

United Nations operational activities for development

UN-DESA Funding Update No. 2 (June 2011)

Preliminary data from funds, programmes and specialized agencies indicates that total contributions for operational activities for development of the United Nations system increased by 6 per cent in real terms in 2010 compared with 2009, but that unrestricted core funding declined.

Total contributions increased in 2010 despite global economic uncertainties.....

Total contributions for UN operational activities for development in 2010 are estimated between US\$23.0 and US\$23.5 billion, with five of the top six entities experiencing growth.¹ This corresponds with an increase of some 6 per cent in real terms compared with 2009 and higher than the growth of 5.1 per cent in total official development assistance and 3.2 per cent in core multilateral aid as reported by OECD/DAC. Some 65 per cent of total contributions in 2010 were development-related and 35 per cent had a humanitarian assistance focus.

Further analysis is needed to determine the extent to which the growth in US\$ reported funding is attributable to exchange rate movements only.

..... but the imbalance between unrestricted core and restricted non-core resources further increased

Total core contributions are estimated to have decreased by 1 per cent in real terms in 2010, adding to the 4 per cent real decline in 2009. Non-core funding however grew by some 9 per cent. For development-related activities only, total, core and non-core contributions grew by plus 7, minus 2 and plus 11 per cent in real terms respectively. The same percentages for humanitarian assistance were plus 5, plus 4 and plus 5 per cent. The core component of development-related funding in 2010 is now estimated at 31 percent, down from 34 per cent in 2009.

Table 1 Core and non-core contributions: 2010

Types of funding	Total		Development-related (65%)	
	US\$ bn	%	US\$ bn	%
Total contributions	23.4	100	15.3	100
Core	5.9	25	4.7	31
Non-core (of which):	17.5		10.5	
Pooled funding	1.8	8	1.3	8
Single-donor, project- & programme-specific	15.7	67	9.4	61

¹ See A/66/79-E/2011/107 for analysis of 2009 funding flows.

Non-core funding remains overwhelmingly single-donor and programme and project-specific

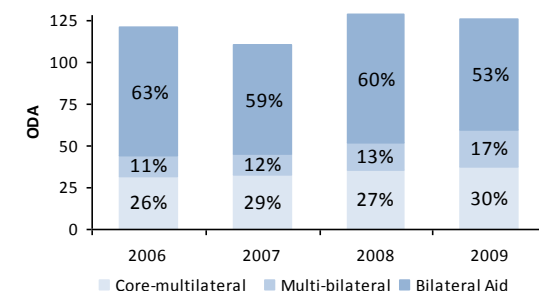
Some 88 per cent of non-core funding for development-related activities in 2010 was single-donor and programme and project-specific.

As for pooled funding modalities, contributions to Multi-donor Trust Funds in general decreased by 57 per cent in real terms in 2010, mainly due to a sharp decline in commitments to the MDG Achievement Fund. Contributions to One UN Funds also decreased by an estimated 15 per cent in real terms.

Growing share of total ODA channelled through the multilateral system

The share of multilateral aid of total ODA has grown from 37 to 47 per cent between 2006 and 2009. Both core and non-core ("multi-bi") funding contributed to this higher share (see Figure 1). The UN development system accounted for some 33 per cent of such total multilateral aid in 2009 compared with 30 per cent in 2006.²

Figure 1 Multilateral aid flows as share of total ODA: 2006-2009 (in billions of constant \$US)



(Source: OECD Creditor Reporting System and DAC Table 1)

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² Excluding local resources, South-South contributions and non-governmental and private contributions not reported by OECD/DAC.