Day 2 - Wednesday, 1 March
Rethinking the funding and financing strategies of the UN development system to deliver on the 2030 Agenda.

On behalf of the Group of 77 and China I would like to thank the panellists for their presentations. We like to highlight the following aspects:

1. The QCPR stressed the need for adequate quantity and quality of voluntary funding for the operational activities for development. Core resources remain the bedrock of the system. Non-core resources represent an important contribution as a complement, and not a substitute for, core resources.

2. G77 and China express our deep concern at the continuing and accelerated decline in core, as well as at the growing imbalance between core and non-core funding. The entities of the UNDS, through their governing bodies, must take concrete steps to address this negative trend.

3. G77 and China would like to express our concern with the emphasis given in this segment to “rethinking the funding architecture” by “taking the next steps to better align funding modalities with functions,” with emphasis on the “normative function” as the one singled out as deserving “adequate funding.” While the QCPR resolution expresses concern with the current funding trends, in particular, the decline of core contributions and the imbalance with non-core, and requests donor countries and the system to address them, it does not request a paramount shift in funding architecture.

4. The notion of “alignment of funding modalities with the functions of the UNDS”, that made its way into paragraph 20, remains as controversial and unclear today as during the negotiations. The questions raised by the Group back then remain unanswered, particularly on the benefit (if any) of the proposed alignment; the criteria that would be used to implement it; its feasibility; and its impact on current programming in developing countries at country level.

5. As the Group has stated several times, the functions in support of capacity development mentioned in paragraph 21 of the QCPR resolution are illustrative and non-exhaustive, and do not relate with funding streams. We want the funding of the UNDS to be more flexible, not more fragmented in such a breakdown. For a simple reason: this would imply a complete change (for worse) in what we understand as operational activities for development, in how the entities operate, in how programming happens.

6. While the QCPR mentions, and I quote, “assisting countries through normative support, as appropriate, in the context of operational activities for development” as one of the functions
performed by the UNDS in support of capacity development, it does not attribute to it a separate funding track, or any priority in funding. This emphasis in normative does not reflect the balance of the resolution.

7. Any options in funding issues to be proposed for consideration of States in 2018, in the context of paragraph 20, will be carefully assessed by the Group taking into account its consistency with the general guidelines of QCPR and with the needs and priorities of developing countries.