

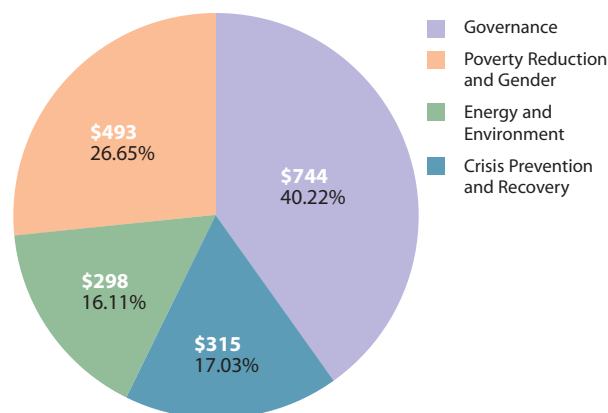
Resources

Total UNDP resource continued to grow in 2002, reaching \$2.83 billion, their highest level ever. All sources of funds increased, with third-party co-financing the strongest segment. At \$670 million, regular resources rose for the second consecutive year, following the 2001 turnaround, when they began an upward climb after seven years of steady decline. A number of programme countries have consistently made pledges to regular resources of \$1 million or above. However, while the turnaround continues, UNDP's resource situation remains critical, and the growth in core resources lags below what is required.

UNDP has reformed and proven itself capable of taking on significant challenges. Programme country governments and an array of other national and international partners have affirmed the critical role we play in today's overall development architecture. At this point, it is important to further strengthen the resource base of the organization in order to preserve past gains, consolidate the reform process and support UNDP to meet the high expectations of its partners.

Recent trends have shown a significant increase in other (non-core) contributions to UNDP. In 2002, third-party co-financing amounted to some \$935 million in actual income received, up from \$683 million in 2001. Virtually all Organisation for Economic Co-operation and Development/Development Assistance Committee donors are active in co-financing UNDP programmes, including thematic areas. Programme country cost-sharing, channeled through UNDP by governments in

ESTIMATED TOTAL PROGRAMME EXPENDITURES FOR 2002 (US\$ MILLIONS)



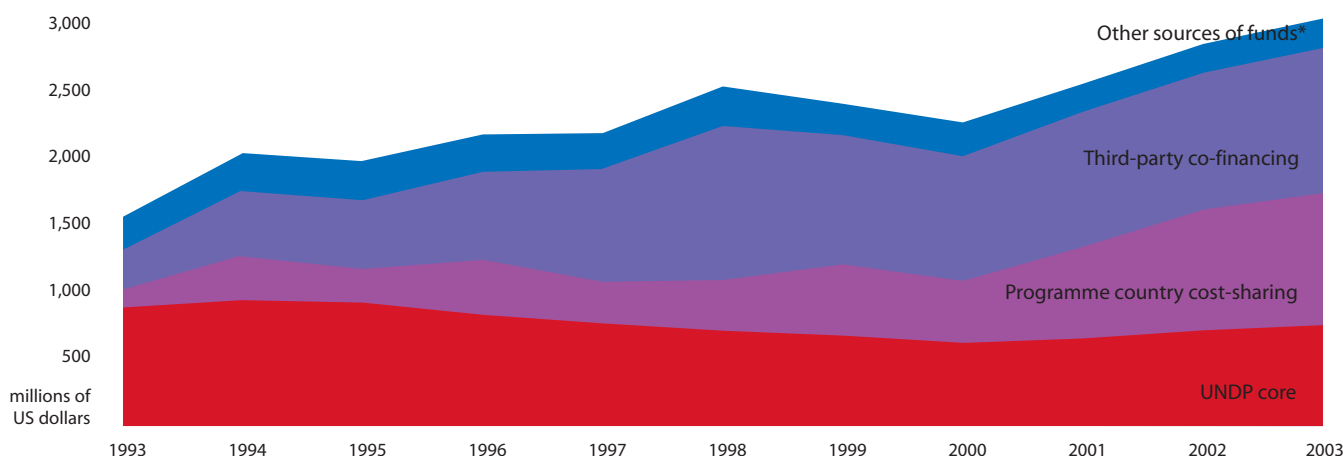
Note: Categories are based on the 2000-2003 Strategic Results Framework. Figures include UNDP regular, donor co-funding and government cost-sharing resources.

Source: Report on the Multi-Year Funding Framework 2002

support of their own development activities, amounted to just over \$1 billion in actual income received. A majority of country offices are now managing other (non-core) resources in support of governments, including an increasing number in Africa and among the LDCs. As aid mechanisms available within programme countries diversify and multiply, UNDP is increasingly being called upon to support governments to access and manage different types of funding in accordance with national priorities.

Thematic trust fund income amounted to \$64 million in 2002. The trust fund facility assists clearly defined sets

ACTUAL AND PROJECTED RESOURCES, 1993-2003



* Includes income from administered, extrabudgetary, and miscellaneous funds, as well as management service agreements.

Source: BRSP, UNDP

of development activities when programme funds are not readily available either from regular resources or from other multi- and bilateral sources. Support is allocated based on need, with a particular focus on the LDCs and Africa. In 2002, the thematic trust funds backed a total of 334 interventions in 135 countries.

The next Multi-Year Funding Framework and Strategic Results Framework will enhance the potential of the thematic trust funds to cluster UNDP activities around the six practice areas. The frameworks will establish a clear link between the practices and strategic results as well as areas of support.

Other (non-core) resources represent an important complement to the regular resource base of UNDP, strengthening programmes and fostering partnerships with a range of actors, including the European Commission, regional development banks, the World Bank and the private sector. Regular and other resources, however, are not interchangeable. The ability of UNDP to mobilize non-core resources depends on it having an adequate, secure multilateral base from which to extend its proven development expertise.

INCOME RECEIVED IN 2002

Ranked by top 24 contributors to core resources

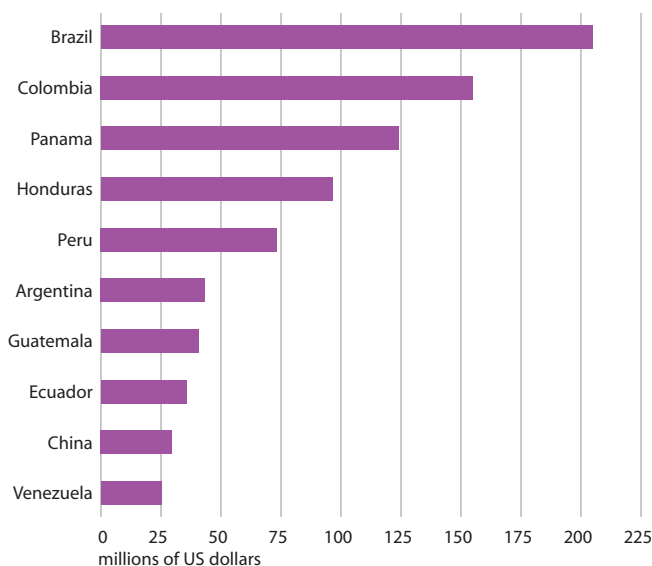
Donors	Core resources millions of US dollars	Co-financing* millions of US dollars
United States	97.13	43.89
Japan	86.77	25.19
Norway	79.27	58.85
Netherlands	70.13	60.22
United Kingdom	56.30	65.69
Sweden	53.69	26.82
Denmark	47.89	14.08
Switzerland	33.33	10.56
Canada	27.67	16.79
Germany	23.73	30.42
Italy	16.88	31.99
France	14.90	4.10
Finland	12.92	7.18
Belgium	10.69	6.25
Ireland	7.68	5.78
Spain	5.96	3.19
India	4.55	—
Austria	4.13	1.22
Australia	3.67	11.24
Portugal	3.18	0.76
China	3.10	28.08
New Zealand	2.60	1.30
Saudi Arabia	2.00	6.34
Mexico	1.00	7.21

Notes: (a) Contributions for Portugal includes amounts from previous year.

(b) The European Commission is a major source of non-core funding for UNDP.

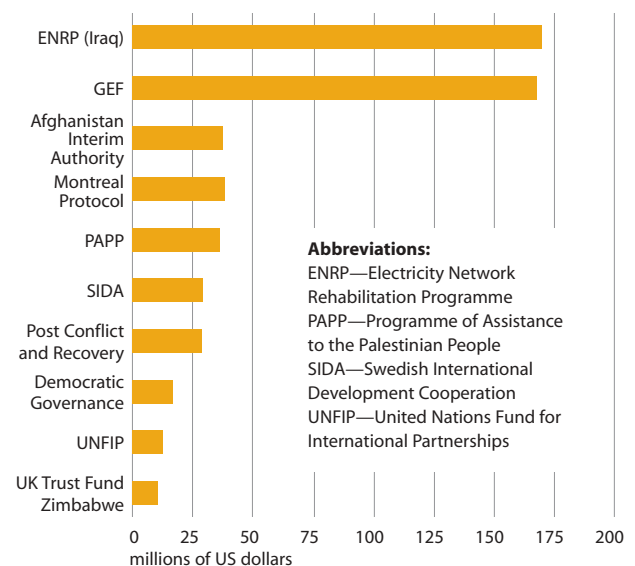
* Includes cost-sharing and trust funds.

TOP 10 PROGRAMME COUNTRY COST-SHARING CONTRIBUTIONS, 2002



Source: BRSP, UNDP

TOP 10 TRUST FUNDS, 2002: INCOME



Abbreviations:

ENRP—Electricity Network

Rehabilitation Programme

PAPP—Programme of Assistance

to the Palestinian People

SIDA—Swedish International

Development Cooperation

UNFIP—United Nations Fund for

International Partnerships