.5%	Ireland	12,652,137	1.3%
United Kingdom	89,708,041	9.1%	New Zealand	6,244,146	0.6%
United States	84,060,360	8.5%	Austria	5,660,911	0.6%
Japan	82,144,552	8.3%	Republic of Korea	5,000,000	0.5%
Denmark	61,924,298	6.3%	China	4,600,000	0.5%
Switzerland	58,133,276	5.9%	Luxembourg	4,174,922	0.4%
Canada	51,145,663	5.2%	India	4,147,590	0.4%
Germany	38,211,152	3.9%	Italy	2,122,842	0.2%
Belgium	29,719,785	3.0%	Saudi Arabia	2,000,000	0.2%
Finland	28,304,557	2.9%	Malaysia	1,155,000	0.1%
Spain	25,884,517	2.6%			



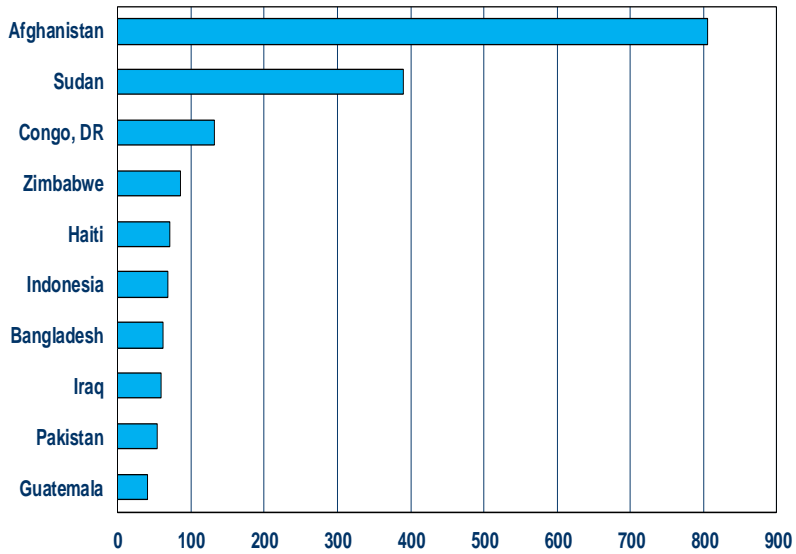
Top OECD/DAC Donors Other Resources In 2010 (US\$ million)





Top 10 recipients of other resources: 2010

US \$ millions



Any questions?



UNITAR Seminar

Overview of the Funding Architecture of UN Operational Activities for Development

New York, 1 February 2012

Kristinn Sv. Helgason and Andrew MacPherson, OESC, UNDESA

1



Presentation outline

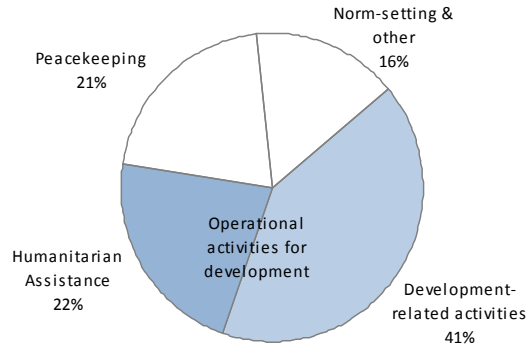
- A. Volume, sources and destination of funding
- B. Key funding trends
- C. Non-core funding modalities
- D. Predictability of funding
- E. Importance of UN operational activities

Kristinn Sv. Helgason and Andrew MacPherson, OESC, UNDESA

2



A. UN system-wide activities (2009)



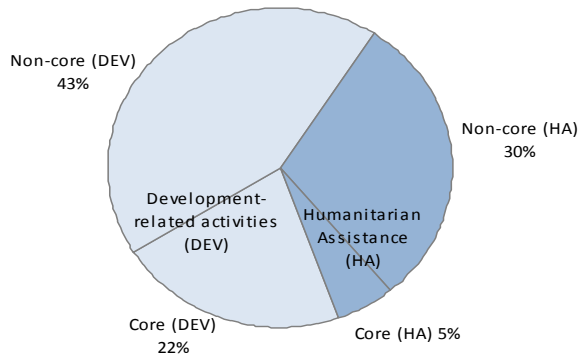
(Based on 2009 contributions to UN system-wide activities (\$34.3 billion))

3

Kristinn Sv. Helgason and Andrew MacPherson, OESC, UNDESA



A. Operational activities for development (DEV & HA, 2009)



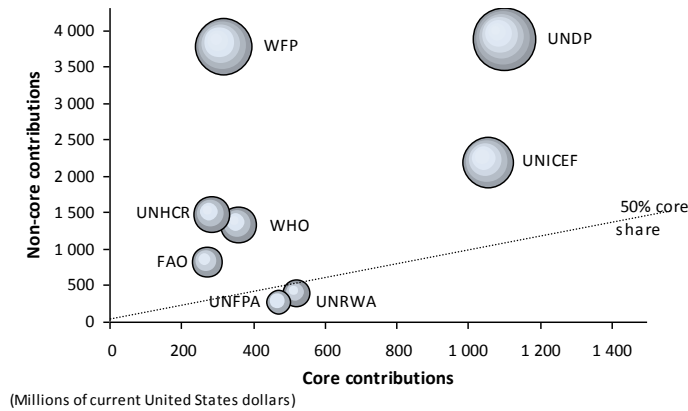
(Based on 2009 contributions which totalled \$21.9 billion)

4

Kristinn Sv. Helgason and Andrew MacPherson, OESC, UNDESA

Economic & Social Affairs

A. Largest UN entities (DEV & HA, 2009)

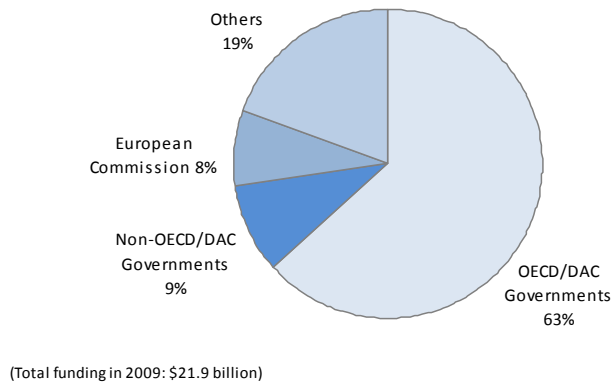


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5

Economic & Social Affairs

A. Sources of funding (DEV & HA, major groups, 2009)

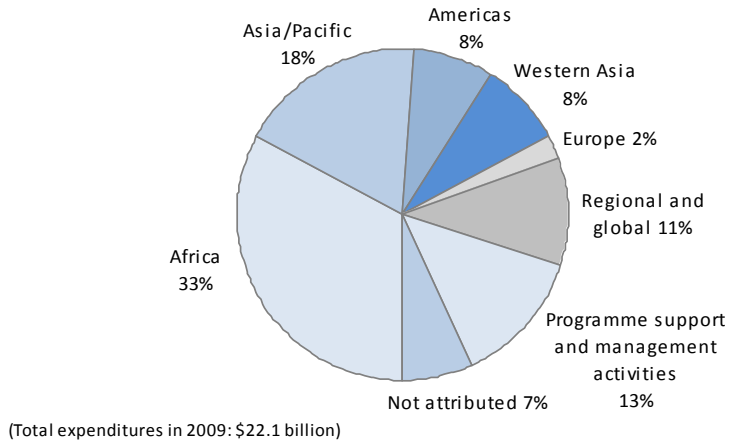


Kristinn Sv. Helgason and Andrew MacPherson, OESC, UNDESA

6

Economic & Social Affairs

A. Destination of funding (DEV & HA, 2009)

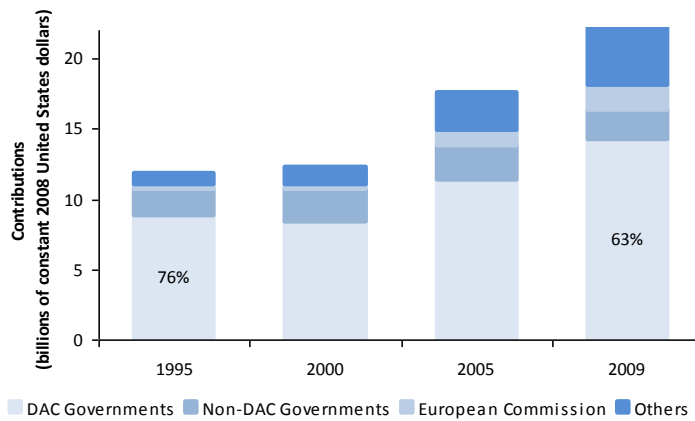


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7

Economic & Social Affairs

B. Trends in the sources of total funding (DEV & HA, major groups, 1995-2009)

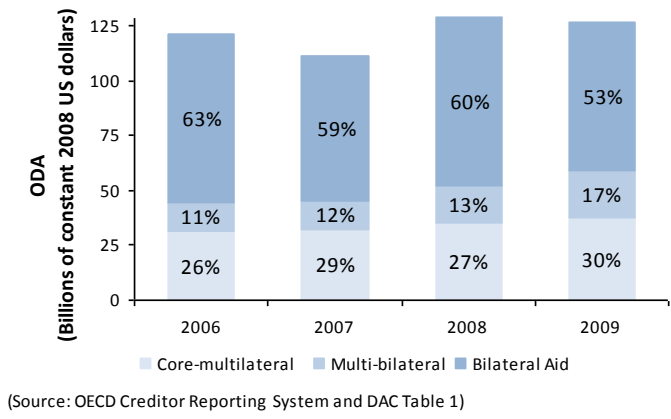


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Economic & Social Affairs

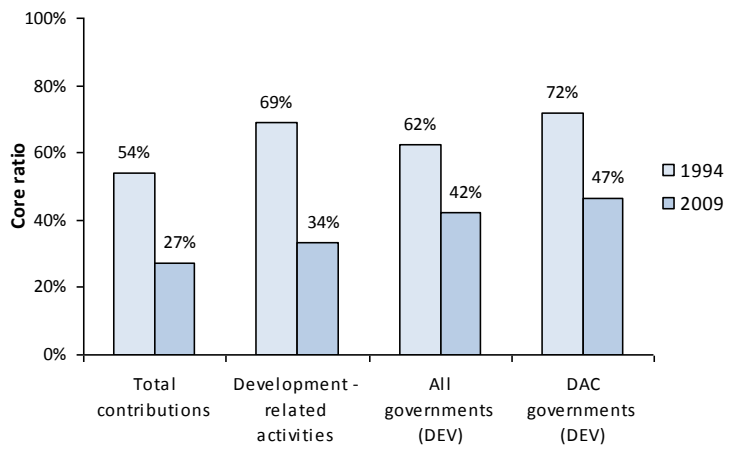
B. Multilateral aid flows as share of total ODA (2006-2009)



Kristinn Sv. Helgason and Andrew MacPherson, OESC, UNDESA

Economic & Social Affairs

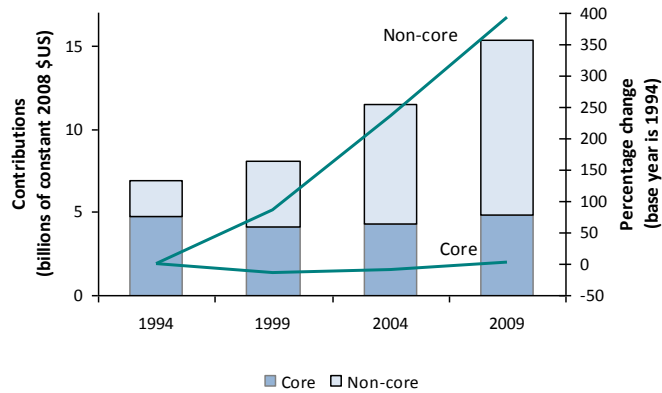
B. Core funding ratios (1994 and 2009)



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B. Trends in contributions (DEV, 1994-2009)

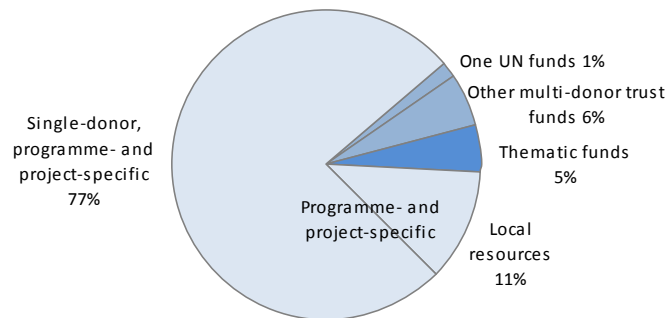


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C. Non-core funding modalities (DEV only, 2009)



(Total non-core funding for development-related activities: \$9.4 billion)

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C. One UN Funds (2009)

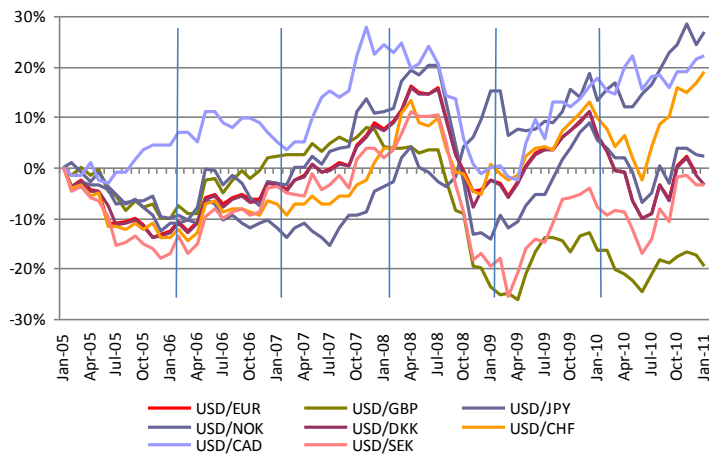
Recipient country	Total ODA (millions of United States dollars)	Total UN expenditures	One UN Fund expenditure	Share of Total ODA	Share of total UN expenditures
				(percentage)	(percentage)
Albania	358	19	3.6	1.0	18.5
Cape Verde	196	11	2.4	1.2	20.9
Malawi	772	123	1.1	0.1	0.9
Mozambique	2013	141	10.9	0.5	7.7
Pakistan	2781	586	1.7	0.1	0.3
Rwanda	934	96	5.8	0.6	6.1
United Rep. of Tanzania	2934	165	16.4	0.6	9.9
Uruguay	51	36	6.7	13.3	18.4
Viet Nam	3744	84	19.7	0.5	23.5
Total/Average	13784	1262	68.3	0.5	5.4

(Source of ODA data: OECD/DAC statistics, DAC Table 2a)

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D. Currency exchange rate movements (major currencies, 2005-2009)

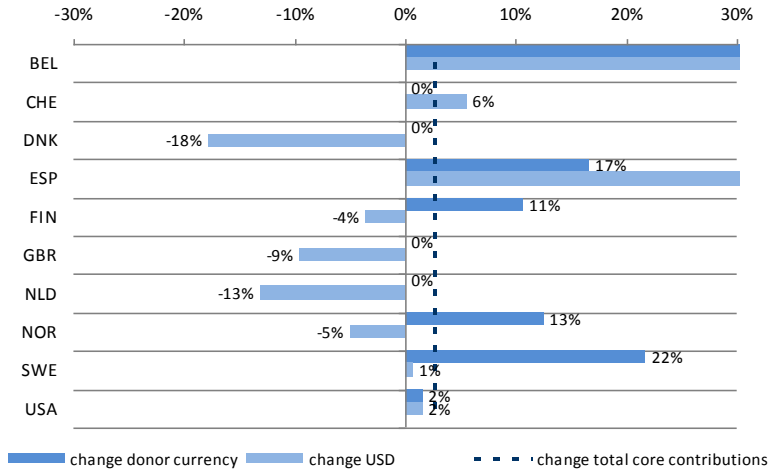


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D. Change in donor currency and US\$ equivalent (UNICEF, core contributions, 2008-2009)

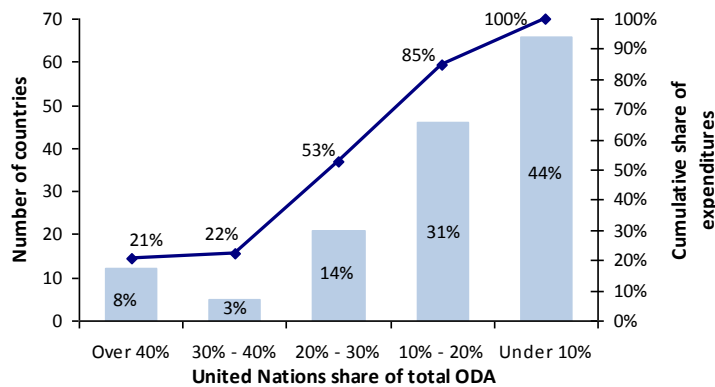


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E. United Nations share of ODA in programme countries (2009)



United Nations data excludes local resources.

Information on ODA obtained from OECD DAC Statistics, DAC Table 2a

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Overview of preparations for 2012 Quadrennial Comprehensive Policy Review of the General Assembly

Assessing the relevance, effectiveness and efficiency of UN operational activities for development

