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**Operational activities of the United Nations**  
**for international development cooperation:**  
**follow-up to policy recommendations of the**  
**General Assembly and the Council**

## **Implementation of General Assembly resolution [75/233](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding compact for United Nations support to the Sustainable Development Goals**

### **I. Funding compact for United Nations support to the Sustainable Development Goals**

1. At the Sustainable Development Goals Summit held under the auspices of the General Assembly on 18 and 19 September 2023, world leaders recognized the urgent need for bold, ambitious, accelerated, just and transformative action on sustainable development. Achieving the Goals by 2030 requires strong multilateralism. While the primary responsibility for their achievement lies with Member States, the United Nations is uniquely placed to provide tailored support to Governments to drive progress through its global reach and advocacy function, its diverse policy support expertise, its unparalleled convening power and its ability to support Governments in accessing and leveraging financing for sustainable development.

2. Strong multilateralism, however, requires strong funding. With global challenges growing in scale and complexity, the United Nations development system is facing overwhelming demand but persistent underfunding to address the challenges effectively. Despite global commitment to the 2030 Agenda for Sustainable Development, funding for United Nations sustainable development activities did not see significant growth between 2015 and 2022, while official development assistance increased by approximately 56 per cent over the same time frame. In the absence of significant growth in the volume of contributions to United Nations development activities, the need for changes in the type of funding provided and diversification of the donor base is even more urgent.

\* [A/79/50](#).



3. Current high levels of earmarking, in particular to specific projects, limits the United Nations development system's ability to respond strategically to national priorities, offer integrated policy solutions, build resilience and reduce risk, and respond to development crises with agility and speed. It also increases transaction costs, fragmentation, volatility and competition among entities – and ultimately undermines the capacity of the United Nations development system to support the achievement of the Sustainable Development Goals in an effective, coherent and efficient way. The United Nations is the multilateral institution with the highest share of earmarked funding. In 2022, 83 per cent of the Organization's resources for development and humanitarian activities were earmarked, while the corresponding figure was significantly lower for other multilateral institutions such as the World Bank Group, the International Monetary Fund and regional development banks.

4. It is therefore essential that Member States take concrete and timely steps to improve the quality of their funding to the United Nations development system, in particular by: (a) strengthening core funding and increasing the flexibility and predictability of non-core funding; (b) increasing contributions to inter-agency pooled funding; (c) aligning contributions with priorities and needs outlined in strategies and budgets and in United Nations Sustainable Development Cooperation Frameworks at the country level; and (d) harmonizing requirements across donors.

5. At the same time, the United Nations development system needs to continue to take active steps to strengthen its accountability to Member States and build their trust. In line with the ongoing reform of the system, it is essential that United Nations entities: (a) strengthen the accountability and transparency of results, funding needs and expenditure; (b) work seamlessly as one system to mobilize resources for and contribute to integrated and accelerated achievement of the Sustainable Development Goals; (c) give clear visibility to the outcomes and impact achieved through core and flexible funding; and (d) deepen the achievement of efficiencies within and across entities to increase resources for programmes instead of administrative costs.

6. The funding compact is a shared responsibility of Member States and the United Nations development system and contains interdependent and mutually reinforcing actions for each. Flexible funding is a necessary enabler of an effective United Nations development system, and an effective system itself serves as an incentive for providing better quality funding. The commitments set out below call for implementation by Member States and United Nations entities, both individually and collectively. Ultimately, the funding compact represents the universally shared commitment, at the highest levels, to the Charter of the United Nations and to achieving the 2030 Agenda. It represents a non-binding instrument for voluntary action by individual Member States, other cooperation partners and United Nations development system entities.

## **II. Mutual commitments of the funding compact**

### **A. Objective 1: a more strategic and responsive United Nations development system, supporting the achievement of Sustainable Development Goal results in accordance with national development needs and priorities and anchored in intergovernmentally agreed United Nations principles, norms and standards and the Charter of the United Nations**

7. The United Nations development system has always had a mixture of operational and normative policy support functions, but most of its expenditure and country-level capacities have long been concentrated on direct service delivery

through projects. In large part, this is due to the extent to which funding to the United Nations is earmarked. While earmarked funding can provide important resources for specific initiatives or projects, it can also present significant challenges for the Organization when it comes to meeting Member State expectations on delivering strategic and comprehensive support for achieving the Sustainable Development Goals. Tightly earmarked funding can impede the ability of United Nations entities to be responsive and tailored in their response to national needs and priorities and respond agilely and quickly to socioeconomic emergencies.

8. Core resources represent the most flexible and strategic funding to the United Nations development system. Core funding is essential for the ability of the United Nations to offer the type of cross-cutting, holistic sustainable development solutions that the 2030 Agenda requires. It enables the Organization to scale up its normative, convening, policy advocacy, leveraging and capacity-building functions. In addition, core funding can help to reduce administrative costs and increase strategic impact. The very low growth in core contributions relative to earmarked contributions poses a real threat to coherence and effectiveness in United Nations development work. It is critical that core resources are increased as a share of the Organization's development funding and that these contributions are predictable – in particular through multi-year agreements wherever possible – and from a broad base of Member States and other funding partners.

9. At the same time, there are varying degrees of earmarking attached to different funding instruments. Some earmarked funding can offer higher levels of flexibility and therefore greater opportunities for collaboration and strategic results. Whether contributions are to a specific entity or to an inter-agency pooled fund, whether they are for a specific country or countries or theme, there is scope for this funding to be as flexible as possible by supporting the overall strategic results of a particular plan or programme. The annex to the present document shows the typologies of funding, with distinctions between degrees of earmarking.

10. Voluntary funding to the United Nations development system is currently highly dependent on a limited number of contributors, with the top 10 Member State donors accounting for approximately 50 per cent of the total. Such reliance on a small set of funding sources increases budget vulnerability. There is a need for the United Nations to continue to diversify the funding base, including from a broader set of Governments as well as through strengthened partnerships with the private sector, international financial institutions and development banks, vertical funds and other multilateral organizations.

11. United Nations development system entities need to be ready to translate more flexible funding into tangible transformative results on sustainable development, above all for the eradication of poverty in all its forms and dimensions, including extreme poverty. The Organization needs to fully harness and rapidly scale up its policy support and advocacy for sustainable development (at the request of countries and in accordance with their own policies and priorities for development). It also needs to convene stakeholders for strong partnerships, identify and leverage multiple sources of sustainable development finance and support capacity-building in Governments, institutions and civil society. It needs to be able to clearly show the results, including outcomes and impact, of this work at all levels. United Nations country teams will support and advocate the implementation of intergovernmental normative agreements and conventions, at the request of and in coordination with the host Government, as well as fully operationalize system-wide action plans.

12. The results generated by core and flexible funding must be given clear visibility so that Governments can be accountable to citizens for their contributions. Contributors of core funding should be kept engaged in partnership dialogue

processes at the country level, alongside those providing earmarked funding to country activities. Furthermore, better systems are needed to ensure full transparency, accountability and strong quality of reporting to Member States, including on the links between expenditure and results. Regular results reporting to governing bodies, host Governments and development partners is particularly critical, augmented by independent system-wide evaluation.

13. Therefore, in support of a more strategic, responsive, impactful and principles-based United Nations development system, Member States should:

(a) Increase the share of United Nations entity budgets funded by predictable core or unearmarked resources;

(b) Enhance the flexibility of non-core funding commitments, including at the country level.

14. At the same time, and towards the same objective, United Nations development system entities will:

(a) Clearly demonstrate the contribution of the United Nations to Sustainable Development Goal results;

(b) Ensure visibility and recognition for all core and flexible contributions, and the transparency of funding needs, budgets and expenditure against results.

## **B. Objective 2: a more collaborative and integrated United Nations development system, working in partnership to address complex sustainable development challenges**

15. The integrated nature of the 2030 Agenda requires a United Nations development system that can deliver together, avoiding silos and competition for resources and driving collective results that leave no one behind and reach the furthest behind first. This fundamental objective is at the heart of the reform of the United Nations development system led by the Secretary-General and repeatedly called for by Member States. Under the leadership of resident coordinators, United Nations country teams are now optimally positioned to act as catalysts to propel progress on sustainable transitions for the acceleration of the Sustainable Development Goals – but further action is needed to ensure that both funding and United Nations development system entities facilitate joint work and adequately support coordination.

16. Inter-agency pooled funds are key instruments to provide strategic, predictable and flexible non-core funding and to enable a shift from fragmented and rigid silos towards integrated and coordinated action. When well designed, capitalized and operationalized, these pooled funds can act as gravity centres to improve aid effectiveness, increase alignment among a wide range of actors and reduce transaction costs for Member States and implementing partners.

17. At the global level, the pooled funding model leverages the comparative advantages of United Nations entities while pursuing a diversified portfolio linking global to country-level efforts. The Joint Sustainable Development Goals Fund stands as the Organization's premier innovative funding mechanism, strategically designed to catalyse profound policy transformations and ignite the strategic investments essential for putting the world back on course to achieve the Goals. The Peacebuilding Fund is the Organization's leading instrument for the provision of fast, flexible and catalytic support for national prevention and peacebuilding priorities, focused on inclusion, especially of women and young people, sustaining gains from peace operations and cross-border approaches. Both these funds – along with other global-level pooled funds of a thematic nature – require increased capitalization from

voluntary contributions if they are to meet the high ambitions and global demands for their support.

18. Country-level pooled funds are important strategic instruments to facilitate partnership and incentivize joint action across United Nations country teams. These pooled funds can provide resident coordinators with a partnership platform to enable the resourcing of strategic elements of United Nations Sustainable Development Cooperation Frameworks, ensure alignment with national priorities and needs, establish strategic dialogues with stakeholders on key issues and facilitate transformative policy shifts for the Sustainable Development Goals. Increased contributions to pooled funding will need to be complemented by buy-in and ownership of such funds by United Nations entities and steps to further increase the quality features of such funds, as well as evaluations and enhanced results-based reporting on such mechanisms.

19. Since the repositioning of the United Nations development system in 2019, the Organization has taken great strides to work as one system, with empowered resident coordinators, to deliver the coherent, effective and efficient support needed for the Sustainable Development Goals. But challenges remain, and the United Nations must accelerate its coordinated approach to development analysis, planning, programme implementation and policy support. Close coordination with host country Governments is important to maximize the alignment of planning and funding frameworks with national needs and priorities, as well as to strengthen the local capacities of host countries in programme design, implementation, monitoring, data management and evaluation. The quality of collective results reporting and the availability of system-wide evaluations, whether at the country, regional or global level, must be further strengthened. Joint resource mobilization at all levels also needs to be expanded, along with collective development and implementation of well-designed pooled funds. Entities must work to reduce siloed approaches to resource mobilization, in particular at the country level, and contribute actively to the collective results outlined in United Nations Sustainable Development Cooperation Frameworks. United Nations development system entities must also leverage their comparative advantages, in full compliance with their respective mandates, to further enhance cooperation, collaboration and coordination with humanitarian assistance and peacebuilding efforts.

20. Support for the resident coordinator system is needed from Member States and United Nations entities to ensure an effective coordination function in support of integrated United Nations action for the 2030 Agenda. Resident coordinators play a vital role in identifying solutions to accelerate the achievement of the Sustainable Development Goals in accordance with national priorities by facilitating policy expertise from across the Organization, convening the United Nations development system to deliver more than the sum of its parts, facilitating strategic partnerships and often coordinating the emergency response when crises occur. The United Nations will continue to take steps to ensure a high calibre of coordination professionals, transparency and accountability for resident coordinator system results and budgets, and clear reporting on system-wide results in support of the Goals.

21. In support of a more collaborative and integrated United Nations development system, Member States should:

(a) Increase contributions to inter-agency pooled funds to enhance the collective results of the United Nations development system at all levels;

(b) Provide adequate, predictable and sustainable funding to the resident coordinator system.

22. At the same time, and towards the same objective, United Nations development system entities will:

(a) Enhance joint resource mobilization and partnerships, and pooled funding mechanisms;

(b) Fully support the coordination of United Nations development activities, including the leadership role of resident coordinators, and a whole-of-United Nations approach to all aspects of development planning cycle.

**C. Objective 3: a more efficient and streamlined United Nations development system, maximizing human and financial resources available for supporting the achievement of the Sustainable Development Goals**

23. The collective efforts of Member States and United Nations development system entities to realize efficiencies have achieved substantial progress since 2019. As of 2023, efficiency gains by United Nations Sustainable Development Group entities were estimated at \$405 million. While efficiencies are not an end in themselves, every dollar saved through more efficient operations translates into an additional dollar allocated to development activities, which is why these efforts are so critical. But there is significant room for more ambition on United Nations efficiencies, especially in the implementation of system-wide initiatives at all levels, as well as through greater sharing of business practices and services across entities.

24. With greater flexibility in funding, there is also a need for greater flexibility in the business models of United Nations entities, in particular budgets and staffing arrangements. It is important that entities ensure that programmes, capacities and country configurations are aligned with priorities identified in strategic plans and budgets and tailored to the needs and priorities in United Nations Sustainable Developments Cooperation Frameworks at the country level. The United Nations development system needs to be able to respond on a timely basis to requests for short-term advisory and policy capacities at the country level. Likewise, more work is needed towards progressive interoperability across data and reporting platforms to reduce inefficiencies and duplication between entity-specific and inter-agency processes. Development system capacities in countries need to be carefully configured to be able to effectively support country needs and demands, with regular updates to governing bodies on staffing configurations and locations.

25. Member States also have an important role to play in helping to reduce inefficient processes and bilateral requirements for United Nations entities. Coordination across Member State contributors on legal agreements, visibility, reporting and assessments can all significantly reduce the burden on United Nations staff and strengthen the multilateral nature of such funding. Information-sharing by entities such as the Joint Inspection Unit, the United Nations Sustainable Development Group System-wide Evaluation Office and the Multilateral Organizations Performance Assessment Network can help to reduce the duplication of assessment exercises conducted by individual Member States. Both Member States and United Nations entities have a shared responsibility to implement the agreed recommendations of joint assessments and ensure that all contributions are aligned with strategic plans, United Nations Sustainable Development Cooperation Frameworks and funding frameworks.

26. In support of a more efficient and streamlined United Nations development system, Member States should:

(a) Enhance donor coordination and work towards reducing individual visibility, reporting, assessment and partnership requirements;

(b) Ensure the alignment of non-core funding with strategic priorities and needs identified in United Nations strategic plans and budgets approved by governing bodies, and United Nations Sustainable Development Cooperation Frameworks at the country level.

27. At the same time, and towards the same objective, United Nations development system entities will:

(a) Strengthen the achievement of efficiencies and clearly demonstrate and report on them to governing bodies;

(b) Ensure the alignment of programmes and capacities with strategic priorities and needs identified in United Nations strategic plans and budgets approved by governing bodies, and United Nations Sustainable Development Cooperation Frameworks at the country level.

### **III. Implementation and monitoring**

28. The commitments of the funding compact should be implemented by Member States and United Nations entities at the global, regional and country level. Implementation should be undertaken on an individual basis, and collectively wherever appropriate. Both contributing partners and host Governments should play a role in the implementation of Member State commitments.

29. A global monitoring and reporting framework will be used to measure collective implementation by Member States and the United Nations development system at the global level. Annual reporting on collective implementation will be to the operational activities for development segment of the Economic and Social Council. A web platform will also be established for regularly updated reporting on global-level implementation. It is important that the quantitative measurement of implementation is complemented by strong qualitative monitoring through results reporting, evaluations and assessments, including on issues such as contributions to poverty eradication or support for the implementation of normative conventions and agreements.

30. The governing bodies of individual United Nations development system entities are strongly encouraged to hold annual dialogues on funding compact implementation on an individual entity basis. In support of these dialogues, individual entities may develop, in consultation with their governing bodies, monitoring and reporting frameworks using the above commitments, but with indicators and targets that are tailored to the specific context of that entity. Wherever relevant, individual entities should report to their governing bodies on their individual implementation of compact commitments, as well as their contribution to collective implementation by the United Nations Sustainable Development Group.

31. Resident coordinators and United Nations country teams are urged to hold tailored dialogues with host Governments and development partners – including major voluntary core contributors – on local implementation of the funding compact and to co-create strategies for more effective country-level development cooperation in support of United Nations Sustainable Development Cooperation Frameworks. They may choose to develop United Nations country team-specific monitoring and reporting frameworks, with tailored indicators and targets, on the basis of these dialogues. It is important for ministers, ambassadors and senior United Nations staff in developing countries to understand the mutual commitments contained in the funding compact and play an active role in their implementation. Collectively, the

United Nations development system will advocate the importance and benefits of flexibility and predictability of funding at all levels, as well as joint programming.

32. To support partnership discussions with contributing countries and to ensure full awareness and accountability in capitals of funding compact implementation, annual scorecards will be produced to track individual implementation by Governments. These scorecards will not be shared publicly, but only with the Member State concerned. Individual Member States can also volunteer to report on their funding compact implementation and make specific pledges during the United Nations Pledging Conference for Development Activities, held annually by the General Assembly.

33. Funding compact implementation by individual United Nations entities may also be reviewed as part of regular assessments by the Multilateral Organization Performance Assessment Network, while implementation by States that are members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development can be reviewed as part of regular peer reviews. In addition, an independent biannual review of funding compact progress will be conducted, ahead of the 2026 and 2028 operational activities for development segments of the Economic and Social Council.



## Annex

### Typologies of funding modalities and levels of earmarking for sustainable development

	<i>Single-entity contributions</i>	<i>Inter-agency contributions</i>
Unearmarked	<p>Assessed contribution (Development Assistance Committee aid type B02 or B021 )</p> <p>Fixed-amount contribution calculated based on agreed formula that Member States undertake to pay when signing a treaty</p> <p>Voluntary core (unearmarked) contribution (Development Assistance Committee aid type B02 or B021)</p> <p>Voluntary untied contribution to the United Nations entity budget, fully flexible (within boundaries set in mandates, governing body regulations, etc.)</p> <p>Voluntary core (unearmarked) in-kind untied contribution</p> <p>Revenue transactions recorded for donations of goods and/or services, in accordance with the Organization’s accounting policies</p>	<p>Flexible contribution to a global-level multi-partner trust fund (Development Assistance Committee aid type B022 or B031; recipient 998, combined with channel codes for United Nations pooled funds)</p> <p>“Core” financial contribution to an inter-agency global pooled fund (e.g. Joint Sustainable Development Goal Fund, Peacebuilding Fund, global pooled funds on a specific theme), fully flexible within the terms of reference of the fund</p>
Softly earmarked	<p>Single-agency thematic funds (Development Assistance Committee aid type B032; recipient 998)</p> <p>Co-mingled contributions to single-entity funding mechanism to support high-level outcomes within strategic plan; single United Nations entity is fund administrator and takes decisions on fund allocations</p> <p>Regional funding (Development Assistance Committee aid type B032; recipient regional)</p> <p>Financial contribution to a single agency, fully flexible within the boundaries of a region (e.g. Africa, South Asia)</p>	<p>Flexible contribution to a regional-level multi-partner trust fund (Development Assistance Committee aid type B031; recipient regional)</p> <p>Financial contribution to an inter-agency multi-partner trust fund for a specific region, fully flexible within the terms of reference of the fund</p>

	<i>Single-entity contributions</i>	<i>Inter-agency contributions</i>
	<p>Country programme funding (aid type B032; recipient country-specific)</p> <p>Financial contribution to a single agency, fully flexible within the boundaries of a country or multi-country programme</p>	<p>Flexible contribution to a country-level multi-partner trust fund (Development Assistance Committee aid type B031; recipient country specific)</p> <p>Financial contribution to an inter-agency multi-partner trust fund for a specific country or multi-country cooperation programme, fully flexible within the terms of reference of the fund</p>
Earmarked	<p>Earmarked to a sub-theme or target (Development Assistance Committee aid type B033; recipient 998)</p> <p>Financial contribution directed to subcategories of strategic objectives (e.g. environment/decarbonization or education/teacher training) but without geographic limitations</p> <p>Country-specific thematic funding (Development Assistance Committee aid type B033; recipient country specific)</p> <p>Financial contribution to a specific outcome or outcomes within an entity's country programme, without further restrictions</p>	<p>Thematic earmarking to a theme in a multi-partner trust fund (Development Assistance Committee aid type B033)</p> <p>Financial contribution to one or more specific objectives, subobjectives or themes in a multi-partner trust fund based on the type of earmarking allowed in the terms of reference of the fund (regardless of geographical level)</p> <p>Joint programme (Development Assistance Committee aid type B031 or B033; any recipient)</p> <p>Financial or in-kind contributions to a joint programme between two or more participating United Nations organizations working together at the country, regional or global level</p>
Tightly earmarked	<p>Project funding (Development Assistance Committee aid type C01)</p> <p>Financial or in-kind contribution to a specific project in a specific country</p> <p>Tied funding</p> <p>Financial contribution tied to certain conditions in terms of purchase restrictions</p>	