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**activities for development of the United Nations system**

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Agenda item 7 (a)  
**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 of the United Nations development system**

### **Report of the Secretary-General**

#### *Summary*

Total funding to the United Nations development system for operational activities amounted to \$54.5 billion in 2022, representing an increase of 17 per cent compared with 2021. Core funding made up 16.5 per cent of this amount, down from 20.9 per cent in 2021. Non-core funding accounted for the other 83.5 per cent.

The long-term trend in funding shows strong growth, with total funding to the United Nations development system for operational activities more than doubling from 2012 to 2022 in real terms. This growth has primarily been driven by an increase in non-core contributions, although core funding has increased by 25 per cent over this 10-year period.

Funding to loosely earmarked inter-agency pooled funds declined by 4 per cent in 2022, following several years of steady growth. Contributions to inter-agency pooled funds with a development focus accounted for only 8.9 per cent of total non-core contributions to development activities in 2022, down from a 12.3 per cent share in 2021. Funding to single-agency thematic funds rose for the sixth straight year to a record high of \$2 billion, which accounted for 4.3 per cent of total non-core funding in 2022. Funding to the Joint Sustainable Development Goals Fund and the Peacebuilding Fund continue to fall well below the targets set out in the funding compact, although the former received \$56 million in contributions in 2023, up from \$20 million in 2022.

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



The United Nations development system became increasingly dependent on a small number of contributors in 2022, with the top 3 government contributors alone accounting for 42 per cent of total funding and the top 10 accounting for 60 per cent, compared with 38 and 56 per cent in 2021, respectively. Excluding the top 10 government contributors, funding from Governments declined by 7.5 per cent from 2021 to 2022.

Encouragingly, there has been an increase in funding received from some non-government sources. Private sector funding increased noticeably for the second straight year to nearly \$4 billion in 2022, representing a 63 per cent increase since 2020. In addition, contributions from international financial institutions increased significantly to surpass \$2 billion in 2022, more than triple the volume received in 2020.

The United Nations scaled up operational activities by \$6 billion in 2022, surpassing \$51 billion in total, of which some 80 per cent was spent at the country level. Almost all of this growth is attributed to a 23 per cent increase in spending on humanitarian activities compared with 2021, while spending on development activities increased by just 1 per cent.

Sustainable Development Goal 2 on ending hunger has surpassed Goal 16 on peace, justice and strong institutions as the most targeted goal for United Nations activities from a financial perspective. Goal 3 on addressing health and well-being is the third most targeted Goal.

There has been an increase in resources for operational activities in countries in special situations, most notably in small island developing States, in which expenditure was 71 per cent higher in 2022 than in 2018. The allocation of resources is also heavily concentrated in a small number of countries, with the 13 largest programme countries in 2022 accounting for 50 per cent of total country-level expenditure. At the other end of the spectrum, 62 programme countries combined accounted for 2.3 per cent of the total.

### Key trends

#### IMPROVING TRENDS

|   |   |
|---|---|
|  | <b>Total funding</b><br>Increased 17% to \$54 billion in 2022   |
|  | <b>Non-government funding</b><br>Growth in funding received from the private sector and IFIs in 2022          |
|  | <b>Single-agency thematic funds</b><br>Funding increased by 65% in 2022                                       |
|  | <b>Resources spent at the country level</b><br>Increased 17% and surpassed \$40 billion in 2022               |
|  | <b>Activities in LDCs, LLDCs, SIDS</b><br>Operational activities scaled up in countries in special situations |

#### DECLINING TRENDS

|   |   |
|---|---|
|  | <b>Core share of funding</b><br>Dropped to 16.5% of total funding                               |
|  | <b>Multi-year funding</b><br>Declining trend in multi-year core funding commitments             |
|  | <b>Funding base</b><br>3 donors accounted for 42% of total funding in 2022                      |
|  | <b>Inter-agency pooled funds</b><br>Capitalization of development funds declined by 22% in 2022 |
|  | <b>Peacebuilding Fund</b><br>Funding decreased by 23% in 2023                                   |

Source: Department of Economic and Social Affairs, 2024.

Abbreviations: IFI, international financial institution; LDC, least developed country; LLDC, landlocked developing country; SIDS, small island developing States.

The present addendum is submitted pursuant to General Assembly resolution [75/233](#) on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. Resolution [75/233](#) contains detailed recommendations on funding the United Nations development system. The addendum provides an overview of the latest data and trends, with a focus on 2022,<sup>a</sup> and taking into consideration recommendations on the quadrennial comprehensive policy review. Unless otherwise indicated, the financial data were sourced from the United Nations System Chief Executives Board for Coordination and is aligned to the data standards for United Nations system-wide reporting of financial data.<sup>b</sup> The present document complements chapter VI of the report of the Secretary-General on the implementation of the quadrennial comprehensive policy review ([A/79/72-E/2024/12](#)). Detailed data tables on funding by entity, contributor, recipient country and type of funding (core, non-core, pooled, etc.) are in an online statistical annex.<sup>c</sup>

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<sup>a</sup> Operational activities for development include both longer-term development-related activities as well as those with a short-term humanitarian assistance focus.

<sup>b</sup> See <https://unsceb.org/data-standards-united-nations-system-wide-reporting-financial-data>.

<sup>c</sup> See <https://ecosoc.un.org/en/what-we-do/oas-qcpr/quick-links/2024-secretary-generals-report-implementation-qcpr>.

## **I. Introduction**

1. The 2019 funding compact between the United Nations Sustainable Development Group and Member States is a core element of the reform of the United Nations development system. It is anchored in a mutual understanding that for the United Nations to effectively support the achievement of the Sustainable Development Goals by 2030, significant changes in funding are necessary. The funding compact is aimed at shifting funding towards higher-quality resources that would allow the United Nations to respond in integrated, flexible and dynamic ways to Member State expectations and priorities, in line with the 2030 Agenda for Sustainable Development. This process was to be supported by dedicated actions to build trust and confidence among Member States and United Nations development system entities and to strengthen the case for such funding arrangements based on a more collaborative, effective, efficient, transparent and accountable United Nations development system.

2. Five years after the adoption of the funding compact, advances towards its commitments and targets have been uneven. The present report shows that attracting high-quality funding continues to be a major challenge for the United Nations development system. A new and ambitious funding compact has been developed that is less technical and more strategic. It is hoped that the new compact will resonate with senior decision makers and encourage greater awareness and buy-in at the country level and within governing bodies across the United Nations system. Addressing the worsening imbalance between core and non-core resources remains a particular priority in the new funding compact. This calls for a more robust accounting of results on the part of the United Nations development system, as well as a commitment to increase contributions, in alignment with national priorities and United Nations Sustainable Development Cooperation Frameworks.

## **II. Funding to the United Nations development system**

### **A. Quality and quantity of funding**

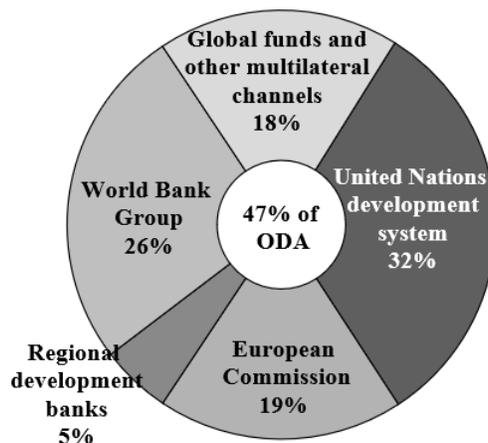
3. Total funding to the United Nations development system for operational activities amounted to \$54.5 billion in 2022, an increase of \$8 billion, or 17 per cent, compared with 2021. This increase in funding can be attributed entirely to growth in non-core funding and, more specifically, to an increase in project- and programme-specific non-core funding.<sup>1</sup>

4. The United Nations development system is the largest single channel of multilateral aid when core and non-core flows are combined, accounting for nearly one third of all disbursements by multilateral organizations. Figure 1 shows the main channels of multilateral aid flows that together accounted for 47 per cent of total global official development assistance in 2022.

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<sup>1</sup> Non-core resources are funds that are earmarked by the contributor for specific purposes and/or locations.

Figure 1  
Main channels of multilateral aid, including core and non-core flows, 2022



Source: Organisation for Economic Co-operation and Development, OECD. Stat.  
Abbreviation: ODA, official development assistance.

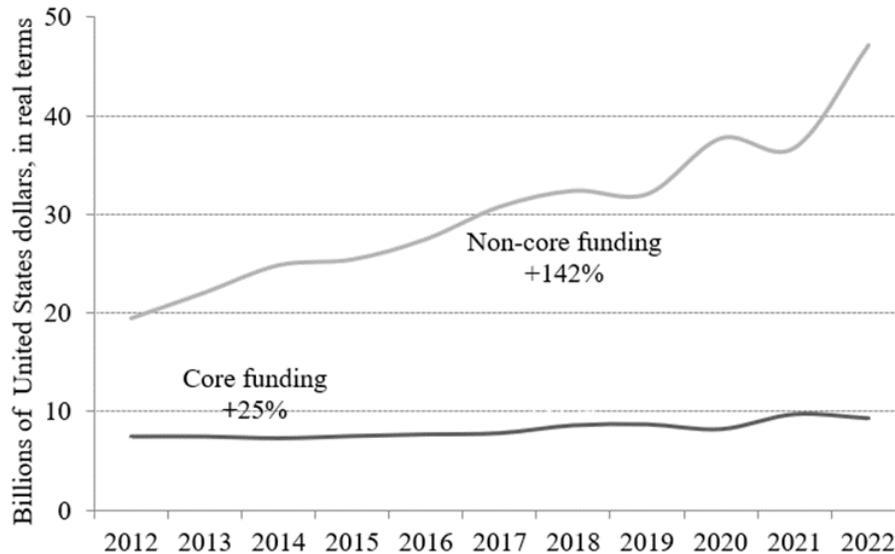
5. Of all the major multilateral channels of aid, the United Nations development system is the only channel that receives fewer core resources than non-core resources. Core resources are not earmarked for specific programming, which enables United Nations entities to act flexibly and strategically to fulfil the objectives of their strategic plan and respond agilely to the needs of the country. Feedback from Governments<sup>2</sup> also suggests that projects financed by core resources are more likely to be closely aligned with national needs and priorities. Some 76 per cent of Governments indicated that core-funded projects are closely aligned with their needs and priorities, compared with 70 per cent for projects funded from non-core resources.

6. Figure 2 shows the long-term trend of core and non-core funding to the United Nations development system. The figure illustrates that there was robust growth in the quantity of funding to the system between 2012 and 2022, with total funding more than doubling in real terms<sup>3</sup> during the 10-year period (110 per cent increase). Most of the growth was in the form of non-core resources, which increased by 142 per cent while core contributions grew by 25 per cent.

<sup>2</sup> Through the Department for Economic and Social Affairs 2023 survey of Governments carried out in late 2023 and early 2024.

<sup>3</sup> Accounting for inflation and exchange rate fluctuations.

Figure 2  
Trends in core and non-core funding flows, 2012–2022



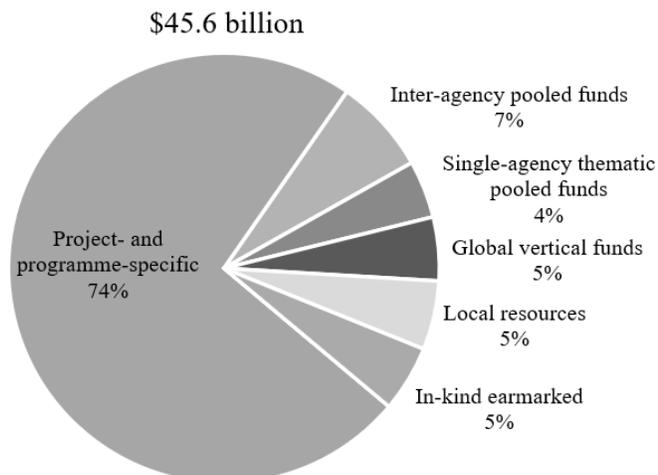
Source: United Nations System Chief Executives Board for Coordination (CEB), 2024.

7. When non-core funding accounts for a high proportion of overall funding, it can lead to the fragmentation of resources, especially if the non-core resources are tightly earmarked for specific projects. High proportions of non-core funding can also promote a culture of United Nations entities competing for donor resources. Governments and resident coordinators have consistently identified competition for funds as an issue. In 2023, 64 per cent of Governments indicated that United Nations entities competed for donor funds to a medium to large extent. Some 58 per cent of financially contributing Governments indicated that they had observed no improvement in terms of entities competing for donor funding since before the recent reform of the United Nations development system.

8. Joint resource mobilization among United Nations entities and engagement in more joint activities can help to reduce competition for funds among entities. Some 45 per cent of resident coordinators reported an increase in joint resource mobilization across United Nations country teams, including through resources made available through inter-agency pooled funds.

9. Single-donor and project- and programme-specific funding constitute a majority of the \$45.6 billion in non-core contributions provided to the United Nations development system in 2022 (see figure 3). This accounted for 74 per cent of the non-core funding provided in 2022, up from 68 per cent in 2021.

Figure 3  
Relative volumes of non-core funding types contributed in 2022



Source: CEB, 2024.

10. The figure above includes two forms of co-mingled, pooled funding modalities, namely inter-agency pooled funds<sup>4</sup> and single-agency thematic pooled funds.<sup>5</sup> Contributions to these pooled funds accounted for 11.5 per cent of all non-core contributions in 2022, a slight drop from 12.5 per cent in 2021.

11. Resources received through global funds accounted for 5 per cent of total non-core funding in 2022. These funds focus “vertically” on specific issues or themes and are special in that they are not directly managed by the United Nations entity through which the resources are channelled.<sup>6</sup> They usually have their own funding, governance, trustee, policy and programming arrangements. Therefore, when these resources are channelled to the United Nations, they are generally tightly earmarked for specific purposes.

12. Local resources refer to contributions from host Governments in support of United Nations activities in their own country. In 2022, this type of funding accounted for 5 per cent of all non-core funding. In-kind contributions, which are another form of earmarked funding, also accounted for 5 per cent of non-core contributions in 2022.

13. Figure 4 shows the recent trend of the main types of funding received by the United Nations development system. It highlights that an increase in project- and programme-specific funding accounts for almost the entire increase in funding between 2021 and 2022. There was also growth in funding to softly earmarked single-agency thematic funds,<sup>7</sup> albeit from a much smaller baseline. Voluntary core funding, on the other hand, has remained largely stagnant with growth of just 4 per cent since 2018 in real terms. This has resulted in voluntary core funding accounting for just 12 per cent of total voluntary contributions in 2022.

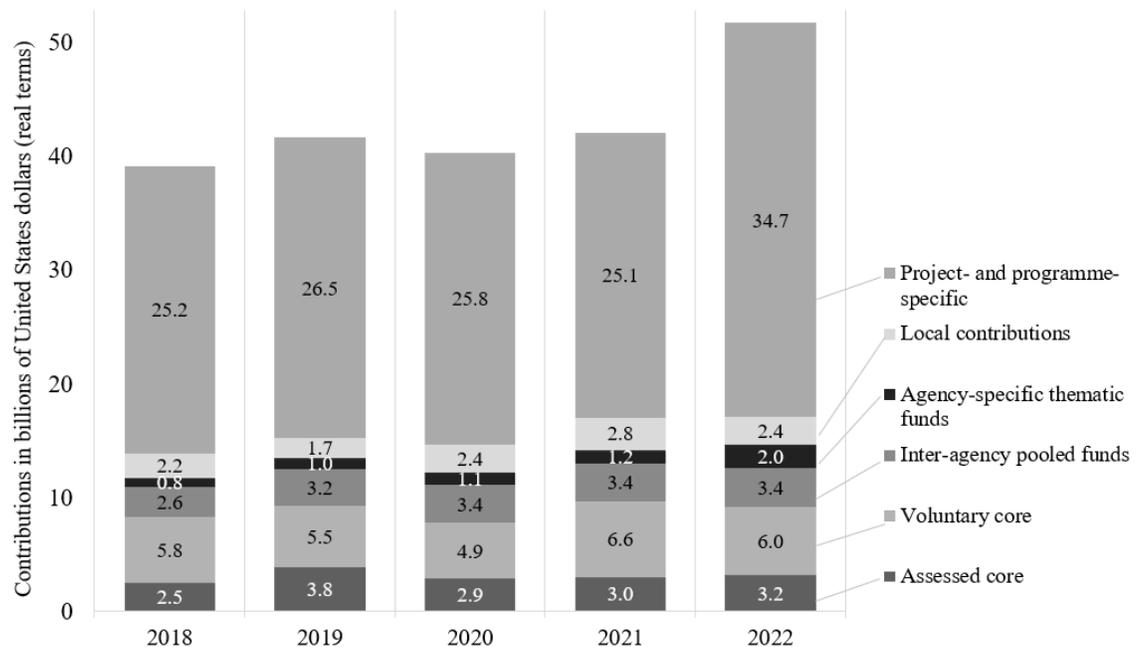
<sup>4</sup> Co-mingled contributions to multi-entity funding mechanisms, not earmarked for a specific entity; funds are held by the United Nations fund administrator and fund allocations are made by a United Nations-led governance mechanism.

<sup>5</sup> Single-agency thematic funds are co-mingled funds that are softly earmarked and support high-level results at the country, regional and global levels.

<sup>6</sup> Not to be confused with global inter-agency pooled funds, which are mechanisms administered by a United Nations entity.

<sup>7</sup> A single-agency thematic fund is considered a flexible pooled fund mechanism in which the funds are earmarked to a high-level outcome within an entity’s strategic plan but is otherwise unearmarked.

Figure 4  
Trends in types of core and non-core funding, 2018–2022



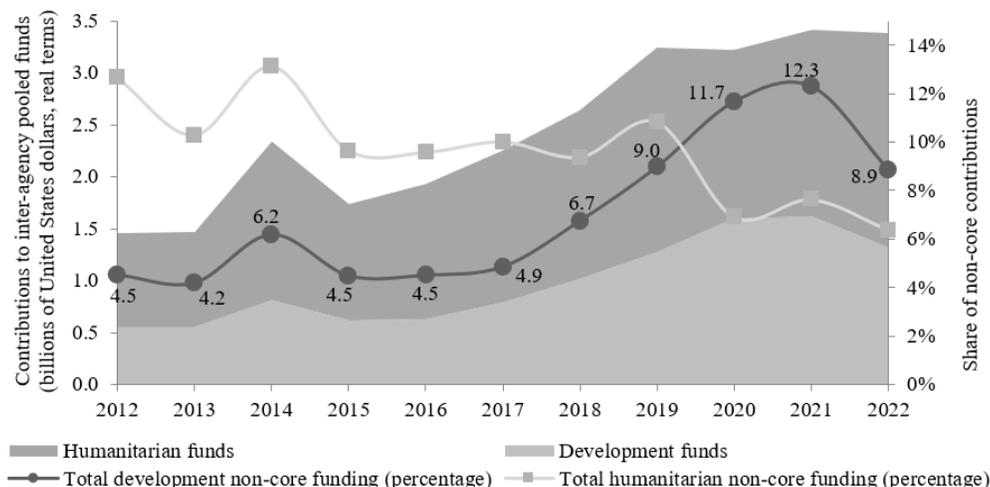
Source: CEB, 2024.

14. After a period of steady growth, contributions to inter-agency pooled funds declined by 4 per cent to \$3.3 billion in 2022. When adequately funded, these pooled funds bring economies of scale and serve as key instruments that enable a shift from fragmented and rigid silos towards integrated and coordinated action.

15. Inter-agency pooled funds for development programming<sup>8</sup> accounted for 39 per cent of the \$3.3 billion in total contributions to inter-agency pooled funds in 2022. Accordingly, the remaining 61 per cent of contributions went to humanitarian funds. Unlike the funding pattern for the United Nations development system in general, financial contributions to inter-agency pooled funds with a development focus had been increasing at an even faster pace than contributions to humanitarian inter-agency pooled funds from 2015 to 2021 (see figure 5). In 2021, 12.3 per cent of all non-core funding to development activities was channelled through inter-agency pooled funds, surpassing the funding compact target of 10 per cent. In 2022, however, contributions to inter-agency development pooled funds declined by 22 per cent, accounting for 8.9 per cent of total non-core funding for development.

<sup>8</sup> Including climate and environment funds, as well as peace and transition funds.

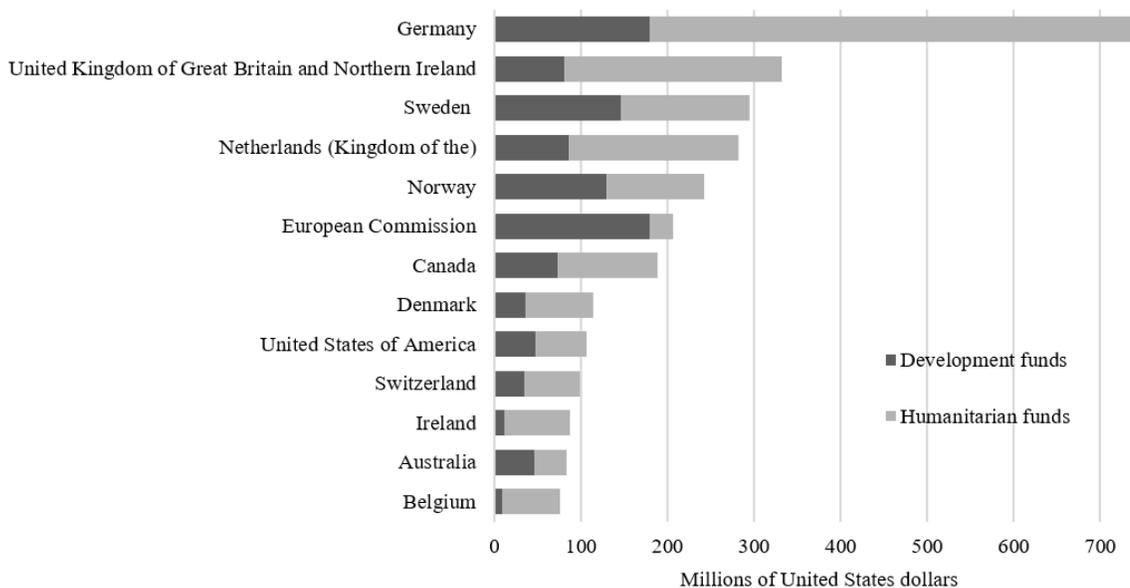
Figure 5  
Funding trend to inter-agency pooled funds in real terms, 2012–2022



Source: United Nations inter-agency pooled funds database, 2024; and CEB, 2024.

16. Despite the decrease in contributions to inter-agency pooled funds in 2022, a broadening of the funding base could be observed. A total of 29 Member States contributed at least \$1 million to inter-agency pooled funds in 2022, including 9 that contributed over \$100 million, compared with 27 and 7 Member States, respectively, in 2021. The top five contributors accounted for 58 per cent of all contributions to inter-agency pooled funds in 2022, compared with 64 per cent in 2021 and 72 per cent in 2019. However, this is also a result of the decline in funding from some of the largest contributors, which led to the overall decline in contributions in 2022. Figure 6 shows the top contributors to inter-agency pooled funds in 2022.

Figure 6  
Top contributors to inter-agency pooled funds 2022



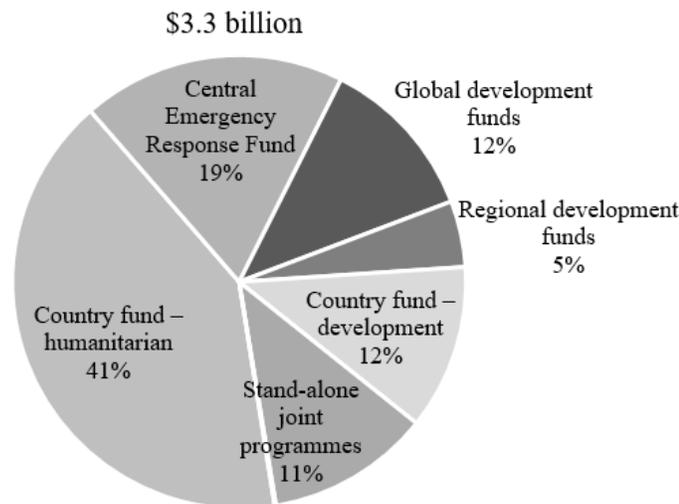
Source: United Nations inter-agency pooled funds database, 2024; and CEB, 2024.

17. During the current cycle of the quadrennial comprehensive policy review, there have been significant advances in the development of common management features across inter-agency pooled funds, to which the United Nations Sustainable Development Group committed as part of the funding compact. An inter-agency task team was established by the Fiduciary Management and Oversight Group that both defined what constitutes common management features<sup>9</sup> and measured through an annual survey the extent to which they are being applied across inter-agency pooled funds. The survey also sought to promote the importance of implementing common management features. A third annual survey conducted by the task team confirmed that well-functioning governance mechanisms, results-based management tools, risk management and transparent reporting are widely applied across inter-agency pooled funds. Overall, 72 per cent of development-related inter-agency pooled funds have implemented at least 80 per cent of common quality management features, up from 61 per cent two years ago.

18. Figure 7 shows the relative proportion of contributions made to different types of inter-agency pooled funds in 2022. Funding for country-level development funds amounted to \$383 million, accounting for just 12 per cent of total funding to inter-agency pooled funds. United Nations country teams use this flexible funding instrument to consolidate resources and carry out joint action for priority Sustainable Development Goals outlined in a country’s United Nations Sustainable Development Cooperation Framework. In addition, the funds support the response to development emergencies. However, contributions to country development funds have stagnated in recent years and the contributions provided to such funds in 2022 covered just 19 countries. In contrast, funding for country-level humanitarian funds totalled \$1.3 billion in 2022, an increase of 55 per cent since 2020.

Figure 7

**Funding of development-related inter-agency pooled funds by type, 2022**



Source: United Nations inter-agency pooled funds database, 2024.

<sup>9</sup> Common management features include: a well-articulated strategy, including innovative features where relevant, clear theories of change, solid results-based management systems, well-functioning governance bodies supported by effective secretariats, and quality assurance on issues of United Nations norms and values; risk management systems and strategies; operational effectiveness/reporting/visibility/transparency standards; and planning and funding for joint and system-wide evaluations that meet United Nations Evaluation Group norms and standards.

19. Global development inter-agency pooled funds received 12 per cent of total contributions to inter-agency pooled funds in 2022. These global pooled funds bring together United Nations entities and a variety of partners to address cross-border challenges that a single country cannot tackle alone. The Peacebuilding Fund is a global fund that supports countries transitioning away from conflict towards stability and peace through the application of State-building and peacebuilding practices. Contributions to the Peacebuilding Fund declined for the second consecutive year to \$132 million in 2023, well below the funding compact annual target of \$450 million. The Central Emergency Response Fund is a global fund that fills funding gaps and helps to scale up protracted relief. Funding to it declined by some 9 per cent to \$559 million in new funding in 2023.

20. The Joint Sustainable Development Goals Fund is a global fund that incentivizes transformative policy and financing to shift and stimulate strategic investments required to catalyse and accelerate progress against the Goals. In 2023, the Fund underwent a significant governance and strategic overhaul, developing a new strategic vision as the United Nations global flagship fund driving key transitions essential to achieving the 2030 Agenda and the Goals at the country level under the leadership of the resident coordinators.

21. As of 2023, the Joint Sustainable Development Goals Fund had committed over \$268 million across 119 United Nations country teams and multi-country offices, in partnership with 31 United Nations entities financing a total of 236 joint programmes. The Fund's investments have led to the achievement of over \$4.9 billion in financial leverage, especially through the promotion of innovative blended financing solutions and support to integrated national financing frameworks. This signifies that for every \$1 committed by the Fund, \$18 is leveraged to finance the Goals.

22. In 2023, the Joint Sustainable Development Goals Fund received contributions amounting to \$55.9 million and secured another \$58.8 million in signed contributions for 2024 from 16 Member States.<sup>10</sup> However, contributions remain below the funding compact target.<sup>11</sup>

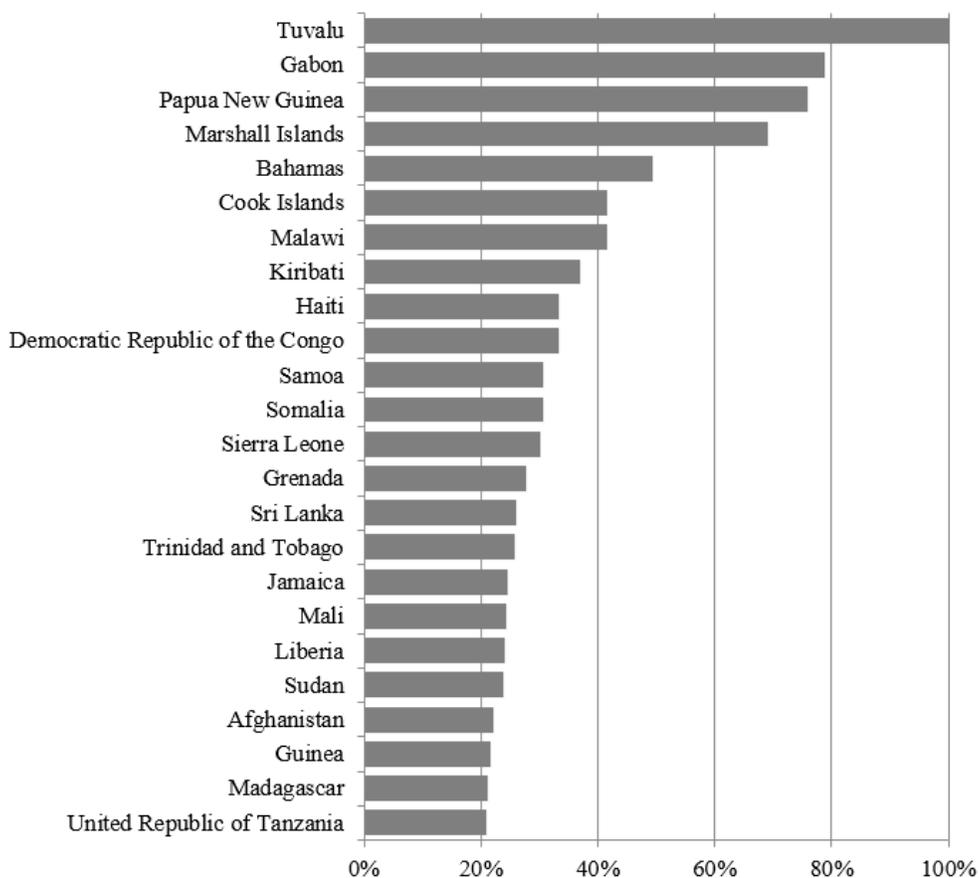
23. Figure 8 shows the 24 programme countries in which a minimum of 20 per cent of all non-core development expenditure was channelled through inter-agency pooled funds in 2022. At this level, inter-agency funds help to ensure a coordinated and efficient United Nations country team response that is aligned with the United Nations Sustainable Development Cooperation Framework and the country's priorities.

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<sup>10</sup> As of late February 2024.

<sup>11</sup> Originally, as part of the 2019 funding compact, the target was \$290 million in annual commitments. In the renewed 2024 funding compact, the target is \$350 million in annual commitments by 2027.

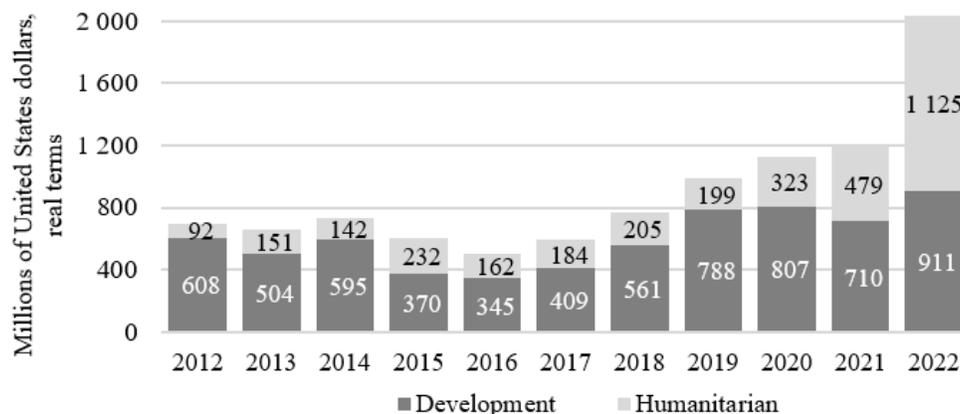
Figure 8  
**Countries in which more than 20 per cent of non-core resources spent for development-related activities are channelled through inter-agency pooled funds, 2022**



Source: United Nations inter-agency pooled funds database, 2024; and CEB, 2024.

24. Single-agency thematic funds are co-mingled, softly earmarked resources that support high-level results at the country, regional and global levels, acting as a valuable complement to core resources. Contributions to single-agency thematic funds rose for the sixth consecutive year in 2022, reaching nearly \$2 billion (see figure 9). This represents a 65 per cent increase compared with 2021, boosted by a significant increase in humanitarian thematic funding to the United Nations Children’s Fund (UNICEF) from the private sector. Funding to thematic funds with a development focus increased in 2022 by 24 per cent and accounted for 6.1 per cent of all non-core funding for development activities. This is just above the funding compact target of 6 per cent.

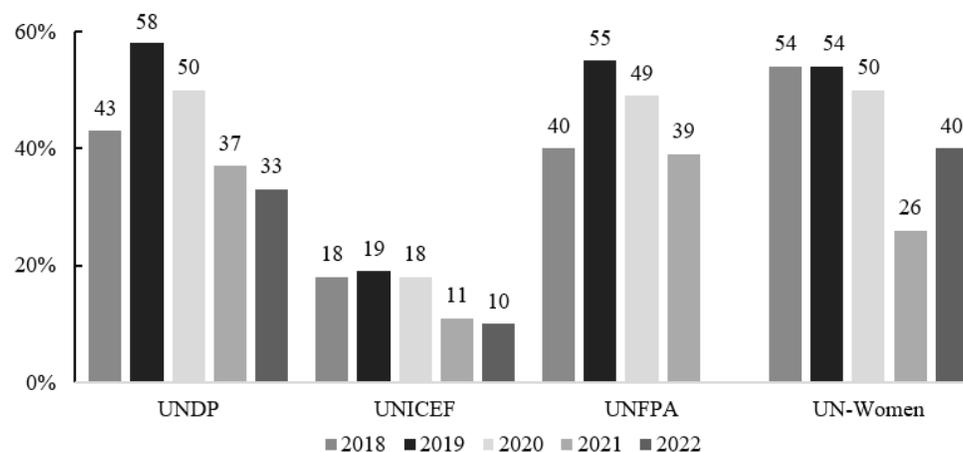
Figure 9  
Trends in funding for agency-specific thematic funds, 2012–2022



Source: CEB, 2024.

25. Multi-year financial commitments are another highly effective method of providing funding with flexibility and predictability. Multi-year commitments help an entity to cope with the negative impact of income fluctuations and enable faster and more efficient responses. They also allow the United Nations development system to be strategic through longer-term programme and resource planning. For 2022, some 54 per cent of United Nations entities reported that at least half of their total funding came as part of a multi-year commitment. However, core funding tends to be provided on a year-by-year basis, with only 29 per cent of entities reporting that at least half of their voluntary core funding in 2022 was part of multi-year commitments. Figure 10 shows the trend in this portion for four funds and programmes that together account for two-thirds of total voluntary core funding for United Nations development activities. The figure presents a general trend of a decreasing portion of voluntary core funds that are part of multi-year commitments.

Figure 10  
Proportion of voluntary core contributions received as part of multi-year commitments, 2018–2022



Source: CEB, 2024.

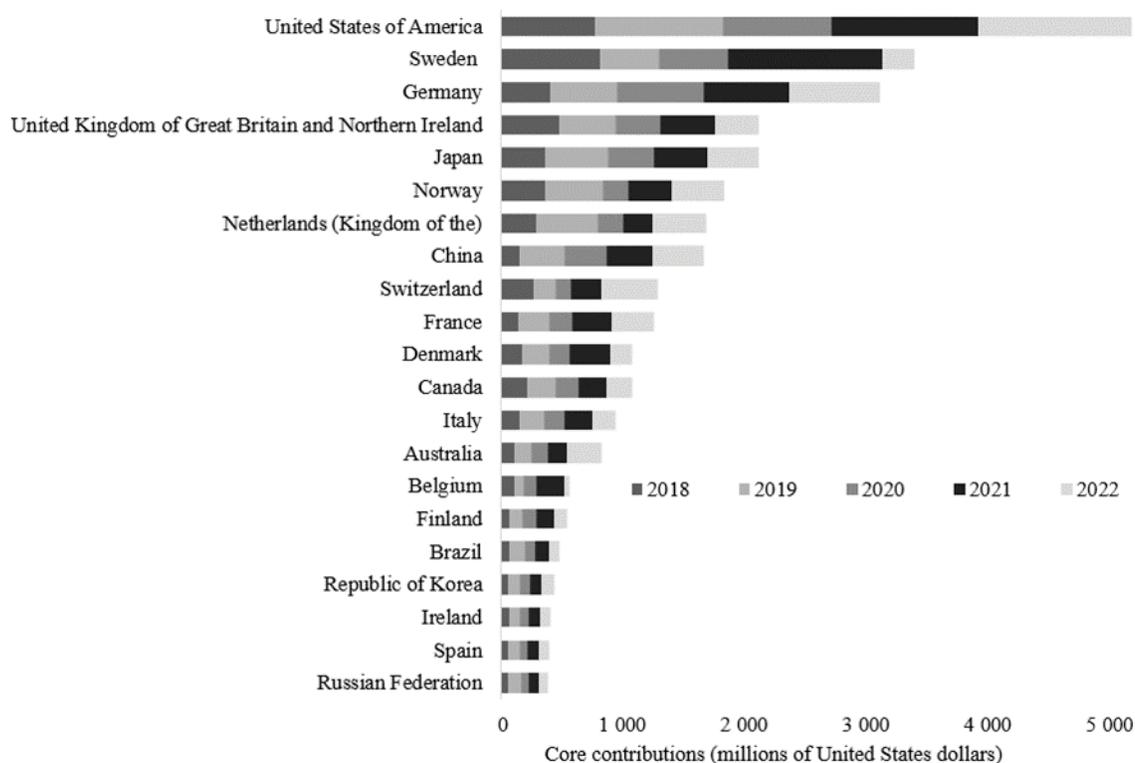
Abbreviations: UNDP, United Nations Development Programme; UNFPA, United Nations Population Fund; UNICEF, United Nations Children’s Fund; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women.

## B. Diversity of the funding base

26. Diversifying the funding base remains a top priority for the United Nations development system. Heavy reliance on a small number of contributors leaves entities vulnerable to donor policy changes and can diminish the multilateral nature of the organization, especially when a high share of funding is tightly earmarked by the contributor. In 2023, 84 per cent of United Nations development system entities reported to their governing body on concrete measures taken to broaden their donor base. However, the latest funding data show that the United Nations development system continues to rely on a small number of government contributors. In 2022, the top three government contributors alone accounted for 42 per cent of total funding to the United Nations development system (compared with 38 per cent in 2021), and the top 10 accounted for 60 per cent (56 per cent in 2020).<sup>12</sup> Excluding the top 10 government contributors, total contributions from Governments declined by 7.5 per cent from 2021 to 2022. This suggest that the United Nations development system has become even more reliant on a few top government contributors.

27. As with overall funding, just 10 government providers of core funding accounted for 59 per cent of total core funding from 2018 to 2022. Figure 11 shows the 21 government contributors that averaged at least \$75 million in core contributions (including assessed contributions) to the United Nations development system per year during this five-year period.

Figure 11  
**Top government contributors of core funding, 2018–2022**

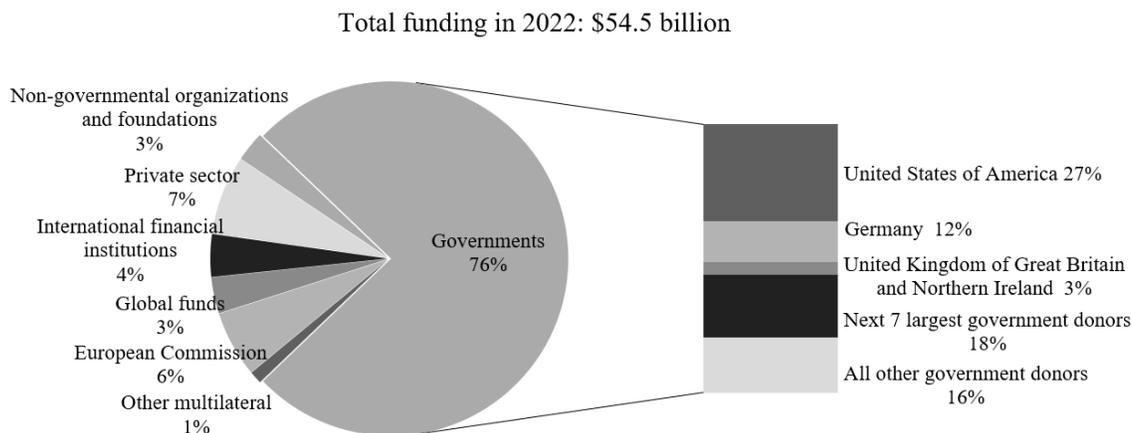


Source: CEB, 2024.

<sup>12</sup> In order, the top 10 contributors in 2022 were the United States of America, Germany, the United Kingdom of Great Britain and Northern Ireland, Canada, Japan, the Kingdom of the Netherlands, Norway, Sweden, Switzerland and France.

28. All Governments combined accounted for just over three quarters of total funding in 2022, which is consistent with the proportion in previous years. The other 24 per cent came from the groups of contributors shown in figure 12.

Figure 12  
**Main categories of funding sources, 2022**



Source: CEB, 2024.

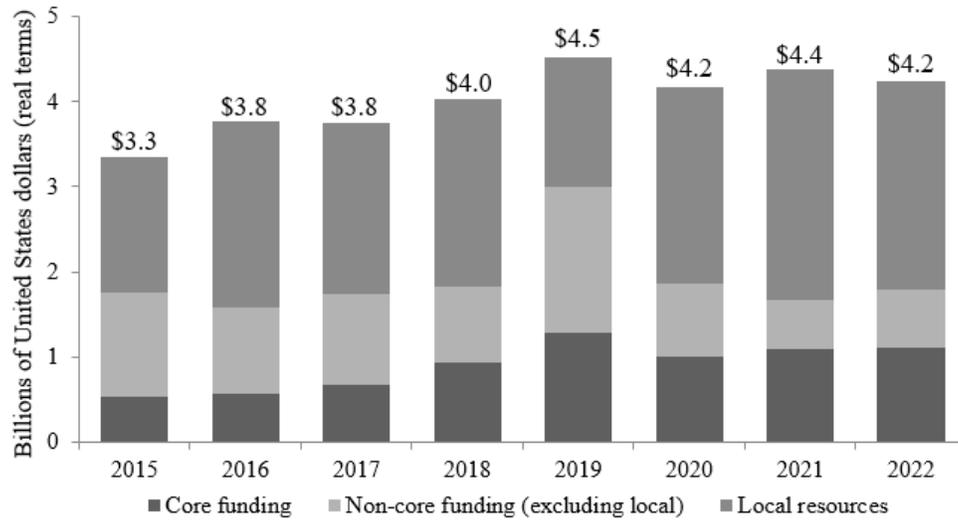
29. It is critical for the United Nations development system to continue to diversify its funding base through strengthened partnerships with the private sector and other multilateral organizations, including international financial institutions. Private sector funding increased noticeably for the second straight year to nearly \$4 billion in 2022. This represents a 63 per cent increase since 2020. During the same two-year period, contributions from non-governmental organizations and foundations doubled to \$1.5 billion.

30. The system continues to strengthen its collaboration with international financial institutions to help Governments to leverage the financing needed to achieve the Sustainable Development Goals and address socioeconomic challenges. Contributions from international financial institutions increased significantly to surpass \$2 billion 2022, more than triple the volume received in 2020.

31. The European Commission provided \$3.3 billion in 2022, making it the third largest contributor to the United Nations development system after the United States of America and Germany. This is down slightly from the \$3.4 billion received from the European Commission in 2021.

32. Funding from programme country Governments can help to alleviate some of the high dependency that the system has on its top donors. It is also an indication of buy-in and appreciation for the value of United Nations development system support. After a period of steady growth, contributions from programme countries have levelled off since 2019. This pattern holds true for both core and non-core contributions (see figure 13). The amounts shown below include local resources, which account for funding provided for activities in the contributor's own country. In 2022, local resources accounted for 58 per cent of total funding provided by programme country Governments. Such contributions from host Governments in support of national sustainable development results in their own country can be viewed as a sign of national ownership and leadership of United Nations programmes.

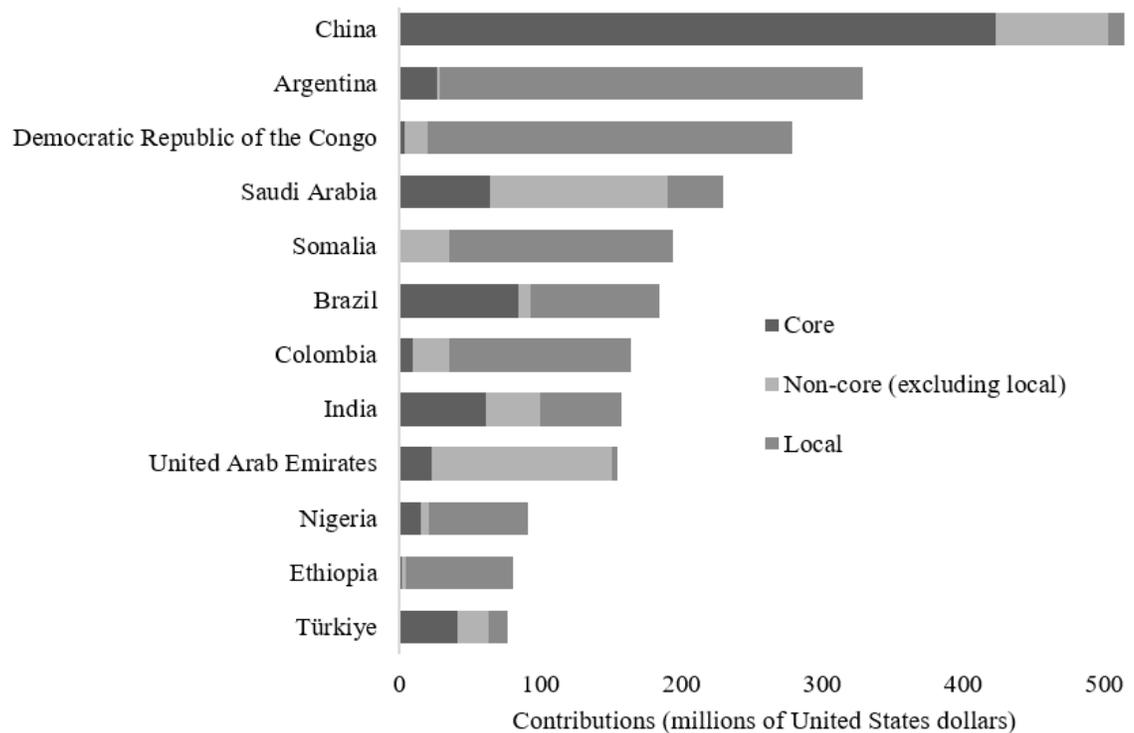
Figure 13  
**Funding from programme countries, 2015–2022**



Source: CEB, 2024.

33. Figure 14 shows the 12 programme countries that contributed at least \$75 million to the United Nations development system in 2022, including local resource contributions. Excluding local resources, the top five programme country contributors in 2022 were China, Saudi Arabia, the United Arab Emirates, India and Brazil.

Figure 14  
**Top contributors among programme countries, 2022**



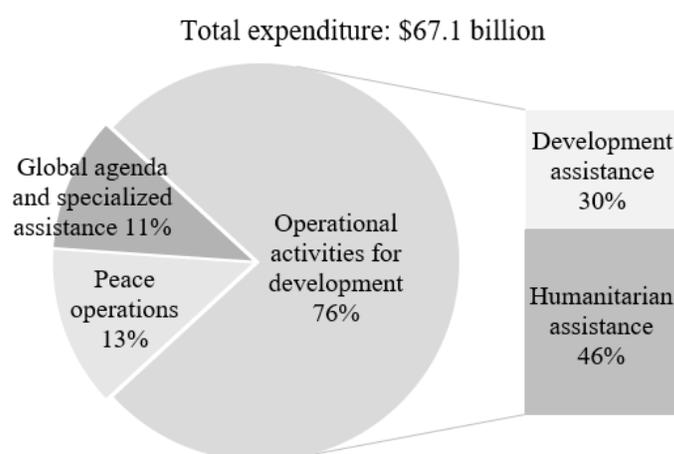
Source: CEB, 2024.

### III. Use of resources

#### A. Overall resource allocation

34. Operational activities, which include development and humanitarian assistance, accounted for three quarters of total United Nations system-wide expenditure in 2022. Peace operations, which are activities involving the deployment of civilian, police and military personnel meant to help conflict-affected countries to create conditions for lasting peace, made up 13 per cent of total expenditure, and the global agenda and specialized assistance<sup>13</sup> accounted for the remaining 11 per cent (see figure 15). Peace operations and the global agenda and other specialized assistance fall outside the scope of the quadrennial comprehensive policy review and the present report but are shown in the figure below for reference.

Figure 15  
**Spending on United Nations activities, 2022**

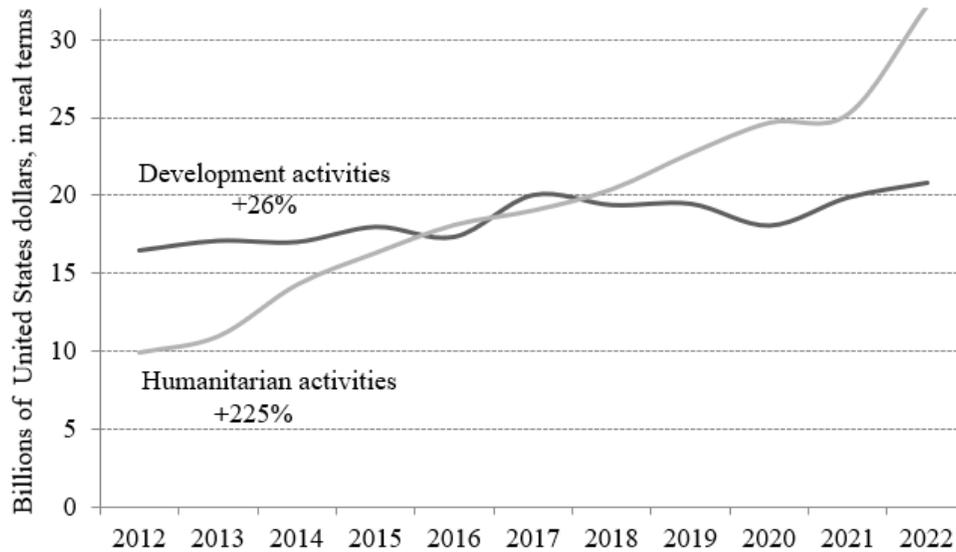


Source: CEB, 2024.

35. In 2022, spending on humanitarian activities far exceeded spending on development activities. This follows a decade-long trend that saw significant growth in the allocation of United Nations development system resources for humanitarian activities, while spending on development activities increased only slightly (figure 16).

<sup>13</sup> These are defined as activities that either: (a) address global and regional challenges without a direct link to development and humanitarian assistance, and peace operations; or (b) support sustainable development with a focus on the long-term impact in non-programme countries.

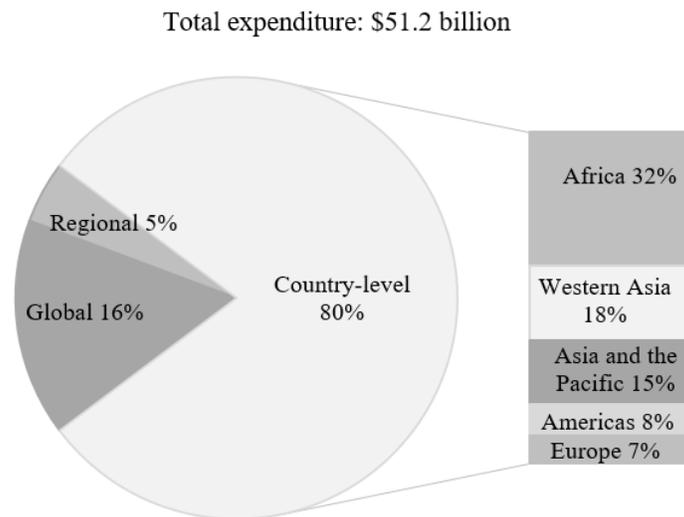
Figure 16  
Allocation of resources by type of activity, 2012–2022



Source: CEB, 2024.

36. Some 80 per cent of all expenditure on operational activities was spent at the country level in 2022, another 5 per cent supported activities at the regional level and the remainder funded global activities, including global programmes and headquarters activities, as shown in figure 17.

Figure 17  
High-level breakdown of expenditure on operational activities, 2022

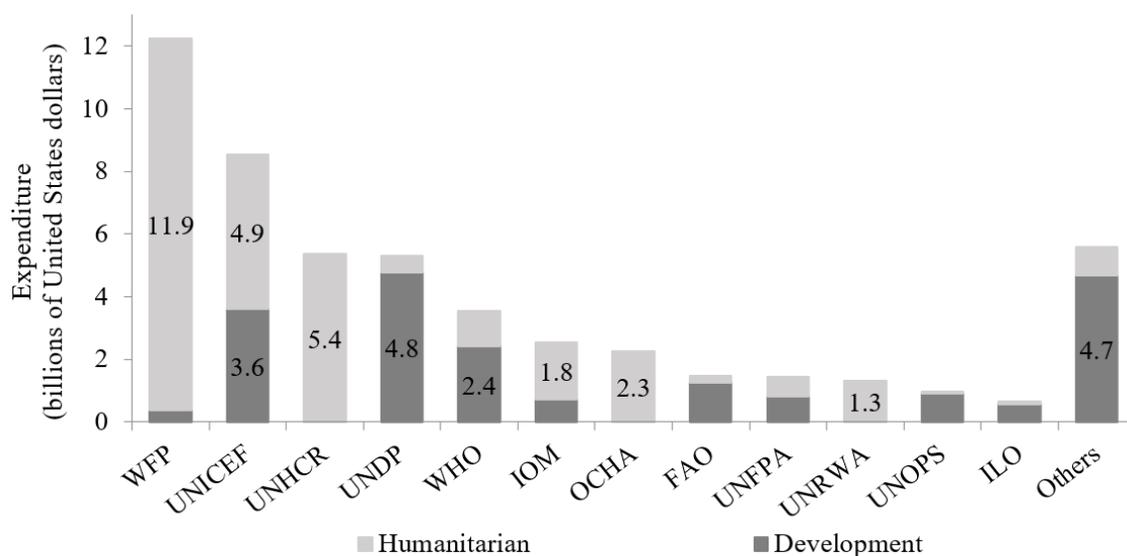


Source: CEB, 2024.

37. Geographically, the highest share, amounting to \$16.4 billion, was spent on country-level activities in Africa, with Western Asia following at \$9.3 billion. Collectively, these two regions accounted for half of all expenditure in 2022 and 63 per cent of total resources spent at the country level. The distribution of resources by region remained stable from 2020 to 2022.

38. Figure 18 shows total spending on development and humanitarian activities by the 12 largest United Nations development system entities in 2022 that together accounted for 89 per cent of total United Nations development system expenditure. The five largest entities alone accounted for over two thirds of total spending. While spending on operational activities increased by more than \$6 billion in 2022 compared with 2021, this increase was not observed across all United Nations entities. The increase can be attributed primarily to five entities. Compared with 2021, the World Food Programme was able to increase its activities to the tune of \$2.8 billion in 2022, UNICEF increased its humanitarian spending by \$1.3 billion, and the Office of the United Nations High Commissioner for Refugees, the Office for the Coordination of Humanitarian Affairs and the International Organization for Migration increased their activities by \$0.7, \$0.6 and \$0.3 billion, respectively.

Figure 18  
**Development and humanitarian expenditure by entity, 2022**



Source: CEB, 2024.

Abbreviations: FAO, Food and Agriculture Organization of the United Nations; ILO, International Labour Organization; IOM, International Organization for Migration; OCHA, Office for the Coordination of Humanitarian Affairs; UNDP, United Nations Development Programme; UNFPA, United Nations Population Fund; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children’s Fund; UNOPS, United Nations Office for Project Services; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; WFP, World Food Programme; WHO, World Health Organization.

## B. Expenditure by location and Sustainable Development Goal

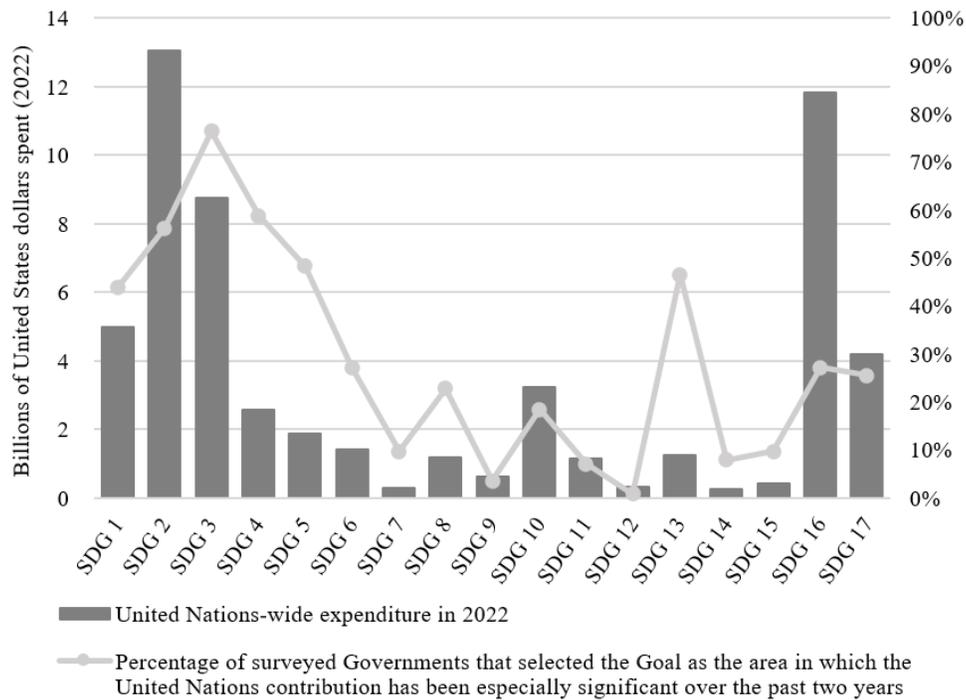
39. Improvements in the quality of financial reporting in the United Nations system-wide allocation of resources facilitated a more comprehensive understanding of the United Nations development system’s contribution in advancing the 2030 Agenda. In 2023, 39 United Nations entities, accounting for 85 per cent of all United Nations system expenditure, reported activities and expenditure against the 17 Sustainable Development Goals.<sup>14</sup> This marks an increase from 36 entities reporting on their activities against the Goals in 2022.

<sup>14</sup> Therefore, figure 19 does not represent a complete picture of United Nations expenditure.

40. The 2023 survey of Governments revealed that Sustainable Development Goals 3, 4, and 2 were most frequently identified by Governments as areas in which the United Nations impact has been particularly significant. Figure 19 visually presents the survey results, concurrently illustrating the expenditure breakdown of 39 United Nations entities according to each Goal. The graph highlights a correlation between expenditure and impact in host countries, albeit at a high aggregate level.

41. Compared with 2021, Goal 2 on ending hunger has surpassed Goal 16 on peace, justice and strong institutions as the most targeted Goal for United Nations activities, from a financial perspective. Goal 3 on addressing health and well-being follows closely.

Figure 19  
**Expenditure by Sustainable Development Goal, 2022**

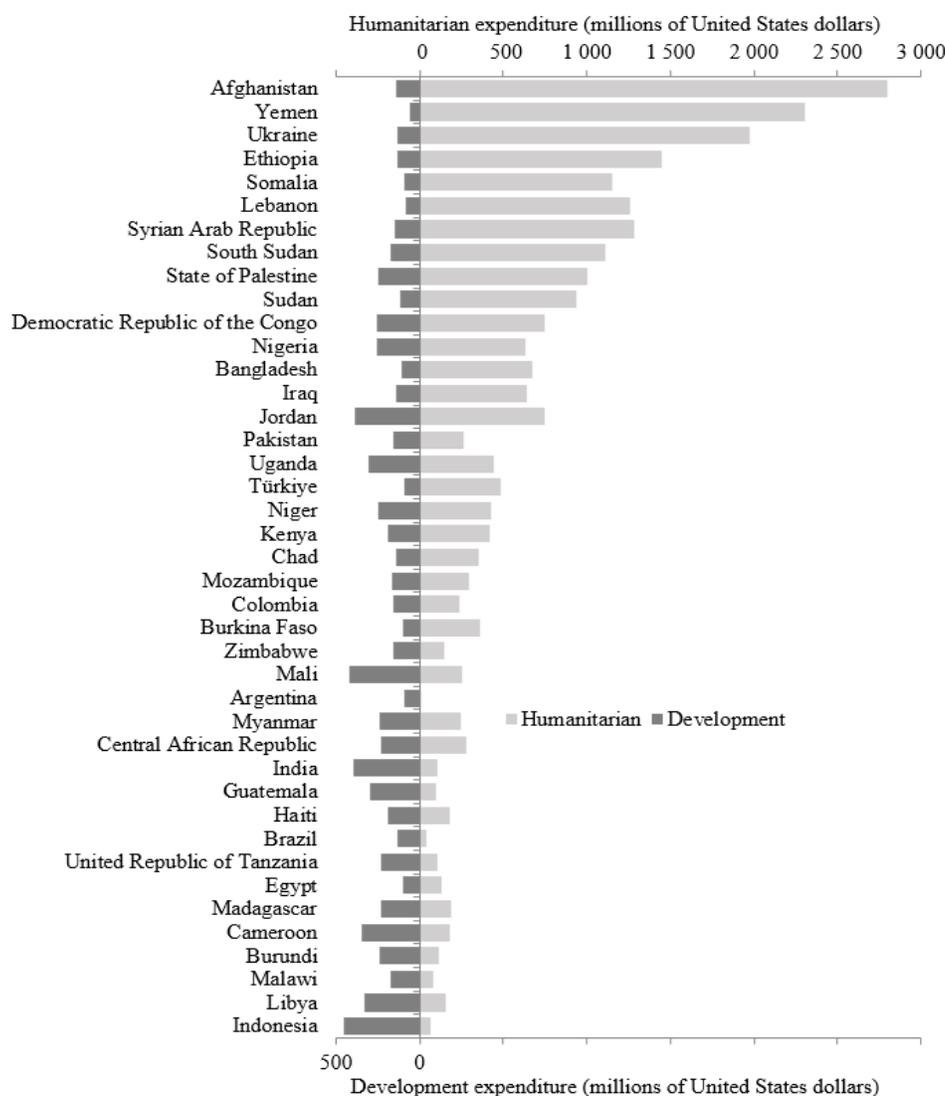


Source: CEB, 2024.

Abbreviation: SDG, Sustainable Development Goal.

42. In the 41 countries in which spending exceeded \$200 million in 2022, two thirds of resources were allocated to humanitarian assistance. Together, these 41 countries accounted for 80 per cent of total country-level spending by the United Nations development system.

Figure 20  
**Expenditure in countries and territories in which humanitarian and development expenditure exceeded \$200 million, 2022**



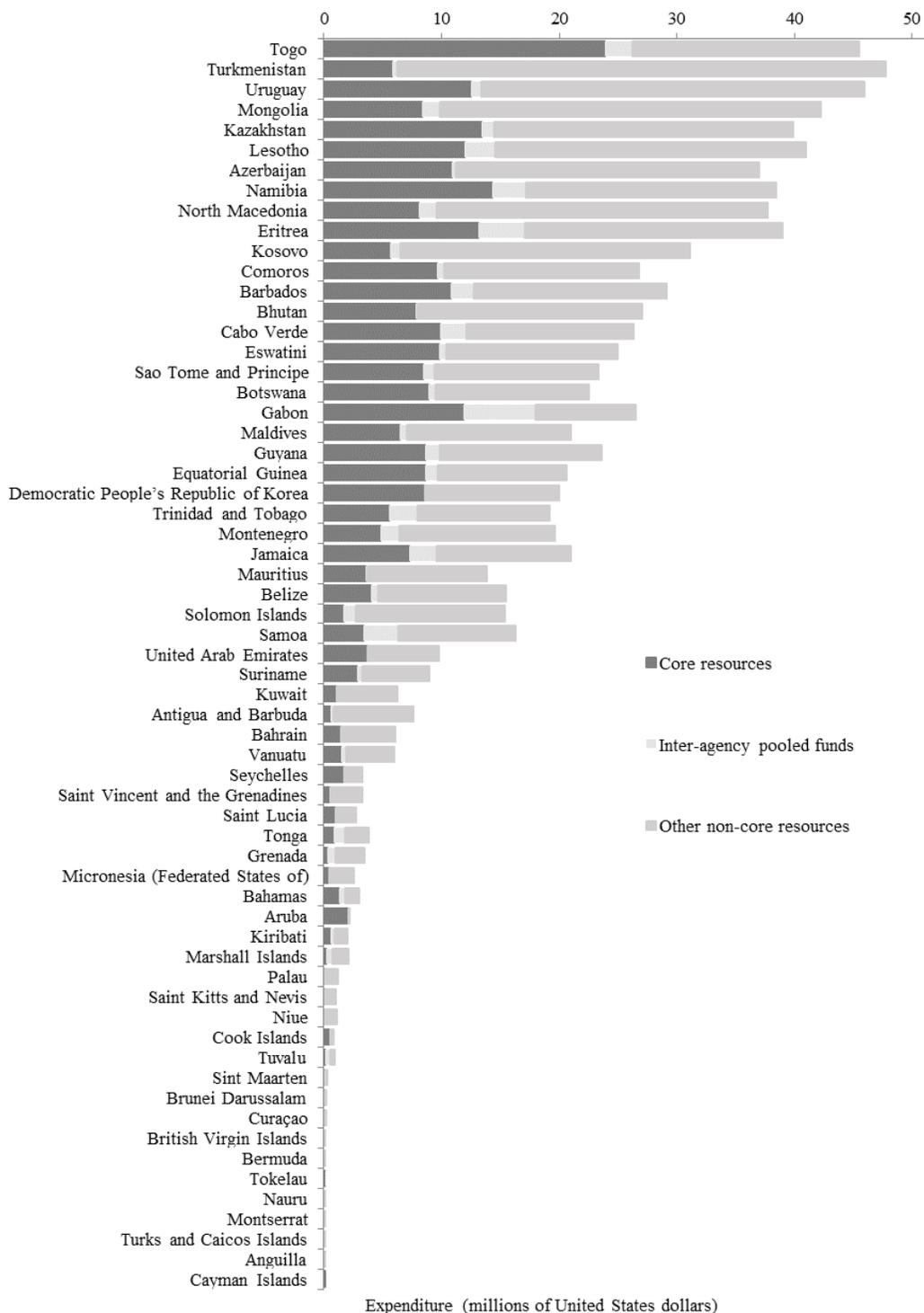
Source: CEB, 2024.

43. The 62 countries and territories with programmes under \$50 million in annual expenditure, categorized as small programme countries, together accounted for 2.3 per cent of total expenditure in 2022. They include 37 host countries with under \$20 million in expenditure that, combined, accounted for just 0.4 per cent of total country-level spending. With a 10 per cent decrease in total country-level spending in small programme countries in 2022 compared with 2021 and the constrained budgets of various United Nations entities in those countries, the potential for aid fragmentation and inefficiency is heightened, in particular when resources are narrowly earmarked at the project level.

44. Higher proportions of core resources and flexible funding from inter-agency pooled funds can help to reduce the negative effects of aid fragmentation. Figure 21 shows a breakdown of the types of resource spent in the 62 countries with the smallest programmes (small island developing States are predominant among them). Overall, in 2022, 30 per cent of resources spent in these countries were core resources, which is significantly above the global average. However, only 5.3 per cent of resources

allocated to small programme countries came through inter-agency pooled funds. These shares vary significantly across countries.

Figure 21  
**Countries and territories in which expenditure was less than \$50 million in 2022, by type of resource**



Source: CEB, 2024.

Note: References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

45. Table 1 displays the distribution of core, non-core and inter-agency pooled funds, along with other resources for each programme size, categorized by humanitarian and development activities. Non-core resources remain the key source across all programme sizes. Inter-agency pooled funds are used the most in the large programme countries. Even though countries with the smallest programmes exhibit the highest share of core resources, this allocation is still insufficient to provide sustainable support.

Table 1  
Share of expenditure by type of resource

(Percentage)

| Programme size                      | Share of country-level expenditure | Development activities |                           |                          |                                     | Humanitarian activities |                           |                          |                                     |
|-------------------------------------|------------------------------------|------------------------|---------------------------|--------------------------|-------------------------------------|-------------------------|---------------------------|--------------------------|-------------------------------------|
|                                     |                                    | Core resources         | Inter-agency pooled funds | Other non-core resources | Other forms of revenue <sup>a</sup> | Core resources          | Inter-agency pooled funds | Other non-core resources | Other forms of revenue <sup>a</sup> |
| Large (more than \$200 million)     | 80                                 | 16                     | 8                         | 69                       | 7                                   | 9                       | 8                         | 85                       | 0                                   |
| Medium (\$50 million–\$200 million) | 15                                 | 22                     | 6                         | 70                       | 2                                   | 16                      | 3                         | 73                       | 8                                   |
| Small (less than \$50 million)      | 2                                  | 32                     | 6                         | 62                       | 0                                   | 20                      | 4                         | 61                       | 16                                  |
| All host country Governments        | 98                                 | 19                     | 7                         | 69                       | 5                                   | 9                       | 7                         | 84                       | 0                                   |

<sup>a</sup> Expenses from resources that are not considered a core or non-core contribution (e.g. resources from investments, exchange gains, transfers from other United Nations entities, etc.)

### C. Allocation of resources in countries in special situations

46. Countries in special situations confront various challenges and require support to navigate foreseen and unforeseen risks. Table 2 illustrates a consistent and substantial increase in resources for operational activities spent in vulnerable country groups. Between 2018 and 2022, all groups except for African countries saw an increase in expenditure that exceeded the average increase across all host countries.

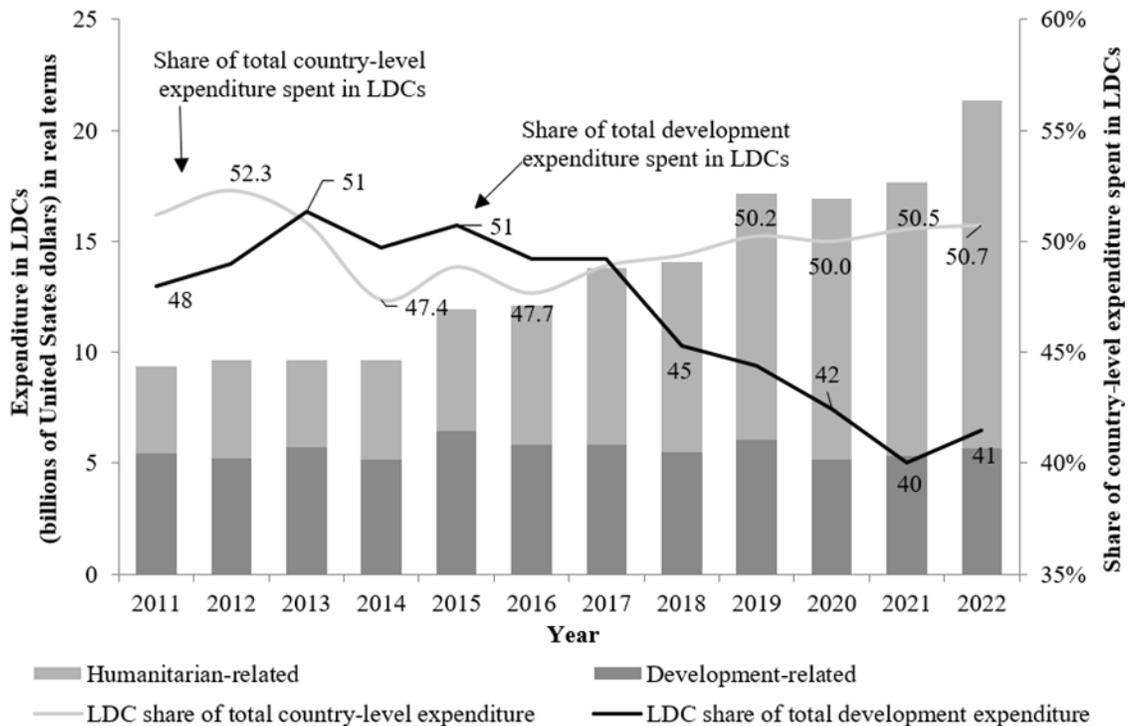
Table 2  
Expenditure on operational activities by country group

| Country group                      | Number of countries | Total 2022 expenditure on operational activities (millions of United States dollars) | Expenditure as a share of the total at country level (percentage) | Four-year trend in expenditure (percentage) in real terms | Expenditure per capita (United States dollars) | 2022 development expenditure (millions of United States dollars) |
|------------------------------------|---------------------|--|---|---|--|--|
| Least developed countries          | 45                  | 20 645   | 50.7  | +52   | 18.36  | 5 449  |
| Small island developing States     | 57                  | 1 218  | 3.0   | +71   | 17.03  | 841  |
| Landlocked developing countries    | 32                  | 11 603   | 28.5  | +53   | 20.56  | 3 266  |
| Africa                             | 55                  | 16 371   | 40.2  | +44   | 11.49  | 5 549  |
| Middle-income countries            | 109                 | 20 579   | 50.5  | +58   | 3.52   | 8 654  |
| Countries with complex emergencies | 26                  | 23 635   | 58.0  | Not applicable  | 23.52  | 4 930  |
| All host country Governments       | 162                 | 39 788   | 97.7  | +51   | 5.99   | 12 889   |

47. Since 2014, there has been a consistent increase in resources spent on operational activities in the least developed countries, as shown in figure 22. More than half of total country expenditure was spent in this group of countries, marking a reversal from the four-year period from 2014 to 2018 of dropping below 50 per cent.

The recent increase can largely be attributed to a surge in humanitarian activities. Expressed in real terms, the volume of expenditure on development activities remained stable over the past decade, and the proportion of total development expenditure spent in the least developed countries declined. In 2022, 41 per cent of total development spending benefited the least developed countries compared with 55 per cent of total humanitarian expenditure. Some 10 per cent of the resources spent in the least developed countries in 2022 came from core funding, showing a 3 percentage point decrease from 2021.

Figure 22  
**Expenditure in the least developed countries, 2011–2022**

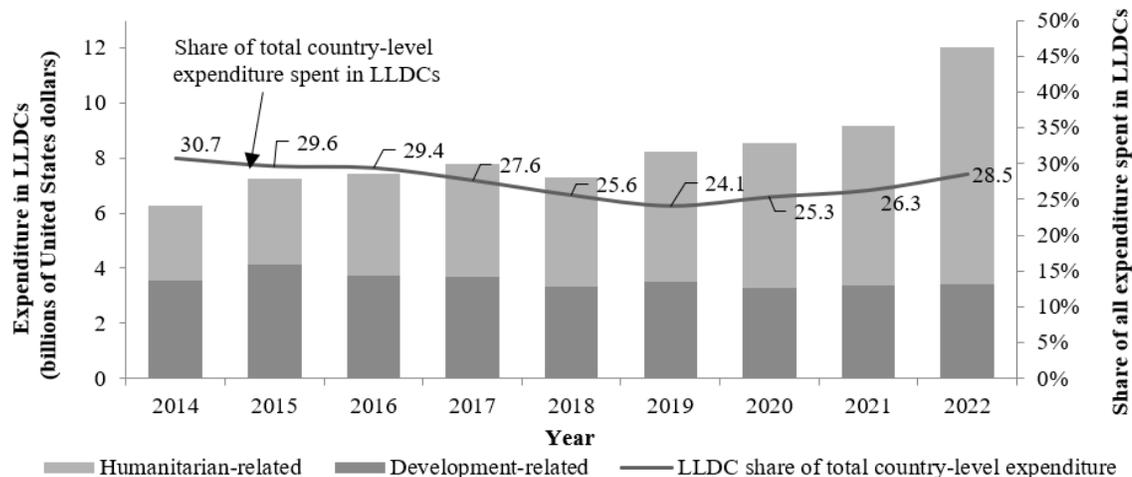


Source: CEB, 2024.

Abbreviation: LDC, least developed country.

48. Between 2021 and 2022, expenditure on operational activities in landlocked developing countries saw the most substantial increase among groups of countries in special situations. The increase amounted to 26 per cent in total expenditure, driven by a 43 per cent increase in humanitarian expenditure, while development expenditure declined by \$100 million to \$3.3 billion in 2022. Since 2017, total expenditure in landlocked developing countries increased by 67 per cent in real terms. This resulted in the proportion of expenditure allocated to this group rising to 28.5 per cent of total country-level expenditure in 2022. However, the share remains lower than in the period preceding 2017, as illustrated in figure 23.

Figure 23  
Expenditure in landlocked developing countries, 2014–2022

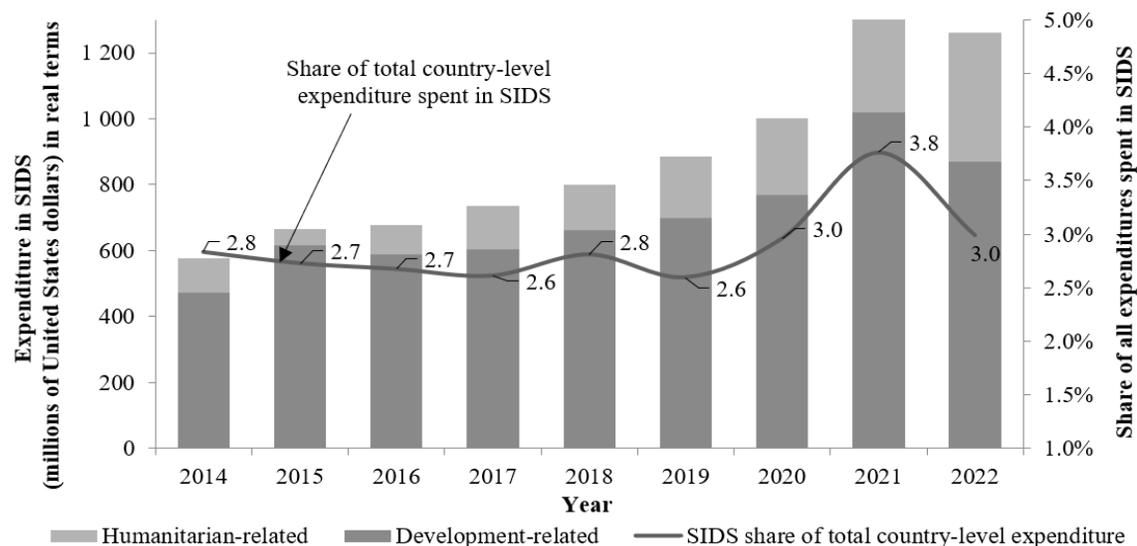


Source: CEB, 2024.

Abbreviation: LLDC, landlocked developing country.

49. In 2022, expenditure in small island developing States experienced a 7 per cent decrease, which can be attributed to a 17 per cent decline in spending on development activities (see figure 24). Given the high level of vulnerability and remoteness of these countries, adequate amounts of flexible resources are essential for the United Nations to offer agile and rapid support. It is therefore encouraging that, compared with the overall allocation of resources globally, a higher proportion of the resources spent in small island developing States was in the form of core resources or inter-agency pooled funds. Of the total expenditure in those States in 2022, 17.2 per cent was with core resources and another 11.1 per cent from resources channelled through inter-agency pooled funds. This is compared with shares of 12.7 per cent and 7.1 per cent, respectively, for all countries.

Figure 24  
Expenditure in small island developing States, 2014–2022



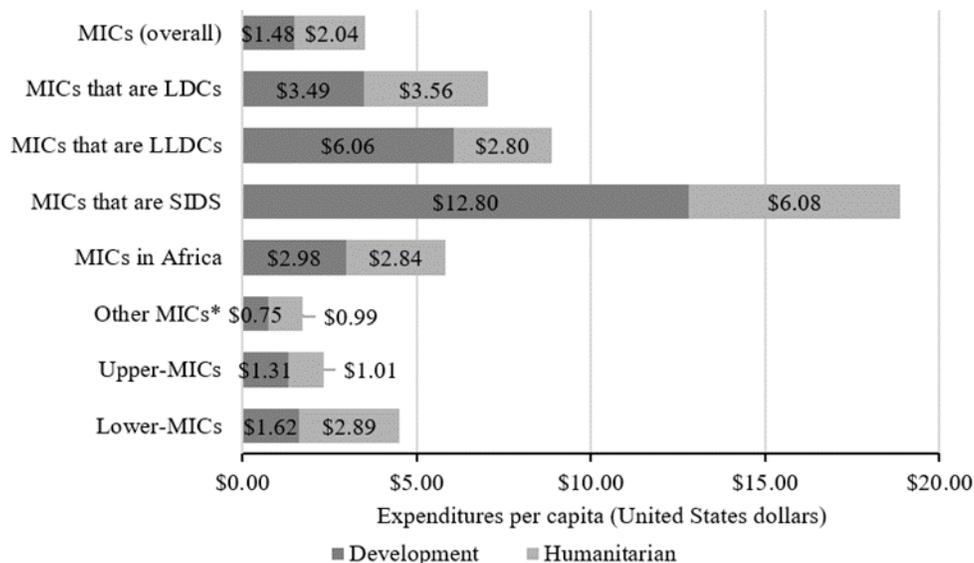
Source: CEB, 2024.

Abbreviation: SIDS, small island developing States.

50. Operational activity resources in African countries grew by 9 per cent, or \$1.3 billion, from 2021 to 2022. However, this growth was unevenly distributed across the continent. Expenditure increased in only 30 out of 55 countries, with notable increases observed in Somalia (51 per cent) and Angola (40 per cent). Conversely, 23 countries experienced a decline in expenditure, with Lesotho (25 per cent) being the most adversely affected. Expenditure in Mauritius and Malawi remained stable. The latest data from 2022 indicate that 40 per cent of total spending within the United Nations development system at the country level is allocated to Africa, down from 42 per cent in 2021.

51. Expenditure within the United Nations development system in middle-income countries has grown by 52 per cent in real terms since 2018. This category encompasses a diverse set of 109 countries, comprising 21 of the least developed countries, 20 landlocked developing countries, 28 small island developing States and 11 countries with a humanitarian response plan, suggesting they are dealing with complex emergencies. Figure 25 illustrates spending on operational activities across different subgroups of middle-income countries, presented on a per capita basis. Expenditure is the highest in middle-income countries that are also small island developing States and goes mostly to development activities.

Figure 25  
**Expenditure per capita in middle-income countries, 2022**



Source: CEB, 2024.

Abbreviations: LDC, least developed country; LLDC, landlocked developing country; MIC, middle-income country; SIDS, small island developing States.

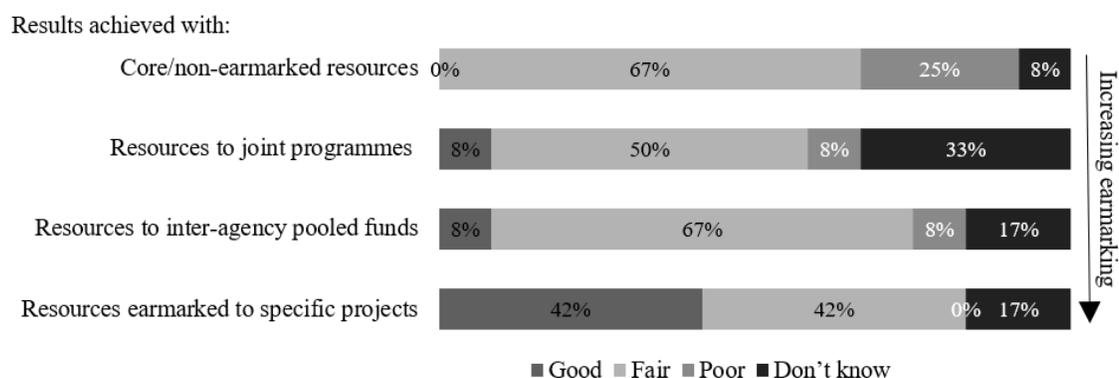
\* Middle-income countries that do not fall into any of the following groups: least developed countries, landlocked developing countries, small island developing States, Africa, countries with complex emergencies that have a humanitarian response plan.

#### IV. Transparency and accountability of funding flows

52. Strengthening transparency and accountability through a better demonstration of the links between funding and results helps to build long-term, trust-based and strategic partnerships between United Nations entities, Member States and other financial contributors. Through the 2023 survey of Governments, it is evident that most financial contributors appreciate the importance of core or flexible pooled

funding but are concerned about visibility and accountability for results, including good quality reporting. Top financially contributing Governments generally indicated that the transparency of reporting on results was good to fair. However, the quality of reporting on results achieved with resources earmarked to specific projects is generally considered by contributing countries to be stronger than reporting on results achieved with core resources (see figure 26).

Figure 26  
**Reporting by top contributing Member States on the quality of United Nations reporting on results**



Source: Department of Economic and Social Affairs, 2023 survey of Governments.

### Global-level reporting

53. Top financially contributing Governments indicated that a key reason for their reluctance to increase the degree of flexibility of their funding was the lack of sufficient visibility on the use of core resources and the ability of the United Nations to demonstrate value for money of core funding. Several United Nations entities are trying to address this concern and are now producing annual reports that present what core resources pay for and how core resources drive transformative change in areas aligned with their mandate and strategic plans. These reports also recognize financial contributors, especially those providing core and softly earmarked resources. Through the funding compact, entities have committed to strengthening the quality and access of reporting to Member States, including the reporting of funding needs, budgets and expenditure against results, so that Governments have full information on how their financial contributions are utilized.

54. United Nations system-wide reporting of funding data to CEB continued to improve in 2023. The data cube initiative, established in 2018 with six common United Nations data standards, has a long-term goal of ensuring timely, reliable, verifiable and comparable system-wide and entity-level financial data aligned with the Sustainable Development Goals. The current data cube strategy for 2022–2025 continues to advance towards an ambition to ensure fully disaggregated financial data in every country – with more data being made available in 2023 on the CEB website. When the 2022–2025 strategy is fully implemented, stakeholders will have access to a comprehensive overview of what United Nations entities are spending in support of a Goal by geographic location and type of intervention. A seventh data standard on the United Nations gender equality marker was implemented in 2023, to be used for activity-level reporting to the Organisation for Economic Co-operation and Development and the International Aid Transparency Initiative.

55. Currently, 61 per cent of United Nations development system entities publish financial data in accordance with the International Aid Transparency Initiative. This

portion has remained about the same for the past couple of years, with most entities that do not yet report against this standard based in the United Nations Secretariat.

### **Country-level reporting**

56. At the country level, annual results reports are a tool in supporting United Nations information-sharing and accountability for results with host countries. In 2023, all country teams prepared a results report, compared with 69 per cent in 2020.

57. Increasingly, funding frameworks are being prepared at the country level that show the volume and mix of resources to deliver the outcomes of the United Nations Sustainable Development Cooperation Framework. They are updated regularly to give a realistic picture of the funding situation and highlight any existing funding gaps. In 2023, 75 per cent of United Nations country teams had a fully operational funding framework that is updated annually, up 8 percentage points from 2021.

58. Contributing to the progress in rolling out country-level funding frameworks, more United Nations country team members are providing the financial data needed to prepare a comprehensive and up-to-date funding framework, although there is also room for improvement. Some 63 per cent of resident coordinators indicated that most country team members provide timely and sufficient financial data, up from 49 per cent in 2019. However, 76 per cent of resident coordinators feel that most country team members do not inform them of their outreach to funding partners regularly enough to enable them to fulfil their coordination needs. This also makes it a challenge to maintain an accurate funding framework and coordinate an integrated approach to finance a country's United Nations Sustainable Development Cooperation Framework.

### **Structured dialogues on funding**

59. Structured funding dialogues between United Nations entities and their governing boards are aimed at building common ground and understanding to help both parties live up to the spirit of the funding compact. Some 62 per cent of United Nations entities held at least one structured funding dialogue with their governing body in 2023, down from 79 per cent during the previous year. This excludes Secretariat entities for which funding dialogues occur through the relevant General Assembly processes of the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions. Some entities hold funding dialogues with their governing body once every two years, which is the main reason that fewer entities held such dialogues in 2023. In general, the structured funding dialogues held in 2023 provided entities with the opportunity to inform their governing body of their funding situation, including highlighting funding gaps and the impact thereof. The dialogues touched on many of the topics covered in the present report, including the lack of core funding, the need to reduce earmarking, diversify sources of funding and scale-up multi-year funding, as well as the need to inform Member States of progress on the commitments contained in the funding compact.

### **Cost recovery**

60. Cost-recovery policies have considerable implications for institutional transparency. Cost recovery refers to recovering the non-programme costs associated with programme delivery. The quadrennial comprehensive policy review reaffirmed the principle of full cost recovery, which requires entities to avoid the use of core resources to subsidize the costs associated with activities financed from non-core resources. Adhering to this principle is especially important when there is a significant imbalance between core and non-core funding. In 2023, 79 per cent of United Nations development system entities reported on approved cost-recovery

policies and rates to their governing body. Some 78 per cent included estimated cost-recovery amounts and 53 per cent included actual amounts recovered through the provision of non-core-funded activities.

61. Cost-recovery fee waivers allow funding partners to avoid the standard cost-recovery rate for certain agreements. United Nations entities have limited the use of cost-recovery fee waivers to an average of 6 waivers per entity, implying effective management of waivers. Such waivers have a minimal impact on support cost income, estimated to be \$4 million in 2022, or 0.05 per cent of total core funding. Entities should nonetheless continue to report on the issuance of waivers along with their financial impact to enable effective oversight of the application of an entity's cost-recovery policy. More broadly, entities should continue to evaluate periodically whether their cost-recovery policy is effectively preventing the need to use core resources to subsidize activities financed by non-core resources.

## V. Conclusion

62. When taken together, the above analysis underscores that the current funding architecture of the United Nations development system, highlighted by the continuing decline in the core share of total funding, the lack of predictability and high dependence on a small number of contributing Governments, is not sustainable for a system that needs to scale up its work and have an impact that is integrated and strategic. This underscores the need for the renewed and ambitious funding compact to be a helpful driver for real change in the funding patterns of the United Nations development system, better enabling the system to play a central and coordinating role in the transformative action called for in the political declaration adopted in 2023 at the Sustainable Development Goals Summit.

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