

Annex to the Secretary General’s 2016 Report on the Quadrennial Comprehensive Policy Review

Technical note on definitions, sources and coverage

Operational activities for development

Among the entities that constitute the United Nations development system there has been no commonly agreed definition of key terms such as “operational activities for development” and “contributions”.

The Secretary General’s 2016 Report on the Quadrennial Comprehensive Policy Review (QCPR) report defines operational activities for development as those activities carried-out by UN entities for the promotion of development and the welfare of developing countries as the primary objective. They cover both longer-term development-related activities as well as those with a humanitarian-assistance focus and relate to the work of those United Nations funds, programmes, specialized agencies, departments and offices which have a specific mandate in this regard.

Based on consultations with the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD/DAC), the UN specialized agencies have estimated the proportion of their assessed or regular budget revenue that is spent on operational activities for development (see Table 1). These shares have been applied to all the data presented in the SG’s QCPR report and its statistical annex on funding data.

Table 1
Percentage of assessed or regular budget contributions spent on UN-OAD

<i>United Nations Entity</i>	<i>Share</i>
FAO	51%
IAEA	33%
ICAO	0%
ILO	60%
IMO	0%
ITU	18%
UNESCO	60%
UNIDO	100%
UNWTO	0%
UPU	16%
WHO	76%
WIPO	3%
WMO	4%

Funding data on contributions refers to actual funding for operational activities for development received in a given calendar year from Governments and other public and private sources by organizations in the United Nations system. Data on resource transfers from one entity of the system to another are excluded wherever possible to avoid double counting. Data on expenditures represent the support provided by the organizations of the United Nations system for operational

activities for development in developing countries. Contributions and expenditures are expressed in current United States dollars, unless otherwise stated.

Included within the data on expenditures are programme support costs¹. These are costs of activities of a policy-advisory, technical and implementation nature that are needed for achievement of the objectives of programmes and projects in the development focus areas of the organizations. These inputs are considered essential to the delivery of development results, and are not included in specific programme components or projects in country, regional, or global programme documents. UNDP, UNICEF, UN Women and UNFPA refer to such activities as development effectiveness

The designations employed and the presentation of the information in the report do not imply the expression of any opinion whatsoever on the part of the United Nations Secretariat concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The term “country” as used in the report also refers, as appropriate, to territories or areas. A hyphen between dates representing years signifies the full period involved, including the beginning and end years.

System-wide reporting: opportunities and challenges

There are currently three main actors who report on funding for the United Nations system: the United Nations Department of Economic and Social Affairs (UNDESA), the United Nations Chief Executives Board for Coordination (CEB) and the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD/DAC). UNDESA and OECD/DAC focus on operational activities for development, each from a different perspective. CEB focuses more generally on the overall budgetary and financial situation of the entities of the United Nations system.

With regard to access to information, in compliance with General Assembly resolution 63/311, data on contributions and expenditures are obtained from the financial statistics database and reporting system that is managed by the CEB. This central repository of information became operational in 2012 as part of the financial statistics database and reporting system that was developed by the CEB.² Through collaboration, the Department and the CEB secretariat already rationalized and harmonized part of the data collection for the present report.

In a few cases data could not be obtained through the CEB’s financial database. Data on the contributions and expenditures of OHCHR and the Office for the Coordination of Humanitarian Affairs were gathered using their annual report. Funding data for UNDESA, UNCTAD and the 5 regional commissions were collected separately. Data on multi-donor trust funds (MDTFs) were obtained directly from the three entities which reported that they are administering MDTFs – UNDP Multi-Partner Trust Funds Office, UNFPA and UNOPS. When performing funds management services, at the request of partners, UNOPS respects the leading role of UNDP in administering MDTFs in line with the memorandum of understanding covering the UNDP-UNOPS partnership. Data on agency-specific thematic funds and global/vertical funds were collected from the annual financial reports and statements of individual UN entities.

¹ Referred to by some UN entities as “development effectiveness costs”

² See <http://www.unsceb.org/content/statistics>

Core and non-core resources

Core or unrestricted aid is generally seen as the most efficient way of building relevant and effective partnerships with programme countries in the delivery of operational activities for development. Core resources provide the highest quality, flexibility and efficiency of pooled funding. They are critical for ensuring that entities have adequate capacity to deliver on their multilateral mandates and provide continued substantive leadership and innovation around specific goals, advocacy and policy work in addition to programmatic implementation on the ground. Core resources are central to ensuring the United Nations development system’s independence, neutrality and role as a trusted partner in a rapidly changing development cooperation landscape.

Restricted aid in the form of non-core resources, on the other hand, is often seen as potentially distorting programme priorities by limiting the proportion of funding that is directly regulated by intergovernmental governing bodies and processes. Restricted aid is further seen as contributing to fragmentation, competition and overlap among entities and providing a disincentive for pursuing United Nations system-wide focus, strategic positioning and coherence. In addition, restricted aid is found to increase transaction costs, especially because of its predominantly single-donor and programme- and project-specific nature.

Many United Nations entities do not use the terms “core” and “non-core” when classifying contributions. For system-wide reporting purposes, all the above terms are grouped under “core” and “non-core” resources, with the former referring to un-earmarked funding that is used at the sole discretion of the respective United Nations entity and its governing board, and the latter meaning earmarked funding that is directed by donors towards specific locations, themes, activities and operations.

Harmonization of the terms “core” and “non-core” within the United Nations development system is difficult to achieve owing to the different business models adopted by funds, programmes and specialized agencies. Instead, a more pragmatic approach has been used wherein these terms are mapped (see Table 2) against those used in the present report so that it is clear how they relate to each other. UNOPS is not included in this table since it is a fully self-financing service provider which covers its management costs with revenue from its projects.

Table 2
Terms used by different entities for core and non-core contributions

Core	Entity	Non-core	Entity
Regular resources	UNDP, ^a UNCDF, UN-Women, UNV, UNICEF, UNFPA	Other resources	UNDP, UNCDF, UN-Women, UNV, UNICEF, UNFPA
Multilateral contribution	WFP	Directed multilateral contribution	WFP
Regular budget	UNRWA, UNDESA, UN-Habitat, UNCTAD, ITC	Projects and emergency appeals	UNRWA
Regular budget supplementary account	ILO	Earmarked contribution	IFAD, OCHA, UNEP, UN-Habitat, OHCHR
Un-earmarked contribution	UNHCR, ^a OCHA, ^a IFAD, OHCHR	Tightly earmarked	UNHCR, OECD/DAC
Environment Fund	UNEP ^a	Lightly earmarked	UNHCR, OECD/DAC
Core resources	UNAIDS	Extra-budgetary contribution	UNAIDS, UNCTAD, Department of Economic

Core	Entity	Non-core	Entity
General purpose fund Assessed budget	UNODC ^a FAO, ICAO, ILO, ITU, UNESCO, UNIDO, UPU, UNWTO, WHO, WIPO, WMO, ECA, ECE, ECLAC, ESCAP, ESCWA	Special purpose fund	and Social Affairs, ITC, FAO, IAEA, ICAO, ILO, IMO, ITU, UNESCO, UNIDO, UPU, UNWTO, WHO, WIPO, WMO, ECA, ECE, ECLAC, ESCAP, ESCWA UNODC
Voluntary contributions – core	WHO	Technical Cooperation Fund Voluntary contributions – specified	IAEA, ^a IMO ^a WHO

^aAlso receives a regular budget contribution.

Official development assistance (ODA) and other aid

The SG QCPR report makes some references to Official Development Assistance (ODA) when analyses are made to compare UN-OAD with other development assistance. Data on ODA flows are taken from the OECD/DAC database (aidstats.org). The figures reported through the OECD/DAC database are continually being refined. For the purposes of the 2016 SG QCPR report, the amounts used are those that were presented in October 2015. At this time, it was being reported that ODA provided by OECD/DAC governments in 2014 amounted to \$135.164 billion and ODA provided by non-OECD/DAC governments in 2014 amounted to \$16.341 billion. Furthermore, when comparing funding for UN-OAD to total global ODA, debt relief is excluded. In 2014, ODA provided through debt relief totalled \$3.71 billion. Thus, total ODA amounted to \$147.795 billion.

Current versus real terms

In this report, comparisons and trend analyses in “real terms” are based on amounts expressed in constant 2013 United States dollars by applying deflators published by OECD/DAC. These deflators take into account the combined effect of inflation and exchange rate movements.

Monitoring and reporting framework

Economic and Social Council resolution 2013/5 called upon the Secretary-General, in full consultation with the United Nations development system, to further enhance the analytical and evidence-based quality of the QCPR monitoring and reporting system, while keeping transaction costs at a minimum. Throughout 2015, work continued on strengthening the QCPR monitoring and reporting framework. This included refining a few of the indicator values within the framework as well as revising some of the indicators and the sources used to track the indicators in an effort to make each indicator measurable and meaningful. Table 3 below summarizes the adjustments made to the QCPR monitoring and reporting framework during the past year.

Table 3
Revisions made in 2015 to strengthen the QCPR monitoring and reporting framework

Indicator	Change/Issue	Reason
#8: Total core funding	Revision made to SGR 2015 value	Value was previously reported as \$7.218 billion
#10: % share of non-core resources for development-related activities channeled to pooled, thematic and joint-funding mechanisms applied at the global, regional and country-levels	Revision made to SGR 2015 value	Further analysis resulted in a refinement of the estimated share from 9.2% to 9.5%
#13: # of UN funds and programmes ¹ that defined common principles for the concept of critical mass of core resources by 2014	Revision made to SGR 2015 value.	Previously reported 8 out of 22, which included UN entities that are not funds and programmes.
#15: % of UNCTs implementing a common budgetary framework at country level	Revision made to baseline/SGR 2014 value.	Upon double-checking past data, it was discovered that the correct value was 28% (not 21% as previously reported).
#25: % of programme country Governments that 'strongly agree' that UN system uses national monitoring and reporting systems wherever possible.	Baseline/SGR 2014 value was revised from 52.8% to 10.2%	The baseline value of 52.8% presented in the 2014 SG report represented the percentage of programme country Governments that agree – either strongly or somewhat. However, only 10.2% of those Governments that responded to the 2012 survey 'strongly agree'.
#26: % of Resident Coordinators who 'strongly agree' that the UN system uses parallel implementation units as little as possible.	Two changes were made to this indicator: 1) Indicator changed from “% of programme countries...” to “% of RCs...” 2) Wording of indicator changed from “... the UN system avoided using parallel implementation units wherever possible ” to “... the UN system is using parallel implementation units as little as possible.”	1) The question was moved from the programme country government survey to the RC survey. This was done on the basis that some government respondents may not be familiar with the term 'parallel implementation units' and this could have impacted on the quality of the responses. 2) The change in wording does not alter the essential meaning of the indicator, but the new wording is simpler and less likely to be misunderstood.
#31: % of programme country governments who “strongly agree” that UN contributions in the eradication of multi-dimensional poverty and achievement of IDGs is “significant”	Data for this indicator reveals the share of programme country governments that strongly agreed that the UN is effective in ensuring adequate attention and resources are given to the development needs of the poorest and most vulnerable segments of society	It was felt that formulating a survey question using the same language as this indicator would lead to confusion and more subjective answers.

Indicator	Change/Issue	Reason
#34: % of new UNDAFs or equivalents that substantively address south-south and triangular cooperation	SGR2015 figure revised	Indicator 34, collected by PSG, was included in the PSG reporting checklist as: "# of UN entities that integrate south-south cooperation into their strategic plan". Review by DESA revealed that two regions reported on the actual indicator to varying degrees.
#35: % of new UNDAFs or equivalents that have specific results and resources for gender equality	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect (e.g. number of UNDAF previously reported to have been reviewed for SGR 2014 was incorrect)
#39: # of entities that have achieved gender balance among both General Service staff and high-level posts (P4 and above)	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect. UN Women sources this data from CEB, which included UN entities not under the purview of QCPR.
# 41: % of new UNDAFs or equivalents that have effectively integrated disaster and climate risk	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect (e.g. number of UNDAF previously reported to have been reviewed for SGR 2014 was incorrect)
#43: % of countries in which agreements / arrangements/ initiatives exist with key partners including the Bretton Woods institutions for response to crisis	Indicator revised from “#” to “%”	Revised to allow for trend analysis across years where survey response rates varied.
#47: % of UNCTs that have submitted an UNDAF progress report to the national government : once in the past four years	Survey question changed from 2014 to 2015	The survey questions in 2014 and 2015 were identical except that in 2015 the period of reference was five instead of four years, to allow for the entire period of an UNDAF (typically five years) to be covered. This change from 4 to 5 years has slightly increased the percentage of RCs who replied ‘yes’, and decreased the percentage saying ‘no’. However, the change is small, and it remains the case that up to a quarter of all UN country teams may not be providing the Government of their country with such a report.
#48: % of programme country governments that strongly agree that the UN is effective or highly effective in facilitating the participation of civil society and national non-governmental	1) Data for this indicator reveals the % of programme country governments that select the UN as a preferred partner in facilitating the participation of civil society and national non-governmental	1) It was felt that formulating a survey question using the same language as this indicator would lead to confusion and more subjective answers; 2) SGR2015 figure calculated incorrectly (human error)

Indicator	Change/Issue	Reason
organizations in national development processes	organizations in national development processes. 2) Also the SGR2015 figure was revised	
#52: % of UNCTs that indicate that disaggregated data i.e. income level, gender, age, disability, minorities (ethnic, religious, language, etc.) and indigenous people has been adequately used to inform the country analysis stage	SGR2015 figure for “Gender” was revised	After qualify-checking the data a rounding error was found.
#53: % of new UNDAFs or equivalentents that include reference to needs of persons with disabilities in line with UNDG guidance note on including the rights of persons with disabilities in UN programming at country level	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect (e.g. number of UNDAF previously reported to have been reviewed for SGR 2014 was incorrect)
#54: % of UNCTs that have used human rights-based approach as a programme principal in the new UNDAFs	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect (e.g. number of UNDAF previously reported to have been reviewed for SGR 2014 was incorrect)
#55: % of new UNDAFs or equivalentents that include sustainable development as a strategic priority area in line with UNDG programming guidance	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect (e.g. number of UNDAF previously reported to have been reviewed for SGR 2014 was incorrect)
#57: Average number of months needed for preparation process of new UNDAFs.	SGR2015 figure revised	Review by DESA revealed that information provided to DESA was incorrect (e.g. number of UNDAF previously reported to have been reviewed for SGR 2014 was incorrect)
#59: % of programme country governments that ‘strongly agree’ that UNDAF or another UN planning framework has helped to improve focus on results	Data for this indicator reveals the % of programme country governments that ‘strongly agree’ that UNDAF or another UN planning framework has helped to the UN to achieve better results than if each UN agency had planned its support to your country separately	It was felt that formulating a survey question using the same language as this indicator would lead to more subjective answers

Indicator	Change/Issue	Reason
#61:a-d % of UN entities that have ... (M&A system: role of the RC..)	SGR2015 figures revised	SGR2015 values obtained through the UNDG Coordination Support Survey were replaced with results obtained through the DESA UN-HQ survey to allow for trend analysis.
#64: % of governments that are of the view that UN staff (heads of agencies) has the 'right mix of capacities and skills including for high-quality policy and programme advice, and the highest standards of leadership skills'	SGR2015 figure revised	SGR2015 figure recalculated to reflect the indicator in a single data point rather than two (one for capacity and one for leadership) to allow for trend analysis with SGR2016 (which was revised to more closely reflect the indicator). (SGR2015 figure was obtained by adding all the survey respondents that said 'yes' to both the question on capacity and the question on leadership)
#67a: Contributions in cash provided to the RC system	SGR2015 figure revised	Previously reported \$18.8 million, which captured contributions provided between January to June 2014. The SGR 2016 figure represents the total contributions provided in 2014, which is the latest data available for a full calendar year.
#69: % of RCs that 'strongly agree' that the UN system field representatives enjoy sufficient delegated authority to respond effectively and efficiently to national needs and priorities.	Indicator changed from "% of UNCTs by agency with 'very adequate' delegated authority to make decisions on behalf of their agency.	Modified due to the discontinuation of the UNDG Coordination Support Survey.
#72: % of countries with an annual UN Country Results Report	SGR2015 figure revised	SGR2015 figure was previously calculated incorrectly (human error)
#74: % of RCs/ UNCT members who state that in regard to DaO they have received effective support from headquarters	Indicator revised	Indicator modified from "% of UNCTs..." to "% of RCs..." due to the discontinuation of the UNDG Coordination Support Survey. As such, the DESA RC Survey was the source used to collect information for this indicator for the 2016 SGR.
#78 - 81: % of RCs/UNCT members... (regional dimensions)	Indicators revised	Indicators modified due to the discontinuation of the UNDG Coordination Support Survey.
#88 a – b	Indicators revised	Indicators 88a and 88b were revised to reflect and measure progress for effectively. It was learned during the process of collecting this information that, in practice, the indicators as they were previously formulated do not make any meaningful statement on progress in this area.
#88 c-f	Indicators deleted	Indicators 88c – 88f were deleted as common procurement, HR and financial management cannot be measured as such.

Indicator	Change/Issue	Reason
#89: % of countries that are fully HACT-compliant	No value presented	The concept of “HACT-compliant country” has been discontinued. Developing a revised indicator needs to be considered.
#91: % of non-DaO UNCTs producing annual results reports	SGR2015 figure revised	SGR2015 figure calculated incorrectly (human error)
#95: In countries where the Government has expressed interest in receiving support from the UNCT in strengthening national RBM systems, % of UNCTs that responded positively.	Indicator revised and related OP changed from OP166 to OP170	<p>Previous indicator was not measurable for most UN entities.</p> <p>Previous indicator:</p> <p>a) Average % share of total personnel at country level dedicated to RBM and M&E.</p> <p>b) Average % share of total personnel in the HQ-level office dedicated to RBM and M&E</p>
#99: % of UNDAF evaluations for which management response was prepared (from UNDAF group)	Change in data source	See RC survey for detail - page xx (end of survey report)
