

## Points To Make

### Introduction

- Thank you, Sanjay, for moderating this session and to my fellow panellists, Elliot and Anita. It's a pleasure to join you today to discuss such a critical area of reform on the last day of OAS.
- We've appreciated the efforts made here in New York and in capitals to focus on **the outcomes rather than the process or politics of establishing the Funding Compact**. The technical track was a strong example of that.
- The real challenge, however, is **making the Funding Compact a reality at country level**. Picking key moments in New York, Rome, Geneva to keep up momentum up across the whole of the UN system will be crucial to making the Funding Compact a success.
- For the UK, this compact is fundamentally about two things. Firstly, **Member States and UN agencies must be convinced of the benefits of behaviour change**. And secondly, and most importantly, it's about **aligning funding with what programming countries are asking** for in their national development strategies.

### Point 1: The Benefits of Behaviour Change

- The UK is the largest contributor to inter-agency pooled funds. Our contributions currently account for over 25% of these funds globally. If we are to shift our funding, we must be able to **articulate clearly** to country offices and ministers the **benefits of donations made to thematic or pooled funds** in place of earmarked funding. We have already for example, doubled our contribution to the Peacebuilding Fund (from 11 m to 22 m USD-approximately) due to its ability to deliver rapid, high-risk interventions to prevent conflict and bridge intra-UN silos.

**In particular, demonstrating results and identifying funding challenges in the new UN Sustainable Development Cooperation Frameworks will be key to changing funding behaviours:**

- This is twofold. One, we need to improve how the discussions in the design and delivery of the Cooperation Frameworks are structured. They need to clearly set out underfunding challenges and pinpoint where the UN should partner with others such as IFIs, like the World Bank and IMF and include where appropriate, humanitarian actors as operations drawdown.
- Secondly, we would like agencies to be able to explain clearly to their Boards how they are stepping up to meet these funding challenges and deliver results **where they are best placed to do so**. For example, UNDP on governance and conflict prevention, UN Women on gender mainstreaming. Articulating this in alignment with a country's development priorities should help make the case for broadening the donor base, another critical component of this Compact.

**Point 2: We must keep up the momentum. Particularly at the country level.**

My second point is that this cannot be simply a New York centred process – contributing Member States, UN agencies, and most importantly programme countries all have a role to play.

- **First, for contributing member states** - Buy-in at the highest ministerial level must be assured -we will continue to discuss this in existing donor groups like Utstein and Geneva, but it is critical that this Compact broadens the discussion beyond traditional donors and for that we should think about new formations. Regular meetings that showcase progress need to take place, and we need to consider what these look like beyond the ECOSOC dialogue.
- The UK for example, has committed to following up progress in our bilateral discussions with each UN agency. And we are working on guidelines for our country offices to better incentivise more pooled funding.

- We are also drawing on the evidence from our payment by results approach, on 30% of our core funding to the development agencies here in New York, to consider flexing more of our funding based on agencies' performance.
- **Secondly, UN Agencies** - Every agencies' structured funding dialogue should include the Funding Compact. For those agencies that are creating dialogues to meet that particular indicator, the compact needs to be built in from the start, and at a high level of ambition. We would, in particular, like to see a **clearer articulation from agencies on the trade-offs between different funding modalities**. What does pooled deliver versus ear-marked versus thematic?
- And critically, how can we support the implementation of the compact across the whole of the UN system? What Rome and Geneva, Paris processes would be well-placed to showcase progress and challenges?
- **Thirdly, programme country governments must be at the centre of this discussion** - we think the RC is well placed to facilitate in-country discussions about the relevance of the Compact. This is particularly true regarding transparency and funding gaps in the UN Cooperation Frameworks. But what format should that sort of meeting take and how can we work together at the country level to bring together donors, UN agencies and the country governments? I would be really interested in hearing from any RCs in the room on this.