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2024 UNITED NATIONS PLEDGING CONFERENCE**

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[ECOSOC Chamber]

**Statement by Mr. Navid Hanif
Assistant Secretary-General
UN DESA**

Excellencies,
Distinguished delegates,
Ladies and Gentlemen,

I would like to give an overview of the quantity and quality of funding to the United Nations development system, as presented in the addendum to the Secretary-General's report on the implementation of the QCPR.

In 2022, total funding to the United Nations development system for operational activities amounted to \$54.5 billion. This represents an increase of 17 per cent compared to 2021. This increase in funding can be entirely attributed to a growth in non-core or earmarked funding.

This latest trend is a continuation of a longer-term trend. Contributions to the UN development system has more than doubled, in real terms, over the past 10 years, primarily because of the growth in non-core funding.

Consequently, core resources now account for just 16.5 per cent of total funding to the United Nations development system, the lowest core share ever.

The growing imbalance between core and non-core resources was a catalyst for the 2019 funding compact between UNSDG and Member States. Addressing this imbalance remains a core objective of the renewed funding compact which was negotiated in recent months.

This low proportion of core funding poses a threat to the coherence and effectiveness of the United Nations development system's work.

Certain forms of earmarked funding can help drive joint action across UN entities, such as contributions to inter-agency pooled funds. Such funding more than doubled between 2015 and 2021, before there was a slight decline of 4 per cent in 2022.

However, further improvements are needed, including by the UN development system, to design and promote these funds. In 2022, contributions to inter-agency pooled funds accounted for under 9 per cent of total non-core contributions to development activities. And the flagship Joint SDG Fund remains significantly underfunded.

This, together with the low share of core funding, has led to UN entities chasing projectized funding, which inevitably leads to competition for donor resources among entities.

Excellencies,
Distinguished delegates,

Diversifying the funding base is another top priority for UN entities. Despite a positive trend in the quantity of funding in recent years, the funding base of the UN development system still relies heavily on a limited number of donors.

In 2022, the 3 largest government contributors – the United States, Germany, and the United Kingdom – accounted for over 40 per cent of all funding to the UN development system. The top 10 government providers account for 60 per cent of all funding.

Some positive signs can be observed when looking at the funding base. Host country governments contributed \$4.2 billion to the UN development system in 2022. This represents a 42 per cent increase, in real terms, compared to the start of the SDG era in 2015.

Included in this, core contributions received from host country governments increased by 85 per cent since 2015.

Funding received by host country governments are often in the form of local resources, which are contributions from host governments in support of United Nations activities in their own country. While such funding is non-core in nature, and often tightly earmarked, it can be viewed as a sign of national ownership of the United Nations programmes, as governments are investing in sustainable development in their own country, through the United Nations.

Contributions from host country governments have helped to alleviate some of the high dependency that the development system has on its more traditional donors. Such contributions can also be seen as an indication of widespread appreciation of the value of the UN development system support, and more broadly, Member States' commitment to the 2030 Agenda.

It is also important for the UN development system to expand its funding base beyond governments, including the private sector and other multilateral organizations.

Contributions received from the private sector have seen a robust increase since 2020, growing by 63 per cent to nearly \$4 billion by 2022.

Meanwhile, funding from international financing institutions tripled in the same two-year period to surpass \$2 billion in 2022.

Excellencies,
Ladies and Gentlemen,

Allow me to provide a brief overview of where the UN development system resources are spent. The development system's activities are highly concentrated in a relatively small number of countries. For instance, the 25 largest programme countries from a financial perspective account for about two-thirds of all UN development system resources spent at the country level.

On the opposite end of the spectrum, the 62 smallest programme countries, together, accounted for under 3 per cent of the UN development system's total country-level spending.

Just over half of the country level expenditure benefitted the least developed countries. More broadly, the past few years have seen the UN development system significantly scaling up its activities in countries in special situations. Between 2018 and 2022, spending on operational activities for development in SIDS increased by 71 per cent, in landlocked developing countries by 53 per cent, and in least developed countries by 52 per cent (all in real terms).

In middle-income countries, the UN development system has increased spending by 58 per cent during this four-year period.

Mr. President,
Excellencies,
Ladies and Gentlemen,

In summary, the data I have highlighted today, underscores the fact that attracting high quality funding continues to be a major challenge for the United Nations development system. This highlights the importance of the funding compact and the need for mutual accountability to be what drives a shift in funding patterns and impact.

I thank you for your attention.