

Annex B

EXPLANATION OF METHODOLOGY/APPROACH PER INDICATOR

MEMBER STATE COMMITMENTS

Relevant Commitment	Relevant Funding Compact Indicators	Methodology / Approach⁷
Aligning funding to entity requirements		
1. Increase core resources for the UNDS	Core resources as share of voluntary funding for development related activities	Use DESA methodology for 19.4% baseline. Baseline is calculated by dividing core DEV voluntary contributions by total DEV voluntary contributions [i.e. Column C/(column C+ column D) in Table A-3a of statistician annex to QCPR report]. Core funding income should be expressed as a share of development-related contribution - As this is a Member State commitment, the figures should be limited to contributions from member states.
	Core share of funding for development-related activities (including assessed contributions);	Use DESA methodology for 27.0 % baseline. Baseline is calculated by dividing: core & assessed DEV contributions by total DEV voluntary contributions [i.e. (Column B+ Column C)/column E) in Table A-3a of statistician annex to QCPR report]. Core funding income should be expressed as a share of development-related contribution. As this is a Member State commitment, the figures should be limited to contributions from member states.
2. Double share of non-core contributions provided through development related pooled & thematic funds	% of non-core resources for development related activities channeled through inter-agency pooled funds	Use of DESA methodology for 5% baseline: Using the inter-agency pooled fund database to obtain the total contributions made to development, transition and climate inter-agency pooled funds (\$706 million in 2017), divide this by total non-core contributions to development-related activities (column D in Table A-3a of statistical annex).
	% of non-core resources for development related activities channeled through single agency thematic funds	Use of DESA methodology for 3% baseline. Total contributions to development-related thematic funds, divided by total non-core funding to development-related activities (column D in Table A-3a of statistical annex).
3. Broaden the sources of funding support to the UNDS	Number of UNSDG entities reporting an annual increase in the number of contributors of core resources	Number of Member States contributing to core and increase/decrease from previous year & from 2017 baseline (in percentage and number).
	Number of Member State contributors to development related inter-agency pooled funds and single agency thematic funds	Number of Member States contributing to entity administered pooled funds (breakdown per fund) and to agency managed thematic funds (breakdown per fund) and annual increase/decrease (in percentage and number). A single agency thematic fund is a single-entity funding mechanism designed to support high-level outcomes within the strategic plan; it is established by one UN entity, receiving contribution from several donors. The entity assumes full accountability for the funds received and is the sole direct recipient of the funding. A single agency can be Global (multi country) and Outcome or Thematic specific.
4. Provide predictable funding to the specific requirements of UNSDG entities	Funding gaps in UNSDG strategic plan financing frameworks	Percentage of funding received versus overall budget (per year and cumulative) - where possible and relevant, indicate funding gap per strategic plan outcome [and other relevant criteria, as appropriate]. Two proxies that assess funding gap against the Strategic Plan: a) Percentage of resource planned versus actual expenditure by Strategic Plan outcomes: Total programme expenditure for 2018-

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as articulated in their SPs and to the UNDAF funding needs at country level	Fraction of UNDS entities indicating that at least 50% of their contributions are part of multi-year commitments	2019 against the 2018-2021 resource plan or X% of the mid-point target; b) Percentage of estimated contributions versus actual contribution received: In 2019, X received XX million, X% less/more than estimated [leaving a funding gap, of XX million / generating a surplus of XX million]. In 2018, X received \$X X% higher/lower than the estimate. Y/N (with exact figure reported), based on the following definition: "share of total contributions received in a given year that is part of a financial commitment that covers multiple years." (DESA survey)
7. Fully comply with cost recovery rates as approved by respective governing bodies	Average # of cost recovery support fee waivers granted per UNDS entity per year	Number of cost recovery waivers granted during the year (with \$ value of waivers combined). Note additional element of reporting (\$ value) compared to indicator

UN DEVELOPMENT SYSTEM COMMITMENTS

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1. Enhance cooperation for results at country level	Fraction of UNSDG entities reporting at least 15% of development related expenditures on joint activities % of RCs that state that at least 75% of CPDs are aligned to the UNDAF in their country	DCO to use UNINFO tool to track and report - joint activities are implemented by two or more UN agencies, including Joint Programmes as well as communication, advocacy, analysis etc. DCO to track the number of joint activities compared with the total number of activities (per CF and for the total CF currently in UNINFO); The total budget share of joint activities versus the total budget of the CF split between total planned and total expenditures. The question is asked in DESA survey of UN entity headquarters. For the purpose of the Compact reporting however, it is more appropriate and less transaction cost heavy to track the commitment at the RCO/UNCT level (rather than agency HQ level) through UNINFO. Survey of RCs by DCO. Survey of entity specific CPDs.
2. Increase collaboration on joint and independent system-wide evaluation products to improve UN support on the ground	% of UNSDG Evaluation Offices engaging in joint or Independent System Wide Evaluations (ISWE)	Y/N with number of joint evaluations and/or ISWE underway and specific example(s); Use the following definition of ISWE: "a systematic and impartial assessment of the relevance, coherence, efficiency, effectiveness, results, and sustainability of the combined contributions of United Nations entities, to achieve the goals and targets set out in the 2030 Agenda for Sustainable Development". A joint evaluation implies the participation of at least 2 UN entities; an ISWE implies the participation of a majority of UN entities with a mandate related to the evaluation topic."
6. Strengthen the clarity of entity specific SPs and IRRFs and their annual reporting	% of UNSDG entities that in their respective governing bodies held structured dialogues in the past year on how to	Y/N with entity specific narrative on content of the dialogue, e.g: issues raised / future agenda / alignment with Funding Compact

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on results against expenditures	finance the development results agreed in the new SP cycle	
7. Strengthen entity & system-wide transparency & reporting, linking resources to SDG results	% of UNDS entities individually submitting financial data to CEB	Y/N (with date of first report)
	% of UNDS entities publishing data as per the highest international transparency standards	Y/N on reporting to IATI (with date of first report). DESA survey to mention IATI specifically.
	% of UNDS entities with ongoing activities at country level that report expenditures disaggregated by country to the CEB baseline	Y/N (with date of first report)
	% of UNDS entities that report on expenditures disaggregated by SDG	Y/N (with date of first report)
9. Increase accessibility of corporate evaluations and internal audit reports within the disclosure provisions and policies set by governing bodies at the time of report issuance	% of UNDS entities authorized within disclosure provisions and policies who have made their corporate evaluations available on the UNEG website	Y/N with specific example(s) - add narrative related to disclosure provisions and policies
	% of internal audit reports issued in line with the disclosure provisions and policies set by the relevant governing bodies, which are available on a dedicated searchable UN-RIAS platform/ website, pending availability of resources;	% of entity specific internal audits available on UN RIAS platform - add narrative related to disclosure provisions and policies
	% of inter-agency pooled funds posting evaluation reports on the UNEG website	Number of inter-agency pooled funds evaluation reports available on UNEG website divided by total inter agency pooled funds evaluations.
10. Increase visibility of results from contributors of voluntary core resources, pooled & thematic funds and for program country contributions	Specific mention of voluntary core, pooled and thematic fund contributors, and program country contributions in UNCT annual results reporting and entity specific country and global reporting	Y/N for pooled funds if entity is a fund administrative agent or AA and entity specific thematic funds; with specific example(s) / evidence and steps taken or to be taken to meet commitment
	Specific mention of individual contributors in all results reporting by pooled fund and thematic fund administrators and UNSDG recipients	Y/N or N/A (if entity is not a fund administrative agent or AA) and for entity specific thematic funds; with specific example(s) / evidence and steps taken or to be taken to meet commitment
11. Implement the SG's goals on operational consolidation for efficiency gains	Consolidation of common premises (%)	% of entity specific offices with entity specific narrative
	% of UNCTs that have an approved BOS in place, to enable common back offices where appropriate	% of entity specific offices with entity specific narrative

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	% of UNSDG entities that report to their governing bodies on efficiency gains	Y/N with entity specific narrative
	% of UNSDG entities that have signed the High-Level Framework on Mutual Recognition	Y/N with year of signature and entity specific narrative
12. Fully implement & report on approved cost-recovery policies and rates	% of UNSDG entities that report annually on the implementation of their approved cost recovery policies and rates to their respective governing body	Y/N (with date of first report)