



Economic and Social Council
Substantive session of 2015

How to ensure coherence in the funding of operational activities of the UN system for effective realization of the post-2015 development agenda?

New York, February 23, 2015

Speaking Points Switzerland

Switzerland sees two clusters of the current challenges:

- First, agency-specific challenges
- Second, system-wide challenges.

Through agency-specific lenses, for Switzerland the areas where adjustments are necessary in order to allow the various agencies to better fulfil their mandates are obvious:

1. We need a **structural shift towards regular and other resources that are flexible, predictable, less earmarked and aligned to the outcomes of the strategic plan, 2014-2017**. The structured dialogues in general, but also approaches like the UNDP critical mass plus (CM+) concept, the agency specific Integrated Results and Resources Framework and the foreseen review of the cost recovery rate are opportunities to help increasing transparency. This will also allow adapting the agency specific funding modalities with the aim to attract a higher proportion of regular and softly earmarked other resources. These elements are all crucial to allow for **enhanced planning, responsiveness but also accountability, transparency and oversight**.
 2. The **predictability of funding needs to be addressed** through (a) timely announcements and adherence to ideally multi-year pledges and payment plans of
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member states to regular resources but also (b) less volatile funding patterns, be it core, or non-core. Switzerland was in a position to increase its regular resources contribution and engage with most multilateral partners in multi-year pledges in order to improve predictability. However, as we learn from the documentation we all also have to closely look into the volatility dimension of non-core resources. The documentation highlights, for instance, that for non-core resources, 67 per cent of 2013 contributions by main donors either increased or decreased by more than 20 per cent compared to 2012. It is clear that donors have to do their homework and the UN has to set the right incentives that help addressing these topics.

It would be interesting to hear views from the panelists on how this particular challenge could be addressed best?

3. While Switzerland welcomes the progress made **in broadening of the funding base over time**, it strongly urges the UN to continue efforts in this regard, also with a view to new, innovative **multi-stakeholder partnerships allowing leveraging additional finance for sustainable development in particular from private sources**.

Through system-wide lenses, Switzerland wishes to emphasize various elements, namely the (1) Pooled Funding approaches, (2) the Common Budgetary Frameworks, (3) joint resource mobilization strategy, and (4) the lack of a system-wide funding mechanism.

(1) Pooled Funding approaches

Today, only eight per cent of all development related non-core resources are currently being received through pooled funding approaches and there is no significant upward trend. However, in times of universal application of the standard operating procedures, we find the **“One United Nations” funds** merit particular attention. Having a closer look at it, we note that the 2014 One Fund expenditures represent a 37 per cent decline compared to expenditures in 2010 while at the same time the decline in overall UN development-related expenditures in the eight countries with a one fund declined also by 39 per cent. **The question is now, whether this decline is due to decreased attractiveness of the One Fund instrument or due to reduced development needs of the respective countries?** Accordingly, it is almost impossible for us to make well-informed assessments of such tools. Therefore Switzerland would highly welcome if such an analysis could be presented for the **2nd ECOSOC dialogue workshop** on “Funding” that is planned to take place in the second half of April.

(2) Common Budgetary Framework

Only 21% of the Resident Coordinators indicate that a Common Budgetary Framework (CBF) was being used in their country. In spite of the **QCPR mandate to generalize** the use of the CBF, there is far too little progress in this regard. Given also the prominence of the CBF in the Standard Operating Procedures (SOPs) for DaO, we recall this QCPR mandate to be an important funding mandate for the UN at country level.

(3) Joint resource mobilization strategy

Along with establishing a common budgetary framework, a joint resource mobilization strategy would be a means for UN Country Teams to increase the coherence of their activities, avoiding overlaps and instances of unproductive competition. However, we see that joint resource mobilization strategies have been adopted **in a few countries only**.

(4) The lack of system-wide funding mechanisms

In order to coherently and effectively implement the post-2015 development agenda, we may have to come up with creative proposals:

Funding ultimately determines the functions and practical work delivered by the UN development system at country level. The realization of system-wide mandates could be improved through strengthened system-wide funding mechanisms, including those that could bring together development and humanitarian financing where it makes sense.

I would kindly ask the distinguished panelists to share views on such tools like the common budgetary framework and joint resource mobilization strategies but also on a possible system-wide funding mechanism and/or on ways how to bring better together development and humanitarian financing where it makes sense.