2015 IS A LANDMARK YEAR. World leaders’ decisions in Sendai, Addis Ababa, New York and Paris offer a major opportunity to strengthen international cooperation for sustainable development and resilience. The issues are not new. But an opportunity to address them comprehensively is rare. UNDP will pursue all available avenues to help people and countries prosper.

WE WILL...

... Help countries raise domestic funds. The Addis Ababa Action Agenda (AAAA) calls for global support to help developing countries achieve self-reliance and sustainable economic transformation, by raising domestic revenues and attracting private finance. Official development assistance (ODA) providers are recommitting to achieve the target of 0.7% of gross national income for ODA, and 0.15 to 0.20% for least developed countries.

... Help countries explore public financing beyond ODA. A more sophisticated approach to financing for development is needed. Public and private finance (domestic and international) beyond ODA is needed. We must also ensure that development financing is informed by risk.

... Pursue partnerships. Different sources of financing are increasingly reinforcing each other, and, to ensure success, we must build strong partnerships across governments, the private sector, civil society, academia, research institutions and multilateral organizations.

... Support countries to use public financing to leverage private funds. International public finance will continue to play an important role in complementing domestic resources, especially in the poorest and most vulnerable countries. Given the scale of investments needed to achieve the SDGs, additional financing is needed, using public funds to leverage private investments.

UNDP recognizes the important role of all resources—domestic and international, public and private—to achieve sustainable development and implement the SDGs. We will continue to be a partner to governments, and help governments access different forms of development funds for country-driven priorities and strategies, in line with our Strategic Plan and the SDGs.

As the UN’s lead development agency, UNDP oversees a nearly $5 billion portfolio. The majority of initiatives we support are funded by earmarked resources from governments, multilateral partners and vertical funds such as the Global Environment Facility and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). It is the continuing support to our core budget from partner countries—totaling $793 million in 2014—that makes all those other initiatives possible. Core funding is the bedrock of the organization and is what makes UNDP a reliable and effective partner.

UNDP is grateful to our partners for their continued trust and support. This report is part of our ongoing effort to recognize all contributions and demonstrate greater transparency.
UNDP IN 2014

MEASURABLE IMPROVEMENT IN THE LIVES OF MILLIONS OF PEOPLE

Core resources enable UNDP to carry out its Strategic Plan, maximize value from other forms of financing and achieve development results. In 2014, UNDP projects led to:

SUSTAINABLE DEVELOPMENT PATHWAYS:

• **11.2 million people** (5.7 million women) benefiting from improved livelihoods in 94 countries
• **920,000 new jobs** (41% for women) created in 77 countries
• **33 countries** adopting policies and systems to boost employment and livelihoods
• Technology support in 48 countries to phase out gases that destroy the ozone layer
• **40 countries** implementing or completing MDG acceleration framework action plans
• **39 countries** implementing measures towards low-emission and climate-resilient development objectives

INCLUSIVE AND EFFECTIVE DEMOCRATIC GOVERNANCE:

• Over **18 million new voters** registered in 21 countries, including nearly 4 million in Afghanistan, where one million more women registered than in 2009
• **750,000 people (51% women)** in 22 countries gaining access to legal aid services
• **1.4 million people** receiving antiretroviral treatment in 20 countries
• **22 million people** receiving HIV-related behavioural change communication in 20 countries
• Over **7 million people (49% women)** expressing their vision for the future through the UNDP hosted ‘My World’ global survey, the largest crowd-sourcing exercise in United Nations history

RESILIENCE BUILDING:

• **98 new disaster reduction and adaptation plans** in place in 23 countries
• **21 countries** with enforceable laws/regulations to address disaster and climate risks
• **1.3 million people** achieving better access to energy in 26 countries
• **158 new early warning systems** in 17 countries
EXECUTIVE SUMMARY

The present Compendium gives an overview of UNDP’s funding resources.

1. The first chapter shows resources by funding type—regular resources, also referred to as core, and other resources—as well as funding trends over the past five years.

2. The second chapter explains how UNDP receives contributions from its partners:
   a. Regular or “core” resources, with a list of UNDP’s top contributors in 2014, and contribution trends over the past five years.
   b. Funds earmarked to programmes and projects.
   c. Thematic funding, including the importance of flexible funding, and total contributions received by UNDP for Thematic Trust Funds since 2010.
   d. Vertical funds, mainly with the Global Fund and the Global Environment Facility.
   e. UN pooled funds, featuring UNDP’s role as Administrative Agent for Multi-Donor Trust Funds and Joint Programmes in the UN system, and the share of pooled funds UNDP implements as a participating organization.

3. The third chapter shows funding by partner—such as governments, multi-lateral organizations and UN entities.

All funding channels are important for UNDP to mobilize the resources required to deliver on our Strategic Plan. But core funds, by virtue of not being earmarked, are the most adaptable in addressing the priorities outlined in the Plan.
RESOURCES BY FUNDING TYPE
RESOURCES BY FUNDING TYPE

In 2014, overall contributions to UNDP amounted to $4.715 billion, decreasing by 3% compared to $4.84 billion in 2013. Core resources (comprising 17% of total contributions) decreased by 11% to $793 million from $896 million in 2013, due to reduced contributions from partners, currency fluctuations, and non-receipt of contributions intended for 2014. Other resources received amounted to $3.922 billion, falling by 1% from $3.944 billion in 2013.

1. This figure excludes cash and in-kind contributions towards Government Local Office Costs (GLOC).

CORE/OTHER RESOURCES, TREND 2010-2014

Over the past five years, there has been a decline in the amount of core resource contributions to UNDP, an increase in highly earmarked contributions, and a growing imbalance between core and other resources.
RESOURCES BY FUNDING CHANNEL
With total resources in the range of $5 billion annually, and programmes in 177 countries and territories, contributions to UNDP are channelled through any of the following modalities: 1) voluntary contributions to core resources; 2) funds intended for specific thematic areas; 3) funds earmarked to programmes and projects, including government domestic resources; 4) UN pooled funds; or 5) funds confined to a single development domain or vertical funds.

The illustration below shows the range of the flexibility of resources offered by the different funding channels. Core resources offer the most flexibility while vertical funds offer the least.

The largest share of contributions received by UNDP in 2014 was from bilateral and multilateral funds (58%), of which 19% are domestic resources invested by programme countries. Core resources (17%) was the second largest, followed by vertical funds (15%), UN pooled funds (6%), thematic funds (3%), and Government Local Office Costs or GLOC (1%).
Since 2009, funds earmarked to programmes and projects have remained the biggest source of funding for UNDP.
CORE RESOURCES

Core resources form the bedrock of UNDP, and hence are the bedrock of support to the world’s poorest countries. In 2014, 56 partners contributed $793 million to core. OECD/DAC members contributed 97.5% of total core contributions, with the top 15 accounting for 96% of the total. A total of $19.27 million was received from non-DAC members.

CORE CONTRIBUTIONS, 2014
TOP 30 CONTRIBUTORS TO CORE RESOURCES

- Norway: $112.2M
- United Kingdom: $90.3M
- United States of America: $81.0M
- Japan: $80.5M
- Sweden: $72.9M
- Switzerland: $63.5M
- Denmark: $60.1M
- Netherlands: $36.8M
- Canada: $35.6M
- Finland: $30.3M
- Germany: $29.1M
- Belgium: $23.7M
- France: $18.6M
- Australia: $18.1M
- Ireland: $11.7M
- New Zealand: $6.6M
- Korea, Republic of: $6.4M
- Italy: $4.4M
- India: $4.3M
- China: $3.8M
- Luxembourg: $3.6M
- Turkey: $3.0M
- Austria: $2.1M
- Saudi Arabia: $2.0M
- Russian Federation: $1.1M
- Thailand: $0.9M
- Kuwait: $0.6M
- Iraq: $0.5M
- Bangladesh: $0.4M
- United Arab Emirates: $0.3M

* Contributions for 2014 from Canada and India were received in 2015.
** Contribution from Australia excludes amount intended for 2013 and received in 2014.
PARTNERS THAT INCREASED THEIR CORE CONTRIBUTION IN 2014

- Belgium
- Chile
- Iraq
- Mozambique
- Republic of Korea
- Sri Lanka
- United States

PARTNERS THAT MADE EARLY PAYMENTS IN 2013 AND 2014

- Austria
- Bangladesh
- Chile
- Costa Rica
- Estonia
- Finland
- France
- Ireland
- Kuwait
- Luxembourg
- New Zealand
- Norway
- Saudi Arabia
- Singapore
- South Africa
- Thailand
- UAE
- United Kingdom
WHY INVEST IN THE CORE FUNDING OF UNDP?

PARTNERS THAT INVEST IN UNDP’S CORE FUNDING:

JOIN FORCES WITH A LEADING SUSTAINABLE DEVELOPMENT ORGANIZATION AND ENSURE GLOBAL IMPACT

- UNDP offers 50 years of experience in sustainable development and remains the partner of choice for governments and other actors across the globe to eradicate poverty and reduce inequalities and exclusion.

- Core resources enable UNDP to provide the international community with the most extensive field-based presence of the multilateral system to help countries deliver on internationally agreed development goals. UNDP’s global reach represents the most cost-effective and strategic complement to bilateral cooperation.

PROMOTE COHERENCE OF THE UN DEVELOPMENT SYSTEM, EFFECTIVENESS AND TRANSPARENCY

- Core resources form the bedrock of the UN Resident Coordinator system at country level—managed and principally funded by UNDP—which brings together all UN development agencies for maximum impact. This is crucial for UN country teams’ support to implementing the Sustainable Development Goals.

- Core funds support the high standards of efficiency, quality assurance and transparency UNDP has attained. The new organizational structure is leaner by 10% overall, and by 30% in New York, allowing us to operate more effectively at the country level. Tighter standards for project quality were introduced, integrating UNDP’s new social and environmental standards. In 2014 UNDP ranked as the most transparent organization in the world on the International Aid Transparency Index.

SUPPORT THE MOST VULNERABLE, PROMOTE EQUITY AND ENABLE PROMPT RESPONSE TO CRISIS

- Core funds are the pillar of our support to the world’s poorest countries. In 2014, UNDP allocated 90% of core programme resources to Low Income Countries (LICs) and 74% to Least Developed Countries (LDCs). Although only 10% of UNDP’s core programme resources went to Middle Income Countries (MICs), for every $1 of core resources invested in MICs, UNDP leveraged $25 in other resources.

- UNDP’s core funds enable us to respond quickly and flexibly to crises. The UN Secretary-General has tasked UNDP with leading the UN system’s support for economic recovery from the Ebola crisis. In 2014, UNDP allocated $5.45 million of core funds for the immediate Ebola response and helped pay 100% for response workers in affected countries to ensure uninterrupted health services, case tracing and safe burials.
**OTHER RESOURCES**

Other resources range from lightly earmarked funds, such as in the case of thematic funds, to funds highly earmarked to specific programmes and projects. Funds can be earmarked at the global, regional, country and, most commonly, project levels. UN pooled funds and vertical funds are also earmarked for specific purposes.

Funds earmarked to specific programmes and projects are received by UNDP either through a co-financing modality called “cost-sharing,” or in the form of trust funds. The table below shows the top government contributors to other resources in 2014.

<table>
<thead>
<tr>
<th>Country</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$417.9M</td>
</tr>
<tr>
<td>Japan</td>
<td>$304.6M</td>
</tr>
<tr>
<td>Argentina</td>
<td>$198.1M</td>
</tr>
<tr>
<td>Germany</td>
<td>$125.2M</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$92.7M</td>
</tr>
<tr>
<td>Norway</td>
<td>$91.0M</td>
</tr>
<tr>
<td>Peru</td>
<td>$88.5M</td>
</tr>
<tr>
<td>Sweden</td>
<td>$87.5M</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$67.5M</td>
</tr>
<tr>
<td>Brazil</td>
<td>$61.3M</td>
</tr>
<tr>
<td>Switzerland</td>
<td>$55.2M</td>
</tr>
<tr>
<td>Venezuela</td>
<td>$53.2M</td>
</tr>
<tr>
<td>Colombia</td>
<td>$47.8M</td>
</tr>
<tr>
<td>Egypt</td>
<td>$47.6M</td>
</tr>
<tr>
<td>Denmark</td>
<td>$35.3M</td>
</tr>
<tr>
<td>El Salvador</td>
<td>$35.2M</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>$29.6M</td>
</tr>
<tr>
<td>Australia</td>
<td>$25.0M</td>
</tr>
<tr>
<td>Finland</td>
<td>$23.0M</td>
</tr>
<tr>
<td>Canada</td>
<td>$22.9M</td>
</tr>
<tr>
<td>Paraguay</td>
<td>$21.7M</td>
</tr>
<tr>
<td>Lebanon</td>
<td>$20.9M</td>
</tr>
<tr>
<td>Kuwait</td>
<td>$20.2M</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>$18.5M</td>
</tr>
<tr>
<td>Turkey</td>
<td>$18.3M</td>
</tr>
<tr>
<td>Panama</td>
<td>$15.1M</td>
</tr>
<tr>
<td>China</td>
<td>$14.3M</td>
</tr>
<tr>
<td>Armenia</td>
<td>$13.6M</td>
</tr>
<tr>
<td>Uruguay</td>
<td>$13.0M</td>
</tr>
<tr>
<td>Chile</td>
<td>$12.3M</td>
</tr>
</tbody>
</table>

![Graph showing the top contributors to other resources](image-url)
DOMESTIC RESOURCES

Domestic resources are funds earmarked to programmes and projects. They are contributions channelled through UNDP by governments from their domestic resources, through a modality known as “government cost-sharing.”

The chart below ranks countries’ domestic contributions through government cost-sharing (GCS) in terms of volume. It does not reflect the relative importance of GCS to these countries, as a proportion of their Gross Domestic Product (GDP). Some countries contribute a greater percentage of their GDPs towards GCS, even if the volume of their contributions is smaller.

For example, Sao Tome and Principe contributed approximately 0.17% of its GDP towards GCS. Similarly, Guinea-Bissau, Timor-Leste, Benin, and Chad contributed 0.09%, 0.06%, 0.05%, and 0.05%, respectively, of their GDP towards GCS. With a total of $851 million contributed in 2014, an increasing number of programme countries like Senegal are channelling their domestic resources towards a UNDP programme or project in support of their national priorities.
Senegal invests USD 198 million to boost rural development

Senegal has initiated a vast local development programme to increase living standards across the countryside while at the same time stimulating the national economy.

The initiative, to be implemented by the United Nations Development Programme (UNDP), will accelerate the construction of roads and water points, invest in agriculture and entrepreneurship, and facilitate people’s access to energy services.
With thematic funds, partners channel their contributions to support activities on a particular theme. UNDP has thematic funds for Crisis Prevention and Recovery, Environment, Democratic Governance, Poverty Reduction, Gender, and Information, Communication, and Technology. In 2014, contributions to thematic funds were $119 million, or 3% of total contributions.
NEW THEMATIC WINDOWS

UNDP is streamlining its thematic funding “windows” to better respond to countries’ needs, and ensure that development funds are utilized more effectively and efficiently through improved management arrangements and results reporting.

The new thematic windows, to be operational in 2016, are in line with the objectives of the Strategic Plan and provide a vehicle for minimally earmarked contributions to be allocated to address priority needs and deliver quality results.

INTEGRATED DEVELOPMENT PROGRAMMING

GOVERNANCE AND PEACEBUILDING
- Democratic Governance
- Conflict Prevention
- HIV/Health and Development

POVERTY ERADICATION AND SUSTAINABLE DEVELOPMENT
- Environment Mainstreaming
- Gender Empowerment and Equality

CLIMATE CHANGE AND DISASTER RISK REDUCTION
- Climate Change
- Disaster Risk Reduction

CRISIS RESPONSE AND RECOVERY
- Immediate Response to Crisis
- Crisis Recovery
VERTICAL FUNDS

Vertical funds are created in response to single-issue advocacy campaigns and to tackle specific development issues. They are governed by Steering Committees, which decide on funding portfolios and allocation criteria and are assisted by independent Secretariats.

Of the vertical funds UNDP engages with, the Global Fund is the largest, followed by the Global Environmental Facility, and the Montreal Protocol.

GLOBAL FUND

UNDP has partnered with the Global Fund to Fight AIDS, Tuberculosis and Malaria since 2003, supporting programmes in countries with limited ability to receive and manage this kind of fund.

GLOBAL ENVIRONMENTAL FACILITY

As a Global Environmental Facility (GEF) implementing agency since 1992, UNDP supports countries to secure GEF resources and to meet global environmental obligations. UNDP offers integrated technical services for countries, including assistance on eligibility assessment, programme formulation, mobilization of co-financing, implementation oversight, and knowledge and results management.

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNDP, as an implementing agency of the Multilateral Fund, supports investment projects, demonstration projects that test approaches to development challenges, and provides technical assistance and feasibility studies.
GREEN CLIMATE FUND

The Green Climate Fund (GCF) is a new fund created under the United Nations Framework Convention on Climate Change (UNFCCC) aimed at combatting urgent and serious effects of climate change. It is designed to support developing countries move towards low-emission and climate-resilient development.

The GCF Board has approved UNDP as the first UN agency that will be able to access the Fund’s resources for developing countries, alongside six other entities from the public and private sector.

The accreditation by GCF is a significant step, allowing UNDP to continue its leadership role in scaling up climate change mitigation and adaptation for sustainable development.
UN POOLED FUNDS

Pooled funding—multi-donor trust funds (MDTFs) and joint programmes—is a mechanism for combining resources from multiple development partners and allocating such resources to multiple implementing entities to support specific national, regional, or global priorities.

UNDP hosts the Multi-Partner Trust Fund Office (MPTFO), established in 2003 to facilitate coordinated action throughout the UN system. It achieves this in part by designing and administering pooled financing instruments that are efficient, accountable and transparent. As the appointed fund administrator / administrative agent, the MPTFO helps design funds and channel contributions from a large number of contributors.

EXAMPLES OF THE DIFFERENT POOLED FUND FUNCTIONS AND ADDED VALUE

<table>
<thead>
<tr>
<th>MAIN FUNCTION OF THE FUND</th>
<th>MAIN ADDED VALUE OF THE FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>COHERENCE</td>
<td>Fills critical gaps and under-financed priorities to ensure a coherent and sequenced response in line with a strategic framework.</td>
</tr>
<tr>
<td>CONSOLIDATION</td>
<td>Reduces fragmentation with respect to particular priorities. In many cases, is the largest investment vehicle.</td>
</tr>
<tr>
<td>SPECIALIZED OR THEMATIC</td>
<td>Has a specific expertise and focus on a particular thematic issue. Usually the case for global funds.</td>
</tr>
<tr>
<td>RISK MANAGEMENT</td>
<td>Reduces risks to governments and financial contributors through a comprehensive risk and result-based management system.</td>
</tr>
<tr>
<td>INNOVATION</td>
<td>Provides a mechanism for clear attribution and transparency from innovative sources of finance. Can also deepen national financing systems.</td>
</tr>
</tbody>
</table>
LARGEST POOLED FUNDS ADMINISTERED BY UNDP AS ADMINISTRATIVE AGENT

As Administrative and Fiscal Agent, in 2014, the MPTFO received deposits of $906 million, and made transfers of $842 million to participating organizations. The chart below shows the largest pooled funds managed by UNDP as administrative agent.

![Chart showing largest pooled funds administered by UNDP as administrative agent]

TOP 15 UN POOLED FUNDS IMPLEMENTED BY UNDP AS A PARTICIPATING UN ORGANIZATION

In 2014, UNDP received contributions of $273 million through pooled funds. The table below shows pooled funds in which UNDP is a participating organization. Aside from implementing programmes and projects, UNDP also acts as Managing Agent for Common Humanitarian Funds (CHFs), by contracting, monitoring and evaluating humanitarian NGOs, as approved by the Humanitarian Coordinator.

![Chart showing top 15 pooled funds implemented by UNDP as a participating UN organization]
RESOURCES BY PARTNER
RESOURCES BY PARTNER TYPE

In 2014, governments contributed $3.089 billion or 66% of total contributions, whereas $1.626 billion or 34% was received from other partners.

Contributions from bilateral partners constituted 46% of total contributions, followed by 19% from domestic resources, 16% from vertical funds, 8% from the European Union, 6% from UN pooled funds, and 5% from the private sector, foundations, international financing institutions (IFIs), UN agencies, and other partners.

RESOURCES BY PARTNER TYPE TREND, 2010-2014

* Private Sector, Financing Institutions, Foundations and other multilaterals.
The majority of UNDP's funding continues to come from bilateral governments (mostly OECD-DAC members), followed by government domestic resources, vertical funds (mainly the Global Fund and the Global Environment Facility), and the European Union.

Although the amounts received from the private sector and foundations are a small part of UNDP’s budget, these contributions go beyond their financial benefit. Private sector companies and foundations contribute their expertise in economic development, and provide access to knowledge, technology and innovation.

In 2014, UNDP received a total of $38 million from the private sector and foundations, with the largest contribution coming from the Bill and Melinda Gates Foundation ($9.7 million).

**TOP 30 RESOURCE PARTNERS**

The table below shows the top 30 resource partners, sorted by the amount of funding received in 2014.

* Canada’s 2014 contribution was received in 2015.
** Excludes Australia’s 2013 contribution received in 2014.
The chart below shows total contributions from government partners including domestic resources channelled through UNDP.

* Canada’s 2014 contribution was received in 2015.
** Excludes Australia’s 2013 contribution received in 2014.
In order to diversify its partnership and funding base, UNDP launched a ‘100 partners’ campaign targeting to reach 100 Member States contributing to core resources by 2017. UNDP is also cultivating its relationship with international financing institutions (IFIs), foundations, and the private sector through new engagement strategies and platforms for collaboration to implement the SDGs. Although the volume of contributions received from IFIs in 2014 was low, UNDP engages with a variety of financial institutions on national priorities around the world, as shown below.