The UN Funding Compact: Why Progress Has Lagged—and What Must Come Next

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Introduction

In 2025, the Dag Hammarskjöld Foundation (DHF) conducted qualitative research on implementation of the revitalised 2024 UN Funding Compact (FC), finding low awareness and limited progress at the country level.[1] In March 2026, DHF launched a further review of country-level implementation in conjunction with the United Nations Development Coordination Office (DCO), with support from the University of Glasgow. The study sought to identify the underlying drivers, disincentives, and enabling factors shaping Member State and UN entity behaviour when it comes to FC implementation.

The FC was designed as a shared commitment: Member States would improve the quantity and quality of funding for UN development activities, while the UN development system (UNDS) would become more transparent, more coordinated, and more clearly focused on collective results. The recent qualitative review, however, suggests that progress remains uneven at best. Despite broad support among respondents for the principles contained within the FC, far fewer believed it had succeeded in changing behaviour consistently at the country level.

Against this backdrop, the article argues that the central problem is not a lack of agreement on the direction of FC implementation. Rather, the problem lies in weak political transmission, limited coherence among Member States, insufficient operational follow-through, and misaligned incentives across the UN system.

Overall, five principal findings emerge from the research and are explored in greater detail throughout the article:

1. The FC still operates largely as a headquarters framework, with weak transmission to embassies, donor desks, and UN country teams.
2. The biggest gaps remain on the Member State side, especially around providing predictable core resources, flexible non-core funding, pooled funding, and multi-year support.
3. While the UN side has made more visible progress on coordination, reporting, transparency, and joint planning, these gains have been constrained by fragmented accountability and agency-specific fundraising incentives.
4. Pooled and joint funding mechanisms can work well, but only under specific conditions: a clear purpose, manageable governance, adequate donor visibility, credible Resident Coordinator (RC) leadership, and genuine complementarity among agencies.
5. To be effective, any successor compact must strengthen political accountability for the fulfilment of commitments and be better differentiated by country context.

Methodology, Scope, and Limitations

The study informing this article was commissioned by DHF in consultation with DCO and supported by academic input from the University of Glasgow's School of Social and Political Sciences. Its aim was to complement DCO's quantitative monitoring by exploring the incentives, constraints, enabling factors, and institutional dynamics shaping country-level FC implementation. The research posed four analytical questions:

1. What has limited progress on FC commitments?
2. What aspects of implementation have worked and under what conditions?
3. How have incentives among Member States and the UNDS aligned or diverged?
4. What practical measures could strengthen implementation before the end of the current 2027 target period and inform a possible successor compact?

The study analysed 35 semi-structured interview cases conducted between March and June 2026. Of these, 32 were country-level interviews with Resident Coordinators (RCs), Resident Coordinator Office (RCO) personnel, representatives of UN entities, resource mobilisation specialists, donor representatives, and host-government counterparts across eight countries: Albania, the Democratic Republic of the Congo, Ecuador, Fiji, Ghana, India, Tajikistan, and Tunisia.[2] Three additional interviews were conducted with representatives of global pooled-fund and funding mechanisms. These interviews complemented the country-level evidence with perspectives on fund design, governance, and implementation. The eight countries were selected to provide variation across regions, income levels, development and humanitarian contexts, and institutional arrangements, including multi-country office settings.

Interviewees were selected through purposive sampling to ensure key stakeholder groups involved in FC implementation were represented.[3] The interviews were conducted virtually using a common interview guide, while allowing sufficient flexibility to explore context-specific experiences and perspectives. Discussions focused on the influence of the FC, implementation successes and challenges, donor and UN incentives, pooled and flexible funding arrangements, the role of RCs, and possible future directions for UN funding reform.

The interview findings were analysed thematically and triangulated with existing FC monitoring data, as well as previous research conducted by DHF. The objective was not to assess individual countries or organisations, but rather to identify recurring patterns, positive outliers, institutional frictions, and practical lessons across diverse contexts.

The interview material was analysed thematically using a hybrid deductive–inductive coding framework aligned with the study's research questions and the main commitments of the Funding Compact. Transcripts and detailed interview summaries were reviewed to identify recurring themes, divergent views, and stakeholder-specific perspectives. The analysis compared findings across respondent groups, including Resident Coordinators, UN entities, donor representatives, and global pooled-fund secretariats, as well as across country contexts. For frequency reporting, the interview served as the unit of analysis.[4] Frequency descriptors, including "a few", "several", "many", "a majority", "most", and "almost all", refer to the number of interview cases in which a theme was identified and were applied consistently using defined thresholds.[5]

As a qualitative study, the findings are not statistically representative of all UN country teams, Member States, or funding arrangements. The study does not claim statistical representativeness; frequency descriptors are used to characterise the distribution of themes within the qualitative sample and are supported by the coded evidence. The findings, nevertheless, provide an operationally grounded perspective on how FC commitments are understood, implemented, and experienced across a range of country contexts. Accordingly, the analysis focuses on explanatory insights and practical implications rather than comparative performance assessment.

As with most qualitative interview-based research, the study may be subject to selection and response biases. Interviewees were purposively selected because of their direct experience with UN funding, coordination, and FC implementation. As a result, the sample may overrepresent stakeholders who are already more engaged with these issues. In addition, responses may have been influenced by social desirability bias, particularly when discussing politically sensitive topics such as core funding, earmarking, donor visibility, and agency cooperation. In line with qualitative research practice, the study sought to maintain empathic neutrality in data collection, interpretation, and presentation.[6] To mitigate these limitations, the analysis does not rely on individual statements in isolation. Instead, it identifies recurrent patterns across stakeholder groups, triangulating interview findings with available FC monitoring data, previous DHF research, and the broader evidence base on UN financing.

A Headquarters Compact with Weak Country-Level Traction

The clearest cross-cutting finding is that the FC has not translated sufficiently from United Nations headquarters and donor capitals into country-level practice. This disconnect was evident in different ways across nearly all stakeholder groups, with the Compact depicted as largely absent from operational country-level conversations and having little impact on the ground. Almost all interviewees noted that the FC was either unknown or not used explicitly, despite recognition of some of its principles. As such, they regarded it as conceptually sound but operationally marginal.

Some saw this weak traction as partly a design issue. The FC was easy to agree precisely because it did not impose strong binding requirements. However, this flexibility has reduced downstream accountability. Most interviewees argued, in different terms, that the Compact never acquired the political weight needed to drive changes in donor behaviour or institutional routines. Therefore, it remained a framework to which United Nations headquarters and Member State capitals could commit in theory, rather than a clear set of operational expectations for embassies, UN entity representatives, and country teams.

The result is a practical paradox: almost all actors are working on issues central to the FC without explicitly linking their work to the Compact. Thus, although they might be discussing pooled funding, donor visibility, RC support, joint programming, and alignment with strategic priorities, they are doing so without any consistent country-level implementation logic to link daily practice back to the FC.

Member State Commitments: The Persistent Quality Funding Gap

Across the interviews, the most consistent cross-case diagnosis was that Member States have made the least progress on funding quality. The most significant gaps concern levels of core or unearmarked resources, the flexibility of non-core funding, contributions to pooled funds, and the provision of multi-year support.

Multiple interviewees described trends running counter to the FC's intent. Representatives of Member State donors[7] explained they had tried to sustain unearmarked and flexible funding at the country-programme level but found this politically harder to defend as other donors pivoted toward tightly attributable project funding. Several UN agency respondents characterised progress on the Member State side—particularly on core, flexible, and predictable funding—as having fallen far short of the Compact's commitments. Some assessments were exceptionally critical, including one respondent who described Member State performance as a 'complete failure'.[8] Interviewees also emphasised that, in their experience, core funding had continued to decline amid an overall shift toward more earmarking, shorter time horizons, and less operational flexibility. Several country-level donor Member State representatives frequently observed that core funding was primarily determined at capital level, with little meaningful expression at country level. Even where positive shifts were noted, several interviewees were reluctant to credit the FC directly, citing the difficulty of attributing country-level progress to the Compact rather than other factors driving change.

Two driving forces underlie this recurring pattern. The first is domestic political economy in donor countries. Most donor-side interviewees stressed that the move toward earmarking is not primarily due to a lack of understanding of the effectiveness of core funding. Rather, it reflects deliberate political choices. Development cooperation is increasingly treated as an instrument of foreign policy, domestic visibility, and priority signalling, resulting in increasing politicisation. Funding choices are shaped by parliamentary pressures, security concerns, migration agendas, geopolitical competition, and demands for clearer attribution. In this environment, core and softly earmarked funding become harder to defend.

The second force is visibility, an issue that came through strongly across the interviews. Donors want to be able to show their taxpayers, parliaments, or headquarters where funds went and what they achieved. Project-specific funding provides a clear narrative. Core funding, by contrast, often disappears into agency budgets. Some respondents noted that lack of recognition for unearmarked funding means even a donor strongly supportive of quality funding may be pressured into moving toward projectised support. Several respondents said that donors that consistently champion and prioritise core funding are often the least visible country-level donors, despite their key role in sustaining agency functions and activities not covered by project-specific funding.

Notably, visibility need not come at the expense of coherence: in some contexts, agencies have found ways of delivering coordinated bilateral reporting – for instance through joint donor roundtables – that ensure individual donors receive clear recognition, while at the same time presenting a more unified picture of UN system engagement. This suggests the visibility problem is determined not only by the funding modality, but also by the design of reporting and communication.

Pooled funding faces a similar dilemma. Most interviewed donors regarded pooled funds as potentially valuable but difficult to support in practice because of concerns about diluted branding, indirect reporting, and limited control over allocations. In some contexts, pooled funding appears administratively burdensome relative to its size for UN agencies, especially when too many agencies are involved or governance arrangements are complex. While this does not necessarily lead to donors rejecting pooled funding outright, they tend to require stronger justification than interviewees felt current arrangements provided. Interviewees repeatedly mentioned that strong, effective cooperation between participating agencies, together with better alignment and complementarity across their respective mandates, is crucial to increasing the effectiveness and attractiveness of pooled funding.

These findings reflect donor perceptions rather than a general assessment of pooled-fund performance. Independent evaluation evidence presents a differentiated picture: pooled and joint funding can strengthen coherence, collaboration, and collective delivery, but their effects on efficiency, administrative burdens, and transaction costs vary according to context, scale, governance, and the degree of procedural harmonisation.[9]

UN-Side Progress: Real Gains, but Under Structural Strain

Compared with Member State performance on quality funding, the UNDS was generally viewed as having moved further towards the Compact's objectives, especially in terms of inter-agency coordination, transparency, reporting, and strategic planning. This assessment also appeared in donor interviews. While the picture was by no means uniformly positive, the interviews suggest meaningful progress.

Interviewees described stronger joint planning, more structured reporting, and greater inter-agency dialogue, alongside more practical use of joint funding mechanisms. In several countries, respondents also noted a genuine increase in agencies' willingness to collaborate and to take joint working and donor visibility more seriously. A majority were positive about transparency, describing significant improvements over the past decade, even where the operational burden remained high.

Yet these gains remain constrained by institutional design. Several interviewees emphasised that agencies still respond first to their own boards, their own country programmes, and their own resource mobilisation pressures. Even where joint programmes exist, they are often little more than parallel agency components operating under the same label. Some interviewees noted that pooled programmes should not simply be a bundle of separate agency activities all financed from the same pot. Interviewees noted that agencies tend to revert to business as usual when pooled funding opportunities disappear. They also highlighted agencies' continuing preference for autonomy in resource mobilisation, with the RC's influence dependent more on persuasion than authority.

Interviewees repeatedly returned to the topic of incentives. Agency heads are still often judged by how much funding they mobilise for their own entity. Consequently, larger operational agencies with strong bilateral pipelines tend to prefer direct donor relationships over collective channels. By contrast, smaller agencies may value pooled or joint mechanisms more, as these provide access to country-level influence and financing they might otherwise struggle to secure. The system thus rewards fragmentation even while rhetorically supporting coherence.

Interviewees also mentioned the importance of the United Nations and Member States engaging constituencies in donor countries to strengthen public understanding of the value of high-quality UN funding[10]. In most interviews, increased earmarking was linked to domestic political and accountability pressures, including demands for visible and attributable results. A few respondents also argued that stronger public understanding of international solidarity and multilateral funding could help sustain political support for less earmarked forms of financing.

Pooled and Joint Funding: Promise, but Only Under Specific Conditions

According to the most recent data, Member States provided just 12.6% of non-core contributions for development activities through inter-agency pooled funds in 2024. This falls far short of the 30% target set by the FC for 2027[11]. While no interviewee rejected pooled or joint funding in principle, the interviews nevertheless indicate that reaching the 30% target would require practical and incentive-related barriers to be addressed, including limited donor recognition, concerns about allocation decisions, agency incentives favouring entity-specific fundraising, and procedures that may be disproportionate to smaller allocations.

Positive examples do exist. The Joint Sustainable Development Goals (SDG) Fund and the Peacebuilding Fund (PBF) were cited across several interviews as working models associated with the FC logic, especially because some donors were willing to use them strategically. The Joint SDG Fund and PBF were also seen as helpful because they required—and enabled—agencies to work together and could make initial funding available from the global level. A few respondents also cited humanitarian country-based pooled funds managed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) as particularly strong examples of collective financing mechanisms capable of generating a shared sense of achievement. Several interviewees also highlighted the role of facilities aligned with international financial institutions (IFIs) and vertical funds in creating opportunities for more collective, strategic programming.

Such examples are, however, exceptions rather than the dominant perception. According to interviewees, pooled and joint funding appear to work best when the following five conditions are met:

First, the purpose must be clear and strategic. Pooled funding works best when it addresses a multidimensional problem that genuinely requires complementary mandates. By contrast, it falters when 'jointness' is imposed for its own sake. Limiting participation to partners whose mandates are genuinely complementary helps avoid duplication, unnecessary coordination, and administrative burden.

Second, governance must be manageable. Several interviewees warned against over-inclusive arrangements that bring too many agencies to the table. These increase transaction costs, complicate steering committees, and often lead to shallow collaboration rather than real integration.

Third, the governance process must be trusted. This is where the RC and RCO play a key role. Interviewees stressed that agencies are more likely to engage when the coordinating process is transparent, and when the RC is seen as fair, credible, and not competing for control. Interviewees also identified host-government engagement as important for building trust, strengthening coordination, and ensuring that funded activities have a coherent overall impact. In some contexts, host-government engagement may extend to project co-financing.

Fourth, donor visibility and reporting must be improved. If pooled funds cannot show who contributed, what added value the fund provides, and how it reduces fragmentation and improves outcomes, they will remain less attractive to donors than bilateral channels.

Fifth, the fund must be sufficiently large and operate over a long enough period to justify the effort. A majority of interviewees observed that participating in pooled instruments becomes unattractive when the amounts are small, the funding is rigid, or the funding period is too short. These conditions increase the coordination effort required, making it harder to justify the administrative resources needed to monitor and report on the pooled funds in question. Here, the initial provision of some headquarters-level funding for a country-level pooled fund can help attract additional donors in that country.

Five years of Delivering as One: The Special Trust Fund for Afghanistan and the strategic value of country-level pooled funds

When Afghanistan's political order ruptured in August 2021, international assistance was upended: aid flows ceased, assets were frozen, and the banking system buckled. The international community and the UN faced the immediate challenge: how to restructure support to the Afghan people and prevent a collapse in essential services amid a period of profound uncertainty.

The Special Trust Fund for Afghanistan (STFA) was established on 20 October 2021 in response to the Secretary-General's Emergency Planning Directive on the UN Plan to Support the People of Afghanistan. Building on capacities of the now defunct Law and Order Trust Fund for Afghanistan, with seed capital provided by UNDP, the fund was designed and operationalized at remarkable speed. Eight UN entities signed the STFA Memorandum of Understanding in November 2021; this has since expanded to 15 participating UN entities. By the end of 2021, the Fund had mobilized almost 100 million USD and allocated more than half of these resources to the first two regional joint programmes.

The speed of establishment was a critical success factor. At a time when international partners were determining whether and how to engage, the STFA provided a practical mechanism to sustain support for basic human needs through the UN without conferring recognition or legitimacy to the de facto authorities. It also established a common framework for governance, programming, risk management, and accountability, avoiding the need for individual donors and UN entities to develop separate arrangements.

Five years on, and the Fund has delivered significant results. STFA programmes have reached at least 7.9 million people, including four million women and girls. More than 6.2 million people have gained access to essential services, over 380,000 have benefited from livelihood and economic recovery support, 800,000 have been reached through climate adaptation and disaster risk management initiatives, and approximately 520,000 community members have participated in social cohesion and community planning activities. Yet the significance of the STFA extends beyond these beneficiary numbers.

Its value lies not only in what it has financed, but also in how it enables the UN to operate collectively in a highly complex and constrained environment. As a strategic management and financial tool, the STFA enables UN leadership to translate collective priorities into coordinated action. Chaired by the Deputy Special Representative of the Secretary-General, Resident and Humanitarian Coordinator (DSRSG/RC/HC), the STFA provides a platform for the Resident Coordinator to bring the UN Country Team together around common priorities and for donors to engage with UN leadership and one another on results, prioritization and decision-making. For contributors, this collective approach also brings greater efficiency and transparency through common reporting, shared results frameworks, consolidated financial information, and a single point of contact through the Fund Secretariat, rather than requiring separate bilateral relationships with individual agencies.

The STFA is the country-level expression of the UN Development System reforms, reflecting the principles of the 2019 and 2024 Funding Compacts, and the emphasis on stronger country-level coherence under the UN80 reforms. In an increasingly constrained funding environment, Afghanistan illustrates why these reforms matter in practice, as resources become scarcer, mechanisms for greater country-level coherence and coordination become ever more important. In this context, the STFA supports the basic needs and well-being of the most vulnerable Afghan populations while bolstering the UN's ability to stay and deliver under extreme conditions.

The STFA experience holds relevance beyond Afghanistan. The value of a country-level pooled fund is not measured solely by how much money it raises. Its value also lies in what the funding makes possible: stronger leadership, better coordination, platforms for advocacy, collective risk management, greater transparency, and more effective use of limited resources.

RCs and RCOs: Central to the Solution, but Underpowered

No issue was more widely recognised across almost all interviews than the centrality of the RC system. At the same time, most interview cases raised concerns about inadequate resourcing or gaps between the RC's coordination responsibilities and formal authority.

The positive side is clear. RCs and their offices were repeatedly described as indispensable for maintaining inter-agency dialogue, donor and host-government engagement, country-level visibility.[12] Moreover, almost all interviewees recognised the RC/RCO coordination role, while several respondents described RCs as more visible and proactive in country-level UN work and associated this with stronger strategic dialogue with governments and donors.

Nevertheless, the limits of the RC system are clear. A majority of interviewees noted that a coordination mandate alone is insufficient because effective coordination still depends on agencies voluntarily sharing information with the UN country team and accepting accountability for collective results. On this point, a few respondents argued that the biggest problem was not just a shortfall in RCO staffing, but weak requirements for UN entities to share information and engage the RCO early when funding opportunities arise. A few interviewees also noted that the quality of coordination depends heavily on the individual RC's credibility and skill set, making the selection process crucial.

Interviewees also highlighted the RCO staffing model as a structural issue and sharply criticised the assumption that vastly different country contexts should have similar RCO staffing baselines. In large or highly complex settings, this forces RCOs to rely on donor-funded positions, which can create internal fragmentation and donor-specific workstreams.

Taken together, the evidence suggests that effective implementation of the FC depends on adopting a more realistic understanding of the RC function. In other words, the RC should not be seen as merely a symbolic coordinator, but as the head of an operational node that requires differentiated staffing, clearer procedural authority, and performance systems that encourage agencies to work through the RCO. On the latter point, interviewees mentioned that the fundraising performance of UN agency heads is judged almost exclusively on the total amounts they raise, rather than on the quality and modality of the funding mobilised, especially pooled funding. Hence, UN entities have little incentive to participate actively in joint programmes aimed at increasing pooled funding, often leaving RCs disproportionately responsible for advancing such joint work.

Beyond 2027: What Should Be Carried Forward

Drawing on the interview findings, this section identifies priorities for the remaining implementation period and considerations for any future iteration of the Funding Compact. These proposals are forward-looking and are not intended to prejudge the findings of the Compact's formal review.

All 35 interview cases contained proposals for near-term implementation or post-2027 reform. Taken together, these proposals suggest that the original bargain does not require wholesale reinvention; rather, it requires firmer grounding in implementation and closer alignment between commitments and incentives.

First, the FC's core principles remain valid. No respondent explicitly argued against more predictable core funding, more flexible non-core resources, stronger pooled funding approaches, or better alignment with strategic priorities. The issue is not whether these objectives are desirable but whether political and institutional incentives make them feasible.

Second, any successor compact will require more robust implementation mechanisms. Almost all interview cases suggested that the existing framework relies too heavily on monitoring and too little on ensuring country-level awareness and implementation. Accordingly, most respondents called for clearer transmission from Member State capitals and United Nations headquarters to the country level, practical country guidance, stronger dialogue with embassies and UN agencies, and in some cases a clearer expectation that agencies consider appropriate collective mechanisms before pursuing entity-specific bilateral channels.

Third, the visibility of core and core-like funding mechanisms needs to be enhanced, thereby making it easier for donors to meet their domestic accountability requirements. Visibility and attribution emerged as major influences on funding behaviour across most interview cases. Any future Compact should therefore promote credible collective-results narratives and common recognition standards for core and softly earmarked funding, without reproducing the project-level attribution associated with tightly earmarked contributions.

Fourth, RCOs need to be properly resourced and differentiated by context. A future compact should therefore directly link expectations around coordination and pooled funding to context-sensitive support for RCO staffing and authority.

Fifth, host governments need a clearer place in the bargain. Almost all interviewees stressed that the current system often treats governments as merely signatories to priorities rather than involving them meaningfully in decisions about resource allocation, alignment with national and subnational budgets, and oversight of implementation. Interviewees also noted that host governments should take a more proactive role in defining development priorities and consulting affected communities, coordinating national and local institutions and implementing partners, and monitoring delivery at the community level. Several identified co-financing as one possible expression of national ownership, while recognising that it would not be feasible in every context. Where appropriate, co-financing may strengthen ownership and clarify shared responsibility for results.

Sixth, the future compact should connect more explicitly to IFIs, domestic financing platforms, and selected private-sector pathways. Interviewees noted that engagement rules must be simplified and bureaucracy reduced if the private sector is to be engaged effectively. They also observed that the United Nations should position itself as a convener and policy partner of IFIs, rather than approaching them primarily as sources of funding. This could also help reduce growing competition between UN entities and IFIs, with the latter increasingly assuming implementation roles in some contexts. Integrated National Financing Frameworks, blended-finance mechanisms, IFI collaboration, and carefully designed private-sector linkages were repeatedly identified as more promising avenues than relying solely on official development assistance (ODA), which fell for a second consecutive year in 2025.[13]

Seventh, Member States and the UNDS should explore the feasibility of placing a portion of future efficiency savings, unspent balances, or other eligible reserves in a professionally governed endowment-style mechanism, with returns used to support core coordination and development functions. The aim of such an approach would not be to replace assessed or voluntary contributions, but rather to provide a modest additional source of predictable financing that could help reduce dependence on short-term donor cycles. Any such mechanism would require further legal, fiduciary, governance, and institutional assessment before it could be advanced.

Conclusion

The evidence from this review does not suggest that the Funding Compact has failed because its central diagnosis was mistaken. On the contrary, interviewees across Member States, Resident Coordinator Offices, and UN entities continued to support the broad principles of more predictable, flexible, and coordinated funding linked to collective results.

The difficulty lies elsewhere. The Compact has not been sufficiently embedded in the political, institutional, and operational systems that shape behaviour at the country level. Its principles may be widely accepted, but they remain weaker than the incentives that continue to favour donor visibility, bilateral control, agency-specific fundraising, and fragmented accountability.

This is the central lesson of the research: the principal barrier to progress is no longer a lack of agreement about what better funding should look like. It is the absence of sufficiently strong mechanisms, incentives, and political accountability to translate that agreement into practice.
Where progress has occurred, it has generally depended on exceptional leadership, well-designed funding mechanisms, or unusually favourable country-level arrangements. These examples demonstrate that more coherent funding is possible, but they also reveal the limitations of a system that relies too heavily on individual initiative and too little on institutionalised expectations.

Any successor to the current Funding Compact should, therefore, retain its core bargain while becoming more operational, more politically consequential, and more responsive to country context. It should strengthen the transmission of commitments from United Nations headquarters and Member State capitals to the country level; better align incentives across the United Nations development system; improve the visibility of quality funding; provide Resident Coordinators and their offices with the authority and resources required to fulfil their role; and create more credible pathways towards pooled, domestic, blended, and institutional financing.

The question is no longer whether the principles of the Funding Compact remain valid. It is whether Member States and the United Nations development system are prepared to create the political and institutional conditions necessary to fulfil them.

Recommendations

Based on these findings, the following recommendations are proposed:

- Member States and the UNDS should ensure that global directives are translated into country-level implementation. Here, the biggest gap is not conceptual agreement but transmission. Donor capitals and UN headquarters need to send clearer instructions and expectations to embassies, donor desks, UN entity representatives at the country level, and RCOs on how FC commitments are meant to shape country-level behaviour.
- Member States and the UNDS should consider strengthening the political status of the FC and the accountability attached to its commitments. This could include stronger peer-based accountability, clearer benchmarking, more systematic follow-up, and a platform through which Member States can demonstrate progress and performance.
- Member States should protect core and flexible funding and rebuild the political case for these funding modalities. Even if total volumes do not recover quickly, they should communicate not only the principle of flexible funding, but also the concrete risks of losing it: greater fragmentation, a higher administrative burden, and increasingly distorted country priorities.
- The UNDS should improve visibility and reporting for core and pooled funding. To this end, the UNDS should develop simple, credible country-level approaches to recognising core and softly earmarked contributions. This encompasses a variety of reporting, communication, and results-related activities, including the creation of clear, evidence-based impact narratives.
- The UNDS and Member States should make pooled funding more selective and fit for purpose. What is needed is not just ‘more pooled funds’ in the abstract, but better pooled mechanisms built around a clearer purpose; participation by agencies whose mandates and comparative advantages are required; stronger governance, including by RCOs; and larger, longer-term funding envelopes where transaction costs can be justified.
- Member States and the UNDS should work to strengthen RCOs and align incentives. RCO staffing needs to reflect country complexity, while agency performance systems should reward support for coordination, not just bilateral fundraising. These two reforms must proceed in tandem.
- The UNDS should build operational pathways to IFIs, domestic financing, and private-sector engagement, thereby simplifying engagement rules and reducing bureaucracy. These should not sit outside the FC as separate themes but be treated as part of the UNDS’s future financing architecture.
- Member States and the UNDS should assess the legal, fiduciary, governance, financial, and institutional feasibility of an endowment-style financing mechanism through which eligible savings or reserves could generate predictable supplementary income for core UN development and coordination functions.
- The UNDS should change the basis on which the fundraising performance of UN agency heads is assessed, moving away from a purely quantitative approach to one that also rewards the mobilisation of flexible and pooled funding.
- Member States and the UNDS should jointly invest in public-facing communication, parliamentary engagement, and evidence of results to rebuild domestic support for multilateralism. Without a stronger public case for international solidarity, donor governments will continue to favour tightly controlled, visible, project-based funding over flexible contributions.

Taken together, these measures would not require abandoning the original bargain at the heart of the Funding Compact. They would require making that bargain real.

Without stronger accountability, better-aligned incentives, and clearer country-level implementation, rhetorical support for quality funding will continue to give way to earmarking, competition, and fragmentation. With them, the Compact could become not merely a statement of shared intent, but an effective framework for changing how the United Nations development system is funded and how it delivers collectively.

Endnotes

1. Dag Hammarskjöld Foundation and United Nations Multi-Partner Trust Fund Office (UN MPTFO), Financing the UN Development System 2025: Managing Unprecedented Times (Uppsala/New York: Dag Hammarskjöld Foundation/UN MPTFO, 2025), pp. 171–176.
2. There were 8 donor Member States, 8 RCs, 15 UN agencies and Funds, 1 host government representative and 3 pooled funds representatives interviewed. MPTFO, as one of the main pooled fund administrators in the system, was not engaged in the research processes of this article.
3. J. Ritchie et al., 'Designing and selecting samples', in J. Ritchie, J. Lewis, C. McNaughton Nicholls, and R. Ormston (eds), Qualitative Research Practice: A Guide for Social Science Students and Researchers, 2nd edn (Los Angeles: SAGE, 2014), pp. 111–146.
4. Where several participants contributed substantively to one interview, their distinct perspectives were retained in the qualitative interpretation, while the interview was counted as a single case.
5. To ensure transparent and consistent reporting across the 35 interview cases, frequency descriptors were operationalised as follows: "a single case", one; "a few", two to four; "several", five to ten; "many", 11 to 17; "a majority", 18 to 24; "most", 25 to 30; "almost all", 31 to 34; and "all", 35.
6. R. Ormston, L. Spencer, M. Barnard, and D. Snape, 'The foundations of qualitative research', in J. Ritchie, J. Lewis, C. McNaughton Nicholls, and R. Ormston (eds), Qualitative Research Practice: A Guide for Social Science Students and Researchers, 2nd edn (Los Angeles: SAGE, 2014), pp. 1–25.
7. In this article, "Member States" refers to states in their formal role as parties to the Funding Compact. "Donors" refers more specifically to Member States and their representatives acting as providers of funding to the UN development system. The terms are therefore not treated as entirely interchangeable.
8. Strong expressions used by individual interviewees are retained selectively where they capture a wider pattern in the interview material. Such language is explicitly attributed to respondents and is not presented as the authors' independent judgement.
9. See United Nations, *System-Wide Evaluation of the Joint SDG Fund, 2019–2022* (September 2022), pp. 29, 34 and 42; UNSDG System-Wide Evaluation Office, *Unlocking Quality Funding* (October 2024), p. 3; and Ministry of Foreign Affairs of Denmark, *Joint Nordic Evaluation of Contributions to Trust Funds* (December 2025), pp. 9–12.
10. The term of high-quality funding in the research entails type of funding that has the following features: predictability, flexibility, alignment with strategic priorities, core funding, long-term multi-year commitments, join programming, coordination, transparency. See UN SDG System Wide Evaluation Office, *Unlocking quality funding* (2024), https://www.un.org/system-wide-evaluation-office/sites/default/files/2025-03/unswe_evaluation_evidence_summary_funding_quality_oct24.pdf
11. United Nations Sustainable Development Group, 'Framework for global-level monitoring & reporting on the Funding Compact for the UN's support to the SDGs', updated 26 May 2026, p. 3. https://unsdg.un.org/resources/framework-global-level-monitoring-and-reporting-funding-compact-uns-support-sdgs (accessed 22 June 2026).
12. United Nations Sustainable Development Group, '2025 Report of the UNSDG Chair on the Development Coordination Office – Leadership' (2025), https://unsdg.un.org/2025-unsdg-chair-report/leadership (accessed 17 August 2026).
13. The OECD confirms that ODA fell by 23.1% in 2025, following a 6.1% decline in 2024—making 2025 the second consecutive year of decline. Organisation for Economic Co-operation and Development (OECD), 'A historic decline in foreign aid: Preliminary 2025 ODA data', 9 April 2026, https://www.oecd.org/en/data/insights/data-explainers/2026/04/a-historic-decline-in-foreign-aid-preliminary-2025-oda-data.html (accessed 17 August 2026).