

Rethinking the funding and financing strategies to deliver 2030 Agenda

Sustainable development goals are ambitious and cross cutting with much broader scope. Hence, the resources needed to achieve SDGs are estimated not in billion rather in trillions dollars.

In view of this, the Addis Ababa Action Agenda calls for comprehensive approach to financing the 2030 Agenda. Similarly the UN Development System (UNDS) needs to transform itself to one that is coherent and integrated, efficient, effective, accountable, transparent and results oriented to play its roles in fulfilling the 2030 global agenda.

Having said this, I am very pleased to reflect my perspectives on three points of this important agenda

How to adequate and sustained resources be mobilized for delivering 2030 Agenda?

Adequate and predictable financing is at the heart of realizing Agenda 2030, which requires both traditional and new approaches to be leveraged including innovative financing to diversify the resource mobilization base. Thus, the UN Development system financing strategy integrates both public and private funding streams and involves possible range of resource partners (Governments, international financial institutions (IFIs), foundations, businesses and individuals) to able to mobilize adequate, sustained, flexible and predictable resources for SDGs implementation.

In view of this, it would be required to maintain assessed and core contribution as primary source for UNDS. That is why we believe as developing countries that Core resources should be maintained as the bedrock for UN development system). Thus, introduce or scale-up assessed contributions are needed and Core resources should also be increased for supporting development intervention. This could be possible by enhancing a UNDS delivery capacity and reporting system being effective, efficient and transparent. Delivering result and communicate them with donors is really important for mobilizing additional resources. Besides, the accountability and transparency mechanisms of UNDS entities must ensure that they reliable in building trust with existing and potential funding partners.

Furthermore, it is now a time for UNDS to engage in negotiated pledges to mobilize additional core resources for SDGs implementation.

On the other hand, UNDS would also serve as innovative financing mechanism to support the capacities of developing countries in matching private source of financing with public source. Likewise, the UNDS would also need to look “beyond aid” and analyze all resource flows, which can support investment in sustainable development at the national level. Therefore the UNDS should enhance the capacity of member states to able to mobilize resources from various sources including domestic one.

Before and above all that, UN system should enhance its own capacity first to able to raise funds from all sources while maintaining the core resource as bedrock.

How to enhance the quality of funding and make earmarked funding more effective?

Since non-core resources has led to competition and fragmentation within the system and with the diverse funding sources for international development cooperation continuing to come through earmarking, it is imperative for the UNDS to be coherent in funding arrangement as well.

First and foremost solutions would be adopting an integrated strategic planning with budgeting frameworks across the board, which including both core and non-core resources. This provide a holistic financial picture and compensates for the lack of balance between core and earmarked income by finding ways of increasing qualities of earmarked resources to make them more ‘core like’.

At the country level the UNDAF and related results and budgetary frameworks in most programme countries, along with the adoption by some countries of the DAO approach, have helped towards strengthening the quality of system-wide resource planning, including enhanced engagement with funding partners at the local level.

In Ethiopia, the subsequent UNDAF cycles, have been increasingly in alignment to our national plans and strategies. Likewise, **Ethiopia has been one of the pilot countries to implement the Delivering as One (DAO) model.** This initiative has indeed improved UNCT Ethiopia partnership with various development partners in mobilizing resources for joint programs (Gender JP program and DRS JP)

The second step would be revisited the approach to non-core resource through

1) Thematic Funds (usually UNDS entity specific):

This would be increase the flexibility in the use of the resources as long as the activity is within the thematic area of the fund. The fund would be open to all interested funding partners including non state actors (private sectors and foundation and others)

- 2) *Pooled Funds (UNDS system wide)*: One of the potential advantages of using this mechanism for system wide would reduce internal competition for funding significantly. Such funds could be established at the global or country level.

For that matter, a system-wide commitment among all UNDS entities required to shape donors to channel earmarking non-core resources via either pooling fund or thematic fund to increase the quality of funding which can convinced the donors by making the system more transparent, efficient and responsive.

How to better and effective resource allocations in place for realization of no one leave behind objective of 2030 agenda?

Lastly, resource allocation is really matter for realizing 2030 agenda. Since most of vulnerable communities are living in least developing countries, half of the mobilized resources should be allocated for these regions if we really need to meet the objectives of no one leave behind. Thus UNDS should commit itself to live up to this international agreement and promise.

Finally, the key messages which I would like put on the table is whether to increase core resources or to enhance the quality of funding, UN system should be more transparent including in reporting result and giving more attention value for money, efficient and responsive. In addition to that, create long term partnership with the potential funding partners with both state and non- state actors are required not an ad hoc engagement with them.

Therefore, mobilizing more resource from various sources, enhancing the quality of funding and better resource allocation for least developing countries are the home works of UNDS to play its part in delivering 2030 agenda.

I thank you so much.