

Annex II to DP/2021/31

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 2020 ¹
Aligning funding to entity requirements			
1. Increase core resources for the UNDS	Core resources as share of voluntary funding for development related activities	Baseline (2017): 19.4% Target (2023): 30%	Baseline 2019: 13% Progress 2020: 12.5% Milestone 2021: 13%
	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 2019: 10.8% Progress 2020: 8% Milestone 2021: 12%
	% 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 2019: 2.4% Progress 2020: 2.6% Milestone 2021: 2%
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 2019: 52 Progress 2020: 49 Milestone 2021: 52
	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 2019: 34 Progress 2020: 50 Milestone 2021: 65
			Number of member state partners contributing to UNDP Thematic Funding Windows: Baseline 2019: 8 Progress 2020: 9 Milestone 2021: 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 (2019): <i>tbd</i> Target (2021): <i>tbd</i>	Planned Resource Plan versus actual expenditure by Strategic Plan outcomes: Progress 2020: UNDP's utilized on average 66.2% of the resources planned for the SP 2018-21 period against the outcomes. UNDP received \$5,561 million, 4.4% more than estimated leaving a funding gap of \$236 million.

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 2020 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 2019: 58% Progress 2020: 50% Milestone 2021: 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 2019: UNDP granted no new waiver. But 3 waivers were renewed at previously approved reduced GMS rates, mainly related to humanitarian funds for Yemen, DRC and Syria with a total value of \$5.5 million. Progress 2020: Only 1 new GMS waivers was exceptionally authorized in 2020. With a financial value of \$33,582. Milestone 2021: 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 2019⁴: 8.4% Progress 2020: 10% of non-core expenditure was spent on joint programmes, which do not fully capture the full gamut of joint activities (see footnote 13). While not marked as Joint Programme, the expenditure of the projects where UN agencies are implementing partners reached 13.4% of the total expenditure. Milestone 2021: 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 2019: 100% of UNDP's CPD outcomes are aligned with UNDAF outcomes Progress 2020: 100% of UNDP's CPD outcomes are aligned with UNDAF/Cooperation Framework outcomes Milestone 2021: 100% of UNDP's CPD outcomes are aligned with UNDAF/Cooperation Framework outcomes

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

⁴ To date, an agreed definition amongst the UNSDG of what constitutes 'joint activities' does not exist. This is acknowledged in the [2020 Secretary-General's Report on the Implementation of the QCPR \(Addendum 1\)](#), page 17, stating "Two entities pointed to methodological challenges: one, there is not yet an agreed definition of joint activities, and two, there is lack of an adequate tracking system, which is currently being established". In April 2021, an inter-agency advisory group was established to develop a new joint programme guidance, which may revisit the definition of Joint Programme to give more clarity. In the meantime, the proportion of programme expenditure where UNDP partnered with UN agencies in project implementation reached 13.4% of the total expenditure in 2020.

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)	Progress 2020: Yes - UNDP conducted 38 joint evaluations (the uploads of decentralized evaluations into UNDP evaluation resource center accounted for 34 joint evaluations conducted in 2020 and 4 joint evaluations at the central level).
Improving transparency and accountability			
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	Baseline (2017): 62% Target (2021): 100%	Progress 2020: Yes – UNDP held three structured funding dialogues with its Executive Board and a joint structured funding dialogue with UNICEF, UNFPA and UN Women.
7. Strengthen entity & system-wide transparency & reporting, linking resources to SDG results	% of UNDS entities individually submitting financial data to CEB	Baseline (2017): 69% Target (2021): 100%	Yes – UNDP submits its financial data to CEB annually.
	% of UNDS entities publishing data as per the highest international transparency standards	Baseline (2017): 36% Target (2021): 100%	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	Baseline (2017): 46% Target (2021): 100%	Yes – UNDP reports expenditures to CEB disaggregated by country.
	% of UNDS entities that report on expenditures disaggregated by SDG	Baseline (2017): 20% Target (2021): 100%	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	Baseline (2018): 21% Target (2021): 100%	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' website to a common database : http://www.uneval.org/evaluation/reports
	% 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;	Baseline (2018): 0 Target: TBD	Yes - All UNDP audit reports are available ⁵ at https://audit-public-disclosure.undp.org/
	% of inter-agency pooled funds posting evaluation	Baseline (2018): 0% Target (2019): 100%	Yes – The MPTF Office collaborated closely with the UN Evaluation Group (UNEG), and since fall 2019, UNEG allowed pooled funding evaluations to

⁵ 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 a UN-RIAS platform.

	reports on the UNEG website		be tracked and marked in the UNEG evaluation reports database
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 Annual Report, Annual Results Reports, Funding Compendium, including 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 2020 Annual Report of UN Multi-Partner Trust Fund Office and thematic funding annual report as well as UNDP’s annual funding compendium, which specifically recognizes and lists all funding partners to each and every projects 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 2019: 83% Progress 2020: UNDP shared common premises in 87% of its office locations Milestone 2021: 93%
	% of UNCTs that have an approved BOS in place, to enable common back offices where appropriate	Baseline (2017): 20% Target (2021): 100%	Baseline 2019: 91% Progress 2020: 120 out of 131 offices (92%) implemented at least eight elements of the SOPs Milestone 2021: 100%
	% 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 through a set of indicators aimed at assessing if UNDP is fit for purpose to deliver against its Strategic Plan per Tier 3 in its Integrated Results and Resources Framework (IRRF), particularly regarding the organizational efficiency and effectiveness for programme delivery. UNDP generated an estimated \$355 million in additional resources for development in 2018-2020 compared to 2014-2017. The UNDP Global Shared Service Centres in Copenhagen and Kuala Lumpur improved the management of nearly 500 country office bank accounts and nearly 64,000 vendors, processing over 26,000 transactions in a way that improves efficiency and mitigates risk.
	% 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 / Approach ⁶
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.
	Fraction of UNDS entities indicating that at least 50% of	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)

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 / Approach ⁶
	their contributions are part of multi-year commitments	
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 ⁷
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)
	% of UNDS entities that report on expenditures disaggregated by SDG	Y/N (with date of first report)

⁷ 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 / Approach⁷
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)