

Annex II to DP/2023/26

Progress against entity-specific commitments to the funding compact

MEMBER STATE COMMITMENTS

Relevant Commitment	Relevant Funding Compact Indicators	System-wide Baselines & Targets from Funding Compact	UNDP Progress 2022 ¹
Aligning funding to entity requirements			
1. Increase core resources for the UNDS	Core resources as a share of voluntary funding for development related activities	Baseline (2017): 19.4% Target (2023): 30%	Baseline 2022: 12% Progress 2023: 11% Target 2023: 30%
	Core share of funding for development-related activities (including assessed contributions);	(2017): 27.0%	UNDP is entirely voluntarily funded and does not receive assessed contributions.
2. Double share of non-core contributions provided through development related pooled & thematic funds	% of non-core resources for development related activities channeled through inter-agency pooled funds	Baseline (2017): 5% Target (2023): 10%	Inter-agency pooled funding as a share of total non-core resources to UNDP: Baseline 2022: 5% Progress 2023: 5% Target 2023: 10%
	% of non-core resources for development related activities channeled through single agency thematic funds	Baseline (2017): 3% Target (2023): 6%	Thematic Funding Windows as a share of total non-core resources from member states to UNDP: Baseline 2022: 3% Progress 2023: 3% Target 2023: 6%
Providing stability			
3. Broaden the sources of funding support to the UNDS	Number of UNSDG entities reporting an annual increase in the number of contributors of core resources	Baseline (2017): 66% Target (2023): 100%	Number of government partners contributing core resources to UNDP: Baseline 2022: 39 Progress 2023: 37 Milestone 2023: 43
	Number of Member State contributors to development related inter-agency pooled funds and single agency thematic funds	Baseline (2017): 59 and 27 Target (2023): 100 and 50	Number of member state partners contributing to inter-agency pooled funds (managed by MPTFO ²): Baseline 2022: 49 Progress 2023: 51 Target 2023: 100
			Number of member state partners contributing to UNDP Thematic Funding Windows: Baseline 2022: 9 Progress 2023: 12 Target 2023: 10
4. Provide predictable funding to the specific requirements of UNSDG entities as articulated in their SPs and to the	Funding gaps in UNSDG strategic plan financing frameworks	Baseline (2018): <i>tbd</i> Target (2021): <i>tbd</i>	Planned Resource Plan versus actual expenditure by Strategic Plan outcomes: Progress 2023: Against an initially planned level of \$16.2 billion in total available resources for 2022-2023, UNDP attained 96.3% of the planned level.

¹ Milestones may not be applicable to all indicators (eg. 'yes/no' indicators will not have a milestone).

² Although the reported number of contributors only refer to the 50 Member States, the total number of contributors are 64 including the private sector, corporations, NGOs.

Relevant Commitment	Relevant Funding Compact Indicators	System-wide Baselines & Targets from Funding Compact	UNDP Progress 2022 ¹
UNDAF funding needs at country level	Fraction of UNDS entities indicating that at least 50% of their contributions are part of multi-year commitments	Baseline (2017): 48% Target (2023): 100%	Fraction of UNDP contributions that was multiyear: ³ Baseline 2022: 33% Progress 2023: 31% (In 2023, there were 10 multi-year agreements signed but received core only from 9 MY agreements which is 31% of total core received) Target 2023: 50%

Facilitating coherence and efficiency

7. Fully comply with cost recovery rates as approved by respective governing bodies	Average # of cost recovery support fee waivers granted per UNDS entity per year	Baseline (2017): <i>tbc</i> Target (2019 onwards): 0	Number of cost recovery waivers granted by UNDP with approximate impact: Baseline 2022: In 2022, 3 new waivers on the general management support fee were granted for two new projects and one existing project's additional funding with total financial impact of \$0.29 million on 2022 delivery out of its total financial volume of \$5.47 million. Progress 2023: 1 (in 2023, one new waiver on GMS was granted with financial impact of \$1.5 million). Target 2023: 0
--	---	---	---

UN DEVELOPMENT SYSTEM COMMITMENTS

Relevant Commitment	Relevant Funding Compact Indicators	System-wide Baselines & Targets from Funding Compact	UNDP Baselines (2019)
Accelerating results on the ground			
1. Enhance cooperation for results at country level	Fraction of UNSDG entities reporting at least 15% of development-related expenditures on joint activities	(2017) 9 entities on a total of 29 or 31% reporting at least 15% of development-related expenditures on joint activities	Baseline 2022: 11% of non-core expenditure was spent on joint programmes, which do not fully capture the full gamut of joint activities. Progress 2023: 15% Target 2023: 15%
	% of RCs that state that at least 75% of CPDs are aligned to the UNDAF in their country	Baseline (2017): <i>tbd</i> Target (2023): 100%	Baseline 2022: 100% of UNDP's CPD outcomes are aligned with UNDAF outcomes Progress 2023: 100% of UNDP's CPD outcomes are aligned with UNDAF/Cooperation Framework outcomes
2. Increase collaboration on joint and independent system-wide evaluation products to improve UN support on the ground	% of UNSDG Evaluation Offices engaging in joint or Independent System Wide Evaluations (ISWE)	Baseline (2018): 29% (joint eval), 20% (ISWE) Target (2021): 75% (joint eval), 50% (ISWE)	Baseline 2022: Yes - In 2022, the UNDP Independent Evaluation Office collaborated with other United Nations entities in conducting 60 joint evaluations , 2 more than the milestone of 58. The office partnered with the UN-Women Independent Evaluation Service in producing a <i>Reflection</i> paper on boosting women's political participation. At the global level, UNDP together with UN DPPA and UNEP evaluated the Climate Security Mechanism. At country level, UNDP collaborated with UNICEF, UNFPA and the Office of the Resident Coordinator in evaluating the Costa Rica UNDAF. The office engaged in 2 independent

³ Multi-year agreements are those with a lifetime of two years or more. These do not include any amendments.

			<p>system-wide evaluations, 1 more than the milestone.</p> <p>Progress 2023: In 2023, UNDP has been engaged in 38 joint evaluations.</p> <p>In 2023, UNDP has been engaged in 1 independent system-wide evaluation</p>
Improving transparency and accountability			
6. Strengthen the clarity of entity-specific SPs and IRRFs and their annual reporting on results against expenditures	<p>% of UNSDG entities that in their respective governing bodies held structured dialogues in the past year on how to finance the development results agreed in the new SP cycle</p>	<p>Baseline (2017): 62%</p> <p>Target (2021): 100%</p>	<p>Progress 2023: Yes – UNDP has deepened its collaboration with UNFPA, UNICEF and UN-Women, carrying out joint analyses, sharing experiences and holding formal and informal dialogues with Member States on a regular basis. The last joint structured funding dialogue was held in May 2023.</p>
7. Strengthen entity & system-wide transparency & reporting, linking resources to SDG results	% of UNDS entities individually submitting financial data to CEB	<p>Baseline (2017): 69%</p> <p>Target (2021): 100%</p>	Yes – UNDP submits its financial data to CEB annually.
	% of UNDS entities publishing data as per the highest international transparency standards	<p>Baseline (2017): 36%</p> <p>Target (2021): 100%</p>	Yes – UNDP data is published in line with IATI standards.
	% of UNDS entities with ongoing activities at country level that report expenditures disaggregated by country to the CEB baseline	<p>Baseline (2017): 46%</p> <p>Target (2021): 100%</p>	Yes – UNDP reports expenditures to CEB disaggregated by country.
	% of UNDS entities that report on expenditures disaggregated by SDG	<p>Baseline (2017): 20%</p> <p>Target (2021): 100%</p>	Yes – UNDP financial data published is in line with the IATI standard and is disaggregated by SDGs.
9. Increase accessibility of corporate evaluations and internal audit reports within the disclosure provisions and policies set by governing bodies at the time of report issuance	% of UNDS entities authorized within disclosure provisions and policies who have made their corporate evaluations available on the UNEG website	<p>Baseline (2018): 21%</p> <p>Target (2021): 100%</p>	<p>Yes – UNDP evaluations related management responses are made public and published on the IEO website. UNEG has indeed started to gather all evaluations publish on its members' websites to a common database: http://www.uneval.org/evaluation/reports</p>
	% of internal audit reports issued in line with the disclosure provisions and policies set by the relevant governing bodies, which are available on a dedicated searchable UN-RIAS platform/ website, pending availability of resources;	<p>Baseline (2018): 0</p> <p>Target (2021): 100%</p>	Yes - All UNDP audit reports are available ⁴ at https://audit-public-disclosure.undp.org/
	% of inter-agency pooled funds posting evaluation reports on the UNEG website	<p>Baseline (2018): 0%</p> <p>Target (2019): 100%</p>	Yes – The MPTF Office collaborated closely with the UN Evaluation Group (UNEG), and since the fall 2019, UNEG allowed pooled funding evaluations to be tracked and marked in the UNEG evaluation reports database

⁴ UN-RIAS is working on putting together a proposal for an "oversight trust fund" with UNEG, and UN-RIAS in order to be able to receive funding to finance, inter alia, the development and maintenance of an UN-RIAS platform.

10. Increase visibility of results from contributors of voluntary core resources, pooled & thematic funds and for program country contributions	Specific mention of voluntary core, pooled and thematic fund contributors, and program country contributions in UNCT annual results reporting and entity specific country and global reporting	Baseline (2018): <i>n/a</i> Target (2020): Yes	Yes – UNDP recognizes partners contributing core, pooled, and thematic funds in the Annual Report, Annual Results Reports, Funding Compendium, and the #PartnersAtCore campaign. Individual donor brochures also provide visibility to core and pooled funding partners.
	Specific mention of individual contributors in all results reporting by pooled fund and thematic fund administrators and UNSDG recipients	Baseline (2018): <i>n/a</i> Target (2020): Yes	Yes: Yes, the annual reports of UN Multi-Partner Trust Fund Office, UNDP’s Funding Window, the UNDP Funding Compendium specifically recognizes and lists all funding partners and associated results and impact.
Increasing efficiencies			
11. Implement the SG’s goals on operational consolidation for efficiency gains	Consolidation of common premises (%)	Baseline (2017): 17% Target (2021): 50%	Baseline 2022: 79% of premises occupied by UNDP were shared with other agencies Progress 2023: 80% of UNDP’s premises that are feasible to be shared are shared with other UN agencies
	% of UNCTs that have an approved BOS in place, to enable common back offices where appropriate	Baseline (2017): 20% Target (2021): 100%	Baseline 2022: 128 out of 129 offices implemented at least seven SOP (99%) elements. Progress 2023: 129 country offices participate in the BOS. Additionally, UNDP led the development and now implementation of BOS in 59 countries.
	% of UNSDG entities that report to their governing bodies on efficiency gains	Baseline (2017): 41% Target (2021): 100%	Yes – UNDP measures and reports annually to its Executive Board on its organizational performance, including the organizational efficiency and effectiveness for programme delivery. In 2023, UNDP reported \$23 million in efficiency gains, representing 18% of all UN entities BOS global efficiency gains: \$125.7M.
	% of UNSDG entities that have signed the High-Level Framework on Mutual Recognition	Baseline (2018): 28% Target (2021): 100%	Yes – UNDP has signed and is compliant under the High-Level Framework on Mutual Recognition.
12. Fully implement & report on approved cost-recovery policies and rates	% of UNSDG entities that report annually on the implementation of their approved cost recovery policies and rates to their respective governing body	Baseline (2017): 51% Target (2021): 100%	Yes – UNDP’s current cost recovery policy was articulated in 16 January 2013 (ref DP/FPA/2013/1). This was endorsed by the Executive Board in decision 2013/9, and this was reiterated recently in the joint paper on cost recovery during the EB’s second regular session in 2018 (ref DP/FPA-ICEF-UNW/2018/1) and reaffirmed in decision 2018/21.

EXPLANATION OF METHODOLOGY/APPROACH PER INDICATOR

MEMBER STATE COMMITMENTS

Relevant Commitment	Relevant Funding Compact Indicators	Methodology / Approach⁵
Aligning funding to entity requirements		
1. Increase core resources for the UNDS	Core resources as share of voluntary funding for development related activities	Use DESA methodology for 19.4% baseline. Baseline is calculated by dividing core DEV voluntary contributions by total DEV voluntary contributions [i.e. Column C/(column Column D) in Table A-3a of statistical annex to QCPR report]. Core funding income should be expressed as a share of development-related contribution - As this is a Member State commitment, the figures should be limited to contributions from member states.
	Core share of funding for development-related activities (including assessed contributions);	Use DESA methodology for 27.0 % baseline. Baseline is calculated by dividing: core & assessed DEV contributions by total DEV voluntary contributions [i.e. (Column B+ Column C)/column E) in Table A-3a of statistical annex to QCPR report]. Core funding income should be expressed as a share of development-related contribution. As this is a Member State commitment, the figures should be limited to contributions from member states.
2. Double share of non-core contributions provided through development related pooled & thematic funds	% of non-core resources for development related activities channeled through inter-agency pooled funds	Use of DESA methodology for 5% baseline: Using the inter-agency pooled fund database to obtain the total contributions made to development, transition and climate inter-agency pooled funds (\$706 million in 2017), divide this by total non-core contributions to development-related activities (column D in Table A-3a of statistical annex).
	% of non-core resources for development related activities channeled through single agency thematic funds	Use of DESA methodology for 3% baseline. Total contributions to development-related thematic funds, divided by total non-core funding to development-related activities (column D in Table A-3a of statistical annex).
3. Broaden the sources of funding support to the UNDS	Number of UNSDG entities reporting an annual increase in the number of contributors of core resources	Number of Member States contributing to core and increase/decrease from previous year & from 2017 baseline (in percentage and number).
	Number of Member State contributors to development related inter-agency pooled funds and single agency thematic funds	Number of Member States contributing to entity administered pooled funds (breakdown per fund) and to agency managed thematic funds (breakdown per fund) and annual increase/decrease (in percentage and number). A single agency thematic fund is a single-entity funding mechanism designed to support high-level outcomes within the strategic plan; it is established by one UN entity, receiving contribution from several donors. The entity assumes full accountability for the funds received and is the sole direct recipient of the funding. A single agency can be Global (multi country) and Outcome or Thematic specific.
4. Provide predictable funding to the specific requirements of UNSDG entities as articulated in their SPs and to the UNDAF funding needs at country level	Funding gaps in UNSDG strategic plan financing frameworks	Percentage of funding received versus overall budget (per year and cumulative) - where possible and relevant, indicate funding gap per strategic plan outcome [and other relevant criteria, as appropriate]. Two proxies that assess funding gap against the Strategic Plan: a) Percentage of resource planned versus actual expenditure by Strategic Plan outcomes: Total programme expenditure for 2018-2019 against the 2018-2021 resource plan or X% of the mid-point target. b) Percentage of estimated contributions versus actual contribution received: In 2019, X received XX million, X% less/more than estimated [leaving a funding gap, of XX million / generating a surplus of XX million]. In 2018, X received \$X X% higher/lower than the estimate.

⁵ Methodology/approach is provided by UN Development Coordination Office (DCO) for overall reporting on the Funding Compact and QCPR.

Relevant Commitment	Relevant Funding Compact Indicators	Methodology / Approach ⁵
	Fraction of UNDS entities indicating that at least 50% of their contributions are part of multi-year commitments	Y/N (with exact figure reported), based on the following definition: "share of total contributions received in a given year that is part of a financial commitment that covers multiple years." (DESA survey)
7. Fully comply with cost recovery rates as approved by respective governing bodies	Average # of cost recovery support fee waivers granted per UNDS entity per year	Number of cost recovery waivers granted during the year (with \$ value of waivers combined). Note additional element of reporting (\$ value) compared to indicator

UN DEVELOPMENT SYSTEM COMMITMENTS

Relevant Commitment	Relevant Funding Compact Indicators	Methodology / Approach ⁶
1. Enhance cooperation for results at country level	Fraction of UNSDG entities reporting at least 15% of development related expenditures on joint activities	DCO to use UNINFO tool to track and report - joint activities are implemented by two or more UN agencies, including Joint Programmes as well as communication, advocacy, analysis etc. DCO to track the number of joint activities compared with the total number of activities (per CF and for the total CF currently in UNINFO); The total budget share of joint activities versus the total budget of the CF split between total planned and total expenditures. The question is asked in DESA survey of UN entity headquarters. For the purpose of the Compact reporting however, it is more appropriate and less transaction cost heavy to track the commitment at the RCO/UNCT level (rather than agency HQ level) through UNINFO.
2. Increase collaboration on joint and independent system-wide evaluation products to improve UN support on the ground	% of UNSDG Evaluation Offices engaging in joint or Independent System Wide Evaluations (ISWE)	Y/N with number of joint evaluations and/or ISWE underway and specific example(s); Use the following definition of ISWE: "a systematic and impartial assessment of the relevance, coherence, efficiency, effectiveness, results, and sustainability of the combined contributions of United Nations entities, to achieve the goals and targets set out in the 2030 Agenda for Sustainable Development". A joint evaluation implies the participation of at least 2 UN entities; an ISWE implies the participation of a majority of UN entities with a mandate related to the evaluation topic".
6. Strengthen the clarity of entity specific SPs and IRRFs and their annual reporting on results against expenditures	% of UNSDG entities that in their respective governing bodies held structured dialogues in the past year on how to finance the development results agreed in the new SP cycle	Y/N with entity specific narrative on content of the dialogue, e.g: issues raised / future agenda / alignment with Funding Compact
7. Strengthen entity & system-wide transparency & reporting, linking resources to SDG results	% of UNDS entities individually submitting financial data to CEB	Y/N (with date of first report)
	% of UNDS entities publishing data as per the highest international transparency standards	Y/N on reporting to IATI (with date of first report). DESA survey to mention IATI specifically.
	% of UNDS entities with ongoing activities at country level that report expenditures disaggregated by country to the CEB baseline	Y/N (with date of first report)

⁶ Methodology/approach is provided by UN Development Coordination Office (DCO) for overall reporting on the Funding Compact and QCPR.

Relevant Commitment	Relevant Funding Compact Indicators	Methodology / Approach⁶
	% of UNDS entities that report on expenditures disaggregated by SDG	Y/N (with date of first report)
9. Increase accessibility of corporate evaluations and internal audit reports within the disclosure provisions and policies set by governing bodies at the time of report issuance	% of UNDS entities authorized within disclosure provisions and policies who have made their corporate evaluations available on the UNEG website	Y/N with specific example(s) - add narrative related to disclosure provisions and policies
	% of internal audit reports issued in line with the disclosure provisions and policies set by the relevant governing bodies, which are available on a dedicated searchable UN-RIAS platform/ website, pending availability of resources;	% of entity specific internal audits available on UN RIAS platform - add narrative related to disclosure provisions and policies
	% of inter-agency pooled funds posting evaluation reports on the UNEG website	Number of inter-agency pooled funds evaluation reports available on UNEG website divided by total inter agency pooled funds evaluations.
10. Increase visibility of results from contributors of voluntary core resources, pooled & thematic funds and for program country contributions	Specific mention of voluntary core, pooled and thematic fund contributors, and program country contributions in UNCT annual results reporting and entity specific country and global reporting	Y/N for pooled funds if entity is a fund administrative agent or AA and entity specific thematic funds; with specific example(s) / evidence and steps taken or to be taken to meet commitment
	Specific mention of individual contributors in all results reporting by pooled fund and thematic fund administrators and UNSDG recipients	Y/N or N/A (if entity is not a fund administrative agent or AA) and for entity specific thematic funds; with specific example(s) / evidence and steps taken or to be taken to meet commitment
11. Implement the SG's goals on operational consolidation for efficiency gains	% of UNSDG entities that report to their governing bodies on efficiency gains	Y/N with entity specific narrative
	% of UNSDG entities that have signed the High-Level Framework on Mutual Recognition	Y/N with year of signature and entity specific narrative
12. Fully implement & report on approved cost-recovery policies and rates	% of UNSDG entities that report annually on the implementation of their approved cost recovery policies and rates to their respective governing body	Y/N (with date of first report)