

United Nations operational activities for development

UN-DESA Funding Update No. 3 (July 2012)

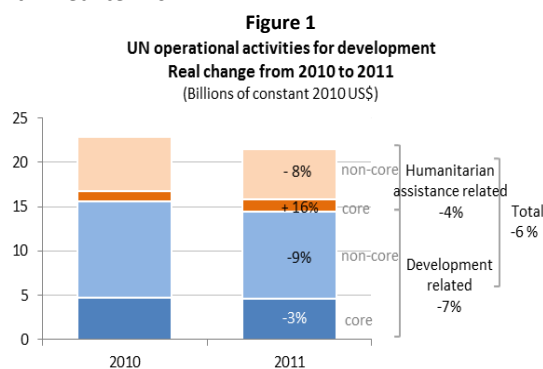
Preliminary data from funds, programmes and specialized agencies indicates that total contributions for United Nations operational activities for development (UN-OAD) in 2011 were about US\$23 billion in nominal terms, same as in 2010, but decreased by an estimated 6 per cent in real terms.

Total contributions decline in 2011 in real terms

Total contributions for UN-OAD in 2011 are estimated between US\$22.8 and US\$23.3 billion. This corresponds to an estimated 6 per cent decrease in real terms compared with 2010, or equal to the drop in total ODA as reported by OECD/DAC¹. This takes into account that exchange rate movements in 2011 have somewhat concealed declines in donor currency terms².

Most of the decline attributed to non-core funding

Total core contributions for UN-OAD are estimated to have increased by some 1 per cent in real terms in 2011. A decline of 3 per cent in core funding for development-related (DEV) activities was offset by an increase of 16 per cent in core funding for humanitarian-assistance-related funding, both in real terms (see Figure 1). The decline in core funding for DEV-related funding is on top of a 5 per cent real decrease in 2010. Non-core funding for DEV-related activities decreased even more in 2011, or by an estimated 9 per cent in real terms compared with 2010. For humanitarian assistance activities only, non-core funding declined in 2010 by an estimated 8 per cent in real terms.



Non-core funding remains highly fragmented

An estimated 90 per cent of non-core funding for DEV-related activities in 2011 was single-donor and programme and project-specific.

Table 1 Core and non-core contributions: 2011

Types of funding	Total		Development-related (67%)	
	US\$ bn	%	US\$ bn	%
Total contributions	23.0	100	15.4	100
Core	6.4	28	4.9	32
Non-core (of which):	16.6		10.5	
Pooled funding	1.6	7	1.0	7
Single-donor, project- & programme-specific	15.0	65	9.5	61

Table 1 shows that pooled funding continues to account for a small share of total non-core contributions for UN-OAD. Transfers to implementing partners from Multi-partner Trust Funds (MPTFs) increased by an estimated 1 per cent in nominal terms in 2011. Meanwhile transfers to One UN Funds, in particular, experienced a nominal decline of 15 per cent. A trend has emerged since 2009 of donors contributing more to MPTFs with a humanitarian assistance-focus and less to DEV-related MPTFs.

Slowing growth trend in total funding since 2006

Between 1996 and 2011, funding for UN-OAD grew at a significantly faster annualized rate than both total ODA³ and core multilateral ODA in real terms.

However, between 2006 and 2011, the average annual real growth in total funding for UN-OAD has been some 2 per cent, mostly humanitarian assistance-related. In the 2008-2011 period, more specifically, total funding for UN-OAD experienced a 1 per cent average annual decline in real terms.

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¹ See A/67/94-E/2012/80 for analysis of 2010 funding flows.

² The 2011 deflator as published by the OECD/DAC was nearly 7 per cent in 2011 compared with 1 per cent in 2010.

³ Excluding local resources and debt relief.