

REFERENCE: AC/2349

Advisory Committee on
Administrative and Budgetary Questions

8 October 2025

Dear Mr. Kurukulasuriya,

Enclosed herewith please find the report of the Advisory Committee on Administrative and Budgetary Questions on the UNCDF Integrated Budget for 2026-2029.

I should be grateful if you would place the Advisory Committee's report before the Executive Board at its forthcoming session.

Yours sincerely,



Juliana Ruas
Chairperson

Encl.

Mr. Pradeep Kurukulasuriya
Executive Secretary
United Nations Capital Development Fund
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United Nations Capital Development Fund Integrated Resources Plan and Integrated Budget, 2026–2029

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the United Nations Capital Development Fund (UNCDF) Integrated Resources Plan and Integrated Budget, 2026–2029 (DP/2025/XX). During its consideration of the report, the Advisory Committee met with representatives of the Fund and was provided with additional information and clarification, concluding with written responses received on 18 September 2025.

II. UNCDF integrated resources plan and budget

Background and financial information

2. The report of the Executive Secretary indicates that the first quadrennial integrated resources plan and integrated budget prepared by UNCDF constitutes an integral complement to the UNCDF 2026-2029 Strategic Framework, which articulates the vision of UNCDF, and should be read in conjunction with it. The integrated resources plan and the integrated budget present the corresponding estimated financial resources, both regular (core) and other (non-core), to accomplish expected results. The document indicates that the integrated budget, which captures the portion of the integrated resources framework that relates to regular resources only

is fully regulated by Executive Board mandates and submitted for approval (DP/2025/XX, para 10 and summary).

3. The report indicates that all UNCDF funding is voluntary and that estimated resources for 2026-2029, excluding UNDP contributions, amount to \$1,251 million.. The amount includes \$969 million in projected new funding partner contributions (\$60 million regular and \$909 million other resources), an increase of \$428.3 million or 79.2 per cent from the latest contributions estimates for 2022-2025 (ibid, summary).

4. Section III of the document provides an overview of the integrated financial performance for 2022-2025, an analysis of the funding outlook for 2026-2029, and an estimation of the use of resources for 2026-2029. The integrated resources plan includes the integrated budget, funded solely through regular resources, as well as activities funded through other resources and through cost recovery. The presentation of budgetary information uses the cost-classification categories and cost-recovery methodologies and approaches to cost attribution harmonized with UNDP, the United Nations Population Fund (UNFPA), the United Nations Children’s Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) DP/FPA-ICEF-UNW/2024/1 (ibid, paras 26-27).

Financial performance for 2022-2025

5. As regards the financial performance for the 2022-2025 period, the report indicates that as the first ever integrated budget and integrated resources plan prepared for UNCDF, there is no previously approved budget plan against which the 2022-2025 performance can be measured. Actual amounts for 2022-2024 and latest estimates for 2025 have been compared with the IRRM

annexed to the 2022-2025 Strategic Framework. Total contributions to UNCDF for 2022-2025 are \$540.6 million, representing 72.1 per cent of the resource mobilization target of \$750 million; total contributions, including UNDP's contributions for 2022-2025, are \$554.6 million. Contributions to regular resources received directly by UNCDF for 2022-2025 are \$27 million of the \$100.0 million target. Total contributions to regular resources for 2022-2025, are \$41 million, including \$14 million contributed by UNDP (DP/2025/XX, paras 31 – 35).

6. Total expenditure by the end of the period 2022-2025 is estimated at approximately \$484.5 million. Total expenditure by the end of the period 2022-2025, including UNDP contributions, is estimated to reach approximately \$498.5 million. The ratio of spending of resources on management activities (i.e., management efficiency ratio), including UNDP contributions, is estimated at 5.7 per cent while the ratio of spending resources on institutional expenses over programme expenses for the 2022-2025 biennium is 11.8 per cent (ibid, paras 38-43).

7. Upon enquiry, the Advisory Committee was provided with the table below regarding total expenses by category and informed that technical assistance provided by UNCDF is mainly included under contractual services and staff costs. **The Advisory Committee notes the decreasing overall expenditures in recent years, and that performance information from January to June 2025 seems to continue to confirm this trend (see also para 18 below). The Committee trusts that updated information on expenditures in 2025 and further clarification on the trend of reduced expenditure, including under grants and other transfers, will be provided to the Executive Board at the time of consideration of the present report. The Committee also trusts that further clarification will be provided to**

reconcile the projected expenditure level of \$484.5 million (\$498.5 million including UNDP contributions) for 2022-2025 with the current level of expenditure as reflected in table 1.

(in thousands of USD)	2025 (Jan to Jun)	2024	2023	2022
Expenses				
Contractual services	10 786	27 453	27 367	25 866
Staff costs	14 492	28 000	28 898	26 988
Supplies and consumables	314	1 236	632	1 080
General operating expenses	3 392	9 681	11 608	15 667
Grants and other transfers	1 439	14 723	30 190	44 766
Other expenses	122	3 713	1 995	1 766
Depreciation	45	91	90	78
Total expenses	30 590	84 897	100 780	116 211

Note: the above data from 2022-2024 is based on audited financial statements, and 2025 is based on latest draft financial statements, which are yet to be audited.

Integrated resources plan 2026-2029

8. In terms of the funding outlook for 2026-2029, the report indicates that as a voluntarily funded organization, UNCDF bases budget projections primarily on anticipated funding partner contributions and on other criteria. Resources for 2026-2029 are estimated at \$1,251.1 million, representing an increase of \$514.5 million, or 69.9 per cent, primarily in other resources compared to \$736.6 million for 2022-2025. A total of \$1.264 billion including UNDP contributions, for the period 2026-2029, represents an increase of \$513.4 million or 68.4 per cent compared to \$750.5 million for 2022-2025 (DP/2025/XX, paras 45-47).

9. The 2022-2025 Strategic Framework envisaged a base growth scenario of \$25 million in regular resources contributions per year and \$100 million for four years. The actual contributions

for the period 2022-2025 amounted to only \$27.0 million. The document indicates that based on these facts, and considering the current funding partner climate, UNCDF revised the estimates for 2026-2029 to \$60 million. Shrinking regular resources contributions will have a further negative impact on UNCDF's core organizational capacities and that tightly earmarked contributions continue to dominate the composition of UNCDF funding (ibid, paras 48 to 51).

10. Total expenditure for 2026-2029 is estimated at \$546.5 million, an increase of \$62.0 million (12.8 per cent over the four-year period) from \$484.5 million projected expenditure in 2022-2025; total expenditure including UNDP contributions is estimated at \$559.3 million, an increase of \$60.8 million (12.2 per cent over the biennium) from \$498.5 million projected expenditure in 2022-2025 (ibid, table 1 excluding UNDP contributions; Annex 1 with UNDP contributions). The report indicates that UNCDF will allocate around 95.3 per cent of resources to development and humanitarian activities in 2026-2029 in the amount of \$521.0 million (\$525.0 million including UNDP contributions, a 93.9 per cent share of total expense). Proposed development activities in 2026-2029, excluding UNDP contributions, are comprised of programmes of \$500.9 million and development effectiveness of \$20.2 million (\$504.9 million and \$20.2 million, respectively, including UNDP contributions) (ibid, paras 54 to 59).

11. **The Advisory Committee notes the projected increase of 69.9 per cent in total contributions compared to original 2022-2025 estimates, and an increase of 79.0 per cent compared to updated estimates for the quadrennial cycle. The Committee underscored the need for realistic budget assumptions and trusts that UNCDF will provide detailed information to the Executive Board on how projections for 2026-2029 are reflective of**

UNCDF’s resource mobilization strategy and also of the current scenario of increased financial constraints and reduced contributions available system-wide.

Capital deployment

12. Section II of the report indicates UNCDF’s approach for 2026-2029, including a delivery plans focusing on capital deployment in terms of refocusing on its original capital mandate and narrowing its work to the deployment of risk-absorbing financial capital and bespoke financial structuring solutions; achieving three strategic outcomes based on better, stronger and greater capital in support of its partner countries; and concentrating its financial and advisory instruments on the three high-impact areas of the financing of Micro, Small and Medium Enterprises (MSME), sub-national finance, and digital finance. The approach also includes a focus on core markets, working with both public and private sector partners to channel capital to those most in need, blended finance solutions and delivery in conjunction with other United Nations agencies, government institutions, the private sector, civil society organizations and development partners (DP/2025/XX, paras 11 – 25).

13. The report indicates that the estimated delivery of loans and guarantees for 2026-2029 is \$337.1 million, which denotes a significant refocus by UNCDF in deploying capital instruments. The current organization and underlying business model reforms are coming to completion and are timely and necessary to ensure that UNCDF remains fit-for-purpose to serve the needs of programme countries in the critical years ahead as many race to meet the goals of Agenda 2030 and the Doha Programme of Action for LDCs (ibid, summary) (see para. 36 below).

14. Upon enquiry, the Advisory Committee was informed that the new Strategic Framework for 2026–2029, together with its related Integrated Results and Resources Matrix (IRRM) and impact measurement framework, is currently under development. In terms of achievements under the current framework, the most recent data available from 2024 is indicated in annex II below. The Committee was informed that, while the results chain under the current strategic framework and IRRM differs from the refocused structure of the upcoming strategic framework, the cumulative IRRM data provides a comprehensive view of progress and achievements under each indicator. The Committee was also informed that UNCDF has strengthened its focus on impact measurement and management to ensure that its investments and programming deliver measurable, credible results and generate evidence-based insights, allowing UNCDF to demonstrate to donors and stakeholders that resources channelled through the organization achieve meaningful impact, while also informing strategic decisions related to portfolio management and growth. As part of the strategic realignment for 2026–2029, the more robust impact measurement and management system will: (i) enhance accountability to beneficiaries, donors, and stakeholders; (ii) improve programme design and adaptation through evidence of real-world change; (iii) deepen understanding of both positive effects and potential risks; and (iv) support strategic learning and knowledge sharing across UNCDF. The Committee was further informed that UNCDF is working to establish a dedicated Impact Measurement, Verification and Learning (IMVL) Unit, which will oversee the new impact measurement and management system and manage the evaluation function; these changes will come into effect with the launch of the new Strategic Framework on 1 February 2026, providing the Executive Board with clearer metrics and stronger tools for monitoring progress on the three strategic outcomes.

15. The report indicates the need for UNCDF to optimize systems for both grant and investment operations with high standards of transparency and accountability and that the adoption of standardized internal rules for capital deployment, risk management, and impact measurement, aligned with other leading financing institutions, as well as the necessary digital infrastructure to promote transparency and accountability (via Salesforce technology) has strengthened operational consistency (ibid, para 22). Upon enquiry, the Advisory Committee was provided with the supplementary guidelines for investment operations and informed that the guidelines include only the areas indicated in Annex I of the Financial Regulations and Rules of the United Nations Development Programme (UNDP) to reflect UNCDF's capital mandate, primarily including the financial instruments of investment grants, loans and guarantees; the issuance and approval of the guidelines is in line with the policy on delegation of authorities and the appropriate governing mechanisms; and allow UNDP country offices and regional or central bureaus to engage UNCDF as the responsible party for implementing financial instruments.

16. Loans and guarantees in the amount of \$337.1 million for 2026-2029 are offered by UNCDF to supplement programme expenses and are funded from other resources. Estimated resources for loans, guarantees and investment grants in 2026-2029 are \$654.3 million, compared with \$76.5 million for the previous four-year period. Estimated loans deployment is \$120.8 million in 2026-2029 as compared to \$12.6 million in 2022-2025, and estimated guarantees issuance is \$216.3 million in 2026-2029 as compared to \$7 million in 2022-2025. Investment grants are estimated to be \$78.4 million over 2026-2029. The increase in investment instruments by UNCDF relates to the focus on the original capital mandate of the organization

(ibid, para 60 and tables 1 and 2). Table 2 of the report on investment instruments, also provided below, indicates reimbursable grants and loans deployed as well as guarantees committed.

	2022	2023	2024	2025	2022 - 2025	2026	2027	2028	2029	2026 - 2029
Resources available										
Opening balance	905	2,511	6,331	20,691	905	43,500	99,994	142,934	180,857	43,500
New contributions	2,522	4,085	22,381	43,883	72,871	122,000	134,200	147,620	162,382	566,202
Other income and fees	-		382	355	737	694	1,392	2,193	2,969	7,248
Reflows/adjustments/provisions	-	172	726	1,133	2,031	-	1,705	7,207	28,447	37,359
Total 1. Resources Available for Investment Instruments	3,427	6,768	29,820	66,062	76,544	166,194	237,292	299,954	374,655	654,309
<i>Reimbursable grants deployed</i>				(10,335)	(10,335)	(15,520)	(18,091)	(20,863)	(23,904)	(78,377)
<i>Loans deployed</i>	(270)	(87)	(5,628)	(6,626)	(12,611)	(19,012)	(26,535)	(33,788)	(41,479)	(120,815)
<i>Guarantees committed</i>	(646)	(350)	(2,130)	(3,900)	(7,026)	(29,682)	(46,901)	(60,873)	(78,818)	(216,274)
Deployment of new Investment Instruments	(916)	(437)	(7,758)	(20,861)	(29,972)	(64,214)	(91,527)	(115,524)	(144,201)	(415,465)
Direct cost	-	-	(1,371)	(1,700)	(3,071)	(1,986)	(2,831)	(3,573)	(4,460)	(12,849)
Total 2. Investment Instrument Deployment, Direct Cost	(916)	(437)	(9,129)	(22,561)	(33,043)	(66,200)	(94,357)	(119,097)	(148,661)	(428,315)
Resources for Investment Instruments, Closing Balance	2,511	6,331	20,691	43,501	43,501	99,994	142,934	180,857	225,994	225,994

17. Upon enquiry, the Advisory Committee was informed that UNCDF has undertaken a comprehensive strengthening and transformation of its investment platform to prepare for the projected scale-up in its investment portfolio, including strengthening its investment and risks management systems to support such scale-up. Furthermore, the organization continues to refine its systems, policies, and governance mechanisms to ensure timely deployment, effective repayment, and robust risk control across its growing portfolio. These include investment strategy and risk appetite (Enterprise Risk Management and Credit Risk Policy); structured investment process; digital transformation and process automation; and organization readiness.

18. **The Advisory Committee notes the transformation of the investment platform and the refining of portfolio-related mechanisms. The Committee also notes that UNCDF deploys resources by means of a mix of financial instruments including grants, loans and guarantees to assist developing countries supplement existing sources of capital and through related technical advisory. The Committee remains of the view that additional information on the financial instruments deployed by UNCDF should be provided in future reports, including a detailed breakdown of the estimates and actual costs associated with their use. The Committee also trusts that updated information on the new Strategic Framework for 2026–2029, and the related Integrated Results and Resources Matrix (IRRM) and impact measurement framework will be provided to the Executive Board at the time of consideration of the present report and in the next budget proposal.**

Resource Mobilization

19. The Advisory Committee was informed, upon enquiry, of the resource mobilization strategy undertaken by UNCDF. As regards regular (core) contributions, UNCDF expects their status to change once the new Strategic Framework is approved; and that in light of the prevailing trends in Official Development Assistance (ODA), UNCDF has taken a more conservative approach to expectations from the Member States on core contributions for non-earmarked purposes with the current projections of \$60 million compared with the amount of \$100 million expected as per the last Strategic Framework.

20. Upon enquiry, the Advisory Committee was informed that in terms of the total cash contributions received (excluding refunds) the donor composition remained stable from 2023 to

2025 as follows: in 2023, bilateral government donors comprised 46.1 per cent of total cash contributions; the European Union 38.9 per cent; the United Nations System 10.7 per cent; and the private sector 4.2 per cent. In 2024 and in 2025 (as of August) these categories comprised, respectively: bilateral government donors 44 and 56 per cent; the European Union 18 and 3 per cent, the United Nations System 24 and 31 per cent and the private sector 14 and 9 per cent. The Committee was also informed that for 2022-2025, the ratio between earmarked and unearmarked funds constituted 5 per cent and 95 per cent compared with an estimated ratio of 6 per cent and 94 per cent in 2026-2029; and that in 2025, bilateral government donors constitute the main source of UNCDF unearmarked funds.

21. The Committee was further informed of efforts to reduce dependence on tightly earmarked funding and that UNCDF is showcasing the catalytic value of regular resources including the current leverage impact where for every \$1 of core resources, \$20 of non-core resources is secured and a further five times is mobilized through additional crowding in of private and public finance. Resource mobilization efforts focus on reinforcing relationships with existing and previous core donors and strengthening visibility and accountability in the use of the resources. Donor specific engagement is accompanied by tailored reporting, regular consultations and independent evaluations, and UNCDF uses structured dialogue and advocacy through the Executive Board and intergovernmental forums to reinforce the importance of core resources. The Committee notes that UNCDF is updating its Trust Fund as a complementary channel for lightly earmarked pooled resources.

22. In terms of non-core earmarked contributions, the Committee was informed that the increase in the last 3 to 5 years is expected to continue with the ongoing efforts to raise non-core

resources which include crowding in foundations and philanthropy as well as new donors who have not worked with UNCDF previously; UNCDF will explore extraordinary options in some circumstances to raise capital in order to deliver blended finance solutions that de-risk private sector finance towards development outcomes in high-risk markets with the support of the Executive Board to review and adjust UNCDF's Financial Rules and Regulations. The Committee was also informed that, in the interim, UNCDF will implement cost saving measures, including responsibly managing vacant positions that will only be activated once adequate and sustainable financing is secured.

23. The Committee was further informed of expanding resource mobilization efforts to leverage existing relationships and build partnerships from philanthropy and corporate foundations; investments in new technology platforms and targeted communications are enabling UNCDF to attract global stakeholders and dedicated campaigns are planned through 2025. Engagement with foundations is planned to include webinars, high-level events, roundtable discussions, thought-leadership articles, videos and bilateral meetings, to enable co-creation platforms, ensure innovative finance continues to serve as a catalyst for achieving the goals and advancing the SDGs. **The Advisory Committee notes the planned fundraising efforts by UNCDF for the 2026-2029 period and the expected increase in non-core contributions. The Committee also notes that, while current projections for core contributions in 2026-2029 are higher than actual core contributions for 2022-2025, they represent a reduction of 40 percent from estimates in the 2022-2025 budget. The Committee trusts that further efforts will be made to expand funding options and unearmarked funds, particularly in the context of the resource mobilization strategy.**

III. Integrated budget estimates 2026-2029

Integrated budget

24. Section V of the document provides information on the integrated budget, namely the programmatic and institutional components that are funded from regular resources. For 2026-2029, UNCDF proposes an integrated budget of \$68.5 million including \$60.0 million in new contributions, with budget expenditure estimated at \$45.2 million (\$81.3 million budget and \$58 million in expenditures with UNDP contributions). For the period 2026-2029, excluding UNDP contributions, UNCDF proposes to allocate \$20 million to the programmatic component. In terms of the institutional component, the proposed allocation is as follows: (a) \$20.2 million to development effectiveness, (b) \$3.3 million to management and (c) \$1.7 million to independent oversight and assurance. Allocations of \$24 million to the programmes and \$12.1 million to management would reflect UNDP contributions (DP/2025/XX, paras 71-74). **The Advisory Committee recalls that the planning approach is based on the concept of adequate funding as well as available resources and historical patterns and remains of the view that this approach requires greater clarity. The Committee trusts that more detailed planning and financial assumptions will be provided in future reports (see AC2296, para 21).**

Institutional budget

25. Estimated expenditures for 2026-2029 under the institutional budget amount to the following:

(a) \$21.7 million for management activities, of which \$3.3 million from regular resources and \$18.4 million from cost recovery, an increase from \$19.5 million in 2022-2025, of which \$3.3

million from regular resources and \$16.2 million from cost recovery. Including UNDP contributions, management expenditures in 2026-2029 are estimated at a total amount of \$30.5 million, of which \$12.1 million from regular resources and \$18.4 million from cost recovery an increase from \$28.7 million in 2022-2025;

(b) \$3.8 million for independent oversight and assurance activities, of which \$1.7 million from regular resources and \$2.1 million from cost recovery;

(c) \$20.2 million only from regular resources for development effectiveness includes costs of a policy-advisory, technical and implementation nature that are not included in specific programmatic components, a decrease from \$21.2 million in 2022-2025 (DP/2025/XX, paras 77 – 82, table 1 and Annex 1).

26. Upon enquiry, the Advisory Committee was provided with information in the tables below on expenditures of the UNCDF institutional budget by object of expenditure for the 2022-2025 period and estimates for the 2026-2029 period of the total institutional budget from regular and other resources.

Table 3: Total institutional expense by category, 2022-2025

(in thousands of USD)	2025 (estimate)	2024	2023	2022
Expenses				
Staff costs	6 560	6 548	8 925	7 089
General operating expenses	4 413	3 517	3 285	3 174
Total expenses	10 973	10 065	12 210	10 263

Note: the above data from 2022-2024 is based on audited financial statements, and 2025 estimates are based on latest draft financial statements, which are yet to be audited.

Table 4: Total estimate institutional expense by category, 2026-2029

(in thousands of USD)	2029	2028	2027	2026
Expenses				
Staff costs	6 979	6 776	6 579	6 387
General operating expenses	4 940	4 796	4 656	4 520
Total expenses	11 919	11 572	11 235	10 907

27. **The Advisory Committee recalls the information it received in the context of its previous report (see AC2296 paras 23 to 25 and table 2) and trusts that financial performance, including the evolution of expenditures (actual and estimated) by object or categories of expenditures, and the justifications for the projected resource requirements, in both the integrated and the institutional budgets, will be provided as supplementary information for future budget reports.**

Staffing

28. The report indicates that in 2025, UNCDF introduced a new organizational structure to align with its capital mandate and enhance operational effectiveness. To bring investment capabilities closer to its core markets, UNCDF has reduced its footprint in New York and strengthened region-based investment hubs in Dakar, Nairobi, and Bangkok, enabling a more decentralized model that is closer to client countries, especially in Africa, Asia and the Pacific, that improves responsiveness, coordination with national counterparts, and engagement with United Nations partners and development actors who are operationally active on the ground (DP/2025/XX, para 21). Upon enquiry, the Advisory Committee was informed that the new organizational chart of UNCDF (see Annex I below) was developed following the comprehensive organizational transformation process with UNCDF staff and personnel located

in the Dakar, Nairobi and Bangkok regional hubs. **The Advisory Committee trusts that more detailed information on the organizational transformation process and the related proposed structural changes will be provided to the Executive Board at the time of consideration of the present report.**

29. As indicated in the table below, prior to the commencement of the organizational transformation process in December 2023, the UNCDF workforce consisted of 448 personnel; as of August 2025, UNCDF's workforce comprised 359 personnel of which 142 staff and 217 non-staff personnel, including Personnel Service Agreement (PSA) holders, United Nations Volunteers (UNVs), and interns. The Committee was also informed that as of August 2025, UNCDF personnel are located as follows: 52 in New York; 15 in Dakar; 14 in Nairobi; 24 in Bangkok; and 254 in 50 duty stations at the country level (representing 78 countries, including 43 LDCs). The Committee was provided with a list of 43 programme countries and informed that UNCDF does not have dedicated country offices.

Table 5: UNCDF workforce as of December 2023 and August 2025.

Contract Type	Total as of December 2023	Total as of August 2025
IP	103	79
Local NO	33	27
Local GS	37	36
Sub-total (staff)	173	142
IPSA	109	62
NPSA	108	115
UN Volunteer	44	36
Intern	14	4
Sub-total (non- staff)	275	217
Total	448	359

Note: International Professional (IP); National Officer (NO); General Service (GS); International Personnel Services Agreement (IPSA); National Personnel Services Agreement (NPSA)

30. The Committee recalls that it was informed that UNCDF deploys many PSA holders (both international and national), UNVs and interns due to the need to provide technical advisory services linked to UNCDF's unique mandate of deploying financial instruments to assist developing countries supplement existing capital sources (see AC2296, para 26 and table 3). **The Advisory Committee notes the proposed decrease in the UNCDF workforce, with a proportionate reduction in both categories of staff and non-staff personnel between December 2023 and August 2025. The Committee trusts that further information on areas where reductions are being proposed and measures implemented to achieve efficiencies will be provided to the Executive Board at the time of its consideration of the present report in terms of reliance on staff and non-staff personnel.**

31. The Committee was informed that UNCDF rigorously implements gender and geographical balance in its workforce planning and management and as of August 2025, 48.7 per cent of UNCDF workforce were female and 51.3 per cent male. The Committee was provided with information on the geographical representation of UNCDF personnel as of August 2025 by nationality and notes that of the 78 countries indicated, 91 of the 359 total personnel are nationals of three LDCs. **The Advisory Committee notes UNCDF's overall efforts to attain a diverse geographical representation and gender balance and trusts that UNCDF will continue its efforts in that regard. The Committee is of the view that overall information regarding staffing resources, including an organizational chart, is required for better consideration of the budget and expects that the information will be presented in all future budget submissions.**

32. Upon enquiry, the Advisory Committee was informed that approximately 90 per cent of the UNCDF work force is currently located in Dakar, Nairobi, Bangkok as well as at the programme country level; the New York headquarters footprint is approximately 30 staff; at this point, further decentralization will not improve responsiveness given how UNCDF is already set up; and as a client (country) facing organization. The Committee was also provided with information on the considerations regarding decentralization should the prospects for a relocation prove to be financially and operationally desirable. **The Advisory Committee trusts that detailed information regarding any changes to the structure, location and staffing of UNCDF will be presented in future budget submissions.**

Cost recovery

33. Section VI and Annex 2 of the document indicate that UNCDF estimates for cost recovery are based on the methodology and rates approved by the Executive Board and under the joint comprehensive proposal on the cost-recovery policy; cost recovery revenue for 2026-2029 is projected to yield a revenue of \$30.4 million over the period; and waivers have been kept to a strict minimum. Upon enquiry, the Advisory Committee was informed that the projected cost recovery revenue will mainly be used for enabling functions with \$18.4 million for management activities and \$2.1 million to strengthen the independent oversight and assurance activities, and that the increase in the cost of enabling functions over the four year period of 2026-2029 is primarily conditioned by the projected increase in proforma costs and other inflationary factors; the overall total cost of enabling functions in 2026 is identical to overall estimated costs in 2025.

34. In terms of the projected \$30.4 million revenue in 2026–2029 from cost-recovery, the Committee was informed that for the new integrated budget, UNCDF intends to apply standard cost recovery rates on receipt of non-core contributions as per the donor agreements and that the estimated amount of income is a factor of estimated delivery. In exceptional cases, application of differentiated rates in compliance with Executive Board decisions and UNCDF financial regulations and rules may be required for the delivery of financial instruments. **The Advisory Committee notes that the expected increase in the funding of enabling functions from cost recovery does not appear to correspond to the expected increase in other resources. The Committee requested but did not receive information regarding the efforts of UNCDF to allocate a greater proportion of enabling function costs to cost recovery with a view to releasing more regular resources for programmatic activities. The Committee therefore**

trusts that further information will be provided to the Executive board at the time of its consideration of the present report.

35. The Committee notes from information it received that UNFPA, UNDP, UNICEF, and UN-Women will jointly present initial findings on the cost-recovery policy in 2027 and a timeline for full policy review to their Executive Boards, with decisions on the revised joint policy expected during the Boards' second regular session in 2028. **The Advisory Committee looks forward to receiving an update on the review of the cost recovery policy in future budget reports.**

IV. Other matters

Support to Least Developing Countries

36. Upon enquiry, the Advisory Committee was informed that the mandate of UNCDF is to support LDCs "first and foremost", reflecting the General Assembly mandate and the institutional practice of prioritizing the majority of core resources on LDCs; and that as over two thirds of core-funded programmes have been concentrated in LDCs, this will remain the approach by UNCDF. Non-core resources enable UNCDF to extend support to other categories (small island developing states and recently graduated countries) where requested jointly by donors and programme countries. The Committee was also informed that UNCDF works closely with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS), both in the design and implementation of Programmes of Action and the Antigua and Barbuda Agenda for Small Island Developing States (SIDS), and through active participation in interagency task forces and

working groups. The role of UNCDF is to bring financing and investment expertise to these processes, ensuring that the commitments in the programmes of action are backed by credible pathways to mobilize capital at country level. As such, UNCDF contributes regularly to OHRLLS-led working groups on financing streams and provides inputs to interagency reporting and coordination platforms thereby benefiting vulnerable country groups. The Committee was informed that UNCDF will support LDCs including those that have crossed graduation thresholds to attract private sector finance and where non-core resources are available and/or if donors who contribute to UNCDF request support. **The Advisory Committee notes the mandate and institutional practice of UNCDF in prioritizing the majority of core resources in country programmes of Least Developed Countries and trusts that UNCDF will enhance efforts in increasing support to Least Developed Countries .**

Oversight and accountability

37. The Advisory Committee notes the key findings of the Board of Auditors (BOA) (see A/80/5/Add.2) which dealt primarily with financial management and cooperation with other entities of the United Nations system, including enhancing visibility at the local level, programmatic activities and involvement within inter-agency cooperation at the country level (supporting the UN Country Team and/or in the UN Sustainable Development Cooperation Frameworks); and reflecting cooperation with other UN entities and relevant indicators from common UN or agency-specific monitoring frameworks in the IRRM which will accompany the next Strategic Framework. Upon enquiry, the Advisory Committee was provided with information on the actions taken regarding previous recommendations of the Committee. **The Advisory Committee trusts that the recommendations made by the Board of Auditors will**

be implemented in a timely manner. The Committee trusts once more that updates to the status of implementation of the Committee’s recommendations will be provided in future reports.

Collaboration with the UN Development System

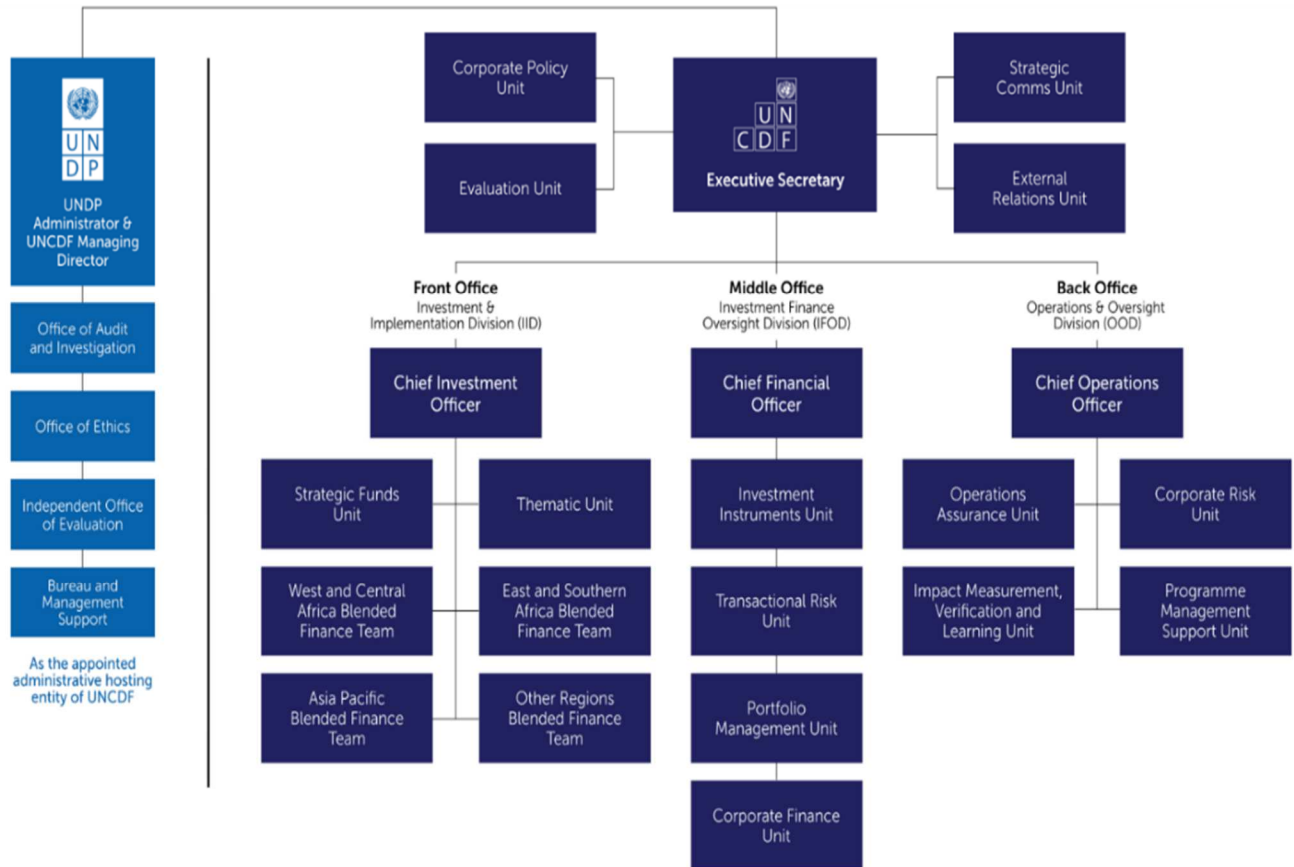
38. Upon enquiry, the Advisory Committee was provided with additional information on the collaboration and partnership between UNCDF and other development entities. The Committee was informed that in terms of cooperation between UNCDF, the United Nations Development Account and the Regular Programme of Technical Cooperation, UNCDF has engaged through partnerships with United Nations entities funded by these mechanisms with technical expertise, investment know-how, and country presence. The Committee was also informed that UNCDF and the Technology Bank for LDCs (TechBank) have had an active dialogue in building collaboration, including identifying areas of complementarity and mutual reinforcement of respective mandates; and are currently working to develop a scope of work that will underpin the new Strategic Framework starting in 2026, with the objective, inter alia, of systematically leveraging TechBank’s knowledge repository to shape pipelines of investable opportunities and align financing with LDCs’ science, technology and innovation priorities.

39. The Committee was also provided with additional information on the administrative arrangement agreement between UNDP and UNCDF and informed of the comprehensive delivery strategy for 2026-2029, aiming to leverage partnerships with other United Nations agencies and in particular UNDP; UNDP and UNCDF are currently working on pipeline projects for implementation in 14 countries where UNCDF will collaborate with UNDP and deploy

financial instruments. UNCDF is also advancing engagement with UNICEF, WFP, UNWomen and IFAD, among others, for greater cooperation with the United Nations Development System, and is working closely with the Resident Coordinator Offices to ensure cooperation with the United Nations system at the country level. **The Advisory Committee recalls the information it received previously regarding UNCDF collaboration with the United Nations Development System, notes the ongoing nature of these initiatives and once more encourages UNCDF to explore further cooperation with the United Nations Development System entities, for the implementation of the Sustainable Development Goals. The Committee emphasizes the continued importance of inter-agency cooperation and coordination in leveraging synergies and avoiding duplications of effort particularly as regards coordination with UNDP and trusts that an update will be provided in the context of the next report.**

Annex I

UNCDF Organizational Chart



UNCDF Integrated Results and Resources Matrix¹ (IRRM) 2024

Tier One: Impact

Impact: People, including women, youth and the most vulnerable, lead productive, dignified lives, free from poverty, in balance with environmental sustainability				
Indicators		Baseline²	2024 Actual	Milestone (2025)
IMP1	Global poverty headcount - proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural) (SDG indicator 1.1.1): <i>a) (Least Developed Countries -LDCs)</i> <i>a1) employed, female (25+)</i> <i>a2) employed, male (25+)</i> <i>a3) employed, young female (15-24)</i> <i>a4) employed, young male (15-24)</i>	a) 33.6% (2019) a1) 32.9% (2019) a2) 27.3% (2019) a3) 35.9% (2019) a4) 32.8% (2019)	Not Available	Direction of progress: Reduction in value
IMP2	Multidimensional poverty headcount (UNDP outcome indicator 2.1): <i>a) proportion of population in multidimensional poverty</i> <i>b) proportion of population vulnerable to multidimensional poverty</i>	a) 21.7% (2009-2020) b) 15.2% (2009-2020)	a) 18.2% (2023) b) 14.8% (2023)	Direction of progress: Reduction in value
IMP3	Planetary pressures-adjusted Human Development Index (UNDP Impact Indicator 2b): <i>a) World</i> <i>b) Least Developed Countries</i>	a) HDI (2019): 0.737 / PHDI (2019): 0.683 b) HDI (2019): 0.513 / PHDI (2019): 0.508	a) HDI (2022): 0.739 / PHDI (2022): 0.685 b) HDI (2022): 0.542 / PHDI (2022): 0.533	Direction of progress: Proximity to HDI

¹ See Appendix 1 for an overview of adjustments made after the IRRM 2022-2025 was presented to the Executive Board in February 2022

² Updated based on UN DESA Global SDG Indicators database.

Tier Two: Outcomes

Outcome 1: Inclusive, diversified, green economic transformation accelerated								
Indicators		Baseline	2022 actual	2023 actual	2024 milestone	2024 Actual	Delivery ³	2025 target
More jobs created								
OC 1.1	Net change in the total number of full-time equivalent jobs within entities supported by UNCDF							
	a) Total	47,291	165,223	13,933	60,100	5,205	●	65,150
	a.1) In public entities / public works	N/A ⁴	13,064	4,173	22,000	2,449	●	25,000
	a.2) In private entities	N/A	152,159	9,760	38,100	2,756	●	40,150
	b.1) Net change in total number of jobs for women	N/A	78,100	2,191	30,500	1,853	●	32,575
Incremental								
CONTEXT INDICATOR	Labor force participation rate for persons aged 15+ (World: Low income) (ILOSTAT indicator - ILO)	Baseline: 64.8% (females – 55.6%; males – 74.2%) (2021)		Latest data: 62.08% (females 51.47% - males 73%) (2024)				Expected direction of progress: Increase
Ultimate target enterprises grow and prosper								
OC 1.2	a) The number of ultimate target enterprises that have either received direct UNCDF support, or used products, services and infrastructures stemming from UNCDF interventions and b) the % of directly supported enterprises that report significant growth							
	a) Total	N/A	448,320	543,731	550,600	560,219	●	620,700
	b) the % of directly supported enterprises that report significant growth	N/A	34%	27.6%	70%	45.2%	●	80%
a) Cumulative; b) Incremental ⁵								
CONTEXT INDICATOR	The percentage of small-scale industries with a loan or line of credit (SDG indicator 9.3.2)	Baseline: 17.04% (2022)		Latest data: 17.38% (LDCs, 2024)				Expected direction of progress: Increase
Increased availability of products, services, and infrastructures								

³ Performance rate is set to have risk tolerance in UNCDF last mile financing: ●, achieved (>75%); ●, partially achieved (50-75%); ●, not satisfactory (<50%).

⁴ Where baselines are N/A, the indicator was not reported on in the prior Strategic Framework period, or not tracked across all UNCDF programme areas. Milestones and targets are estimated based on review of ongoing and projected initiatives.

⁵ For indicator OC 1.2b, it was agreed to adjust the reporting methodology to an incremental approach, considering only the data submitted for the respective year.

OC 1.3	The number of new or improved products, services and infrastructures scaled up or completed by UNCDF-supported partners or replicated / enhanced by others ⁶							
	a) Total	429	844	1,137	1,097	1,409	●	1,225
a.1) digital products and services	37	133	175	171	201	●	216	
a.2) non-digital products and services	92	212	278	277	299	●	310	
a.3) infrastructure projects	300	499	684	649	909	●	724	
b.1) designed to positively impact on women's economic empowerment	N/A	132	171	285	206	●	330	
b.2) designed to positively impact on climate/clean energy/biodiversity	N/A	154	351	318	523	●	420	
b.3) designed to positively impact on sustainable food systems	N/A	83	86	140	102	●	165	
Cumulative								
CONTEXT INDICATOR 3	<i>The percentage of population living in households with access to basic services (SDG indicator 1.4.1)</i>	Baseline:		Latest data (2022):			Expected direction of progress: Increase	
		a) Proportion of population using basic sanitation services – 37%	b) Proportion of population using basic drinking water services – 67% (2020)	a) Proportion of population using basic sanitation services – 41.38% (LDCs, 2022)	b) Proportion of population using basic drinking water services – 67.13% (LDCs, 2022)			
Enhanced uptake and use of products, services and infrastructure								
OC 1.4	The number of people engaging with UNCDF-supported products, services and infrastructures ⁷							
	a) Total number of people	13,850,000	18,240,072	24,695,885	21,690,000	29,100,719	●	23,490,000
a.1) engaging with products & services	10,700,000	13,964,192	19,918,397	15,610,000	23,273,261	●	16,910,000	
a.2) engaging with infrastructure	3,150,000	4,275,880	4,777,488	6,080,000	5,827,458	●	6,580,000	
b.1) engaging with products, services and infrastructures	N/A	2,385,879	3,247,855	3,750,000	3,433,772	●	4,750,000	

⁶ For disaggregation b.1) – b.3) overlap is possible, i.e. some products, services, infrastructures reported may be designed to impact on more than one area.

⁷ For disaggregation b.1) – b.3), some overlap is possible.

	designed to positively impact on women's economic empowerment							
	b.2) engaging with products, services and infrastructures designed to positively impact on climate / clean energy / biodiversity	N/A	2,319,983	3,887,458	4,400,000	4,570,749	●	5,500,000
	b.3) engaging with products, services and infrastructures designed to positively impact on sustainable food systems	N/A	3,928,338	3,940,763	5,250,000	3,945,495	●	6,000,000
	c.1) Number of women	N/A	7,789,380	9,970,000	10,845,000	14,187,060	●	11,745,000
	c.2) Number of youth (aged 15-29 years)	N/A	3,934,857	5,982,000	6,507,000	4,770,669	●	7,047,000
		Cumulative						
CONTEXT INDICATOR 4	<i>The proportion of adults (15 and older) with an account at a bank or other financial institution or with a mobile-money-service provider (SDG indicator 8.10.2)</i>	Baseline: 37.08% (2017, LDC) - female/women – 30.51% (2017, LDC) - male/men – 43.97% (2017,LDC)	46.92% (2021, LDC) 41.14 % Female 53.19 % Male					Expected direction of progress: Increase
Outcome 2: Increased flows of public and private finance								
	Indicators	Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 target
		Additional finance mobilized and catalyzed						
OC 2.1		US\$ value of finance mobilized in association with UNCDF investments						
	a) Total	N/A	\$51,885,000	\$86,567,287	\$108,500,000	\$99,818,536	●	\$157,000,000
	b) Public	N/A	\$18,230,000	\$21,137,759	\$50,000,000	\$22,045,245	●	\$75,000,000
	c) Private	N/A	\$33,655,000	\$65,429,528	\$58,500,000	\$77,773,291	●	\$82,000,000
		Cumulative						
OC 2.2		US\$ value of finance catalyzed in association with UNCDF investments and/or technical assistance/advice						
	a) Total	N/A	\$666,000,000	\$744,612,114	\$775,000,000	\$792,378,639	●	\$850,000,000
	b) Public	N/A	\$404,000,000	\$460,026,320	\$462,500,000	\$485,905,359	●	\$500,000,000
	c) Private	N/A	\$262,000,000	\$284,585,794	\$312,500,000	\$306,473,280	●	\$350,000,000
		Cumulative						

CONTEXT INDICATOR 6	Amount (in US dollars) of public and private finance leveraged for the SDGs (at national level) (UNDP indicator E.3.1)	Baseline: (2021) a) Private \$ 33,196,480 b) Public \$ 23,851,838	Latest data: (2023) a. Private \$ 140,411,634 b. Public \$ 5,173,045,525					Expected direction of progress: Increase
CONTEXT INDICATOR 6	Net official development assistance, total and to least developed countries, as a proportion of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee donors' Gross National Income (SDG 17.2.1)	Baseline: (2021) Total: \$178,916.2m To LDCs: \$29,605.2m Proportion of the GNI: 0.33%	Latest data: (2022) Total: \$203,995 billion To LDC \$34 billion Proportion of the GNI: 0.36%					Expected direction of progress: Increase
Enhanced sub-national government fiscal space								
OC 2.3	Total	588	430	396	650	324	●	700
<i>Incremental</i>								
Outcome 3: Strengthened market systems and enhanced public and private financing mechanisms								
Indicators		Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 target
Enhanced availability of funds and other financing mechanisms								
OC 3.1	Total	25	24	20	37	20	●	40
<i>Incremental</i>								
OC 3.2	a) Total	N/A	42	50	53	57	●	60
	a.1) Private	N/A	6	12	8	15	●	9
	a.2) Public	N/A	23	25	25	28	●	26
	a.3) Blended (private and public)	N/A	13	13	20	14	●	25
<i>Cumulative</i>								
Enhanced policy, strategy and regulation								
OC 3.3	a) Total	35	48	78	88	118	●	103

⁸ For disaggregation a.1) – a.5) overlap is possible, i.e. some policies, strategies, regulations reported may cover more than one priority area.

	a.1) Designed to positively impact on inclusive digital economies	13	25	53	32	62	●	35
	a.2) Designed to positively impact on local transformative finance	16	23	25	28	47	●	32
	a.3) Designed to positively impact on women's economic empowerment	N/A	14	17	18	17	●	20
	a.4) Designed to positively impact on climate/clean energy/biodiversity	N/A	6	7	10	15	●	12
	a.5) Designed to positively impact on sustainable food systems	N/A	5	6	7	8	●	8
		Cumulative						
CONTEXT INDICATOR 8	<i>Number of policies, strategies and laws that promote enabling and regulated digital ecosystems that are affordable, accessible, trusted, and secure (UNDP indicator E.1.1)</i>	Baseline: (2021) 27		Latest data: (2023) 69				Expected direction of progress: Increase
	<i>Number of policies and regulatory and institutional frameworks developed and adopted by public and private actors to align public and private finance with the SDGs: (UNDP indicator E.3.2)</i>	Baseline: (2021) Policies: 56 Regulatory frameworks: 4 Institutional frameworks: 40		Latest data: (2023) Policies: 204 Regulatory frameworks: 27 Institutional frameworks: 118				Expected direction of progress: Increase

Tier Three: Outputs

Output 1: UNCDF investments issued								
Indicators	Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 target	
	The number and total US\$ value of UNCDF investments issued during the year ⁹							

⁹ As part of the adjustments made after the IRRM 2022-2025 was presented to the Executive Board, the indicator was amended to measure 'new investments' instead of 'investment under execution' (Annex I).

OP	a)							
1.1	Total number of UNCDF investments	338,	382,	130,	420,	71,	●	443
	Total USD value of UNCDF investments	\$38,900,000	\$44,125,000	\$21,548,370	\$80,300,000	\$13,852,848		\$92,700,000
	a.1) catalytic grants	328	375,	122,	342,	64	●	408,
		\$36,700,000	\$40,000,000	\$13,611,737	\$54,300,000	\$6,094,113		\$61,700,000
	a.2) loans and guarantees	10,	7,	8,	30,	7,	●	35,
		\$2,200,000	\$ 4,125,000	7,936,633	\$26,000,000	\$7,758,735		\$31,000,000
	b.1) directed at public entities	103,	112,	51,	260,	5	●	310,
		\$20,900,000	\$22,725,000	\$4,372,692	\$42,000,000	\$2,277,204		\$47,000,000
	b.2) directed at private entities	235,	270,	79,	112,	66,	●	133,
		\$18,000,000	\$21,400,000	\$17,175,678	\$38,300,000	\$11,575,644		\$45,700,000
	c.1) designed to positively impact on inclusive digital economies	191,	211,	37,	130	29,	●	140,
		\$11,900,000	\$11,355,000	\$4,624,075.66	\$12,300,000	\$1,455,209		\$14,700,000
	c.2) designed to positively impact on local transformative finance	135,	156,	86,	260,	33,	●	310,
		\$24,400,000	26,450,000	\$8,768,678	\$42,000,000	\$4,638,904		\$47,000,000
	c.3) other (SME development, green / blue economy)	12,	15,	67,	30,	7,	●	35,
		\$2,600,000	\$ 6,320,000	\$15,012,757.66	\$26,000,000	\$7,758,735		\$31,000,000
	Incremental							
	Output 2: Pipeline of investment opportunities developed							
	Indicators	Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 target
OP	The number and estimated US\$ value of opportunities that are investment-ready following UNCDF support							
2.1	a) The number and estimated US\$ value - investment-ready ¹⁰	0	94,	263,	265,	337,	●	346,
			\$204,411,000	\$295,616,875	\$282,886,000	\$328,564,980		\$1,187,450,000
	a.1) Where intended investees are public entities	0	20,	39,	40,	50,	●	50,
			\$137,800,000	\$157,401,029	\$152,000,000	\$179,035,234		\$1,039,000,000
	a.2) Where intended investees are private entities	0	70,	205,	217,	268,	●	286,
			\$36,966,000	\$87,869,062	\$90,886,000	\$99,182,962		\$103,450,000
	a.3) Where intended investees are PPP (private-public partnerships)	0	4,	19,	8,	19,	●	10,
			\$29,645,000	\$50,346,784	\$40,000,000	\$50,346,784		\$45,000,000
	Cumulative							
	Output 3: Partner capacity and institutional/organizational scope developed							
	Indicators	Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 target

¹⁰ 2022 actuals as well as milestones and targets for a) and a.1) have been revised to adjust incorrect results and milestones for one project preparing feasibility studies for large public infrastructure projects in West Africa. The target remains unchanged as these large projects are expected to be investment-ready by 2025.

OP 3.1	The number of new/ revised policies, strategies and regulations that are or have been in development in the Strategic Framework period with UNCDF support and/or with clear link to UNCDF advocacy¹¹							
	a) Total	49	77	121	135	167	●	136
	a.1) Designed to positively impact on inclusive digital economies	23	36	66	39	84	●	39
	a.2) Designed to positively impact on local transformative finance	26	40	51	60	53	●	70
	a.3) Designed to positively impact on women's economic empowerment	N/A	28	31	45	31	●	55
	a.4) Designed to positively impact on climate/clean energy/biodiversity	N/A	20	24	35	30	●	40
	a.5) Designed to positively impact on sustainable food systems	N/A	10	11	18	13	●	20
	Cumulative							
OP 3.2	The number of funds or other financing mechanisms that are or have been in development in the Strategic Framework (SF) period with support from UNCDF¹²							
	a) Total	N/A	35	45	62	57	●	80
	a.1) Private	N/A	5	14	9	20	●	10
	a.2) Public	N/A	17	18	26	19	●	35
	a.3) Blended (private/public)	N/A	13	13	27	18	●	35
	b.1) Designed to positively impact on women's economic empowerment	N/A	20	27	32	33	●	40
	b.2) Designed to positively impact on climate/clean energy/biodiversity	N/A	16	18	24	23	●	30
	b.3) Designed to positively impact on sustainable food systems	N/A	5	7	12	7	●	16
	Cumulative							
OP 3.3	Better than Cash Alliance (BtCA) members and non-members committing to and adopting responsible payments digitization							
	Total	0	25	57	41	75	●	57
	Incremental							
Output 4: Partners pilot / launch new or improved products, services and infrastructure								
Indicators		Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 target
OP 4.1	The number of new or improved products, services and infrastructures piloted/launched with UNCDF support¹³							
	a) Total	454	1034	1279	1,479	1,617	●	1,774
	a.1) Digital products & services	99	230	307	324	356	●	399

¹¹ For disaggregation a.1) – a.5) overlap is possible, i.e. some policies, strategies, regulations reported may cover more than one priority area.

¹² For disaggregation b.1) – b.3) overlap is possible, i.e. some funds or financing mechanisms may be designed to impact on more than one priority area.

¹³ For disaggregation b.1) – b.3) overlap is possible, i.e. some products, services, infrastructures may be designed to impact on more than one priority area.

	a.2) Non-digital products & services	35	117	130	135	204	●	155
	a.3) Infrastructure	320	687	842	1,020	1,057	●	1,220
	b.1) Operating to positively impact on women's economic empowerment	N/A	96	117	295	125	●	420
	b.2) Operating to positively impact on climate/clean energy / biodiversity	N/A	315	470	625	653	●	750
	b.3) Operating to positively impact on sustainable food systems	N/A	78	80	225	82	●	310
	Cumulative							
OP	The number of people who have received capacity development support							
4.2	a) Total - people	2,078,000	4,730,507	5,281,972	5,600,000	5,745,000	●	6,185,400
	a.1) Total - female/women	1,021,000	2,188,502	2,407,946	2,845,000	2,503,983	●	3,197,700
	a.2) Total - youth (aged 15-29 years)	N/A	786,282	835,597	1,400,000	900,537	●	1,545,000
	b.1) Capacity development relating to IDE	2,070,000	4,344,027	4,844,629	4,823,000	5,034,149	●	5,230,400
	b.2) Capacity development relating to LTF	8,490	19,175	23,726	25,000	24,118	●	30,000
	b.3) Capacity development relating to women's economic empowerment	N/A	247,287	591,560	432,000	671,372	●	500,000
	b.4) Capacity development relating to climate/energy/biodiversity finance	N/A	86,581	998,614	220,000	1,106,676	●	300,000
	b.5) Capacity development relating to sustainable food systems finance	N/A	33,437	47,531	100,000	206,054	●	125,000
	Cumulative							

Tier Four: Institutional Effectiveness¹⁴

Institutional Effectiveness 1: Resourcing								
Indicators	Baseline	2022 actual	2023 actual	2024 milestone	2024 Actual	Delivery	2025 target	
IE	Total US\$ core funding and number of partners contributing							

¹⁴ The financial figures provided are preliminary, with final figures subject to the closure of the General Ledger.

1.1	a) Total US\$	\$14,700,000	\$13,598,708	\$10,200,000	\$25,000,000	\$10,627,166	●	\$25,000,000
	b) # partners	11	9	8	15	8	●	18
IE	US\$ volume and % non-core funding mobilized							
1.2	a) Total US\$	\$122,400,000	\$156,899,407	\$122,800,000	\$175,000,000	\$86,676,743	●	\$200,000,000
	a.1) % mobilized from development partners	61.6%	44.4%	73%	60%	42.90%	●	60%
	a.2) % mobilized from Private & NGOs	8.9%	4.4%	6%	11.4%	38.20%	●	12.5%
	a.3) % mobilized from UN Pooled Funding	29.4%	51.3%	21%	28.6%	18.90%	●	27.5%
IE	The number of countries where UNCDF provided support on sustainable financing for development							
1.3	a) The total number of countries	48	76	81	54	78	●	56
	a.1) LDCs	37	37	41	42	43	●	44
IE	Percentage share of core and total country-level programme expenditures (excluding local resources) spent in LDCs							
1.4	Total	86.3%	84.4%	43%	85%	80%	●	85%
IE	Percentage of delivery against approved budget							
1.5	Total	82%	85%	68%	85%	64%	●	85%
IE	Percentage of total UNCDF resource expenditure utilization committed to capital investments							
1.6	a) Total	40%	37%	16%	48%	24%	●	50%
	a.1) Grants	N/A	33.8%	14%	34%	16%	●	34%
	a.2) Loans	N/A	2.6%	0%	10%	6%	●	12%
	a.3) Guarantees	N/A	0.6%	2%	4%	2%	●	4%
IE	Percentage of total UNCDF expenditure committed to a) management activities and b) travel costs							
1.7	a) Management activities	3.2%	3%	10%	7%	4%	●	7%
	b) Travel costs	6.0%	5%	5%	5.0%	4.80%	●	4.5%
Institutional Effectiveness 2: Partnership and cooperation								
IE	The number of joint programmes /projects between UNCDF and other UN partners							
2.1	Total	70	81	69	82	44	●	87
IE	The percentage of programmes/projects implemented in collaboration with a) International Financial Institutions and Development Finance Institutions; b) private sector; c) civil society organizations; d) multiple stakeholder categories							
2.2	a) With International Financial Institutions and Development Finance Institutions	n/a	9%	3%	5%	5%	●	6%
	b) With private sector	n/a	22%	17%	30%	47%	●	35%
	c) With civil society organizations	n/a	9%	8%	15%	23%	●	18%
	d) With multiple stakeholder categories	n/a	73%	44%	40%	34%	●	50%
IE	The percentage of initiatives mainstreaming South-South and triangular cooperation as an implementation modality							
2.3	Total	n/a	10%	28%	20%	21%	●	25%

Institutional Effectiveness 3: Organizational stewardship								
IE 3.1	Annual number of completed evaluations							
	a) Total	3	3	3	4	3	●	4
	a.1) Joint evaluations	1	1	0	1	0	●	1
	a.2) Independent system-wide and UN Cooperation Framework evaluations	0	0	0	0	0	●	1
IE 3.2	Implementation rate (%) of agreed actions in evaluation management responses							
	Total	100%	100%	92%	100%	100%	●	100%
IE 3.3	The percentage of UNCDF evaluations assessed by UNDP Independent Evaluation Office's external quality assessment which are rated satisfactory or above							
	Total	80%	100%	100%	80%	100%	●	80%
IE 3.4	Percentage of audits completed that meet UNDP Office of Audit and Investigation (OAI) selection criteria							
	Total	100%	100%	100%	100%	100%	●	100%
IE 3.5	The percentage of audits that are unqualified							
	Total	100%	100%	100%	100%	100%	●	100%
IE 3.6	Implementation rate of agreed-upon audit recommendations							
	Total	85%	100%	100%	100%	100%	●	100%
IE 3.7	The percentage of programmes/projects that regularly update risk logs in the project documents							
	Total	85%	87%	75%	92%	73%	●	95%
Institutional Effectiveness 4: Gender equality								
IE 4.1	The percentage of UNSWAP on GEEW minimum standards met or exceeded							
	Total	88%	88%	88%	92%	44% ¹⁵	●	92%
IE 4.2	The percentage of projects categorised with gender markers 2 and 3							
	a) Gender marker 2	59%	59%	60%	60%	66%	●	60%
	b) Gender marker 3	10%	9%	9%	14%	9%	●	15%
Institutional Effectiveness 5: People								
Institutional Effectiveness indicators		Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 milestone
IE 5.1	The percentage of staff who are female at all and P4 and above levels							
	a) Total	43.4%	44.2%	50%	50%	45%	●	50%
	b) At P4 and above	34.5%	33.3%	48%	50%	31%	●	50%

¹⁵ The drop in achievement under this indicator compared to previous years is due to the introduction of a more ambitious UN System Action Plan. By integrating actions from the Secretary-General's System-wide Gender Equality Acceleration Plan (GEAP) and setting higher standards for gender mainstreaming, the plan has led to a lower percentage of achievement

IE 5.2	The percentage of staff surveyed who rated UNCDF favourably on Global Staff Survey, disaggregated by sex, in a) empowerment and b) engagement dimensions							
	a) In empowerment	67% (m: 69%; f: 64%)	N/A	39% (M: 20%; F: 19%)	80% (m: 80%; f: 80%)	61% (m: 62%; f: 58%)	●	80% (m: 80%; f: 80%)
	b) In engagement dimensions	78% (m:81%; f: 73%) (2020)	N/A	43% (M: 22%; F: 21%)	80% (m: 80%; f: 80% (2020)	64% (m: 69%; f: 57%)	●	80% (m: 80%; f: 80%)
Institutional Effectiveness 6: Knowledge and communications								
Institutional Effectiveness indicators		Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 milestone
IE 6.1	Number of monthly unique visitors to public external website							
	Total	30,000	27,467	68,784	45,000	26,553	●	50,000
IE 6.2	The number of people engaged with UNCDF social media platforms							
	Total	275,000	321,551	396,726	350,00	352,975	●	375,000
IE 6.3	The number of knowledge / thought leadership products downloaded from public external website							
	Total	4,000	3,977	4,662	5,320	4,040	●	5,850
IE 6.4	Percentage of annual expenditure accounted for and reported on IATI dashboard							
	Total	100%	100%	N/A	100%	100%	●	100%
Institutional Effectiveness 7: Environmental stewardship								
Institutional Effectiveness indicators		Baseline	2022 actual	2023 actual	2024 milestone	2024 actual	Delivery	2025 milestone
IE 7.1	The percentage of projects applying (UNDP's) environmental and social standards							
	Total	50%	65%	80%	80%	73%	●	90%
IE 7.2	Total carbon footprint of UNCDF staff and consultants' air travel ¹⁶							
	Total	N/A	4,788,300 pounds CO2e	-13%	-18%	-11%	●	-25%

¹⁶ IE 7.2. Based on internal UNCDF calculations. 2022 result to serve as baseline. Milestones and targets expressed as percentage reduction in emissions. UNCDF aims to reduce its emissions from air travel by 25% by 2025.

Appendix 1: Adjustments made after IRRM 2022-2025 was presented to Executive Board, February 2022

Impact indicators

- **IMP1** – deleted part (b) Proportion of population living below the national poverty line, by sex and age (SDG indicator 1.2.1)] due to insufficient data; adjusted disaggregation
- **IMP3** - added HDI data and low human development countries

Development Results indicators

- **OC 1.1** – adjusted formulation of indicator from “percentage change” to “net change”, adjusted disaggregation
- **OC 1.2** – adjusted (b) to keep data collection realistic, disaggregation removed
- **OC 1.3** – adjusted indicator language to include “infrastructures... completed”; and deleted b) ‘crowded in’.
- **OC 2.1** – deleted disaggregation by priority area, only kept disaggregation by public and private finance
- **OC 2.2** – deleted disaggregation by priority area, only kept disaggregation by public and private finance
- **OC 2.3** – changed from cumulative to incremental indicator
- **OC 3.2** – deleted disaggregation by priority area to simplify reporting
- **OC 3.3** – ‘improved’ changed to ‘revised’
- **OP 1.1** – to enable data collection, changed from “...investments under execution at the end of the year” to “...investments issued during the year”
- **OP 1.1** – deleted disaggregation for investments “directed at PPP”; and “designed to positively impact on women’s economic empowerment”; “climate, clean energy and biodiversity”; “sustainable food systems” due to lack of data in 2022; added disaggregation for “designed to positively impact on local transformative finance”
- **OP 3.3** – indicator deleted to further simplify the IRRM, partial overlaps with OP 1.1, OP 4.1
- **OP 4.2** – capability support changed into capacity development for clarity

Institutional Effectiveness indicators

- **IE 1.1** – removed disaggregation ‘bulleting’ from main indicator formulation
- **IE 1.2** – removed “disaggregated by...” from main indicator formulation
- **IE 1.6** – removed “disaggregated by...” from main indicator formulation
- **IE 1.4 -1.8** – corrected numbering (IE 1.3 was missing in original)
- **IE 3.3** – changed “satisfactory and highly satisfactory” to “satisfactory and above”
- **IE 3.4** – revised indicator to be in line with IE 3.4 in IRRM 2018-21
- **IE 3.8** – indicator deleted to further simplify the IRRM (“*The percentage of programmes / projects, which were at least 18 months into implementation at the beginning of the year, that conducted an independent review of progress during the year*”)
- **IE 4.2** – removed disaggregation ‘bulleting’ from main indicator formulation
- **IE 5.1** – ‘managerial levels’ changed to ‘P4 and above’, disaggregation removed from indicator main formulation

Appendix 2: Adjustments made to IRRM in 2024 based on midterm review

- **OP 1.2** – Indicator has been deleted as it turned out too complex to implement. (“Performance of US\$ value-weighted UNCDF investment against their specific KPIs”)
- **OP 2.1** – Original sub-indicators b.1) – b.5) to track investment-ready projects across the five priority areas in the Strategic Framework have been deleted due to lack of clear data.