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UNITED NATIONS CAPITAL DEVELOPMENT FUND
Report on results achieved by UNCDF in 2022

Executive Board of UNDP/UNFPA/UNOPS
Annual Session June, 2023
Joint Statement

New York, le 07 juin 2023
Déclaration de la Suisse

Mr. President,

I have the honor to deliver this statement on behalf of the following countries: Austria, Belgium, Bulgaria, Germany, Luxembourg, Moldova, Switzerland, Türkiye, Ukraine, the United Kingdom, and my own country, the Kingdom of the Netherlands.

First, we commend UNCDF and its staff for the excellent work done in 2022. The figures presented in the “Report on results achieved” are impressive. However, it is difficult to make a more precise assessment, as the “Integrated Results and Resources Matrix” (IRRM) on the “Strategic Framework 2022-2025”, with baselines as well as estimated milestones and targets, was finalized and uploaded on the EB-site only a few days ago. We encourage the UNCDF management, therefore, to include in the next year’s report an analysis of the milestones set for 2023.

Second, we congratulate UNCDF and its Evaluation Unit on the continued production of high-quality evaluations, as recognized through two 2022 Evaluation Excellence Awards by the Independent Evaluation Office. For maintaining high quality standards as well as for continued learning and accountability, a professional evaluation culture is essential.

Third, we express our hope that UNCDF will be able to maintain its commitment to independent evaluations, with the corresponding spending approaching the 1% target set out in the UNDP evaluation policy. Thus, we encourage the other Member States to support the work of the UNCDF not only with earmarked funds, as generously done in the past few years, but to contribute to the financing of the UNCDF's core tasks through core funding, as well.

Fourth, we took note of the assessment of the UNDP’s Audit and Evaluation Advisory Committee’s 2022 Annual Report. With an alarming non-performing loan (NPL) ratio of 26%

UNCDF is right to have recognized the need for an investment strategy to specify its risk appetite. While recognizing that the projects in the UNCDF portfolio inherently imply a higher risk, we look forward to a corresponding update on this matter before the end of the year 2023, containing a satisfactory strategy how to move forward in a financially sustainable way, whilst keeping a focus on the poorest and underserved.

Fifth, we equally await with some impatience the results of the two ongoing internal processes that are central to the immediate future of the institution:

- a) The investigation related to the Executive Secretary's "administrative leave" in October 2022, and
- b) the IEO audit on UNCDF's internal processes with the aim of identifying potential for efficiency gains.

We expect to be informed in due time about the conclusions and any resulting decision, also because any discussions to keep UNCDF fit for purpose could not be taken until there is stability in the senior management team. The primary goal must be to maintain the stability and continuity of UNCDF's operations.

Lastly and on a positive note, we are more than ever convinced of UNCDF's mandate. UNCDF covers a highly relevant niche as the "UN catalytic financing entity for the LDCs". However, despite progress in mobilizing private capital through various development agencies, still only a fraction of it flows to LDCs. Finding ways to leverage available resources and supporting local financial market and system development has rarely been more important in light of the set-backs we are facing in our joint quest of implementing the Agenda 2030.

We expect UNCDF to continue its work supporting governments and other public authorities in the LDCs, to achieve the SDGs, and with a strong gender lens applied to all activities. Filling the gap in the development financing architecture, particularly with respect to the world's most challenging markets, leveraging ODA and financial inclusion, are key components.

Thank you for your attention.
