

## WE WILL ENSURE SUSTAINABLE FINANCING

“Realizing our aspirations will require sustainable and predictable funding of the organization. We will pay our assessed contributions in full and on time. Measures to better ensure this should be explored. We will further enhance transparency, accountability and efficient use of resources. The full and timely implementation of the Addis Ababa action agenda of the Third International Conference on Financing for Development is key for the implementation of the 2030 Agenda. Joint public-private financing plays a central role in our efforts to make the United Nations deliver better on its purposes.”

*United Nations General Assembly, “[UN75 Declaration](#)”, September 2020, A/RES/75/1.*

“The UN has become quite dependent on a few donors. For example, their dominance over decisions being taken at WHO might cause the voices of other small countries to fade.”

*Dialogue organized by the Office of the UN Resident Coordinator, Mongolia, ages 61 and above, organizations supporting elderly and people with disabilities, mixed genders.*

### UN75 DATA ON THIS COMMITMENT

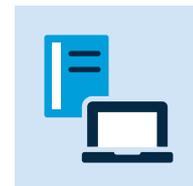
UN75 dialogues



UN75 survey



Research snapshot



We organize the relevant UN75 data gathered across 2020 according to the [UN75 Declaration's 12 commitments](#). For the full methodology, see the UN75 report “[Shaping Our Future Together](#)”.

## FROM THE UN75 DIALOGUES<sup>1</sup>

### WHERE WE ARE NOW

**COVID-19 has had a dramatic impact on development assistance.** Participants from across the world noted that COVID-19 has already reduced the allocation of resources to foreign aid budgets, especially in high human development countries. Many suggested that the pandemic had exposed poor solidarity towards middle- and low-income countries, with wide disparities in political will to finance pandemic recovery across the globe.

“Usually, if the state found itself in a situation akin to one it faces now it could rely on foreign aid. However, due to the truly global nature of the pandemic and with no end in sight, foreign states have resorted to reducing any resource allocation that was being used as aid, leaving Afghanistan to deal with the crisis at home on its own for the first time in the 21st century.”

*The Dais, Mandate Project, Rana University and Jami University, Afghanistan, ages 16-30s, students, mixed genders.*

Many participants voiced concern that the **Addis Ababa Action Agenda was under threat** as many low- and middle-human development countries are left without sufficient financial assistance to mitigate the socio-economic effects of COVID-19 and invest in recovery.

Many participants across the world lamented the serious impact of **uneven distribution of ICT infrastructure** on the digital divide, reinforcing structural inequalities across and within countries, and limiting the potential of the digital transformation to drive economic development.

**Many participants called for an increase in the UN’s core budget, with increased diversification of financing sources.** Most dialogues expressed concern about the limited, core budget available to the UN, limiting its ability to fulfill its mandate. Many participants were particularly concerned that the UN and specialized agencies rely too heavily on a small number of powerful donors, who often only finance narrowly focused projects in select countries. According to participants in several dialogues, the lack of diversification in sources of financing potentially creates biases within the UN and exposes the organization to sudden financing shortfalls, particularly in the context of an extremely politicized landscape of international relations.

“Not one big power or big donors, but every member country and beneficiary can have equal access to the collective funding of the United Nations [...] UN agencies should never have to compete among themselves to get access to funding opportunities.”

*Dialogue organized by the office of the UN Resident Coordinator, Mongolia, ages 61 and above, Organizations supporting elderly and people with disabilities, mixed genders.*

1. This report contains a summary of the analysis of 1,141 UN75 dialogue summaries received from 94 countries between 2 January and 7 November 2020. The dialogue summaries were analyzed in partnership with the Graduate Institute of International and Development Studies. For the full methodology, see the UN75 report “[Shaping Our Future Together](#)”.

Some dialogue participants were concerned about the **lack of financial literacy and inclusion for small and medium enterprises**, farmers and start-ups, all key sectors in the global agenda on financing for development. Participants in Papua New Guinea, Mongolia and Azerbaijan highlighted that young people,

farmers, artisans and small and medium entrepreneurs living in rural areas often suffer from financial exclusion and difficulties in access to markets, and as a result they are unable to effectively contribute to the economy.

## WHERE WE WANT TO BE

“Mobilizing private capital and engaging different nations to support global health financing is needed to steer the change that will lead to achieving SDG 3 and other Sustainable Development Goals impacted by health.”

*Columbia University in the City of New York, United States, mixed ages and genders, students.*

### **Participants highlighted the importance of financing priorities for COVID-19 recovery.**

Many participants from low- and middle-human development countries want high human development countries to fulfill their commitments on financing for development, while avoiding that domestic COVID-19 necessities would impact on their foreign aid budgets. Participants in several dialogues stressed that economic recovery and the strengthening of health systems in low- and middle-human development countries be prioritized.

In the United States, participants suggested debt relief for countries in need of recovery support. In the United States, India, Eswatini and Lebanon, participants called for increased focus on sectors that have been hard-hit by the pandemic, including culture and tourism. These are strategic economic sectors in many low- and middle-human development countries.

Participants, globally, stressed the need for internet connectivity and ICT infrastructure to be high on the financing for development agenda, leveraging technology for health, education and job creation.

### **Participants called for increased financing of the UN and diversification of financing sources.**

Participants from across the world envisioned a future where the UN system's budget was increased through greater diversity of donors and mobilization of private capital, and where governments are held accountable when they fail to meet their financial commitments to the organization. They called for an end to the politicization of financing, as was recently seen in the budget of the World Health Organisation.

Many participants from low- and middle-human development countries would like to see a **more transparent, effective disbursement of UN funds to local development projects**. Participants in several dialogues called for the decentralization of the allocation of resources, with greater transparency of and accountability for the use of allocated funds. Participants from the United States emphasized the need for clear storytelling that illustrates the real-world impacts that have been made possible by funding the work of the UN.

**Participants wanted stronger support for Small and Mid-size Enterprises (SMEs) and innovators.** Several participants, including in Central and Southern Asia and Sub-Saharan Africa, called for national and regional enabling environments for SMEs and young innovators, with improved access to funding,

business development services, and training programmes. Several participants emphasized the need for adequate social protection schemes for SMEs and young innovators, who are often vulnerable to shocks and crises, as well as for workers in the informal sector.

## HOW WE CAN GET THERE

“We need additional investment in areas such as sustainable, renewable, and climate-smart technologies, as well as more solutions for digital and sustainable modes of living in urban areas that notably benefit the most vulnerable and poorest segments of the population.”

*Young UN, Online, mixed ages, professions, genders.*

### Financing for development

#### **Investing in green technologies, circular economy and research and development.**

Participants across the world encouraged governments to scale up investment in green technologies in developing countries, promote research and development in sustainability-related fields, and finance the transition to a circular economy. Students and young professionals called on the UN to encourage investment in green technologies through public-private partnerships and dialogue with the private sector.

Many participants in Sub-Saharan Africa called on governments to prioritize infrastructure development, including ICT and internet connectivity, in low- and middle-human development countries.

#### **Greening the investments of the UN Joint Staff Pension Fund.**

As part of the Addis Ababa Action Agenda’s commitments to promote corporate sustainability, participants in one online dialogue encouraged the Secretary-General to ensure the UN Joint Staff Pension Fund improves its reporting on Environmental, Social and Governance impacts and accelerates its efforts to divest from fossil fuels.

#### **Mobilise new financing sources for civil society organisations.**

Many participants across the world noted that a key action for improving the effectiveness of current financing for development strategies would consist in mobilizing new financing sources for civil society organizations. In the United Arab Emirates, participants proposed the UN create a formal platform or system to match local and community organizations to global donors, empowering thousands of groups around the world to make meaningful and more efficient contributions to the implementation of the SDGs.

## Financing the UN

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**Increasing the budget of the UN and diversifying financing.** Participants in many dialogues around the world urged governments to increase their UN system financing and to meet their existing assessed and voluntary financial contributions. At the same time, they called for the UN to diversify its sources of financing and to reduce its reliance on a small number of powerful actors, to increase organizational resilience and avoid potential biases. Governments were asked to consider levying a global tax on short-term financial transactions to support the UN and its development work.

It was also suggested that there should be further scrutiny of the effects produced by different types of UN financing on power, control and accountability within the organization, especially as regards private sector financing. Another suggestion was to examine the different types of activities worked on with different financing sources, and explore whether certain types of financing might divert the Organization away from fulfilling its mandate.

### **Transparency and accountability in the use of resources.**

Many participants from low- and middle-human development countries urged the UN to decentralize its allocation procedures for resources for development projects. In particular, they encouraged the UN to partner more closely with local civil society organizations for implementation, increasing transparency and limiting corruption.

Participants in the United States suggested the Secretary-General develop clear and consistent communications of the impact on advancing the SDG as a result of UN projects, using storytelling and UN Goodwill Ambassadors to communicate the long-term value of such investment to societies and businesses.

## Support to small businesses and entrepreneurship

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### **Investing in SMEs and youth-led innovation.**

Participants in the Cameroon, Mongolia, Lebanon, Azerbaijan called on governments and the UN to invest in programs to financially support SMEs and youth-led start-ups and provide business resources, professional mentoring, financial training and basic management tools. In particular, they encouraged the UN to increase its own support to innovators, for example by creating UN-hosted start-up incubators.

## RESEARCH SNAPSHOT<sup>2</sup>

### Academic publications

- Coleman, K. 2017 "[Extending UN Peacekeeping Financing Beyond UN Peacekeeping Operations? Prospects & Challenges of Reform](#)" Global Gov.
- Daugirdas, K. & Burci, G 2019 "[Financing the World Health Organization: What Lessons for Multilateralism?](#)" IO Law Review.
- Eichenauer, V. & Reinsberg, B. 2017 "[What determines earmarked funding to international development organizations? Evidence from the new multi-bi aid data](#)" Review of IOs.
- Graham, E. & Serdaru, A. 2020 "[Power, Control, and the Logic of Substitution in Institutional Design: The Case of International Climate Finance](#)" International Organization.
- – 2017 "[Follow the Money: How Trends in Financing Are Changing Governance at Int. Orgs.](#)" Global Policy.
- – 2015 "[Money and multilateralism: how funding rules constitute IO governance](#)" International Theory.
- Hübner, K. 2019 [Financing the United Nations – An Introduction](#).
- Klingebiel, S., Mahn, T. & Negre, M. (eds) 2016 [The Fragmentation of Aid: Concepts, Measurements and Implications for Development Cooperation](#).
- Michaelowa, K. 2017 "[Resourcing international organisations: so what?](#)" Global Policy.
- Moloney, K. & Stoycheva, R. 2017 "[Partial Two-Way Mirror: International Organization Budget Transparency](#)" Global Policy.
- Patz, R. & Goetz, K. 2019 [Managing Money and Discord in the UN: Budgeting and Bureaucracy](#).
- Sachs, Jeffrey D. 2015 [Goal-based Development and the SDGs: Implications for Development Finance](#). Oxford Review of Economic Policy.
- Seitz, K. & martens, J. 2017 "[Philanthrolateralism: Private Funding and Corporate Influence in the UN](#)" Global Policy.
- Shelepov, A. 2018 "[Подходы МБР к привлечению частных инвестиций для реализации ЦУР: возможности и риски](#)" International Organisations Research.
- Wan, T. & Zhang, S. 2019 "[浅析联合国发展融资机制改革创新及对中国参与国际多边发展援助的影响](#)" International Economic Review.

### Policy research & reports

- Dag Hammarskjöld Foundation & UN Multi-Partner Trust Fund Office 2019 [Financing the UN Development System: Time to Walk the Talk](#).
- – 2019 [Financing the UN Development System: Time for Hard Choices](#).
- Dujarric, S. [UN] 2019 "[Statement attributable to the Spokesman for the Secretary-General on the regular budget](#)".
- Gulrajani, N. 2016 [Bilateral versus multilateral aid channels: strategic choices for donors](#), Overseas Development Institute.
- McArthur, J. & Rasmussen, K. 2017 "[Who funds which multilateral organizations?](#)" GlobalViews, Brookings.
- Organization for Economic Cooperation and Development, [Multilateral Development Finance 2020](#).
- High-Level Panel on Humanitarian Financing [UN] 2016, [Too important to fail—addressing the humanitarian financing gap](#).

2. This research snapshot includes a selection of top cited publications identified in the broader UN75 research mapping of academic and policy research focused on multilateralism, the United Nations, and the UN's areas of work, covering the six official UN languages. The research mapping was conducted in collaboration with the Graduate Institute of International and Development Studies. For the full methodology, see the UN75 report "[Shaping Our Future Together](#)".

- Inter-Agency Task Force on Financing for Development [UN] 2020 [Financing for Sustainable Development Report 2020](#).
- OECD 2000 [Managing and measuring the impact of sustainable investments. A two-axes mapping](#).
- – 2020 [Global Outlook on Financing for Sustainable Development 202: A New Way to Invest for People and Planet](#).
- – 2018 [Multilateral Development Finance: Towards a New Pact on Multilateralism to Achieve the 2030 Agenda Together](#).
- Scott, M. 2018 [The International Development Finance Club and the SDGs: Impact, Opportunities, and Challenges](#), Center for Global Development.
- Wagner, L. 2016 [How do Earmarked Funds Change the Geographical Allocation of Multilateral Assistance?](#), Fondation pour les Études et Recherches sur le Développement International.
- UN 2020 [Financing for Development in the Era of COVID-19 and Beyond: Menu of Options for the Consideration of Heads of State and Government \(Part I\)](#).
- UN 2020 [Financing for Development in the Era of COVID-19 & Beyond: For the Consideration of Heads of State and Government Part II](#).
- – [Financial situation of the UN: Report of the Secretary-General \(2020\)](#).
- – 2019 [Funding compact: Report, Secretary-General](#).
- UN 2015 [Addis Ababa Action Agenda of the Third International Conference on Financing for Development](#).
- UN Capital Development Fund (UNCDF) & OECD 2019 [Blended Finance in the Least Developed Countries](#).
- UNCTAD 2020 [World Investment Report 2020](#).
- UN Global Compact 2018 [Scaling Finance for The SDGs: Foreign Direct Investment, Financial Intermediation and Public-Private Partnerships](#).
- Weinlich, S. et al. 2020 [Earmarking in the Multilateral Development System: Many Shades of Grey](#), German Development Institute.

### Commentaries & opinion pieces

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- Deen, T. 2020 [“UN’s \\$5.1 Billion Shortfall Threatens Operations Worldwide”](#) Inter Press Service.
- Dreher, A., Gehring, K. & Michaelowa, K. 2018 [“Aid fragmentation and aid effectiveness: the latest evidence”](#) GlobalDev.
- Jankauskas, V. & Patz, R. 2019 [“How Well-meaning Donors Create the UN Machinery They Don’t Like”](#) E-International Relations.
- Kitaoka, K. 2020 [“Bold Move or Status Quo? Is the New UN Funding Compact Enough?”](#) Impakter.
- Moreira da Silva, J. 2019 [The ‘impact imperative’ for sustainable development finance](#).
- UN News 2020 [“Eyes and ears’ of UN Human Rights Council facing funding crisis”](#).

### Data resources & tools

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- [OECD Development Finance Data](#)
- [UNCTAD Statistics on Foreign Direct Investment](#)
- United Nations System Chief Executives Board for Coordination, [Financial Statistics](#).