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comprehensive policy review of operational activities for
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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**

Analysis of funding of operational activities for development of the United Nations system for 2010

Report of the Secretary-General***

Summary

Contributions

General

Total contributions to operational activities for development of the United Nations system in 2010 amounted to some \$22.9 billion, an increase of 3 per cent in real terms compared to 2009, and accounted for about 16 per cent of total official development assistance (ODA) (excluding debt relief) as reported by the Development Assistance Committee of the Organization for Economic Cooperation and Development (DAC).

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*** The delay in the submission of the report was due to the late receipt of inputs from some organizations.



Increase in funding for development-related activities

About 68 per cent of funding was directed to longer-term development-related activities as against 32 per cent directed to activities with a humanitarian assistance focus. Contributions for development-related activities increased by some 5 per cent in real terms in 2010, while funding for humanitarian assistance, a volatile item, increased by less than 1 per cent in real terms.

Growing imbalance between core and non-core funding

Some 74 per cent of total funding for operational activities for development in 2010 was non-core and thus characterized by varying degrees of restrictions with regard to its application and use. Core funding declined by 3 per cent in real terms, while non-core funding increased by 6 per cent. Some 70 per cent of development-related contributions were non-core in 2010, compared to 67 per cent in 2009.

Longer-term funding trends positive

In the period from 1995 to 2010, overall trends have been positive for both development- and humanitarian assistance-related activities. In this 15-year period, funding for development-related activities grew by 131 per cent; humanitarian assistance-related activities by 108 per cent; and non-core development-related contributions by 350 per cent, all in real terms.

Overall, contributions for United Nations operational activities for development grew at a faster rate during this 15-year period than total ODA as reported by DAC. However, almost all of this growth was in the form of non-core resources, resulting in the core ratio for operational activities for development declining from 53 per cent in 1995 to 26 per cent in 2010.

Funding base broadened

The funding base for operational activities for development has seen general broadening between 1995 and 2010, with the share of contributions from non-governmental organizations, public-private partnerships and other multilateral institutions (including global funds) increasing from 7 per cent in 1995 to 17 per cent in 2010. This share is even higher at 23 per cent when looking at development-related activities only. While the absolute volume of direct contributions of DAC countries increased by 98 per cent in real terms between 1995 and 2010, their overall share of total funding for operational activities for development declined from 71 to 62 per cent.

United Nations system the largest multilateral partner of DAC countries

Some 32 per cent of all direct contributions to the multilateral system in 2010, as reported by DAC, were channelled through the United Nations development system, making the Organization the largest multilateral partner of DAC countries.

Contributions from developing countries growing

Contributions from developing countries (excluding local resources) for operational activities for development were \$551 million in 2010 and have increased by some 47 per cent in real terms between 2005 and 2010. About half of this funding was in the form of core contributions.

Non-core funding highly fragmented

Some 89 per cent of non-core funding for development-related activities in 2010 was single donor and programme- and project-specific, thereby contributing to the fragmentation of resources flows, with a consequent impact on overall programme coherence, efficiencies and transaction costs. Contributions to pooled funding arrangements such as multi-donor trust funds, including “One United Nations” funds and thematic funds of entities, accounted for the remaining 11 per cent of non-core resource flows and have increased by some 18 per cent compared to 2009.

Predictability of resource flows

Annual changes in donor contributions can be quite significant, including as a result of volatility in exchange rates. As an example, the dollar equivalent of euro contributions could differ as much as 20 per cent, depending on the moment when contributions were received and recorded. The combined negative effect of fluctuations in contributions on the overall availability of resources has been limited during the recent period of general growth. However, this relative stability in overall resources availability seems to be the result of coincidence rather than of a well-functioning funding system that has built-in mechanisms to address the challenges that are intrinsic to a heavy dependency on annual voluntary contributions. By and large, the adoption of integrated strategic and multi-year financing frameworks by entities of the United Nations development system does not seem to have significantly advanced the predictability, reliability and stability of funding flows.

Burden-sharing among DAC countries

DAC countries accounted for 84 per cent of total core resources for development-related activities in 2010, with a significant difference in individual contributions if measured as a share of gross national income. If in 2010, the median core development-related funding/gross national income (DEV/GNI) ratio were to be set as a minimum target for a system of negotiated pledges, total core contributions would increase by some \$2.1 billion or 44 per cent to \$6.7 billion.

Expenditures*General*

Some 72 per cent of the total expenditures of \$24 billion for operational activities for development in 2010 concerned programme activities at the country level, of which 45 per cent or \$7.9 billion were in Africa. The remaining 28 per cent of total expenditures related to global and regional programme activities and programme support and management activities.

Expenditures on development-related activities reached \$16.2 billion in 2010, an increase of 25 per cent in real terms since 2005. About half of development-related expenditures (excluding local resources) at the country level was spent in low-income countries in 2010.

Core resources subsidize support costs of non-core funding

There is a significant difference between core and non-core funding sources in the distribution of the total programme support and management costs of organizations. Consequently, the remaining shares of available resources for actual programme activities differ greatly as well: only 64 per cent for core funding as against 90 per cent for non-core funding. Applying a full cost recovery rate in the order of 15 per cent across the board would result in a release of some \$556 million core resources for programme activities, or the equivalent of some 23 per cent of the current level of core programme activities.

Work of the United Nations development system only moderately concentrated

The United Nations development system as a whole is moderately concentrated, with 45 programme countries, or 30 per cent of the total, accounting for some 80 per cent of all country-level expenditures in 2010. In 61 programme countries, or 41 per cent of the total, operational activities for development accounted for less than 10 per cent of total ODA in 2010.

The entities of the United Nations development system which reported country-level expenditures together had 1,939 relationships with 149 programme countries in 2010. Some 53 per cent of those relationships were significant in financial terms, meaning that the respective entities were either among the larger contributors that together accounted for 80 per cent of total ODA and/or allocated a higher share of resources to the programme country than their respective share of total global United Nations operational activities for development. In 2010, some 36 per cent of operational activities for development were carried out by entities whose operations can be characterized by a degree of concentration that was above the average.

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Acronyms

CEB	United Nations Chief Executives Board for Coordination
DAC	Development Assistance Committee
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GNI	gross national income
IDA	International Development Association
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre
ITU	International Telecommunication Union
ODA	official development assistance
OECD	Organization for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization

UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNV	United Nations Volunteers
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. Introduction

Structure and coverage of the report

1. The present report focuses on the 37 United Nations system entities (funds, programmes and agencies) that received funding for operational activities for development in 2010. These entities constitute what is generally referred to as the United Nations development system and together accounted for over 95 per cent of all United Nations system-wide operational activities for development. Detailed statistical data used as the basis for the presentations and analyses in the present report are contained in the statistical annex, which is available on the website of the Development Cooperation Policy Branch of the Office for Economic and Social Council Support and Coordination of the Department of Economic and Social Affairs.¹

System-wide reporting: opportunities and challenges

2. There are currently three main actors who report on funding for the United Nations system: the Department of Economic and Social Affairs (the Department), the United Nations Chief Executives Board for Coordination and the Development Assistance Committee of the Organization for Economic Cooperation and Development. The Department and DAC focus on operational activities for development, each from a different perspective. CEB focuses more generally on the overall budgetary and financial situation of the entities of the United Nations system.

3. With regard to access to information, in resolution 63/311, the General Assembly requested the Secretary-General to establish a central repository of information on United Nations operational activities for development. This central repository is expected to form part of the financial statistics database and reporting system that is being developed by CEB and is scheduled to become operational in 2012. Through collaboration, the Department and CEB aim to achieve rationalization and harmonization of data collection, enhanced timeliness of reporting and better reconcilability of information. The Department has also increased its collaboration with DAC to enhance the comparability and complementarity of data and information.

4. Annex I contains a technical note on issues and challenges pertaining to system-wide reporting. These relate to the use of terminology, sources and coverage, as well as comparability of data and information between the different United Nations entities. Annex II contains a description of the differences in the way the United Nations system and DAC report on core and non-core contributions and expenditures for United Nations operational activities for development.

Operational activities for development

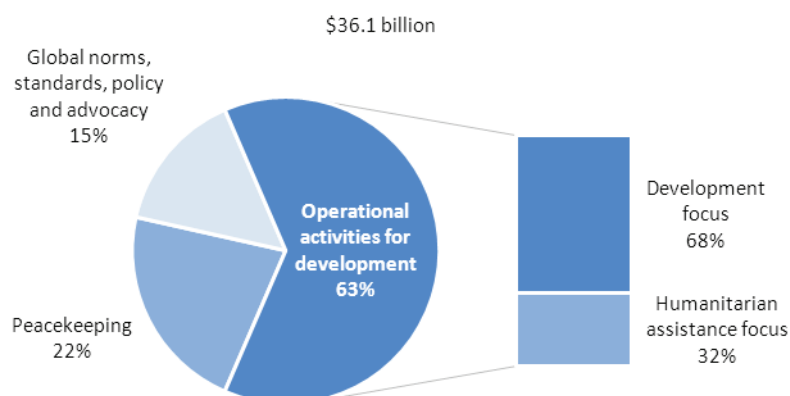
5. Operational activities for development of the United Nations system are activities that United Nations entities carry out with the promotion of development as the primary objective. A number of entities have specific mandates in this regard. Operational activities for development cover both longer-term development activities and those with a shorter-term humanitarian assistance focus.

¹ [http://www.un.org/en/development/desa/oesc/pdf/statistical_annex_to_funding_report\(2010\).xls](http://www.un.org/en/development/desa/oesc/pdf/statistical_annex_to_funding_report(2010).xls).

6. With regard to the distinction between development- and humanitarian assistance-related activities, no harmonized system-wide classification exists. For purposes of the current report and pending the introduction of such a classification system, all activities of UNHCR, UNRWA and the Office for the Coordination of Humanitarian Affairs, the emergency operations of UNICEF (some 26 per cent of all activities) and the humanitarian operations of WFP (some 91 per cent of all activities) are considered to be humanitarian assistance-related. Accordingly all other activities are treated as being development-related. The distinction between the development- and humanitarian assistance-related activities of WFP is a refinement in the current report compared to previous reports, in which all activities of WFP were considered as humanitarian assistance-related. Many of the more detailed analyses contained in the current report concern development-related activities in particular.

7. As reflected in figure I below, operational activities for development in 2010 accounted for about 63 per cent (\$22.9 billion) of all United Nations system-wide activities (\$36.1 billion). Peacekeeping operations accounted for 22 per cent (\$7.8 billion) and the global norm and standard-setting, policy and advocacy functions of the United Nations system accounted for the remaining 15 per cent (\$5.3 billion²).

Figure I
United Nations system-wide activities, 2010



Core and non-core resources

8. Operational activities for development are funded by a combination of so-called core and non-core resources. Core resources are those that are commingled without restrictions and whose use and application are directly linked to the multilateral mandates and strategic plans of the entities, which are approved by the respective governing bodies as part of an intergovernmental process.

9. In contrast and as determined by the contributors, non-core resources are mostly earmarked and thus restricted with regard to their use and application. The degree to which the use and application of non-core resources are subject to and aligned with the strategic plans approved by governing bodies is not direct.

² Estimated on the basis of 2009 data.

10. Core or unrestricted aid is generally seen as a more efficient way of building relevant and effective partnerships with programme countries in the delivery of operational activities for development. Core resources provide the highest quality and flexibility of pooled funding. They are critical for ensuring the capacity of the entities to deliver on their multilateral mandates and provide continued substantive leadership and innovation around specific goals, advocacy and policy work, in addition to programmatic implementation on the ground. Core resources are central to ensuring their independence, neutrality and role as trusted partner in a rapidly changing development cooperation landscape. Restricted aid in the form of non-core resources, on the other hand, is often seen as potentially distorting programme priorities by limiting the proportion of funding that is directly regulated by intergovernmental governing bodies and processes. Restricted aid is further seen as contributing to fragmentation, competition and overlap among entities and providing a disincentive for pursuing a United Nations system-wide focus, strategic positioning and coherence. In addition restricted aid is found to increase transaction costs, especially because of its predominantly single donor and programme- and project-specific nature.

11. Financing of operational activities for development in the form of non-core resources has grown significantly over time and accounted for some 74 per cent of total resources in 2010 as compared to 47 per cent in 1995. Looking at development-related activities alone, non-core resources accounted for some 70 per cent of total resources in 2010 as compared to 36 per cent in 1995.

12. Some 7 per cent of non-core resources is in the form of so-called local resources, or resources that programme countries contribute to entities for programming in the country itself. Whenever so indicated and deemed appropriate, this component is excluded in some of the analyses presented in the current report.

Official development assistance and other aid

13. The report makes several references to ODA when analyses are undertaken to compare operational activities for development with other development assistance. Two versions of ODA (excluding debt relief) are being used, both as defined by DAC: (a) ODA provided by DAC Governments only (\$124.5 billion in 2010); and (b) total ODA (\$131.8 billion in 2010). Total ODA includes aid flows that are reported to DAC by countries that are not members of DAC. Annex III provides further information on the different components of total ODA. It is understood that neither one of the above versions of ODA captures the totality of development assistance.³

Current versus real terms

14. In the present report, comparisons and trend analyses in “real terms” are based on amounts expressed in constant 2009 United States dollars by applying deflators published by DAC. These deflators take into account the combined effect of inflation and exchange rate movements.

³ In this connection, in the United Nations International Development Cooperation Report, 2010, it is estimated that private flows amounted to some \$25 billion and South-South development cooperation to some \$17 billion in 2009, expanding the notion of total development assistance to some \$174 billion.

II. Overview

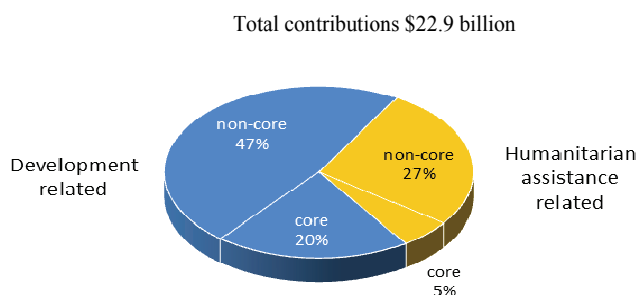
15. This section provides a general overview of selected aspects of the funding for operational activities for development. Subsequent sections provide more detailed analyses, including of key trends, issues and perspectives.

Contributions

16. Total contributions for operational activities for development amounted to \$22.9 billion in 2010. Some 68 per cent (\$15.5 billion) was directed towards development-related activities and 32 per cent (\$7.4 billion) to humanitarian assistance-related activities (see figure II below). Some 70 per cent of development-related contributions and 83 per cent of humanitarian assistance-related contributions were non-core and thus earmarked.

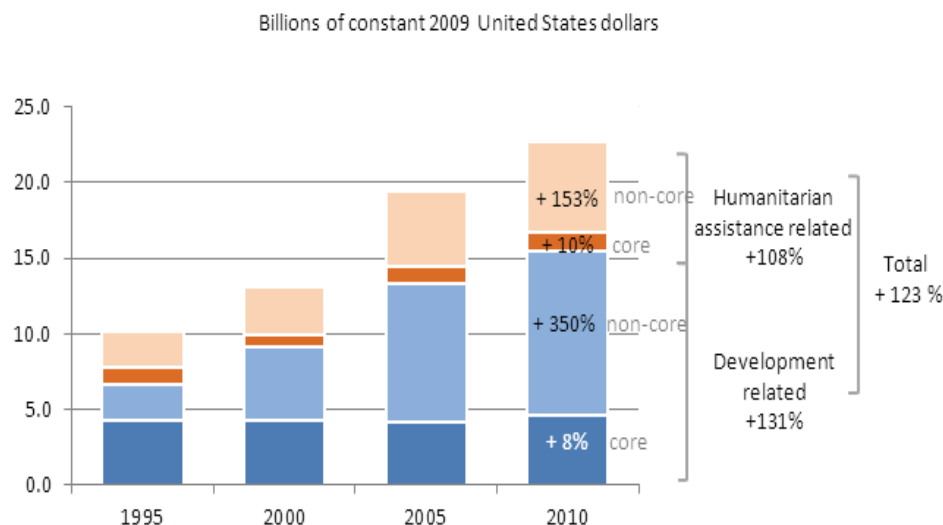
Figure II

Contributions to operational activities for development, 2010, by type



17. Figure III below provides an overview of the real-term growth of funding for operational activities for development over the period 1995 to 2010. While overall trends have been positive for both development- and humanitarian assistance-related activities, growth in core resources has been minimal compared to growth in non-core resources. This development and the consequent imbalance between the two sources of financing are central to the discussion about the critical mass required for United Nations entities to maintain and continually develop capacities to deliver on their multilateral mandates, including core programme activities on the ground, to provide substantive leadership and innovation, and ensure their independence, neutrality and strategic positioning as trusted partner in a rapidly evolving development environment. The concept of critical mass is further explored in section E of chapter IV of the current report.

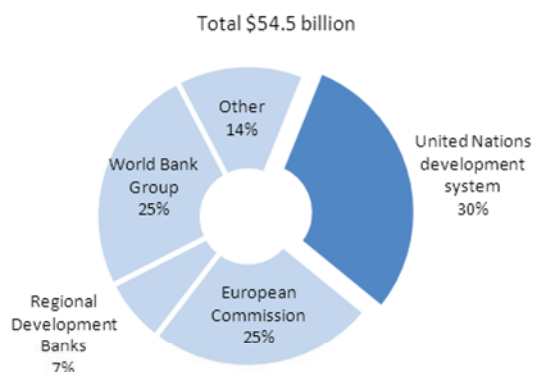
Figure III
Real change over time in funding for operational activities for development, 1995-2010 (percentage change relative to 1995)



Share of multilateral aid and total official development assistance

18. The United Nations development system remains the single largest channel for direct multilateral funding when core and non-core contributions are combined, as reported by DAC (see figure IV below). This share is currently estimated at some 30 per cent. The relatively large share of multilateral aid flows confirms the importance of the United Nations system in multilateral development cooperation.

Figure IV
Channels of multilateral aid, 2010



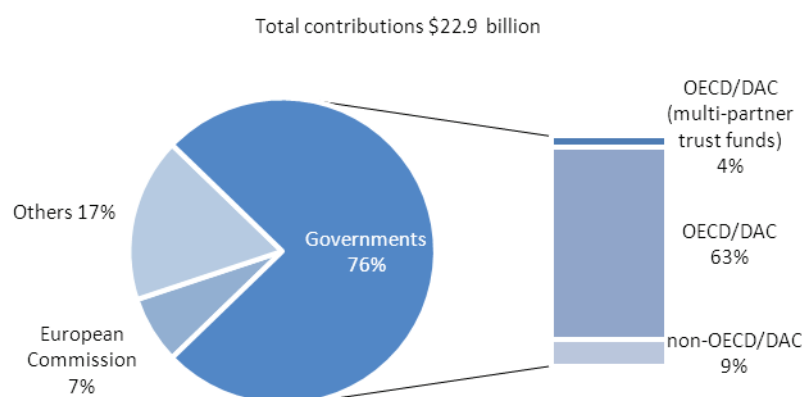
19. Funding for operational activities for development (excluding local resources) in 2010 represented some 16 per cent of total ODA flows (excluding debt relief) and funding for those activities from DAC countries accounted for 12 per cent of ODA flows from those countries.

Sources of contributions

20. As shown in figure V below, some 76 per cent of total contributions in 2010 were made by Governments directly, both DAC and non-DAC. This includes the contributions made to the so-called United Nations multi-donor trust funds that are covered by the fund administration services of the UNDP Multi-Partner Trust Fund Office on behalf of the United Nations development system.⁴ The remaining 24 per cent is accounted for by the European Commission and by non-governmental organizations, public-private partnerships and other multilateral institutions (including global funds), which themselves are mostly financed by Governments. The period 1995 to 2010 has seen a general broadening of the funding base with the share of contributions from non-governmental organizations, public-private partnerships and other multilateral institutions (including global funds) increasing from 7 per cent in 1995 to 17 per cent in 2010.

Figure V

Sources of funding for operational activities for development, 2010

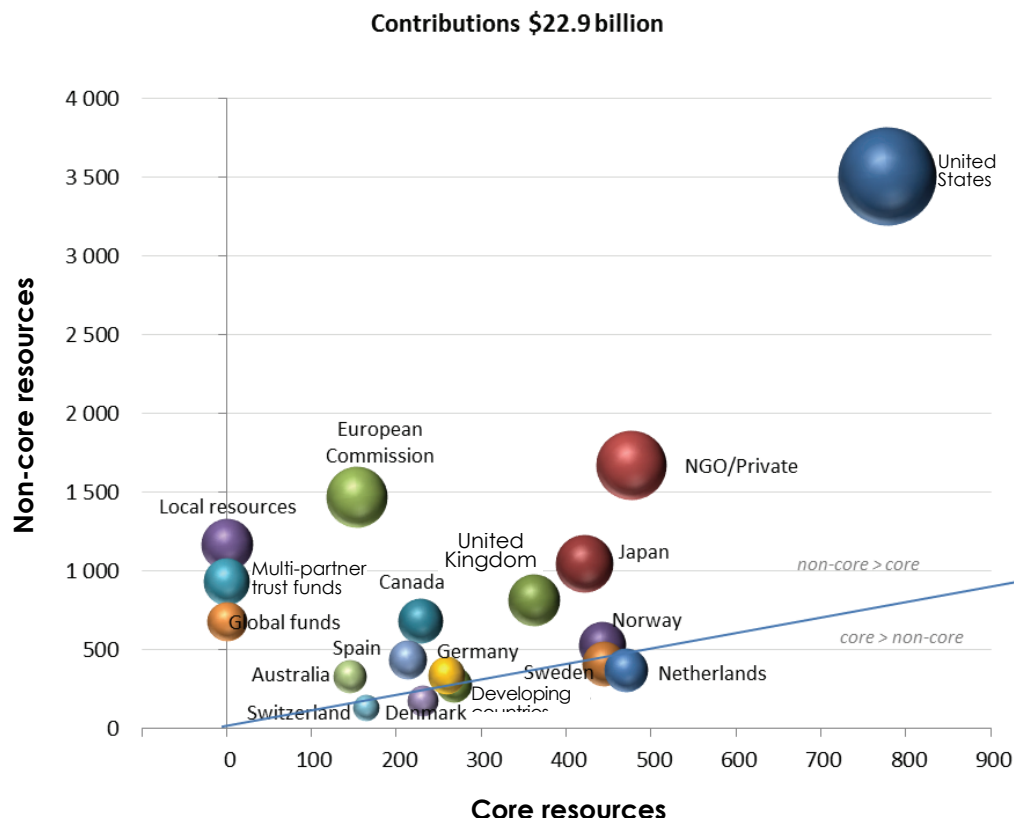


21. Table A-3 of the online statistical annex provides a complete list of contributions by contributor, type of activity (development- and humanitarian assistance-related) and type of funding (core and non-core). Figure VI below shows this information for the group of main contributors that together account for 94 per cent of total funding. Information on individual contributors excludes their contributions to multi-donor trust funds, which as a relatively new and evolving type of pooled non-core funding are shown separately.

⁴ Multi-donor trust funds were 95 per cent financed by DAC Governments in 2010 and are reflected separately.

Figure VI
Main contributors to operational activities for development, 2010: comparison of core, non-core and total funding

(Millions of United States dollars)



22. Total contributions from developing countries (excluding local resources) were some \$551 million in 2010 and increased by some 47 per cent in real terms between 2005 and 2010. About half of this funding was in the form of core contributions and half in the form of non-core contributions. In addition, developing countries contributed some \$1.2 billion in the form of non-core local resources for programming in the contributing country itself. This type of contribution to operational activities for development is equivalent to some 5 per cent of the estimated total South-South development cooperation.

Largest United Nations entities

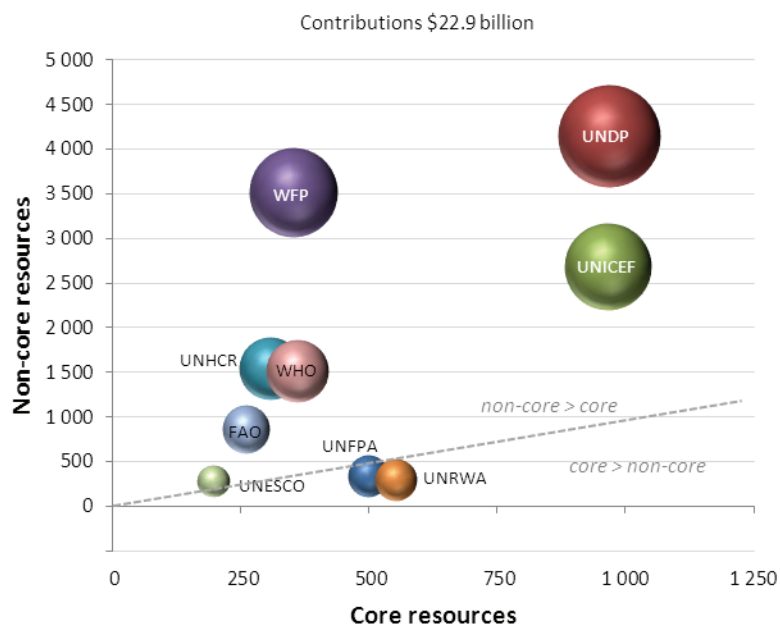
23. Funding for operational activities for development is concentrated in a relatively small number of United Nations entities, with the top nine, namely, UNDP, WFP, UNICEF, WHO, UNHCR, FAO, UNRWA, UNFPA and UNESCO, accounting for some 86 per cent of all contributions in 2010. The top three accounted for some 55 per cent, and UNDP alone for some 22 per cent. The non-core component of funding for all main entities except UNESCO, UNRWA and UNFPA exceeds the core component by a significant margin (see figure VII below). The other 28 entities, or 75 per cent of those covered by the present report, accounted for the remaining

14 per cent of funding. Table A-2 of the online statistical annex provides a full list of contributions over the last five years, by entity and type of funding (core and non-core).

Figure VII

**Main entities carrying out operational activities for development, 2010:
comparison of core, non-core and total funding**

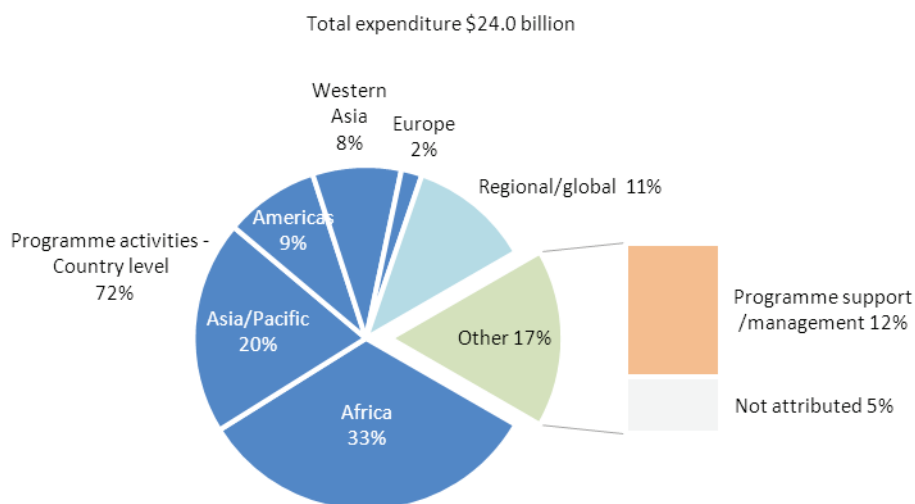
(Millions of United States dollars)



Expenditures

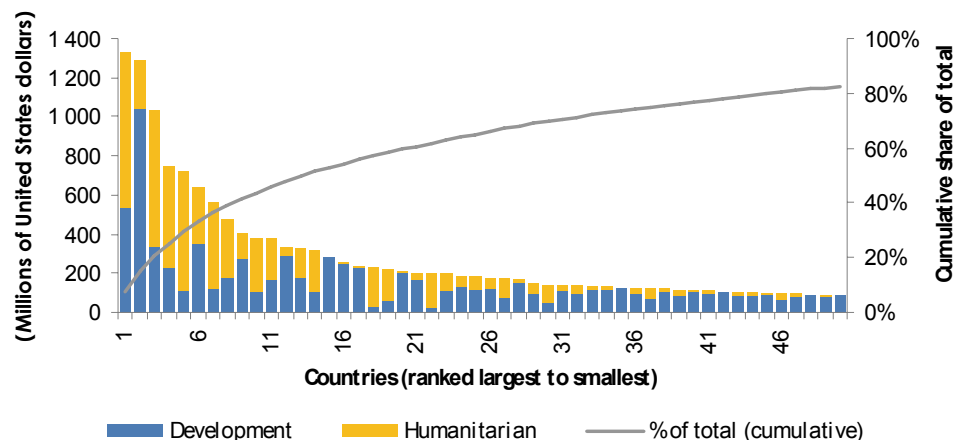
24. Some 72 per cent of the \$24.0 billion in expenditures for operational activities for development in 2010 (including local resources) concerned programme activities at the country level (see figure VIII below), of which 46 per cent or \$7.9 billion were in Africa. Accordingly, some 28 per cent of total expenditures related to programme activities at the regional and global levels, programme support and management and activities that could not be attributed to any of the above categories.

Figure VIII
Operational activities for development, 2010, by region



25. Figure IX below shows the distribution and degree of concentration of 2010 development- and humanitarian assistance-related country-level programme expenditures among the top 50 programme countries. These together accounted for 83 per cent of total programme expenditures. The top three countries accounted for some 21 per cent and the top nine countries/territories⁵ for some 41 per cent of total country-level programme expenditure.

Figure IX
Programme expenditures for the top 50 programme countries, 2010



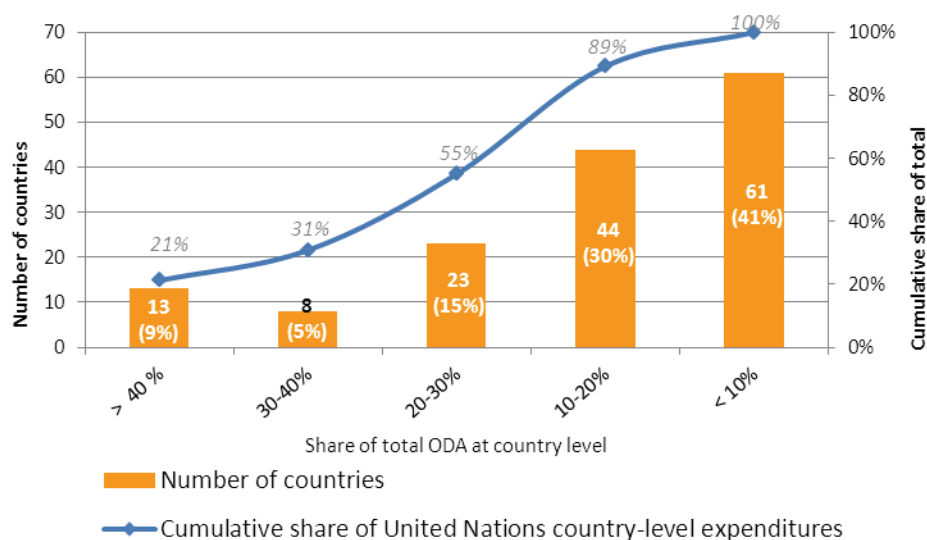
26. Table B-2 of the online statistical annex provides a full list of programme expenditures by programme country, type of activity (development- and humanitarian assistance-related) and type of funding (core and non-core).

⁵ Afghanistan, Democratic Republic of the Congo, Ethiopia, Haiti, Kenya, Occupied Palestinian Territories, Pakistan, Sudan and Zimbabwe.

27. A comparative analysis of total operational activities for development and total ODA at the country level (see figure X below) shows that those activities accounted for more than 40 per cent of total ODA in 13, or 9 per cent, of programme countries in 2010.⁶ These 13 countries combined accounted for some 21 per cent of total country-level ODA. At the other end of the spectrum operational activities for development accounted for less than 10 per cent of total ODA in 61, or 41 per cent, of programme countries. This group of 61 countries accounted for some 11 per cent of total country-level activities. Most of those activities (58 per cent) were in programme countries where they accounted for between 10 and 30 per cent of total ODA.

Figure X

Country-level programme expenditures (excluding local resources) on operational activities for development, 2010, as a share of total ODA



III. Detailed analysis

A. Contributions

General

28. Figure III above and table 1 below show that long-term funding trends for operational activities for development have been favourable. Total funding more than doubled in real terms between 1995 and 2010, with non-core contributions increasing to more than three and a half times the level in 1995. The average annual growth in total funding during this 15-year period was some 5.5 per cent in real terms. The growth has been particularly strong for development-related non-core contributions. In 2010 and in real terms, these reached a level of more than four and half times that in 1995, corresponding to an average annual growth rate of some

⁶ Barbados, Chad, Democratic People's Republic of Korea, Lebanon, Libya, Malaysia, Niger, Peru, Somalia, Sudan, Syrian Arab Republic, Thailand and Zimbabwe.

10.5 per cent. This very strong growth in non-core resources stands in stark contrast to what table 4 shows as a very modest average annual growth of some 0.6 per cent in core resources. Contributions for humanitarian assistance-related activities, although generally more subject to change from year to year, also experienced significant growth of some 108 per cent in real terms between 1995 and 2010, with non-core funding increasing by 153 per cent.

Table 1
Contributions to operational activities for development, 1995-2010

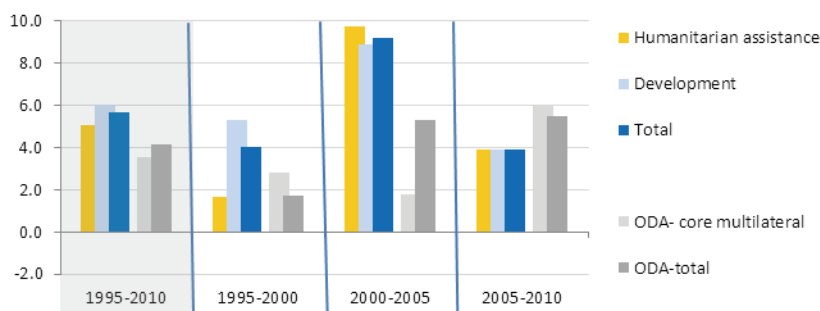
	<i>Current United States dollars (billions)</i>				<i>Change, 1995-2010 (percentage)</i>	
	<i>1995</i>	<i>2000</i>	<i>2005</i>	<i>2010</i>	<i>Nominal terms</i>	<i>Real terms</i>
Total operational activities for development						
Core	4.3	3.5	4.6	5.9	36	9
Non-core	3.9	5.6	12.5	17	340	252
Total	8.2	9	17.1	22.9	179	123
Development-related						
Core	3.4	3	3.7	4.7	36	8
Non-core	1.9	3.4	8.1	10.9	463	350
Total	5.4	6.3	11.7	15.5	189	131
Humanitarian assistance-related						
Core	0.9	0.5	0.9	1.2	38	10
Non-core	1.9	2.2	4.4	6.1	217	153
Total	2.8	2.7	5.4	7.4	160	108

Share of Development Assistance Committee multilateral aid and total official development assistance

29. Operational activities for development were equivalent to some 16 per cent of total ODA flows reported by DAC (excluding debt relief) in 2010. Figure XI below compares average annual real-term growth rates of total operational activities for development and its development- and humanitarian assistance-related components (excluding local resources) with those of total ODA and core multilateral ODA (excluding debt relief).

Figure XI
Average annual real-term growth rates over time in official development assistance and operational activities for development (excluding debt relief and local resources)

(Percentage)



30. Between 1995 and 2005, contributions to operational activities for development grew faster in real terms than both total ODA and core multilateral ODA. This was particularly the case during the period 2000 to 2005. However, since 2005, total funding for those activities has grown for the first time at a slightly lower pace than total ODA flows.

Preliminary data for 2011

31. According to preliminary data for 2011, core contributions to the United Nations development system from DAC countries declined by some 6 per cent in real terms compared to 2010. Core resources increased by 1 per cent in real terms; however non-core resources declined by 9 per cent.⁷ This decline is equivalent to the 6 per cent decline in overall ODA in 2011 as reported by DAC. According to DAC this decrease reflects fiscal constraints in several DAC countries which have affected their ODA budgets.

32. The decline in core contributions to the United Nations development system is in even starker contrast with the overall multilateral aid provided by DAC countries. This component in fact increased in 2011 by 1.2 per cent compared to 2010.

Sources of funding

33. Figure III above provides a general overview of the real-term growth of funding for operational activities for development over the period 1995 to 2010, broken down by development- and humanitarian assistance-related activities. Figure V above shows the current main sources of financing.

⁷ More detailed information on preliminary data for 2011 is provided in the funding update for 2011 of the Department of Economic and Social Affairs, available at <http://www.un.org/esa/coordination/>.

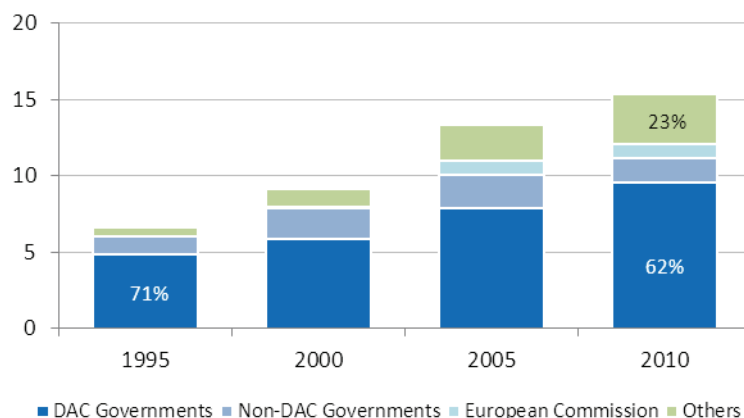
Development-related activities

34. Figure XII below further examines changes in the main sources of financing solely for development-related activities (68 per cent of total operational activities for development). By the end of the period 1995 to 2010, four distinct groups of contributors had emerged, which indicates a broadening of the funding base for development-related operational activities for development over time. While DAC countries increased their contributions by 98 per cent in real terms to \$9.6 billion in 2010, their corresponding share of total resources declined from 71 per cent in 1995 to 62 per cent in 2010.

Figure XII

Main sources of funding for development-related operational activities, 1995-2010

(Billions of constant 2009 United States dollars)

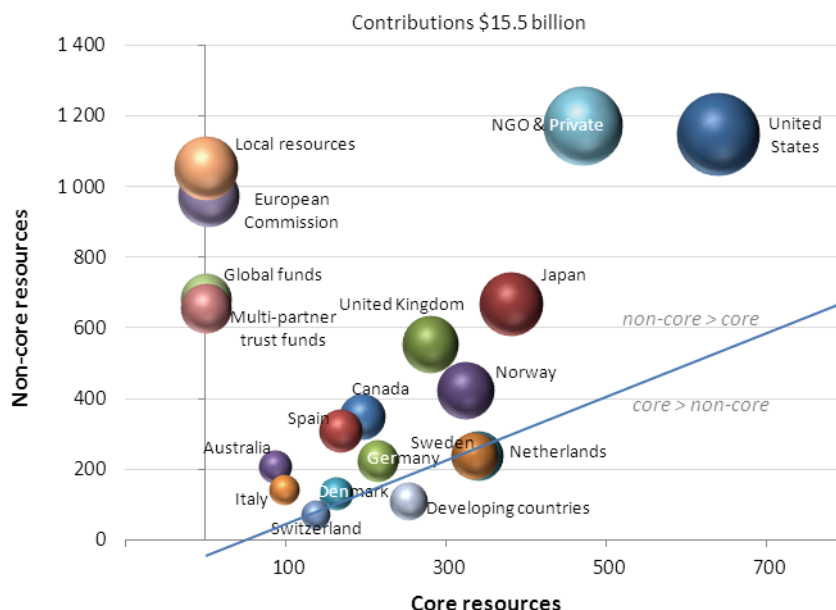


35. Increased funding by multilateral organizations (other than the European Commission), non-governmental and private sources is the most significant funding trend over the past 15 years. In 2010, development-related non-core contributions from this group amounted to some \$2.8 billion, or roughly 23 per cent of the total, with major sources as follows: global funds (\$681 million); intergovernmental organizations other than the European Commission (\$476 million); and non-governmental organizations and private sources (\$1.172 billion). The latter category includes the development-related share of contributions by UNICEF national committees (estimated to be \$395 million). The top three contributors in this category were the European Commission, the Global Fund to Fight AIDS, Tuberculosis and Malaria and GEF.

36. Similarly to figure VI above, figure XIII below provides further comparative information on contributions by total and type of funding (core and non-core) by main contributors that together account for 93 per cent of total funding for development-related activities. The core component of contributions by DAC Governments for development-related activities (excluding contributions to multi-donor trust funds) decreased from 47 per cent in 2009 to 43 per cent in 2010.

Figure XIII
Main contributors to development-related operational activities, 2010:
comparison of core, non-core and total funding

(Millions of United States dollars)

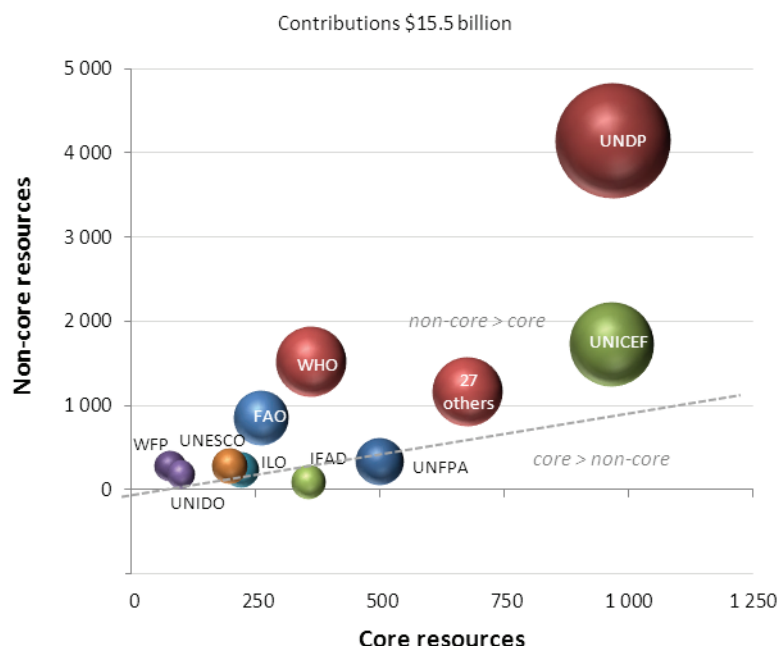


37. Contributions from developing countries for development-related activities (excluding local resources) were some \$369 million in 2010 and increased by some 17 per cent in real terms between 2005 and 2010. About 69 per cent of this funding was in the form of core resources. In addition, and as shown separately in figure XIII above, developing countries contributed some \$1.1 billion in the form of non-core local resources for development-related activities in their own countries.

38. Figure XIV below shows contributions for development-related activities by main entities, with the top 10, namely, UNDP, UNICEF, WHO, FAO, UNFPA, UNESCO, ILO, IFAD, WFP and UNIDO, accounting for some 91 per cent of all contributions for development-related activities in 2010. The top four accounted for some 70 per cent and UNDP alone, as by far the largest entity, for some 33 per cent. The other 27 entities, or 73 per cent of those covered by the current report, accounted for the remaining 9 per cent. The non-core component of funding for almost all entities exceeds the core component, sometimes by a significant margin. In the case of UNDP,⁸ non-core contributions in 2010 accounted for some 81 per cent of total contributions. Of these about 30 per cent was accounted for by local resources (16 per cent) and two global funds: the Global Fund to Fight AIDS, Tuberculosis and Malaria (9 per cent) and GEF (6 per cent).

⁸ Excluding funds administered by UNDP in 2010, such as UNCDF, UNV, UNIFEM, UNDP energy account.

Figure XIV
Main entities carrying out development-related operational activities, 2010:
comparison of core, non-core and total funding

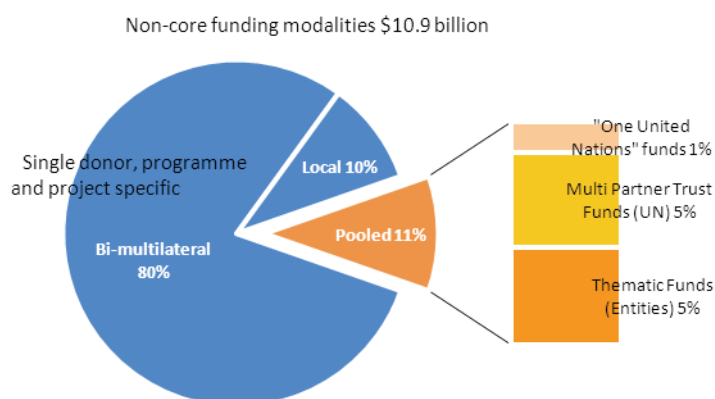


Non-core funding modalities

General

39. Figure XV below provides an overview of the main non-core funding modalities for development-related operational activities that together cover some 70 per cent of all funding for development-related operational activities. In 2010, some 89 per cent of such non-core funding, including local resources, was single donor and programme- and project-specific. Contributions to pooled funding arrangements like multi-donor trust funds, including “One United Nations” funds and thematic funds of entities, accounted for the remaining 11 per cent of non-core resource flows and have increased by some 18 per cent compared to 2009. Pooled funding remains however a small share of total non-core resource flows. The dominance of single donor and programme- and project-specific contributions, in particular, reflects the high degree of fragmentation of non-core funding.

Figure XV
Non-core funding modalities for development-related operational activities, 2010



40. Many reviews in the past have highlighted the fact that the growth in fragmented non-core funding has resulted in a corresponding increase in transaction costs. Negotiating individual funding agreements and separate programme and financial reporting for hundreds or even thousands of individual projects according to widely varying sets of requirements adds significant costs. Specific support and reporting requirements often fall outside the standard operating systems and managerial processes of the entities concerned. As further discussed in this report (see chapter 4, section C), core resources subsidize the cost of supporting activities financed from non-core resources. As a result, the share of core contributions available for programme activities at the country level is significantly lower than the corresponding share of non-core funding. This is further reviewed in table 9 below.

Local resources

41. Contributions to entities in the form of local resources for programming in contributors' own countries reached a peak in 2007 amounting to some \$2.2 billion, or some 11 per cent of all contributions to the United Nations development system. This type of funding has since been in steep decline to some \$1.2 billion, or about 5 per cent of total contributions in 2010, a level comparable to the mid-1990s. Almost all the decline in local resources contributions between 2007 and 2010 can be attributed to UNDP where, in line with the UNDP strategic plan for 2008 to 2013, such funding decreased from nearly \$1.6 billion or about one third of total contributions in 2007 to about \$676 million or 13 per cent of total contributions in 2010. Table 2 below provides information on the main contributors in local resources and the main entities involved in 2010.⁹

⁹ In some instances local resources represent loans received by countries from development banks which are channelled through United Nations entities for administration of project funds.

Table 2
Contributions of local resources to the United Nations system, 2010

<i>Main contributors</i>			<i>Main entities</i>		
<i>Country</i>	<i>Local resources (millions of United States dollars)</i>	<i>Share of total (percentage)</i>	<i>Entity</i>	<i>Local resources (millions of United States dollars)</i>	<i>Share of total (percentage)</i>
Argentina	196	16.8	UNDP	676	57.9
Brazil	111	9.5	ICAO	118	10.1
Panama	82	7.1	WFP	94	8.0
Colombia	76	6.5	UNICEF	79	6.7
Egypt	72	6.2	UNODC	58	5.0
Peru	49	4.2	FAO	48	4.1
Nepal	37	3.2	UNESCO	43	3.7
Saudi Arabia	28	2.4	UNFPA	18	1.6
Mexico	25	2.2	ILO	9	0.7
China	23	2.0	UNCTAD	8	0.7

Multi-donor trust funds and thematic trust funds

42. Both multi-donor trust funds and thematic trust funds are forms of pooled resources and thus a more flexible form of non-core contributions. While the thematic trust funds are specific to, and administered by, an individual entity, the multi-donor trust funds concern multi-entity operations and are administered by the dedicated fund administration services of the UNDP Multi-Partner Trust Fund Office on behalf of the United Nations development system. The increased use of multi-donor trust funds in recent years can be seen as a result of efforts by the international community to promote enhanced aid effectiveness, counterbalancing a high degree of fragmentation as a result of the predominantly single donor, single programme and project-specific nature of non-core resources flows.

43. Table 3 provides information on main contributors to development-related multi-donor trust funds in 2010 and main participating entities based on the amounts that the Multi-Partner Trust Fund Office, as administrative agents, transferred to them in 2010 for programme implementation.

Table 3
Multi-donor trust funds, 2010

<i>Main contributors</i>			<i>Main entities</i>		
<i>Donor</i>	<i>Contributions (millions of United States dollars)</i>	<i>Share of total (percentage)</i>	<i>Entity</i>	<i>Transfers received (millions of United States dollars)</i>	<i>Share of total (percentage)</i>
United Kingdom of Great Britain and Northern Ireland	136	25.7	UNDP	361	33.9
Norway	97	18.3	UNICEF	150	14.1
Netherlands	60	11.4	FAO	77	7.2

<i>Main contributors</i>			<i>Main entities</i>		
<i>Donor</i>	<i>Contributions (millions of United States dollars)</i>	<i>Share of total (percentage)</i>	<i>Entity</i>	<i>Transfers received (millions of United States dollars)</i>	<i>Share of total (percentage)</i>
Sweden	60	11.3	WFP	61	5.7
Spain	49	9.3	UNFPA	39	3.6
Denmark	23	4.3	WHO	39	3.6
Ireland	19	3.6	UNESCO	30	2.8
IDA	17	3.2	UNHCR	22	2.1
Belgium	14	2.6	ILO	21	2.0
Finland	7	1.3	UNIDO	16	1.5

44. In response to General Assembly resolution 64/289 on system-wide coherence, information on all existing multi-donor trust funds and thematic trust funds, including information on their mandates, performance and governance structures, was made available in 2010. This comprehensive information can be found on the website of the Development Cooperation Policy Branch of the Office for Economic and Social Council Support and Coordination of the Department of Economic and Social Affairs (www.un.org/esa/coordination/dcpb_stat.htm).

“One United Nations” funds

45. “One United Nations” funds are multi-donor trust funds that were established specifically to support the “Delivering as one” pilot initiatives by providing principally unearmarked resources to cover funding gaps in “One United Nations” programmes. These funds represent an innovation to support system-wide coherence of the work of the United Nations development system at the country level. In response to resolution 64/289, an independent evaluation of the “Delivering as one” experience, including the “One United Nations” funds, will be submitted at the sixty-seventh session of the Assembly as part of the quadrennial comprehensive policy review in 2012.

46. Table 4 below shows the amounts channelled through “One United Nations” funds in the eight “Delivering as one” pilot countries, with an indication of their share of total development-related expenditures of the United Nations system. The share of “One United Nations” funds of development-related expenditures in the eight countries combined was about 16 per cent and was no more than 30 per cent in any of the pilot countries. The success of the “One United Nations” funds in support of the concept of an integrated funding framework for the United Nations development system has therefore been moderate.

Table 4
“One United Nations” fund expenditure in pilot countries, 2010

<i>Recipient</i>	<i>“One United Nations” fund expenditure</i>	<i>Total development-related expenditure</i>	<i>“One United Nations” fund share of total</i>
	<i>(millions of United States dollars)</i>		<i>(percentage)</i>
Albania	6	24	25.7
Cape Verde	4	16	27.2
Mozambique	22	111	19.5
Pakistan	24	338	7.2
Rwanda	14	86	15.8
United Republic of Tanzania	30	131	23.1
Uruguay	3	34	7.5
Viet Nam	31	109	28.3
Total	134	849	15.7

B. Expenditures

Total expenditure

47. Table 5 below provides an overview of expenditures over the period 2005 to 2010 by total and by type of activity (development-related and humanitarian assistance-related). Figure VIII above shows that some 72 per cent of expenditures for operational activities for development in 2010 concerned programme activities at the country level, of which 45 per cent, or \$7.9 billion, were in Africa. Accordingly, some 28 per cent of total expenditures related to programme activities at the regional and global levels, programme support and management and activities that could not be attributed to any of the above categories.

48. Development-related expenditures grew by some 25 per cent in real terms, or 5 per cent annually on average, between 2005 and 2010, with the most significant annual increases recorded in 2009 and 2010. This illustrates that the United Nations development system is able to scale up its operations sizeably when called upon by the international community to do so.

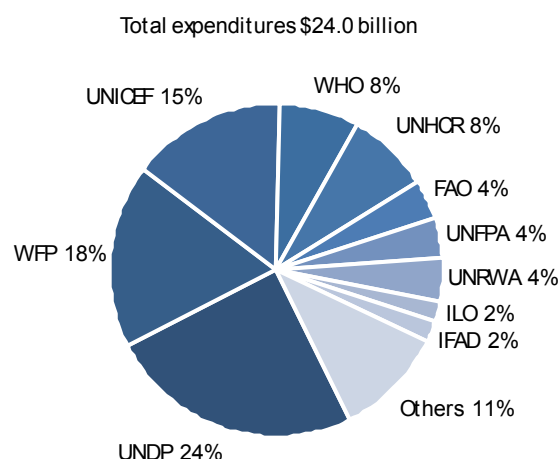
Table 5
Expenditure on operational activities for development, 2005-2010

	<i>Current United States dollars (billions)</i>						<i>Percentage change</i>	
	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>Nominal</i>	<i>Real</i>
Development-related	11.3	12.2	13.2	13.9	15.1	16.2	43	25
Humanitarian assistance-related	5.0	4.9	5.2	6.6	7.1	7.9	56	37
Total	16.3	17.0	18.4	20.5	22.2	24.0	47	29

49. As shown in figure XVI below, 10 United Nations entities accounted for some 89 per cent of total expenditures for operational activities for development in 2010, with the remaining 11 per cent spent by 27 entities.

Figure XVI

Expenditure by main entities on operational activities for development, 2010



50. Figure IX above shows the distribution and degree of concentration of development- and humanitarian assistance-related country-level programme expenditures in 2010 among the top 50 programme countries. Together, these countries accounted for 83 per cent of total programme expenditures. Table 6 below shows the top 10 programme countries/areas, which together accounted for some 44 per cent of total country-level expenditures in 2010, with an indication of expenditures per capita. Table B-2 of the online statistical annex provides a complete list of programme expenditures by programme country, type of activity (development- and humanitarian-assistance-related) and type of funding (core and non-core).

Table 6

Expenditure on operational activities for development in the top 10 programme countries/areas, 2010

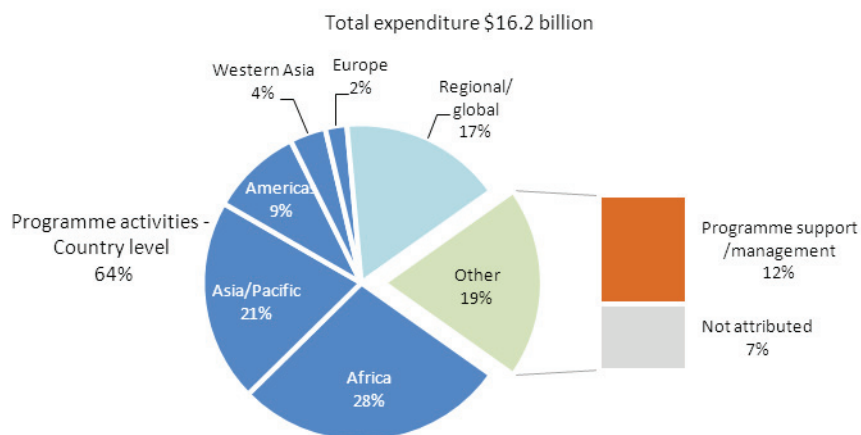
	<i>Expenditure (millions of United States dollars)</i>			<i>Expenditure per capita (United States dollars)</i>
	<i>Total</i>	<i>Development</i>	<i>Humanitarian assistance</i>	
Sudan	1 325	536	789	30
Afghanistan	1 283	1 042	242	37
Pakistan	1 030	338	693	6
Ethiopia	749	230	519	9
Occupied Palestinian Territory	726	113	613	175
Democratic Republic of the Congo	643	355	289	10
Haiti	564	122	442	56
Kenya	474	177	297	12

	<i>Expenditure (millions of United States dollars)</i>			<i>Expenditure per capita (United States dollars)</i>
	<i>Total</i>	<i>Development</i>	<i>Humanitarian assistance</i>	
Zimbabwe	408	274	133	32
Chad	381	109	272	34

Development-related activities

51. While figure VIII above analyses expenditure components for operational activities for development as a whole, figure XVII below shows the analysis for development-related expenditures (including local resources) only. Some 64 per cent of development-related expenditures in 2010 concerned programme activities at the country level, of which 44 per cent, or \$4.5 billion, were in Africa. Accordingly, some 36 per cent of total expenditures concerned programme activities at the regional and global levels, programme support and management and activities that could not be attributed to any of the above categories.

Figure XVII
Expenditure on development-related operational activities, 2010



Overall distribution of development-related programme expenditures

52. Figure XVIII below provides an overview of the general distribution and degree of concentration of development-related programme expenditures in 2010 (excluding local resources) by country and by type of funding (core and non-core), ranked according to decreasing total expenditure. For presentation purposes, expenditures in excess of \$300 million are not shown. Table 7 shows the top 10 programme countries, which together accounted for close to 40 per cent of total expenditures in 2010, with an indication of expenditure per capita.

Figure XVIII
Programme expenditure on development-related operational activities (excluding local resources), in the top 120 programme countries, 2010

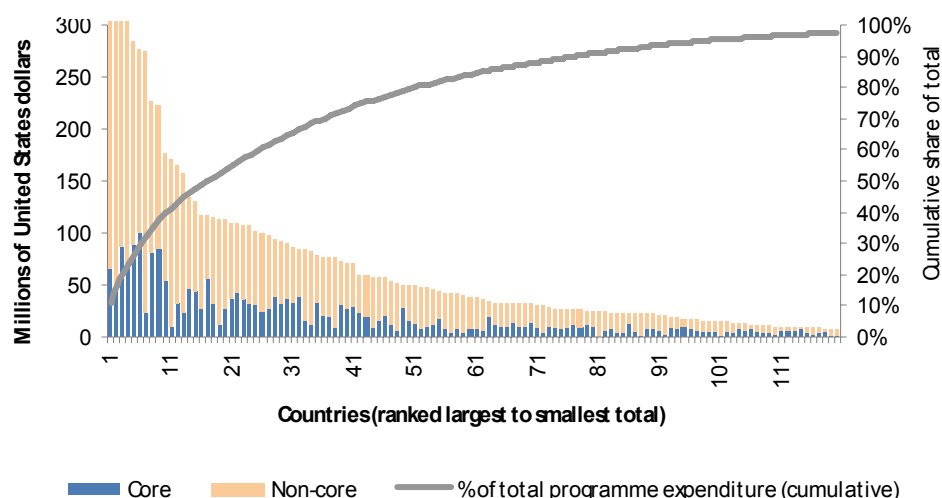


Table 7
Programme expenditure on development-related operational activities (excluding local resources) in the top 10 programme countries, 2010

	Development-related expenditure (millions of United States dollars)			Per capita expenditure (United States dollars)
	Core	Non-core	Total	
Afghanistan	66	956	1 022	30
Sudan	45	471	516	12
Democratic Republic of the Congo	86	260	346	5
Pakistan	69	259	328	2
Bangladesh	88	196	284	2
India	99	177	276	0
Zimbabwe	22	252	274	22
Ethiopia	81	146	227	3
Nigeria	85	138	223	1
Kenya	54	123	177	4

Development-related programme expenditure by country groupings

53. In reviewing operational activities for development and development assistance in general, reference is often made to country groupings that are based on certain common attributes and characteristics. Some of the groupings are based on defined, authoritative lists while others are not. The latter is the case with regard to groupings based on attributes such as conflict/post-conflict, crisis/post-crisis and different forms of transition stemming from disasters. The groupings used for analysis in the current report are those that are based on: (a) the income brackets

defined by the World Bank for 2010: 35 for low-income countries, 57 for lower-middle income countries, 53 for upper-middle income countries and 11 for high-income countries; (b) formal United Nations categorizations: 49 least developed countries, 31 landlocked developing countries and 39 small island developing States; (c) informal United Nations categories, such as 18 integrated mission countries/areas¹⁰ and the human development index for 2011, which shows 47 countries in the low human development index category, 47 in the medium human development index category and 43 in the high human development index category; and (d) generally accepted categorizations that capture different states of vulnerability: 31 countries in fragile situations (World Bank)¹¹ and 45 fragile States (OECD).¹² Groupings generally overlap in that a country can fall into more than one category. Annex V contains the full lists of countries in the different groupings used.

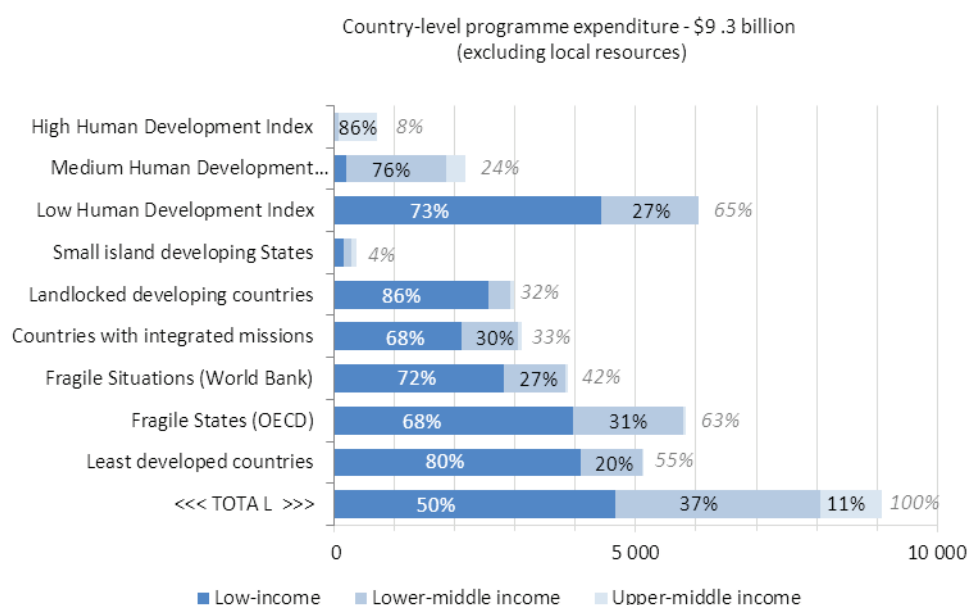
54. Figure XIX below provides an overview of how country-level programme expenditures were distributed among the different country groupings by different income levels (World Bank 2010). Low-income countries accounted for some 50 per cent and middle-income countries for some 48 per cent of total expenditures. Least developed countries accounted for some 55 per cent of total expenditures, 80 per cent of which were in low-income countries and 20 per cent in lower-middle income countries. Countries with a low human development index accounted for some 65 per cent of expenditures, 73 per cent of which were in low-income and 27 per cent in lower-middle income countries. Since 2005, a number of programme countries have graduated from the low-income group to the middle-income groups. Some \$2.0 billion, or 21 per cent of 2010 development-related expenditures, concerned the group of countries that have graduated since 2005.

¹⁰ Where United Nations peace operations and development activities are pursued in an integrated manner.

¹¹ Harmonized list of the World Bank, the African Development Bank and the Asian Development Bank.

¹² Expanded list based on the World Bank list of countries in fragile situations.

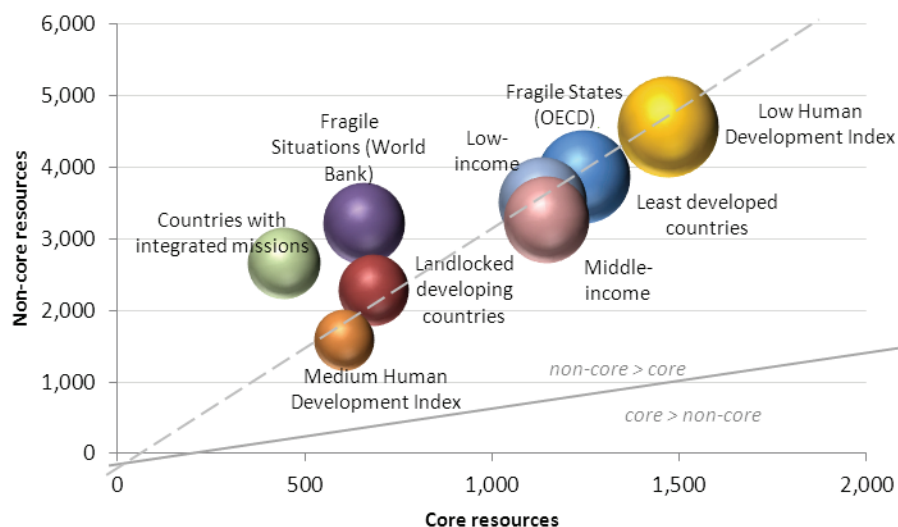
Figure XIX
Development-related operational activities by major country groupings, 2010



55. Figure XX below provides a different view of how country-level programme expenditures were distributed among the different country groupings by examining how total expenditures for each group and the two main sources of funding (core and non-core) compare. The figure shows that there is no marked difference between the core/non-core ratio for groupings such as landlocked developing countries, low-income countries, least developed countries, low human development index countries and fragile States (OECD). The ratio is markedly lower for groupings such as countries with a United Nations integrated mission and fragile situations (World Bank) and somewhat higher for the medium-level human development index and middle-income groupings.

Figure XX
Country-level programme expenditure (excluding local resources) on development-related operational activities, by major country groupings, 2010: comparison of core, non-core and total funding

(Millions of United States dollars)



Correlation between core and non-core resources

56. Examining the possible correlation between the distribution of core and non-core resources is of interest if the distribution of core resources is seen as reflecting the totality of the multilateral mandates and strategies of the United Nations development system which were approved by governing bodies as part of intergovernmental processes. For purposes of the analysis, a perfect correlation would mean that for all countries their individual share of non-core resources would be the same as their share of core resources. In this regard figure XXI below, similarly to figure XVIII, provides an overview of the general distribution and degree of concentration of development-related programme expenditures in 2010 (excluding local resources) by country and by type of funding (core and non-core), but now with countries sorted according to decreasing total core expenditures. The cumulative share of total core expenditures is shown as well. For presentation purposes, expenditures in excess of \$300 million are again not shown. Table 8 shows the top 10 programme countries, in terms of core resources, which together accounted for some 30 per cent of core and 35 per cent of non-core development-related country-level programme expenditures in 2010, excluding local resources.

Figure XXI
Programme expenditure (excluding local resources) on development-related operational activities in the top 120 countries, 2010 (ranked by core expenditures)

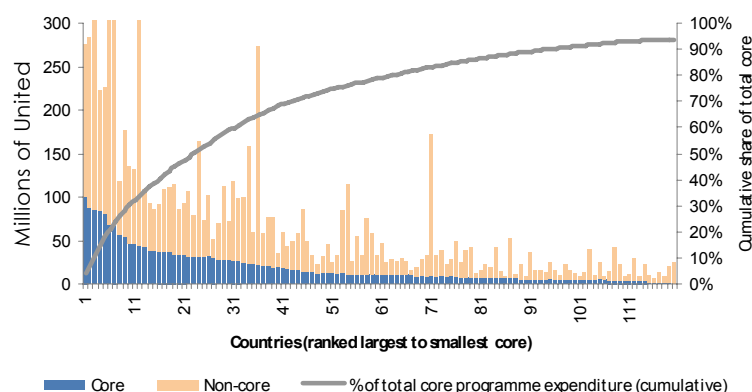


Table 8
Expenditure on development-related operational activities, 2010, in the top 10 programme countries in terms of core resources

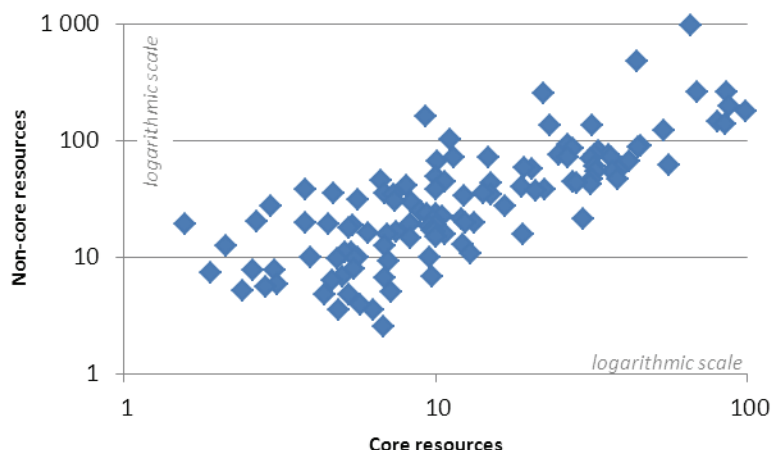
	<i>Development-related expenditure (millions of United States dollars)</i>			<i>Core expenditure per capita (United States dollars)</i>
	<i>Core</i>	<i>Non-core</i>	<i>Total</i>	
India	99	177	276	0.1
Bangladesh	88	196	284	0.6
Democratic Republic of the Congo	86	260	346	1.3
Nigeria	85	138	223	0.5
Ethiopia	81	146	227	1.0
Pakistan	69	259	328	0.4
Afghanistan	66	956	1 022	1.9
Uganda	56	61	117	1.7
Kenya	54	123	177	1.3
China	46	89	135	0.0

57. The 2010 correlation, based purely on financial data, is shown in figure XXII, which shows, on logarithmic scales, the relationship between core and non-core components of expenditures for each of the top 120 programme countries. The Pearson product-moment correlation coefficient, if used as an indicator, would suggest that the correlation for the United Nations development system as a whole can be considered as moderate.¹³

¹³ Pearson product-moment correlation coefficient (PPMC): 0.62 (PPMC of 1 would indicate a perfect correlation).

Figure XXII
Country-level programme expenditure on development-related operational activities, 2010: correlation between core and non-core components

(Millions of United States dollars)



58. This correlation can be further examined for the impact of income and special development situations. The analysis shows that the correlation is stronger if the 31 countries in fragile situations¹⁴ are excluded.

59. It is important to note that the correlation as calculated (a) applies to the United Nations development system as a whole; (b) is purely financial in character; and (c) does not necessarily indicate a causal relationship between the amount of core and non-core resources. Given the composition of the United Nations development system with over 37 individual entities and the fragmented nature of non-core funding, causal relationships would be very much dependent on how activities form part of a deliberately interrelated and coherent system-wide programming and resource mobilization framework such as the United Nations Development Assistance Framework.

60. Similar analysis for individual agencies also shows that there are material differences in correlation factors thus calculated. For example, the financial correlation is stronger in the case of UNICEF than of UNFPA and UNDP, both when countries in fragile situations are included and excluded.¹⁵ The usefulness and applicability of correlation reviews, such as the one used above, will continue to be explored and refined in future reports.

¹⁴ World Bank harmonized definition.

¹⁵ The respective PPMCs are: UNICEF — 0.73/0.85; UNFPA — 0.59/0.49 and UNDP — 0.39/0.62.

IV. Selected issues

A. Predictability of core and non-core funding

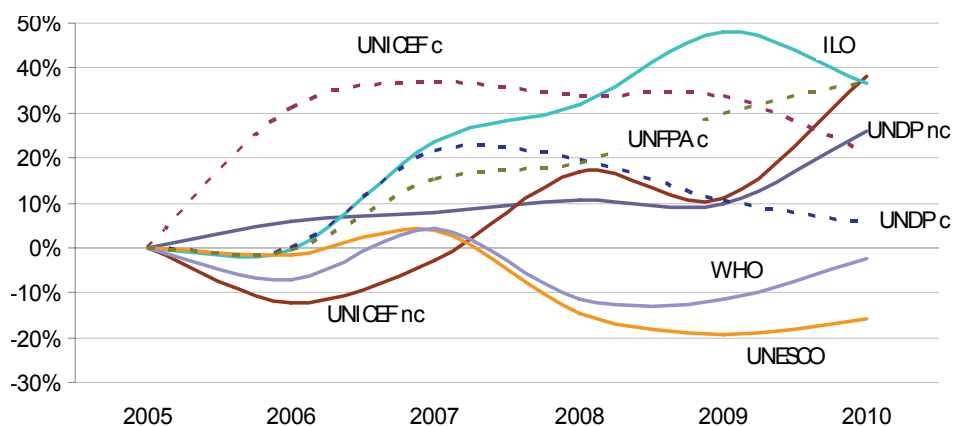
General

61. In the report on funding of operational activities for 2009 (A/66/79-E/2011/107), elements of predictability, reliability and stability of funding were reviewed for a number of entities by examining actual fluctuations in contributions and the impact thereof on the availability of total resources over time. This section provides an update of that analysis and covers the six-year period 2005 to 2010 for UNDP, UNICEF, UNFPA, FAO, ILO, UNESCO and WHO. These entities together accounted for more than 89 per cent of total funding (excluding local resources) for development-related activities in 2010. The review of each of the entities has again focused on the group of main contributors, which together accounted for some 80 per cent of the resources of the entities concerned. For UNDP, UNICEF and UNFPA, the situation was reviewed for both core and non-core voluntary contributions. For FAO, ILO, UNESCO and WHO, only non-core voluntary resources were reviewed, since the core component of funding is almost exclusively financed from assessed contributions. Assessed contributions by nature are less subject to volatility and unpredictability — apart from issues relating to timeliness of payment.

62. The findings of this review of the predictability, reliability and stability of funding are discussed below based on a series of charts that illustrate issues and patterns that have been found to apply to most entities. Figure XXIII below shows the relative movement in total contributions to entities since 2005. With the exception of UNESCO and to a lesser degree WHO, all the entities experienced growth in funding over the six-year period. However, towards the end of the period a declining trend can be observed for the core resources of UNDP and UNICEF and the voluntarily funded resources (non-core) of ILO. For presentation purposes, figure XXIII does not show the trends for FAO and non-core resources of UNFPA, but both experienced significant nominal growth of 148 and 141 per cent respectively, compared to a relatively small base in 2005.

Figure XXIII

Voluntary contributions to the main funds, programmes and specialized agencies, 2005-2010: changes relative to 2005



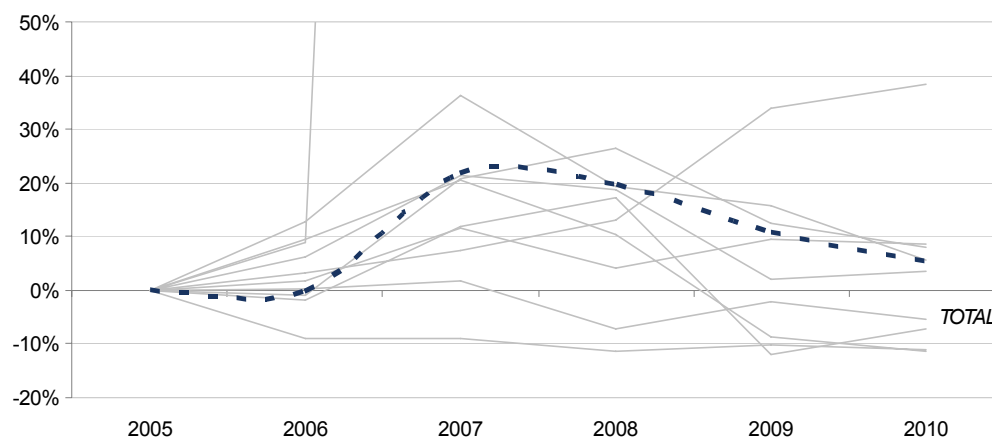
c, core; nc, non-core.

63. A more detailed review of each entity has revealed that the actual volatility in contributions from main sources is much more pronounced than the overall patterns above suggest. Despite generally positive aggregate growth, it is clear that entities continue to face challenges of the predictability, reliability and stability of funding from individual sources. Data from different entities are used to illustrate this.

64. Figure XXIV below shows as an example the relative movement of total core resources for UNDP over the period 2005 to 2010 (dotted line) with the relative movement of contributions by individual main contributors in the background.

Figure XXIV

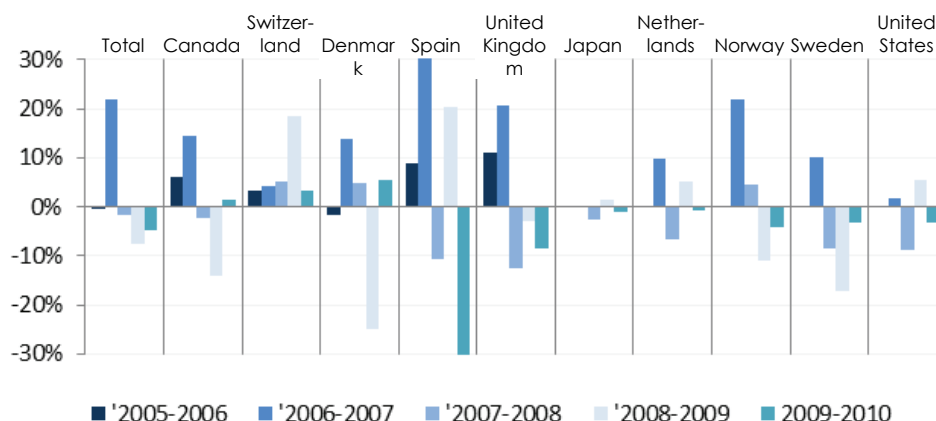
Voluntary contributions, by main sources, to UNDP core resources, 2005-2010: changes relative to 2005



65. Fluctuations in contributions by individual sources have clearly been much more pronounced than is suggested by the relatively smooth and stable movement in total resources. This volatility is further confirmed by the information contained in figure III above, which shows annual changes in contributions by individual main contributors compared to the previous year. As can be seen, annual changes in contributions can vary considerably.

Figure XXV

Voluntary contributions, by main sources, to UNDP core resources, 2005-2010: changes over previous year



66. Fluctuations in individual non-core contributions have been found to be even more pronounced than in the case of core resources. Figures XXVI and XXVII reflect this by using FAO as an example.

Figure XXVI

Voluntary contributions, by main sources, to FAO non-core resources, 2005-2010: changes relative to 2005

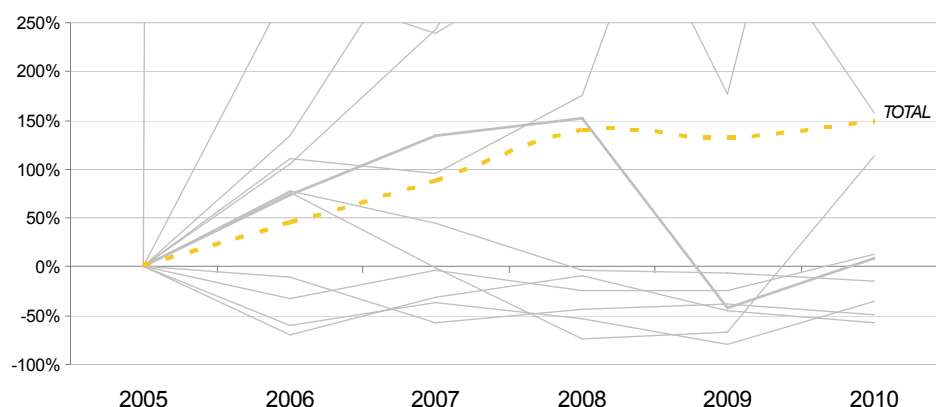
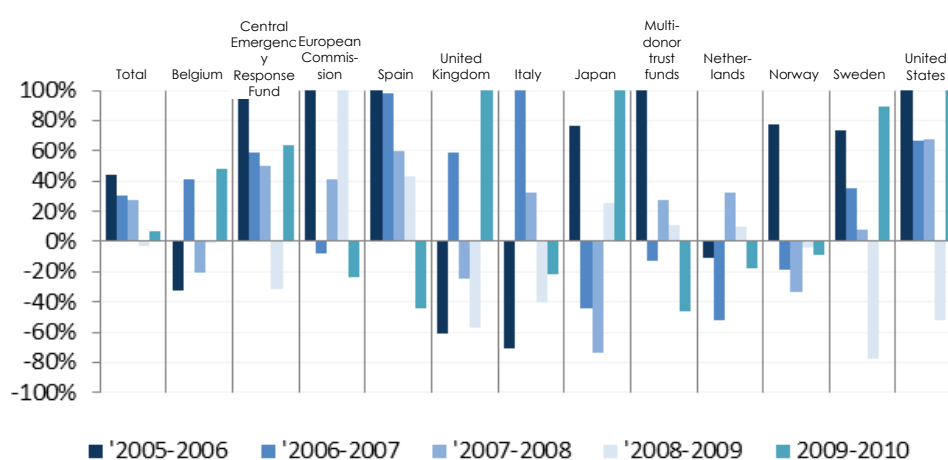


Figure XXVII

Voluntary contributions, by main sources, to FAO non-core resources, 2005-2010: changes over previous year



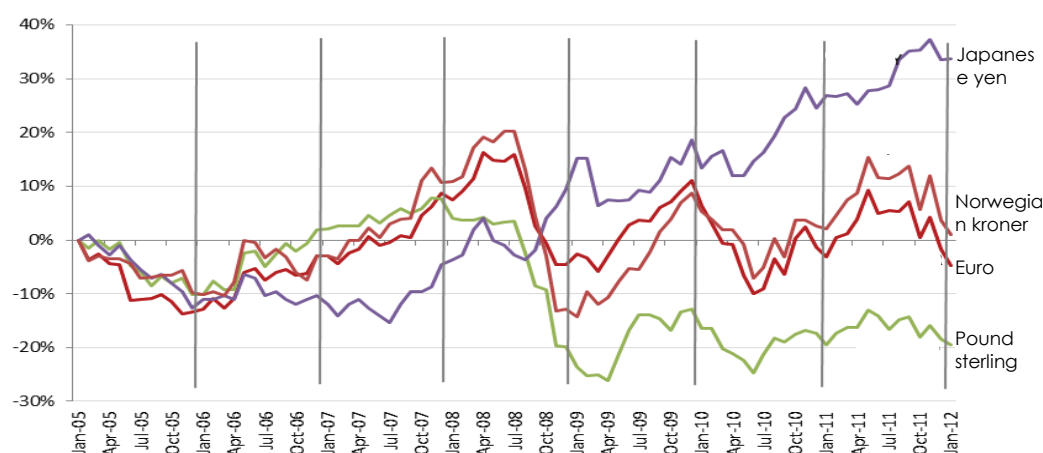
67. A higher volatility in non-core contributions is not unexpected since some 89 per cent of non-core funding remains primarily single donor and programme- or project-specific. However, in accordance with the relevant financial rules and regulations, non-core funding relating to multi-year programmes or projects must be secured in advance in the form of formal funding agreements, even though actual cash payments can generally be made in instalments. This in fact adds a considerable degree of predictability and stability at the level of the specific programme or project once the non-core funding agreements have been concluded.

Impact of exchange rate fluctuations

68. Since the United States dollar is the general unit of accounting and reporting in the United Nations system, the previous report included an analysis of the impact that fluctuations in exchange rates can have on the United States dollar equivalent of contributions made by donors in their own national currency. This review was updated as part of the analysis contained in the present report. Figure XXVIII is based on the monthly United Nations exchange rates and illustrates the very significant volatility in those rates during the period 2005 to 2011, both within and between years. As for 2010, fluctuations in exchange rates during the year were again significant. For example the United States dollar equivalent of euro contributions could differ by as much as 20 per cent, depending on the moment when contributions were received and recorded.

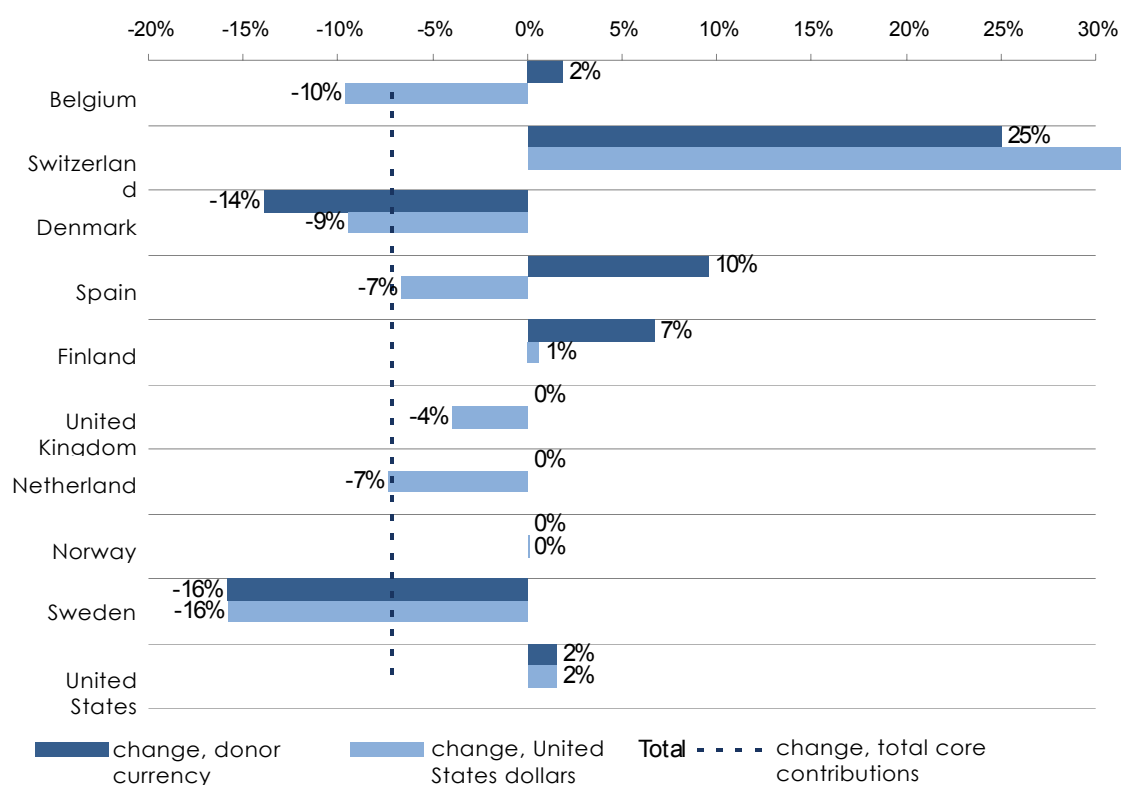
Figure XXVIII

Change in exchange rates of selected donor currencies relative to the United States dollar, 2005-2011, relative to January 2005



69. As an example, figure XXIX compares changes in UNICEF core contributions in donor currencies with the United States dollar equivalent as recorded in the accounts. Again as an example, euro-denominated increases by Finland and Spain resulted in an increase of 1 per cent denominated in United States dollars in the case of Finland but a decrease of 7 per cent denominated in United States dollars for Spain.

Figure XXIX
Change in contributions, by main sources, to UNICEF core resources, 2009-2010
in donor currency and United States dollar equivalent



70. In addition to applying general cash-flow planning mechanisms, some entities actively hedge foreign exchange exposure in the financial markets. Foreign exchange hedging helps mitigate volatility and uncertainty for their financial planning.

71. As illustrated above, annual changes in donor contributions can be quite significant, including as a result of volatility in exchange rates. However, the combined effect of the fluctuations on the overall availability of resources does not seem to have been negative. It seems obvious, however, that such relative stability during a period of general growth is more the result of coincidence than of a well-functioning funding system with built-in mechanisms to address the challenges that are intrinsic to a heavy dependency on annual voluntary contributions.

Addressing negative aspects of the present system

72. As was mentioned in the previous report, over time various formal and informal discussions have been held among Member States to examine alternatives to the present funding system. These discussions have particularly focused on objectives such as providing a better link between funding commitments to approved programming levels, providing increased predictability and broadening the base of burden-sharing among Member States.

73. The general focus of those discussions has been on the elimination of some of the negative aspects of the present system in an evolutionary manner, rather than through fundamental change. Central to the most recent approaches to enhancing the predictability of funding flows has been the adoption of multi-year pledging in the context of multi-year strategic plans and financial frameworks with links to results-based management. Such multi-year pledging, possibly based on voluntary indicative scales or negotiated burden-sharing, can be seen as a means of introducing the combined positive elements of voluntary contributions, assessed contributions and negotiated replenishment systems that are in place, for instance, in the international financial institutions. By and large, integrated strategic and multi-year financing frameworks have been developed by all organizations of the United Nations development system, but have so far not significantly advanced the reliability and stability of funding, as demonstrated by the analysis above.

74. In addition to the development of multi-year strategic plans and frameworks, organizations have also explored and introduced other funding modalities that can reduce the overall impact of volatile non-core contributions in particular. These include the use of pooled funding modalities in the form of thematic or other multi-donor trust funds. However, such pooled funding modalities still constitute a small part of non-core funding, as indicated elsewhere in the present report.

75. Following the approaches that were developed and successfully introduced by the funds and programmes, most of the specialized agencies have further invested in their relationships with partners and stakeholders, including by developing resource mobilization strategies and longer-term cooperation agreements with key donors, increasing knowledge in the secretariats of new aid modalities and instruments (e.g., global funds and public-private partnerships) and developing relevant guidelines and training for the staff concerned.

76. The Department of Economic and Social Affairs will continue to examine the issue of predictability of resources flows to the United Nations development system in future reports, including with regard to the initiatives and experiences of individual organizations to address the challenges that are inherent in a funding system that to a large extent depends on annual voluntary contributions.

B. Burden-sharing

77. Figure XIII above and table A-5 in the online statistical annex provide information about 2010 development-related contributions by main source and type of funding (core and non-core). Some 58 per cent of total contributions were made by DAC countries.¹⁶ This share is the combined result of the DAC countries contributing 84 per cent of total development-related core resources and 47 per cent of development-related non-core resources.

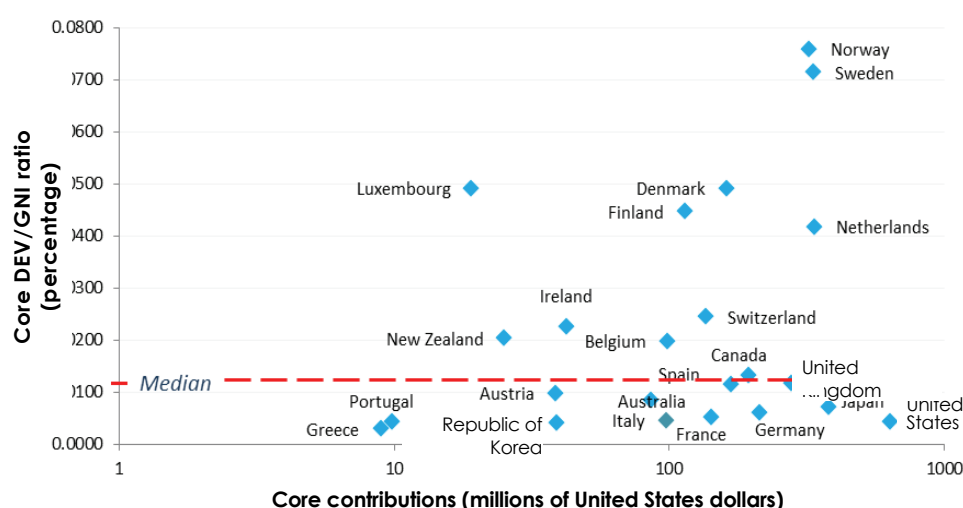
78. In order to examine the issue of burden-sharing, development-related core contributions by individual DAC countries were reviewed relative to their GNI as expressed by a core DEV/GNI ratio. Figure XXX shows the outcome of this review, including how country-specific core DEV/GNI ratios compare to the median ratio of 0.0118 per cent for the group of DAC countries as a whole. It should be noted that a

¹⁶ Excluding contributions to multi-donor trust funds. Figure XII above shows the OECD/DAC share when multi-donor trust funds are included.

logarithmic scale is used on the horizontal axis in figure XXX. As a result, countries that provide significantly different amounts of core contributions may appear relatively close to each other in the graph. The analysis confirms that burden-sharing is uneven. The 11 countries that show a core DEV/GNI ratio in excess of the median ratio (group A) together contributed \$1.8 billion, or 46 per cent, of total DAC core contributions, while their share of total DAC GNI was only 13 per cent. The 11 countries that show a core DEV/GNI ratio below the median ratio (group B) also contributed some 47 per cent of total DAC core contributions, but their share of total DAC GNI was 81 per cent.¹⁷ This uneven burden-sharing has added importance in view of the fact that core resources are found to subsidize the support to, and management of, activities financed from non-core resources. This is further reviewed in chapter IV, section C below.

Figure XXX

Contributions by DAC countries to core resources for development-related operational activities, 2010, relative to GNI (core DEV/GNI ratio)



79. Based on the information above, a number of scenarios can be reviewed to frame further discussions on the issue of burden-sharing:

Contributions based on the median core-DEV/GNI ratio as a “rate of assessment”

80. If the 2010 median core DEV/GNI ratio were to be set as a “rate of assessment” and all DAC countries contributed accordingly, total core contributions would increase by some \$0.9 billion, or 18 per cent, to \$5.5 billion.¹⁸ Contributions by group A countries would decrease by \$1.2 billion or 66 per cent to some \$0.6 billion and contributions by group B countries would more than double and increase to \$3.9 billion.

¹⁷ The remaining 7 per cent of contributions and 6 per cent of total GNI is accounted for by the country with the median ratio.

¹⁸ The table in annex IV shows how these figures were derived.

Contributions based on the median core DEV/GNI ratio as a “rate for negotiated pledging”

81. If the 2010 median DEV/GNI ratio were to be applied as a minimum target for a system of negotiated pledges, total core contributions would increase by some \$2.1 billion, or 44 per cent, to \$6.7 billion. Contributions by group A countries would remain the same and contributions by group B countries would, as in the first scenario, more than double and increase to \$3.9 billion.

Covering shortfalls by switching non-core contributions to core contributions

82. An analysis was made of the extent to which shortfalls in core contributions by group B countries in either one of the scenarios set out above could be covered by those countries switching existing non-core contributions to core contributions. The outcome of the analysis shows that of the total shortfall of \$2.0 billion, some \$1.8 billion, or close to 90 per cent, could indeed be covered by shifting all or part of existing non-core contributions to core contributions.

83. On a number of occasions, various governing bodies have called for or discussed the desirability of a major shift of donor country contributions from non-core to core. Achieving such a shift may prove difficult. As the strategic priorities of the United Nations system have become more complex over the decades, so have those of the major donor countries. In general, donor country aid policies are much more carefully targeted today than in the past — either by theme or beneficiary, or by some combination of the two. Donor aid ministries have also over the years added many new targeted funding lines to their institutional and budgetary structures. Core resources generally come from a budget line used to sustain long-term strategic partnerships with multilateral organizations. Here, the competition for resources has increased dramatically, with the European Union and the global funds being but two examples.

84. While further research is necessary to confirm the details, most of the non-core funding does not come from these same multilateral budget lines, but from “country-targeted” or “theme-targeted” funding lines that may even be controlled by different line ministries. Most of these budget lines have very clear legislative or regulatory conditions that govern their use, with some combination of beneficiary or thematic targeting. Whether purpose-limited by legislation or internal ministry regulation, these funds do not easily cross budget lines. A parallel can be found in the United Nations system. Despite the considered importance of “One United Nations” funds to “Delivering as one” approaches in the field, no major United Nations entity has been able to contribute fully unearmarked funds to any of the “One United Nations” funds. The funds of a United Nations organization cannot, without serious policy or regulatory problems, cross over into the budget of another entity to be used for purposes different from those for which they were contributed.

85. In the near future, a survey is planned for DAC donor countries in an attempt to understand more fully the nature and importance of these legislative or regulatory restrictions. The second report of the Secretary-General on funding in September will provide further details on this survey.

C. Non-core funding and cost recovery — cross subsidization

86. Analyses of the sources, modalities and destination of funding for operational activities for development show that core resources, compared to non-core resources, cover a significantly higher share of the non-programme institutional costs of entities. In this connection, the previous report (A/66/79-E/2011/107, paras. 107-127) contained an in-depth review of the policies and practices that are in place to recover support and management costs. The report concluded that core resources do indeed “subsidize” the support to and management of non-core financed activities. This conclusion was based on a review of a high-level breakdown of the use of resources by funding source and by broad cost classifications. Table 9 below contains an update of this high-level review, based on 2010 data provided by 23 entities representing some 87 per cent of total development-related expenditures in 2010. Where necessary, this has been supplemented by data contained in public financial and budgetary reports of the organizations concerned.

Table 9

High-level breakdown of expenditures for development-related operational activities, 2010

	<i>Programme activities</i>		<i>Programme support and management activities</i>	<i>Other</i>	<i>Total</i>
	<i>Country-level</i>	<i>Regional and global</i>			
Core resources (millions of United States dollars)	1 779	684	1 132	243	3 840
Share (percentage)	46.3	17.8	29.5	6.3	100.0
Non-core resources (millions of United States dollars)	7 439	1 782	1 042	16	10 279
Share (percentage)	72.4	17.3	10.1	0.2	100.0
Total (millions of United States dollars)	9 218	2 466	2 174	259	14 118
Share (percentage)	65.3	17.5	15.4	1.8	100.0

Note: Information based on 23 United Nations entities representing 87 per cent of total development-related expenditures in 2010.

87. The updated analysis reconfirms the significant difference in the attribution of programme support and management costs to core and non-core funding sources. Consequently, the remaining shares available for actual programme activities continue to differ greatly: 64 per cent of core funding is applied to programme activities at different levels (country, regional and global) compared with 90 per cent for non-core resources. It was noted in paragraph 114 of the previous report that the extent to which the current subsidization by core resources runs counter to legislation adopted by governing bodies is open to interpretation because of legislative ambiguity about which costs — full or incremental costs — are expected to be fully recovered. A principle of full cost recovery would be based on the premise that all activities, regardless of the source of financing equally benefit, either directly or indirectly, from the totality of substantive and operational

capacities of entities. Table 9 shows that applying the principle of full cost recovery without further differentiation would require a recovery rate in the order of 15 per cent. Applying such a rate across the board would result in a release of some \$556 million core resources for programme activities, or the equivalent of some 23 per cent of the current level of core programme activities.

88. As recommended in the previous report, legislative and governing bodies should review and confirm whether the underlying policy of incremental cost recovery remains valid in the current funding environment. This is also of relevance for the review of the critical mass of core funding, as further elaborated in paragraphs 101 to 111 below. A common system-wide policy statement would be critical in this regard to provide guidance to the work that United Nations organizations should continue, under the auspices of the CEB, in pursuit of further harmonization and rationalization of practices and cost classifications related to costs and cost recovery. In this connection, the outcome of the work of a second working group under the auspices of the United Nations Development Group and the High-level Committee on Management of the CEB between 2007 and 2010 was not conclusive. UNDP, UNICEF and UNFPA are currently undertaking another joint cost recovery harmonization exercise as part of the development of an integrated budget framework by 2014, which could provide an impetus in this regard. The outcome of this joint review was not available at the time of preparation of the present report.

D. Concentration and fragmentation

89. In this section, financial indicators and statistical methods are used to further examine the level of significance, concentration and fragmentation of operational activities for development in 2010. Such an analysis based on financial information has inherent limitations as it does not cover the qualitative aspects of the outcomes of the relationships between United Nations entities and programme countries. For example, the amount of support extended by a particular entity to a given country may be very small in terms of expenditures, but be highly relevant and effective in its impact on addressing broader priority needs.

90. Despite its limitations, an analysis on the basis of financial information can provide insights into the relative importance of operational activities for development compared to total development assistance at programme country level and into the way that individual entities in the United Nations development system differ in their distribution of resources.

91. The methodology applied in this section follows the one developed and applied by DAC to assess the degree of fragmentation of ODA provided by its members to recipient countries. While this methodology was not specifically designed to be applied in a multilateral context, an analysis of this kind can provide useful information on some aspects and the context of relationships between the United Nations development system and programme countries, and hence inform reviews of operational activities for development at different levels.

92. The methodology as applied to the review of operational activities for development is summarized in the box below. The analysis is based on total operational activities for development, thus comprising both development-related and humanitarian assistance-related activities and all types of funding, core and non-core combined.

Defining the significance of cooperation relations and concentration and fragmentation ratios

The rationale

When considering the significance of development cooperation relations, it is important to examine the perspectives of both the programme country and the entity. The policy inference is that where cooperation relations are neither significant from the point of view of the programme country, nor from the point of view of the entity, there is a rationale for revisiting these relations.

Definitions

Significance of a cooperation relationship. A cooperation relationship is considered significant in financial terms if “yes” is the answer to at least one of the following questions:

1. Does the entity allocate a higher share of resources to the programme country than its overall share of total operational activities for development?
2. Is the share of resources for operational activities for development received by the entity at the level of the individual programme country higher than its global share of total country-level operational activities for development?

In question 1, there is a bias towards smaller entities based on the fact that they are usually involved in fewer partner countries, which makes it less difficult for them to exceed their global share of aid at country level. In contrast, question 2 includes a bias towards larger entities, for which it is less difficult to be among the top contributors that cumulatively provide 80 per cent of total ODA at the programme country level. By combining these two criteria, both the small and large entity biases are taken into consideration.

Concentration ratio. Defined from the point of view of an entity, the overall aim would be a concentrated portfolio with significant cooperation relations with the programme country. On this basis, the concentration ratio measures the number of significant cooperation relations of an entity compared to all of its cooperation relations. The higher the concentration ratio, the less the portfolio of an entity is fragmented.

Fragmentation ratio. Defined from the point of view of a programme country, the aim would be to maximize the number of significant relations with entities and minimize the number of non-significant relations. On this basis, the fragmentation ratio measures the number of non-significant entities compared to the overall number of entities. The lower the fragmentation ratio, the less fragmented are the entity cooperation programmes in that country.

These two indicators are complementary at the global level, since the sum of the global concentration and fragmentation ratios are one.

93. The significance, concentration or fragmentation of operational activities for development of the United Nations system has been examined at two levels: (a) how important is the whole United Nations development system as a source of development financing for individual programme countries and how are the resources distributed among those countries?; and (b) how important are individual United Nations entities as a source of development financing in programme countries?

Importance of system-wide operational activities to programme countries

94. In 2010, the overall share of total ODA taken by the United Nations operational activities for development (excluding debt relief) was 16 per cent. Operational activities for development therefore played a modest role in the overall financing for development in programme countries. A comparative analysis of total operational activities for development and total ODA at the country level (see figure X above) shows that operational activities for development accounted for more than 40 per cent of total ODA in 13, or 9 per cent of, programme countries in 2010.¹⁹ Operational activities for development in these 13 countries combined accounted for some 21 per cent of total country-level activities. At the other end of the spectrum they accounted for less than 10 per cent of total ODA in 61, or 41 per cent of, programme countries. This group of 61 countries accounted for some 11 per cent of total country-level operational activities for development. Most operational activities for development (58 per cent) concerned countries where they accounted for between 10 and 30 per cent of total ODA.

95. In table 10 below, information is broken down according to the categories used in figure X according to two country groupings, namely, low-income countries and countries in vulnerable situations, and shows that the United Nations development system tends to be more important in low-income countries and countries in fragile situations. For example, the United Nations development system contributes more than 30 per cent of total country-level ODA in 25 per cent of low-income countries and 29 per cent in countries in fragile situations, as compared to 14 per cent globally.

¹⁹ Barbados, Chad, Democratic People's Republic of Korea, Lebanon, Libya, Malaysia, Niger, Peru, Somalia, Sudan, Syrian Arab Republic, Thailand and Zimbabwe.

Table 10

Country-level programme expenditure (excluding local resources) for operational activities for development, 2010, as a percentage of ODA, for low-income countries and countries in fragile situations^a

<i>Share of ODA at country level</i>	<i>All programme countries</i>		<i>Low-income countries</i>		<i>Fragile situations</i>	
	<i>No.</i>	<i>Share (percentage)</i>	<i>No.</i>	<i>Share (percentage)</i>	<i>No.</i>	<i>Share (percentage)</i>
Less than 40	13	9	5	14	4	13
30-40	8	5	4	11	5	16
20-30	23	15	7	20	5	16
10-20	44	30	13	37	10	32
Less than 10	61	41	6	17	7	23
Total	149	100	35	100	31	100

^a As designated by the World Bank.

Significance, concentration and fragmentation

96. With regard to the significance of cooperation relations between entities and programme countries and concentration ratios, table 11 below provides an overview of key findings. The 28 entities that reported expenditures at the country level had between them 1,939 relationships with 149 programme countries. Some 53 per cent of those relationships were significant in financial terms, meaning that the respective entities were either among the larger contributors that together accounted for 80 per cent of total ODA and/or allocated a higher share of resources to the programme country than their respective share of total global operational activities for development. Accordingly, and as a measure of fragmentation, 47 per cent of relationships were not significant as defined for this review, meaning that from the perspective of a programme country, the entity concerned was not among the largest contributors that cumulatively accounted for at least 80 per cent of total ODA allocated to that country and that the entity allocated a lower share of its resources to that country than its overall share of total global operational activities for development.

97. Table 11 shows that the operations of some 16 entities, or more than half of the total, can be characterized by a higher than average level of concentration, using the degree of concentration as a measure of the number of insignificant relationships as a percentage of total relationships. These 16 entities accounted for some 36 per cent of total United Nations operational activities at the country level. Consequently, the operations of the other 12 entities, accounting for 64 per cent of total operational activities at the country level, can be characterized by a higher than average degree of fragmentation.

Table 11
**Cooperation relationships of United Nations entities with programme countries,
2010: significance, concentration and fragmentation**

<i>Entity</i>	<i>Significant relations</i>	<i>Non-significant relations</i>	<i>Total relations</i>	<i>Concentration ratio (percentage)</i>	<i>Degree of concentration</i>
	<i>A</i>	<i>B</i>	<i>C=(A+B)</i>	<i>D=A/C</i>	
UNRWA	4	—	4	100	High
Office for the Coordination of Humanitarian Affairs	21	4	25	84	
IAEA	69	29	98	70	Average to high
UNCDF	11	5	16	69	
UNWTO	11	5	16	69	
UNFPA	79	38	117	68	
ITC	26	13	39	67	
UNAIDS	70	38	108	65	
ILO	53	29	82	65	
OHCHR	23	13	36	64	
UNCTAD	24	14	38	63	
UNDP	88	52	140	63	
UPU	10	6	16	63	Low to average
IFAD	58	36	94	62	
ITU	41	28	69	59	
UNODC	27	23	50	54	
UNIFEM	16	15	31	52	
UNICEF	58	62	120	48	
UNHCR	44	50	94	47	
WHO	66	81	147	45	
FAO	63	79	142	44	
UNEP	31	40	71	44	
UNIDO	45	65	110	41	
UNESCO	44	64	108	41	
UN-Habitat	21	37	58	36	
WIPO	4	8	12	33	
WFP	24	56	80	30	
Department of Economic and Social Affairs	5	13	18	28	Low
Total	1 036	903	1 939	53	

98. A review was undertaken to determine whether there were marked differences in the significance, concentration and fragmentation indicators used above,

according to different country groupings. Table 12 below shows that the overall fragmentation ratio was above average in low-income countries and average for the group of least developed countries.

Table 12

Cooperation relationships of United Nations entities with programme countries, 2010: significance, concentration and fragmentation, by country income level and least developed country status

	<i>Number of programme countries</i>	<i>Significant relations</i>	<i>Non-significant relations</i>	<i>Total relations</i>	<i>Fragmentation ratio (percentage)</i>	<i>Average number of entities in country</i>
<i>Income group</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=(B+C)</i>	<i>E=(C/D)</i>	<i>F=(D/A)</i>
Low	35	267	324	591	55	17
Low-middle	57	418	322	740	44	13
Upper-middle	53	334	244	578	42	11
High	4	17	13	30	43	7.5
Least developed countries	49	371	365	736	50	15
Global	149	1 036	903	1 939	47	13

99. Similar analyses show that the overall fragmentation ratio was also above average for countries in fragile situations and that there were no significant differences between regional groupings, except for the Western Asia region which showed a relatively high fragmentation ratio.

100. The applicability of reviews like the one used above will continue to be explored and refined in future reports.

E. Critical mass of core funding

101. In its resolution 64/289 on improving United Nations system-wide coherence, the General Assembly requested governing bodies of funds and programmes to initiate discussion of “the most appropriate definition of, and a process towards arriving at, a critical mass of core funding ...”. To date none of the governing bodies has initiated formal discussions in this regard.

102. The decision of Member States to discuss the concept of a critical mass of core resources reflects concerns about the current funding architecture of the United Nations operational activities for development, particularly the rapid increase of non-core resources as a share of total contributions.

103. A critical mass of core resources can be viewed from a variety of perspectives, but perhaps the most relevant are: (a) for the United Nations development system as a whole, (b) for United Nations development activities in each programme country and (c) for each entity of the United Nations development system. Overlaid on these considerations is the importance of understanding what core resources are used for, namely (a) core programmes, (b) funding what could be called the base structure of each organization and (c) subsidizing support costs when there is insufficient

recovery from non-core contributions. Issues relating to the funding of base structures and subsidization are reviewed in paragraphs 86 to 88 below and contained in an in-depth review in the previous report of the policies and practices that are currently in place to recover support costs (A/66/79-E/2011/107, paras. 107-127).

United Nations system as a whole

104. When looking at total resources flows, it is at present legitimate to conclude that some level of critical mass has been achieved for the United Nations development system as a whole. As illustrated by figure III above, contributions to the United Nations system increased significantly during the period 1995 to 2010 and during most of the time at a faster rate than total ODA (see figure XI above). In addition, the United Nations system has become the largest multilateral partner of DAC countries, accounting for 32 per cent of total contributions to the multilateral system, as reported by DAC, if core and non-core resources are combined (see figure IV above).

105. A different perspective arises when funding patterns for core and non-core resources are broken out. As shown in table 1 above, between 1995 and 2010 core contributions increased only 8 per cent in real terms, while non-core contributions increased by 350 per cent, also in real terms. Recent studies and surveys²⁰ have generally concluded that it is possible for the United Nations development system to apply non-core resources effectively to meet needs at the country level but that this shift in funding does have important implications, both centrally and at the country level. The same surveys for example point to the fact that the increasing percentage of non-core resources makes it more difficult for the United Nations development system and individual entities to pursue their strategic objectives due to differences in how the non-core resources are allocated — by the contributor as opposed to by the governing bodies.

Country level

106. At the country level, there are very real practical implications if there is a loss of critical mass for core resources. Currently, at the outset of many new United Nations Development Assistance Framework periods, assured funding through core resources can be as low as 30 per cent of planned expenditures. Against the Development Assistance Framework plan, supplementary non-core funding is mobilized. But as the percentage of core funding is reduced, so the credibility of the plan may be increasingly questioned by those asked to provide supplementary non-core funds. If core resources for country-level programming fall too low, this can threaten the viability of the Development Assistance Framework approach, either in selected countries or for the United Nations system as a whole. For country programming purposes, it is a possible conclusion that core funding has reached the point where critical mass has been eroded over time.

²⁰ For example, the surveys carried out for the 2012 quadrennial comprehensive policy review of programme country Governments, resident coordinators and United Nations country team members.

United Nations entity level

107. Historical practices of the United Nations system have determined that all of the base structure of an entity is to be funded from its core resources. The base structure is generally defined as the minimum capacity that the entities need to deliver on their multilateral mandates and provide continued substantive leadership and innovation around specific goals, advocacy and policy work, in addition to programmatic implementation on the ground. In theory, this structure should remain fixed over time (hence the term “fixed indirect costs”). In practice however, the required size of the base structure has to be adjusted periodically as the organization grows, based on the pragmatic premise that all activities, regardless of the source of financing, equally benefit from such a structure, either directly or indirectly. Fixed indirect costs are only fixed in the short term, not in the medium or long term. The major driver in institutional growth over the past two decades has come from non-core resources. These however make no contribution to base structure costs even though they are a major factor in base structure cost increases. The net result is that growth in non-core resources places an irregular but nonetheless consistently increasing demand on core resources to fund base structure costs.

108. The base structure includes all of the essential core competencies of the organization. To the extent that those competencies are underfunded, so the core competencies of the organization will be eroded. Base structure costs can be significant, as indicated in the previous report. Table 9 above illustrates the consequences, in that for the system as a whole only 64 per cent of core resources are applied to programme activities as against 90 per cent of non-core resources.

109. The base structure clearly needs to be funded for the organization to maintain its critical mass. However, reliance solely on core resources for this can result in a series of negative implications as the percentage of core funding continues to fall: (a) there will be pressure to control (perhaps unduly) the base structure costs which could erode the core competencies of the organization;²¹ (b) the smaller percentage of core funding that finds its way to programme purposes represents an incentive for donors to contribute additional funds as non-core rather than core; and (c) the strategic orientation of the organization can be undermined as core resources for programming are reduced.

110. Underrecovery of full costs also needs to be addressed because the source of non-core funding has changed significantly in recent years. As illustrated by figure XII above, there has been a very significant growth in the combined non-core contributions by the European Commission, other multilateral organizations (including the global funds), non-governmental organizations and public-private partnerships. To the extent that the support costs for these non-core activities funded by other multilateral organizations are not fully recovered, then funds that could be used for United Nations core programmes are being used to subsidize the implementation costs of these organizations. An unfortunate result is that these organizations, benefiting from the fact that the United Nations system is subsidizing the true costs of their activities, are able to show contributors that they are “more efficient” than the United Nations system.

²¹ This is particularly evident in some of the specialized agencies, which experience zero-assessed budget growth policies over many years.

111. As already mentioned in paragraph 88 above and as recommended in the previous report, legislative and governing bodies should review the underlying policy of incremental cost recovery and confirm whether it remains valid in the current funding environment.

Annex I

Technical note on definitions, sources and coverage

For the purposes of the present report, the United Nations development system is defined as the 37 entities^a which reported funding for operational activities for development in 2009 (this does not include the Bretton Woods institutions).

Among the entities that constitute the United Nations development system there has been no commonly agreed definition of key terms such as “operational activities for development” and “contributions”.

This report begins to address this shortcoming by defining operational activities for development as those activities of the United Nations development system entities which promote the sustainable development and welfare of developing countries and countries in transition. They cover both longer-term development-related activities as well as those with a humanitarian assistance focus and relate to the work of those United Nations funds, programmes, specialized agencies, departments and offices which have a specific mandate in this regard.

The specialized agencies have adopted coefficients to measure the share of assessed or regular budget contributions considered to be for operational activities for development based on consultations with DAC. For agencies such as UNIDO, WHO, ILO, UNESCO and FAO, this share is very significant, as shown in the following table:

Percentage of assessed or regular budget contributions of specialized agencies defined as being for operational activities for development

<i>Entity</i>	<i>Percentage</i>
FAO	51
IAEA	33
ICAO	0
ILO	60
IMO	0
ITU	18
UNESCO	60
UNIDO	100
UNWTO	0
UPU	16
WHO	76
WIPO	3
WMO	4

^a ECA, ECE, ECLAC, ESCAP, ESCWA, FAO, IAEA, ICAO, IFAD, ILO, IMO, ITC, ITU, OHCHR, UNAIDS, UNCTAD, UNODC, Department of Economic and Social Affairs, UNDP (including UNV, UNIFEM and UNCDF), UNEP, UNESCO, UNFPA, UN-Habitat, UNHCR, UNICEF, UNIDO, Office for the Coordination of Humanitarian Affairs, UNRWA, UNWTO, UPU, WFP, WHO, WIPO, WMO.

Many United Nations entities do not use the terms “core” and “non-core” when classifying contributions. For example, WFP uses the terms “multilateral contribution” and “directed multilateral contribution” to define “core” and “non-core” resources, respectively. UNHCR uses the terms “unrestricted”, “tightly earmarked” and “lightly earmarked” to classify its contributions.

Specialized agencies have assessed contributions on a regular budget which is supplemented by “extrabudgetary resources”. For system-wide reporting purposes, all the above terms are grouped under “core” and “non-core” resources, with the former referring to unearmarked funding that is used at the sole discretion of the respective United Nations entity and its governing board and the latter meaning earmarked funding that is directed by donors towards specific locations, themes, activities and operations.

Harmonization of the terms “core” and “non-core” within the United Nations development system is difficult to achieve, owing to the different business models adopted by funds, programmes and specialized agencies, as illustrated in the following table:

Terms used by different entities for core and non-core contributions

<i>Core</i>	<i>Entity</i>	<i>Non-core</i>	<i>Entity</i>
Regular resources	UNDP, ^a UNCDF, UNIFEM, ^b UNV, UNICEF, UNFPA	Other resources	UNDP, UNCDF, UNIFEM, UNV, UNICEF, UNFPA
Multilateral contribution	WFP	Directed multilateral contribution	WFP
Regular budget	UNRWA, Department of Economic and Social Affairs, UN-Habitat, UNCTAD, ITC	Projects and emergency appeals	UNRWA
Unearmarked contribution	UNHCR, ^a Office for the Coordination of Humanitarian Affairs, ^a IFAD, OHCHR	Earmarked contribution	IFAD, Office for the Coordination of Humanitarian Affairs, UNEP, UN-Habitat, OHCHR
		Tightly earmarked	UNHCR, DAC
		Lightly earmarked	UNHCR, DAC
Environment Fund	UNEP ^a		
Core resources	UNAIDS, DAC	Extrabudgetary contribution	UNAIDS, UNCTAD, Department of

<i>Core</i>	<i>Entity</i>	<i>Non-core</i>	<i>Entity</i>
			Economic and Social Affairs, ITC, FAO, IAEA, ICAO, ILO, IMO, ITU, UNESCO, UNIDO, UPU, UNWTO, WIPO, WMO, ECA, ECE, ECLAC, ESCAP, ESCWA
General purpose fund	UNODC ^a	Special purpose fund	UNODC
Assessed budget	FAO, ICAO, ILO, ITU, UNESCO, UNIDO, UPU, UNWTO, WHO, WIPO, WMO, ECA, ECE, ECLAC, ESCAP, ESCWA	Voluntary contributions — core	WHO
Technical Cooperation Fund	IAEA, ^a IMO ^a	Voluntary contributions — specified	WHO

^a Also receives a regular budget contribution.

^b Superseded by UN-Women.

Instead, a more pragmatic approach is proposed wherein these terms are mapped against those used in the present report so that it is clear how they relate to each other.

Data on contributions and expenditures are obtained directly from United Nations funds and programmes (UNDP (including UNDP-administered funds, i.e., UNCDF, UNIFEM and UNV), UNEP, UNFPA, UNHCR, UNICEF, WFP, UNCTAD, ITC, UN-Habitat, UNODC and UNRWA), IFAD, UNAIDS, the Department of Economic and Social Affairs, the regional commissions and most specialized agencies (FAO, ICAO, ILO, UNESCO, UNIDO, IAEA, IMO, UNWTO, UPU, WIPO and WMO). Data on the contributions and expenditures of the Office for the Coordination of Humanitarian Affairs are gathered using its annual report. Data on WHO was gathered using the WHO interim financial report for the year 2010, which was presented at the sixty-fourth World Health Assembly. A country-level breakdown of WHO expenditures for 2010 was not available. Instead, a previous country-level expenditure breakdown was used and prorated against WHO total expenditures in 2010. For ITU, the most recent data that could be retrieved was for 2009. Data on official development assistance are derived from DAC annual reports. Data on multi-donor trust funds were obtained directly from the UNDP Multi-Donor Trust Funds Office gateway.

In this report, the term “real terms” refers to constant 2009 United States dollars computed using the DAC deflators, which take into account both inflation and exchange rate movements.

Data on contributions refers to actual funding for operational activities for development received in a given calendar year from Governments and other public and private sources by organizations in the United Nations system. Data on resource transfers from one agency of the system to another are excluded wherever possible. Data on expenditures represent the support provided by the organizations of the United Nations system for operational activities for development in developing countries. Contributions and expenditures are expressed in current United States dollars, unless otherwise stated.

The designations employed and the presentation of the information in the report do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries. The term “country” as used in the report also refers, as appropriate, to territories or areas. A hyphen between dates representing years signifies the full period involved, including the beginning and end years.

Annex II

Differences in Development Assistance Committee and United Nations system reporting

There are a number of important differences between the way the United Nations and DAC define, classify and report contributions to the United Nations system. The use of different definitions and classifications by the United Nations and DAC means that the United Nations contributions data cannot be compared with the DAC official development assistance data without considerable double counting.

In United Nations statistics, both core and non-core funding from Governments to the United Nations system are classified as contributions to the United Nations for its operational activities. DAC classifies only core contributions from Governments as multilateral aid to the United Nations system, while non-core contributions, sometimes called “multilateral” assistance, are classified as bilateral aid.

The United Nations includes non-core contributions in its estimates because it considers that the purposes of both core and non-core Government contributions to the United Nations system is to support its operational activities. DAC classifies non-core contributions to the United Nations system as bilateral aid because it considers the use of such funds to be effectively under the control of the donor Governments, with United Nations entities serving as a channel of delivery for those funds, as opposed to being recipients of aid.

This difference in the treatment of non-core contributions is the single most important difference in reporting on the operational activities for development of the United Nations system by the two organizations. This different treatment of non-core resources includes local resources contributions, which are not defined as aid flows by DAC since these resources do not constitute a flow of development funding from one country to another.

United Nations figures on contributions to operational activities for development are more comprehensive than the ones provided by DAC as they include funding from all non-DAC countries, whereas DAC reporting is limited to those countries that officially submit such reports to DAC. This means that the figures from DAC on contributions to the United Nations development system exclude a number of large non-DAC countries.

United Nations reporting also includes contributions from non-governmental organizations and private organizations, while DAC records them under the category of private flows (i.e., not official development assistance) and those extended to the United Nations cannot be separately identified.

There are also other reporting differences, including on contributions to the United Nations system for multi-donor trust funds, which are still reported by DAC mainly as bilateral aid, but are included in the United Nations financial statistics. It is not only a classification problem, but also a timing problem. For example, when a donor contributes money to a multi-donor trust fund, it is recorded as a disbursement by that donor (and thus by DAC) at the moment the donor makes the contribution to the United Nations administrative agent. However, there may be a delay before the United Nations administrative agent actually transfers the funds to

the implementing United Nations agency. Only at the time that the funds are transferred to the participating agent are they recorded as income by the United Nations.

In the table below, an attempt is made to reconcile the summary figures for core, non-core and total contributions to the United Nations development system presented in the present report with those published by DAC. As the table shows, the figures of the Department of Economic and Social Affairs and those of DAC could not be fully reconciled. Accordingly, the Department will work with DAC to further improve the accuracy of this reconciliation in next year's funding report.

Reconciliation of United Nations and Development Assistance Committee reporting on contributions for operational activities for development, 2010

(Billions of current United States dollars)

	<i>Core</i>	<i>Non-core</i>	<i>Total</i>
Reported by United Nations	5 900	17 013	22 914
Contributions from developing countries not reported by DAC	-267	-284	-551
Local resources not reported by DAC		-1 167	-1 167
NGO and private contributions not reported by DAC		-1 062	-1 062
Resources funnelled to Group of Eight countries not reported by DAC	-16	-81	-97
Contributions made to UNDP Multi-Donor Trust Funds Office but not yet transferred to United Nations participating entities		-313	-313
Not elsewhere classified	76	-93	-17
Not reconciled	1 027	-536	491
Reported by DAC	6 720	13 478	20 198

Annex III

Total official development assistance flows, 2010

(Billions of United States dollars)

<i>Type of aid</i>	<i>Volume</i>
Bilateral aid from DAC member countries	90.8
Bilateral aid from non-DAC countries	5.5
Multilateral aid from DAC countries	37.7
Multilateral aid from non-DAC countries	1.7
Total ODA	135.7
Debt relief	3.9
Total ODA, excluding debt relief	131.8

Source: DAC statistics, "ODA by Donor" table.

Annex IV

Burden-sharing

2010 Contributions	Actual development-related contributions				Core levels based on median core/GNI			Making up core shortfalls with existing non-core		
	Core		Non-core		Core		Non-core		Core	
	GNI	Total	Core/GNI	Non-core/GNI	Total/GNI	Core	Non-core	Total	Core	Non-core
Donor	(Millions of United States dollars)				(Percentage)	(Millions of United States dollars)				
Australia	1 030 268	86	209	0.0084	0.0203	121	209	330	121	174
Austria	394 575	39	19	0.0098	0.0048	47	19	65	47	11
Belgium	499 506	99	74	0.0198	0.0148	59	74	133	99	74
Canada	1 475 865	195	349	0.0132	0.0236	174	349	523	195	349
Denmark	329 507	162	133	0.0491	0.0403	39	133	171	162	133
Finland	255 154	114	83	0.0447	0.0324	30	83	113	114	83
France	2 749 821	142	60	0.0052	0.0022	324	60	384	203	0
Germany	3 521 983	215	225	0.0061	0.0064	415	225	640	415	24
Greece	304 963	9	2	0.0029	0.0006	36	2	38	11	0
Ireland	187 138	42	23	0.0226	0.0123	22	23	45	42	23
Italy	2 159 254	98	144	0.0045	0.0067	255	144	399	242	0
Japan	5 334 370	380	668	0.0071	0.0125	629	668	1 297	629	419
Luxembourg	39 030	19	46	0.0491	0.1183	5	46	51	19	46
Netherlands	814 762	340	292	0.0417	0.0358	96	292	388	340	292
New Zealand	124 177	25	15	0.0203	0.0123	15	15	30	25	15
Norway	427 071	324	424	0.0758	0.0993	50	424	474	324	424
Portugal	232 648	10	4	0.0042	0.0016	27	4	31	14	0
Republic of Korea	972 299	39	36	0.0040	0.0037	115	36	151	75	0
Spain	1 462 894	168	312	0.0115	0.0213	172	312	484	172	307
Sweden	469 805	336	240	0.0715	0.0510	55	240	295	336	240
Switzerland	559 735	137	72	0.0245	0.0129	66	72	138	137	72
United Kingdom of Great Britain and Northern Ireland	2 377 244	280	555	0.0118	0.0234	280	555	836	280	555
United States of America	14 645 629	639	1 148	0.0044	0.0078	1 726	1 148	2 875	1 726	61
DAC countries	40 367 697	3 897	5 132	0.0097	0.0127	4 758	5 132	9 891	5 728	3 302
										9 030

Annex V**Country groupings****List of countries/areas by income group**

<i>Low-income</i>	<i>Low-middle-income</i>	<i>Upper-middle-income</i>	<i>High-income</i>
Afghanistan	Angola	Albania	Andorra
Bangladesh	Armenia	Algeria	Australia
Benin	Belize	Antigua and Barbuda	Austria
Burkina Faso	Bhutan	Argentina	Bahamas
Burundi	Bolivia (Plurinational State of)	Azerbaijan	Bahrain
Cambodia	Cameroon	Belarus	Barbados
Central African Republic	Cape Verde	Bosnia and Herzegovina	Belgium
Chad	Congo	Botswana	Brunei Darussalam
Comoros	Côte d'Ivoire	Brazil	Canada
Democratic People's Republic of Korea	Djibouti	Bulgaria	Croatia
Democratic Republic of the Congo	Egypt	Chile	Cyprus
Eritrea	El Salvador	China	Czech Republic
Ethiopia		Colombia	Denmark
Gambia	Fiji	Cook Islands	Equatorial Guinea
Guinea	Georgia	Costa Rica	Estonia
Guinea-Bissau	Ghana	Cuba	Finland
Haiti	Guatemala	Dominica	France
Kenya	Guyana	Dominican Republic	Germany
Kyrgyzstan	Honduras	Ecuador	Gibraltar
Liberia	India	Gabon	Greece
Madagascar	Indonesia	Grenada	Hungary
Malawi	Iraq	Iran (Islamic Republic of)	Iceland
Mali	Kiribati	Jamaica	Ireland
Mozambique	Kosovo	Jordan	Israel

<i>Low-income</i>	<i>Low-middle-income</i>	<i>Upper-middle-income</i>	<i>High-income</i>
Myanmar	Lao People's Democratic Republic	Kazakhstan	Italy
Nepal	Lesotho	Latvia	Japan
Niger	Marshall Islands	Lebanon	Kuwait
Rwanda	Mauritania	Libya	Liechtenstein
	Micronesia (Federated States of)		
Sierra Leone	Mongolia	Lithuania	Luxembourg
Somalia	Morocco	Malaysia	Malta
Tajikistan	Nicaragua	Maldives	Monaco
Togo	Nigeria	Mauritius	Netherlands
Uganda	Niue	Mexico	New Zealand
United Republic of Tanzania	Occupied Palestinian Territory	Montenegro	Norway
Zimbabwe	Pakistan	Namibia	Oman
	Papua New Guinea	Palau	Poland
	Paraguay	Panama	Portugal
	Philippines	Peru	Qatar
	Republic of Moldova	Romania	Republic of Korea
	Samoa	Russian Federation	San Marino
	Sao Tome and Principe	Serbia	Saudi Arabia
	Senegal	Seychelles	Singapore
	Solomon Islands	South Africa	Slovakia
	Sri Lanka	Saint Kitts and Nevis	Slovenia
	Sudan	Saint Lucia	Spain
	Swaziland	Saint Vincent and the Grenadines	Sweden
	Syrian Arab Republic	Suriname	Switzerland
	Timor-Leste	Thailand	Trinidad and Tobago
	Tonga	The former Yugoslav Republic of Macedonia	United Arab Emirates

<i>Low-income</i>	<i>Low-middle-income</i>	<i>Upper-middle-income</i>	<i>High-income</i>
	Turkmenistan	Tunisia	United Kingdom of Great Britain and Northern Ireland
	Tuvalu	Turkey	United States of America
	Ukraine	Uruguay	
	Uzbekistan	Venezuela (Bolivarian Republic of)	
	Vanuatu		
	Viet Nam		
	Yemen		
	Zambia		

List of countries by United Nations categorization

<i>Least developed countries</i>	<i>Landlocked developing countries</i>	<i>Small island developing States/areas</i>	<i>Integrated mission countries/areas</i>
Afghanistan	Afghanistan	Anguilla	Afghanistan
Angola	Armenia	Antigua and Barbuda	Burundi
Bangladesh	Azerbaijan	Aruba	Central African Republic
Benin	Bhutan	Bahamas	Côte d'Ivoire
Bhutan	Bolivia (Plurinational State of)	Bahrain	Democratic Republic of the Congo
Burkina Faso	Botswana	Barbados	Guinea-Bissau
Burundi	Burkina Faso	Belize	Haiti
Cambodia	Burundi	British Virgin Islands	Iraq
Central African Republic	Central African Republic	Cape Verde	Lebanon
Chad	Chad	Comoros	Liberia
Comoros	Ethiopia	Cook Islands	Libya
Democratic Republic of the Congo	Kazakhstan	Cuba	Nepal
Djibouti	Kyrgyzstan	Dominica	Sierra Leone

<i>Least developed countries</i>	<i>Landlocked developing countries</i>	<i>Small island developing States/areas</i>	<i>Integrated mission countries/areas</i>
Equatorial Guinea	Lao People's Democratic Republic	Dominican Republic	Somalia
Eritrea	Lesotho		Sudan
Ethiopia	Malawi	Fiji	Timor-Leste
Gambia	Mali	French Polynesia	Kosovo
Guinea	Mongolia	Grenada	Occupied Palestinian Territory
Guinea-Bissau	Nepal	Guam	
Haiti	Niger	Guinea-Bissau	
Kiribati	Paraguay	Guyana	
Lao People's Democratic Republic	Republic of Moldova	Haiti	
Lesotho	Rwanda	Jamaica	
Liberia	Swaziland	Kiribati	
Madagascar	Tajikistan	Maldives	
Malawi	The former Yugoslav Republic of Macedonia	Marshall Islands	
Maldives	Turkmenistan	Mauritius	
		Micronesia (Federated States of)	
Mali	Uganda	Montserrat	
Mauritania	Uzbekistan	Nauru	
Mozambique	Zambia	Netherlands Antilles	
Myanmar	Zimbabwe	Niue	
Nepal		Palau	
Niger		Papua New Guinea	
Rwanda		Samoa	
Samoa		Sao Tome and Principe	
Sao Tome and Principe		Seychelles	
Senegal		Singapore	
Sierra Leone		Solomon Islands	

<i>Least developed countries</i>	<i>Landlocked developing countries</i>	<i>Small island developing States/areas</i>	<i>Integrated mission countries/areas</i>
Solomon Islands		Saint Kitts and Nevis	
Somalia		Saint Lucia	
Sudan		Saint Vincent and the Grenadines	
Timor-Leste		Suriname	
Togo		Timor-Leste	
Tuvalu		Tonga	
Uganda		Trinidad and Tobago	
United Republic of Tanzania		Tuvalu	
Vanuatu		Vanuatu	
Yemen			
Zambia			

Classification of countries/areas by the human development index

<i>Low</i>	<i>Medium</i>	<i>High</i>
Afghanistan	Algeria	Albania
Angola	Bhutan	Antigua and Barbuda
Bangladesh	Bolivia (Plurinational State of)	Armenia
Benin	Botswana	Azerbaijan
Burkina Faso	Cambodia	Belarus
Burundi	Cape Verde	Belize
Cameroon	China	Bosnia and Herzegovina
Central African Republic	Congo	Brazil
Chad	Dominican Republic	Bulgaria
Comoros	Egypt	Colombia
Côte d'Ivoire	El Salvador	Costa Rica
Democratic Republic of the Congo	Equatorial Guinea	Cuba
Djibouti		Dominica
Eritrea	Fiji	Ecuador

<i>Low</i>	<i>Medium</i>	<i>High</i>
Ethiopia	Gabon	Georgia
Gambia	Ghana	Grenada
Guinea	Guatemala	Iran (Islamic Republic of)
Guinea-Bissau	Guyana	Jamaica
Haiti	Honduras	Kazakhstan
Kenya	India	Kuwait
Lesotho	Indonesia	Lebanon
Liberia	Iraq	Libya
Madagascar	Jordan	Malaysia
Malawi	Kiribati	Mauritius
Mali	Kyrgyzstan	Mexico
Mauritania	Lao People's Democratic Republic	Montenegro
Mozambique	Maldives	Palau
	Micronesia (Federated States of)	
Myanmar	Mongolia	Panama
Nepal	Morocco	Peru
Niger	Namibia	Saudi Arabia
Nigeria	Nicaragua	Serbia
Pakistan	Occupied Palestinian Territory	Seychelles
Papua New Guinea	Paraguay	Saint Kitts and Nevis
Rwanda	Philippines	Saint Lucia
Sao Tome and Principe	Republic of Moldova	Saint Vincent and the Grenadines
Senegal	Samoa	The former Yugoslav Republic of Macedonia
Sierra Leone	South Africa	Tonga
Solomon Islands	Sri Lanka	Trinidad and Tobago
Somalia	Suriname	Tunisia
Sudan	Swaziland	Turkey
Timor-Leste	Syrian Arab Republic	Ukraine

<i>Low</i>	<i>Medium</i>	<i>High</i>
Togo	Tajikistan	Uruguay
Uganda	Thailand	Venezuela (Bolivarian Republic of)
United Republic of Tanzania	Turkmenistan	
Yemen	Uzbekistan	
Zambia	Vanuatu	
Zimbabwe	Viet Nam	

List of countries/areas categorized by the World Bank and Organization for Economic Cooperation and Development as fragile

<i>World Bank list of countries in fragile situations</i>	<i>OECD list of fragile States</i>
Afghanistan	Afghanistan
Angola	Angola
Bosnia and Herzegovina	Bangladesh
Burundi	Burkina Faso
Central African Republic	Burundi
Chad	Cameroon
Comoros	Central African Republic
Congo	Chad
Côte d'Ivoire	Comoros
Democratic Republic of the Congo	Congo
Eritrea	Côte d'Ivoire
Georgia	Democratic People's Republic of Korea
Guinea	Democratic Republic of the Congo
Guinea-Bissau	Eritrea
Haiti	Ethiopia
Iraq	Georgia
Kiribati	Guinea
Kosovo	Guinea-Bissau
Liberia	Haiti

<i>World Bank list of countries in fragile situations</i>	<i>OECD list of fragile States</i>
Myanmar	Iraq
Nepal	Kenya
Sao Tome and Principe	Kiribati
Sierra Leone	Lebanon
Solomon Islands	Liberia
Somalia	Malawi
Sudan	Myanmar
Tajikistan	Nepal
Timor-Leste	Niger
Togo	Nigeria
Yemen	Occupied Palestinian Territory
Zimbabwe	Pakistan
	Papua New Guinea
	Sao Tome and Principe
	Sierra Leone
	Solomon Islands
	Somalia
	Sri Lanka
	Sudan
	Tajikistan
	Timor-Leste
	Togo
	Uganda
	Uzbekistan
	Yemen
	Zimbabwe

Annex VI

Statistical tables posted on the website of the Development Cooperation Policy Branch of the Office for Economic and Social Council Support and Coordination of the Department of Economic and Social Affairs^a

A. Contributions for operational activities for development

1. Contributions by entity: 2005-2010
2. Contributions by entity and type of funding (core and non-core): 2005-2010
3. Contributions by source, type of activity (development- and humanitarian assistance-related) and type of funding (core and non-core): 2010
4. Contributions by source, entity and type of funding (core and non-core): 2010
5. Top contributors to development-related activities: 2010

B. Expenditures on operational activities for development

1. Expenditures by entity: 2005-2010
 2. Expenditures by recipient, type of activity (development- and humanitarian assistance-related) and type of funding (core and non-core): 2010
 3. Expenditures by recipient and entity: 2010
 4. Expenditures by region: 2010
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^a [http://www.un.org/en/development/desa/oesc/pdf/statistical_annex_to_funding_report\(2010\).xls](http://www.un.org/en/development/desa/oesc/pdf/statistical_annex_to_funding_report(2010).xls).