



Permanent Mission of Norway
to the United Nations



CANCILLERÍA

Permanent Mission of Colombia to the United Nations

INVITATION

On the occasion of the ECOSOC Operational Activities for Development Segment,

The Permanent Missions of Colombia and Norway

have the pleasure of inviting all delegates, experts and UN-staff to

a side-event on

Financing the UN Development System - Why funding modalities are critical to reform

Tuesday 27 February 2018

1:15 – 2:45 p.m.

Conference Room 11, UNHQ

A light lunch will be served by the Vienna Café from 1:00 pm.

Programme:

The co-hosts, Ambassador María Emma Mejía Vélez (Colombia) and Ambassador Tore Hattrem (Norway), will deliver opening remarks.

- **Mr. Nikolai Astrup**, Norwegian Minister of International Development.
- **Mr. Bruce Jenks**, Senior Advisor, Dag Hammarskjold Foundation: Why the way we fund the UN development system is integral to reform.
- **Ms. Jennifer Topping**, Executive Coordinator, UN Multi-Partner Trust Fund Office: How pooled funding can contribute to a repositioning of the UNDS.

After the introductions, the floor will be opened for a Q & A session and an interactive discussion.

Please find attached a concept note.

Financing the UN Development System – Why funding modalities are critical to reform

How is the UN Development System (UNDS) financed – some facts and figures:

- The total budget for operational activities for development (OAD) in 2015 was US\$ 27 billion, with US\$ 21 billion going to five funds and programmes within the UNDS.ⁱ
- During the 15 year period from 2000 to 2015, the share of development-related funding provided as core resources dropped from 47 % to 29 %.ⁱⁱ
- The share of non-core resources increased, and by 2015 91 % of all non-core funding was earmarked for specific projects, while 6% was inter-agency pooled funds and the remaining 3% were thematic funds.ⁱⁱⁱ
- The contributions from member states to the UNDS budget remain uneven. For UN Operational Activities in 2015, the top ten donors accounted for 73% of total contributions, and the top three donors (UK, US and Japan) for 47%.

How does funding modalities affect the system’s ability to deliver?

The longer-term trend in the funding of OAD shows significant growth in the volume of flows, but also a change in the character of those flows. Contributions in the form of non-core resources have grown six times faster than core contributions during the past 15 years. This has resulted in an increasing share of non-core resources, with most of the resources earmarked strictly for specific projects and activities.^{iv}

This trend comes in spite of a recognition by member states that high levels of earmarked funding may cause fragmentation within the system in reaching common goals, as well as unproductive competition and overlap among entities, and an acknowledgement that the trend of reduced core financing needs to be replaced by softer earmarked financing and a strengthened use of pooled funding.^v

The quality of non-core funding could be improved by increasing contributions to inter-agency pooled funds and loosely earmarked (agency-specific) thematic funds. Inter-agency pooled funds have proved to be well suited to support integrated approaches, such as those expected for the implementation of the 2030 Agenda. Agency-specific thematic funds support the strategic plan outcomes of entities and enable the flexibility to reallocate resources to underfunded priorities.^{vi}

The Secretary-General’s proposed funding compact

The Secretary-General stresses that the UNDS cannot reposition itself to help member states reach the SDGs and Agenda 2030 without an alteration of the financing mechanisms as a basis.

In his reform proposal, the Secretary-General has proposed a funding compact – a financing agreement between member states and the UNDS “to match the boldness of the 2030 Agenda with decisive action on the way funds are allocated to and disbursed by the system”^{vii}. Key elements of the proposal are requests to member states to increase the share of core-funding and increase contributions to inter-agency pooled funds and agency-specific thematic funds.

Some questions for discussion:

- The United Nations development system is unique in its dependence on earmarked funding.^{viii} How does this affect the multilateral nature of the system?
- What kind of consequences does the growing imbalance between core and non-core resources have for the ability of the UNDS to deliver on the 2030 Agenda?
- How can softer earmarking of non-core resources, in particular through more pooled funding, contribute to a repositioning of the UNDS?
- How can a funding compact give member states incentives to provide higher quality, less earmarked funding?

Speakers:

Mr. Nikolai Astrup assumed office as the Minister of International Development on 17 January 2018. In 2009, Mr. Astrup was elected as a Member of the Norwegian Parliament, representing the Conservative Party. Mr. Astrup's educational background involves studies in International Relations and a master's degree in European Politics and Governance from the London School of Economics.

Mr. Bruce Jenks is a senior adviser at the Dag Hammarskjöld Foundation and has been an adjunct professor at the Columbia University School of International and Public Affairs since 2010. Earlier, Dr. Jenks has served as Assistant Secretary General at UNDP, working with outreach to donors and resource mobilization.

Ms. Jennifer Topping is the Executive Coordinator of the UN Multi-Partner Trust Fund Office as of August 2015. Prior to this, Jennifer served as the UN Resident Coordinator and UNDP Resident Representative in Mozambique and held the position of Director of Resource Mobilization at UNDP Headquarters in New York.

ⁱ Toppings and Jenks: *Financing the UN Development System: Pathways to Reposition for Agenda 2030*. Dag Hammarskjöld Foundation, 2017.

ⁱⁱ A/72/61-E/2017/4. *Implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding analysis. Report of the Secretary-General.*

ⁱⁱⁱ A/72/61-E/2017/4

^{iv} A/72/61-E/2017/4

^v A Res 71/243. *Quadrennial comprehensive policy review of operational activities for development of the United Nations system.*

^{vi} A/72/61-E/2017/4.

^{vii} A/72/684-E/2018/7. *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet.* Report of the Secretary-General, 21 December 2017.

^{viii} Toppings and Jenks. 2017.