UNITED NATIONS DEVELOPMENT PROGRAMME



CORE RESOURCES

SEPTEMBER 2022

Foreword

We are learning every day how quickly our world can change.

New challenges are coming faster and with more severity, but each underscores the same reality; we are all connected.

Dedicated support for Regular "Core" Resources demonstrates that our partners understand how important they are to our work in this new world—where life becomes more complex and dangerous for the hundreds of millions of people who can't be assured of their safety, or even where their next meal is coming from. In a world where new innovative solutions are more needed than ever before.

All eyes are on Ukraine right now, where the flexibility of Core Resources is enabling us to work as swiftly and decisively as the situation demands. But the devastating consequences of the war in Ukraine have spread far beyond the region's borders. Coming on top of a world made ever more fragile by COVID-19, the conflict is one of the factors pushing hundreds of millions into poverty and creating this century's biggest cost-of-living crisis.

UNDP's support to those living in some of the hardest places, in the most difficult of times – whether in Ukraine, Pakistan, Afghanistan, Yemen, Haiti and beyond - is made possible thanks to flexible funding which allows us to work with those who need help the most from Day One.

The proliferation of crises we are seeing demand urgent action. The cost of living crisis, the pandemic and climate change have been a brutal reminder of what we already know; in times of emergency, it is always the vulnerable who bear the brunt.

UNDP has taken the lead in responding to the socio-economic fallout from COVID-19 and is now working across the world to help ensure that the crises of today don't push millions of communities further into poverty.

Core Resources are not only our 'first responder', they also enable us to identify the root causes of these crises and to tackle the vital issues that are leaving the furthest behind.

How can we protect livelihoods and help businesses withstand and recover?

How do we get everybody, not just the rich, vaccinated?

How can we use a digitally connected world to enhance sustainable development?

Core Resources will continue to address these inequalities, even after the pandemic is over. And the same goes for other crises, whatever their source.

Flexible funding is also a vital part of the exciting, ongoing 'experiment' that is UNDP. We constantly pioneer new ways of approaching development and invent the right tools to get the best from our programmes, using the Sustainable Development Goals as our North Star.

In these uncertain times we remain more committed than ever to bring our expertise and support to the people who need it most, no matter where in the world they live.

Core funding is the passport that gets us there. Thank you.



Ulrika Modéer

Assistant Secretary-General and Assistant Administrator Bureau of External Relations and Advocacy



Bold new ways of working

Big challenges require big ideas, and our new Strategic Plan has been designed specifically to address the increasingly complex and overlapping issues testing our planet and societies.

It lays out ambitious objectives that your support is delivering, including helping 100 million people to escape poverty, getting clean energy for 500 million people, and supporting democracy by working with countries to get 800 million participating in elections, as well as promoting more than US\$1 trillion in investment in the SDGs.

Just as three years ago we couldn't have imagined the extent of the damage one microscopic virus could wreak on the world, we don't truly know what combination of effects our present challenges will serve up.

What we do know is flexibility is everything.

Whether it's the reverberations from conflicts or climate change, or the social and economic reach of COVID-19, the effects of massive shocks are rippling out, and will do so for years to come.

The last few years have been a brutal but important reminder of the connections between crises, from the war in Ukraine, the cost of living crisis, the pandemic and habitat loss, the climate emergency, growing inequality, contested democratic values and protracted conflicts.

None of these challenges can be approached piecemeal. If we don't look at the big picture, we won't get the picture at all. And 'zooming out' is not just necessary for immediate response, it's also necessary to plan for the next shock.

As the Strategic Plan recognizes, there is a pressing need to act as one to address the challenges of inequality, climate change and governance.

That means working with a revitalized UN system and beyond for stronger collective results, and with one goal in mind—transformative change.

UNDP is used to breaking new ground, but this complex, long-term commitment is one we've never undertaken.

We can't do it alone, nor would we want to. Partnerships are an integral and greatly valued part of our work. We need your support to eradicate poverty, accompany countries on their pathways towards the SDGs, work towards the Paris Agreement, and to lay the foundations for sustainable development and lasting peace.



Core strength

"Leave No One Behind" is more than just a slogan, it's the principle we bring to our work every day, for every country, and on every issue.

Core Resources give the world's poorest countries support as they battle poverty and inequality, work towards sustainable development, and build resilience to the crises and shocks that are certainly coming.

Core is an antidote to the increasing inequality that is feeding into global crises. It's a genuine global public good—the embodiment of the cooperation we must exhibit if we are to rise to the challenges we face.

In the best of times, development requires a clear, strategic long-term focus, as well as the ability to tackle emerging challenges and opportunities. Core funding makes both possible—because it's not earmarked, it can be quickly put to use, both in crises and for development.

It's critical for supporting low-income and least developed countries to test innovative approaches and fill gaps in underfunded areas. It also lays the foundational work in programme design that attracts additional financing, in important factor in financing the SDGs.

Core underpins UNDP's operational capacity, networks and presence at global, regional and country levels, in 170 countries and territories.





Your support is making a difference

People and governments rely on UNDP. And our partners and donors count on us to transform the funds you have provided into tangible impact. In turn, UNDP counts on you to continue believing in our mission and to sustain your support as we pioneer and spread new ideas to address extreme poverty, respond rapidly to emergencies, and to get the most out of every dollar spent.

Thank you for your trust and for your commitment to making a difference in millions of lives.



BEFORE, DURING, AND AFTER AN EMERGENCY

When crises collide, which they increasingly do, Core Resources enable UNDP to respond quickly and flexibly.

TRAC-3 is the core facility of UNDP for immediate action. It was established to provide UNDP with the capacity to respond quickly and flexibly to the development needs of countries affected by conflicts and natural disasters. These resources position UNDP to analyse early warnings, advocate for and influence policies for crisis risk reduction and conflict prevention and to intervene as early as possible.

The smart investments and unwavering financial support from our partners has been key to allowing UNDP to respond to countries' needs with agility and effectiveness. Core Resources, in particular, played a critical role over 2020 and 2021 enabling UNDP to quickly deploy funds, enable life-saving services, ensure business continuity for many governments and build digital capabilities to continue providing basic services. Now, Core Resources are helping us to remain operational in Ukraine throughout the conflict, scaling up work to preserve development gains and supporting the government to sustain governance structures and services during these challenging times.



SUPPORTING THOSE WHO NEED THE MOST

UNDP directs three quarters of core funding to least developed and low-income countries, where its flexibility plays a significant role in both development and responding to crises. We target and prioritize the 'last mile' – the poorest of the poor, the households and small enterprises that are under-served and excluded, where development needs are greatest, and where resources are most scarce. In places of extreme fragility such as Yemen, Somalia and Afghanistan our programmes fund a broad range of needs, from job creation, to water and energy security as well as support for basic infrastructure. In a world of risks, development gains can be unwound. UNDP gets to the last mile by focusing on building long-term resilience and overcoming challenges so that no one is left behind.





CORE MEANS MORE

Core funding is a smart investment because it's a magnet for more money. In 2020, every dollar spent on UNDP's programmes brought ten more in in non-core funding.

In response to the COVID-19 pandemic, UNDP Niger has re-prioritized US\$2.5 million of Core Resources and is mobilizing an additional US\$2.5 million for digital e-governance, community engagement and post-COVID recovery.

We saw a similar story in Lake Chad where US\$1.5 million in core funding enabled UNDP to bring in close to US\$92 million in earmarked funding to the <u>Lake Chad Stabilization Facility</u> which is restoring security in communities affected by the Boko Haram insurgency in Cameroon, Chad, Niger and Nigeria.



TRANSPARENCY, OVERSIGHT, AND ACCOUNTABILITY

UNDP continues to be a leader in transparency, as one of only ten organizations rated 'very good', the highest possible category, by the Aid Transparency Index. UNDP is also consistently ranked among top organizations in value for money, including in justice, security, anti-corruption, and transparency. The UN Board of Auditors has awarded UNDP an unqualified/clean audit for 16 consecutive years.

Core funding helps us hold to our high standards. It improves transparency, oversight and accountability. It allows for oversight functions such as independent evaluation, the ethics office, and development effectiveness, which underpins a strong commitment to accountability.



INNOVATION AND THOUGHT LEADERSHIP

Responding effectively to complex development issues requires us to continually pioneer new solutions. Advances have only been possible because our partners trust UNDP to use contributions to test innovative approaches and to support development in the most effective ways. Without core funding, UNDP wouldn't be able to design innovation facilities such as the <u>Accelerator Labs Networks</u> that are pushing the boundaries on frontier development issues.

Core allows us to enhance thought leadership. The <u>Human Development Report</u> Office, which is funded through Core Resources, spearheads UNDP's cutting-edge research and promotes new ideas, advocates for practical policy changes, and constructively challenges policies and approaches that constrain human development.



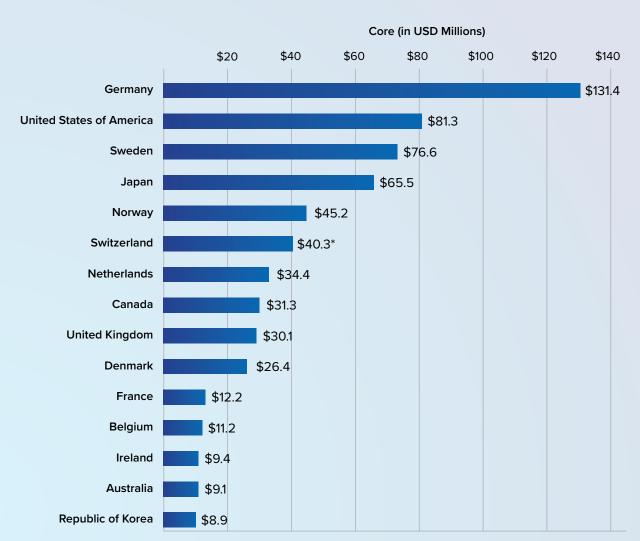
2021 Core Resource partners

UNDP thanks our partners at core who each year give to eradicate poverty and inequality through sustainable development, and who recognise that the trust countries and communities have in UNDP is a true global asset.

To achieve our mandate, UNDP relies entirely on contributions from UN Member States, as well as from multilateral organizations, NGOs, corporations, financing institutions and philanthropic groups. Total revenue in 2021 was US\$5.4 billion, of which Core Resources accounted for US \$647 million or 12 percent. US\$274 million (or 42 percent) in contributions to UNDP's core resources came from multi-year pledges.

UNDP's top 15 core partners contributed US\$613 million, or 95 percent of total annual core contributions in 2021.

Core contributions received in 2021: UNDP's top 15 partners





Expanding partnerships

UNDP's work spans the globe, and we want our partnerships to reflect the immense diversity and scope of our programmes.

As we continually strive to make UNDP innovative, relevant and critical to the global journey towards the Sustainable Development Goals, we are excited about engaging with and expanding the impact and effectiveness of our partnerships with all Member States.







