

Structured Funding Dialogue

Executive Board Informal

28 August 2017



Agenda

- Overview of **UNFPA's funding situation**
 - Presentation of the Report on contributions by Member States and others to UNFPA and revenue projections for 2017 and future years
 - Q&As
- Towards a new **“compact” for sustainable and predictable funding of UNFPA**
- **Structured Discussion**

Introduction

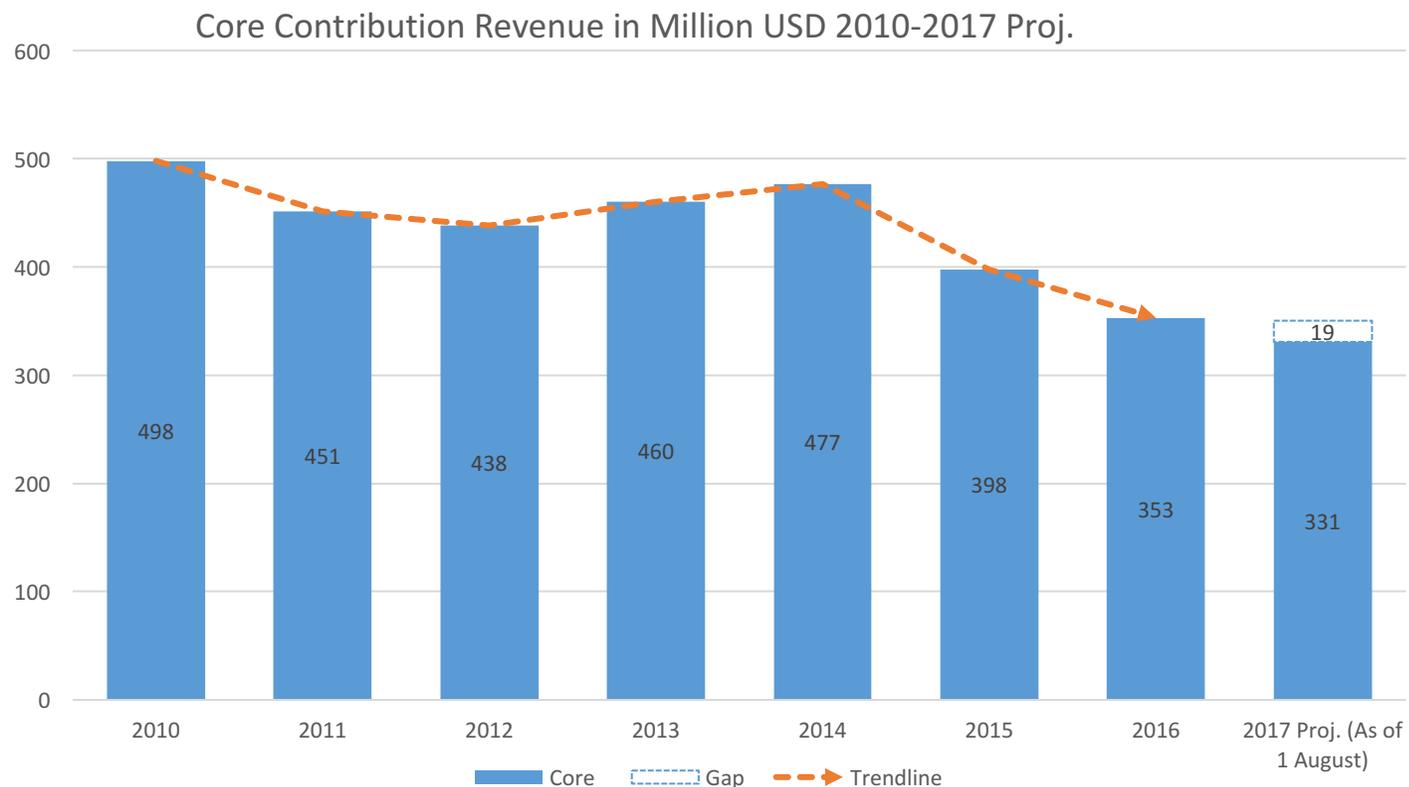
- **UNFPA’s approach for strengthened structured funding dialogues**, based on:
 - QCPR guidance
 - SG Report: Repositioning the UNDS to deliver on the 2030 Agenda
 - Report on Contributions by Member States and others to UNFPA and revenue projections for 2017 and future years
 - Analysis of funding needs for the new cycle of the Strategic Plan 2018-2021
- Initiate a discussion with members of the ExBo on ways to arrive at a “compact” for **predictable and sustainable funding** of UNFPA’s new Strategic Plan

Report on Contributions - Presentation

- The 2017 Report on Contributions (DP/FPA/2017/11) points to a 14% decrease in regular (core) and co-financing (non-core) resources between 2015 and 2016, and **currently projects a further 17% decrease for 2017.**
- The Report concludes that the funding outlook remains challenging due the continuing negative impact of:
 - exchange rate volatility;
 - a narrowing funding base for core-resources; and
 - unprecedented reductions from some key traditional donors, including the US defunding of UNFPA in 2017
- The Report also shows growing non-core contributions from programme countries

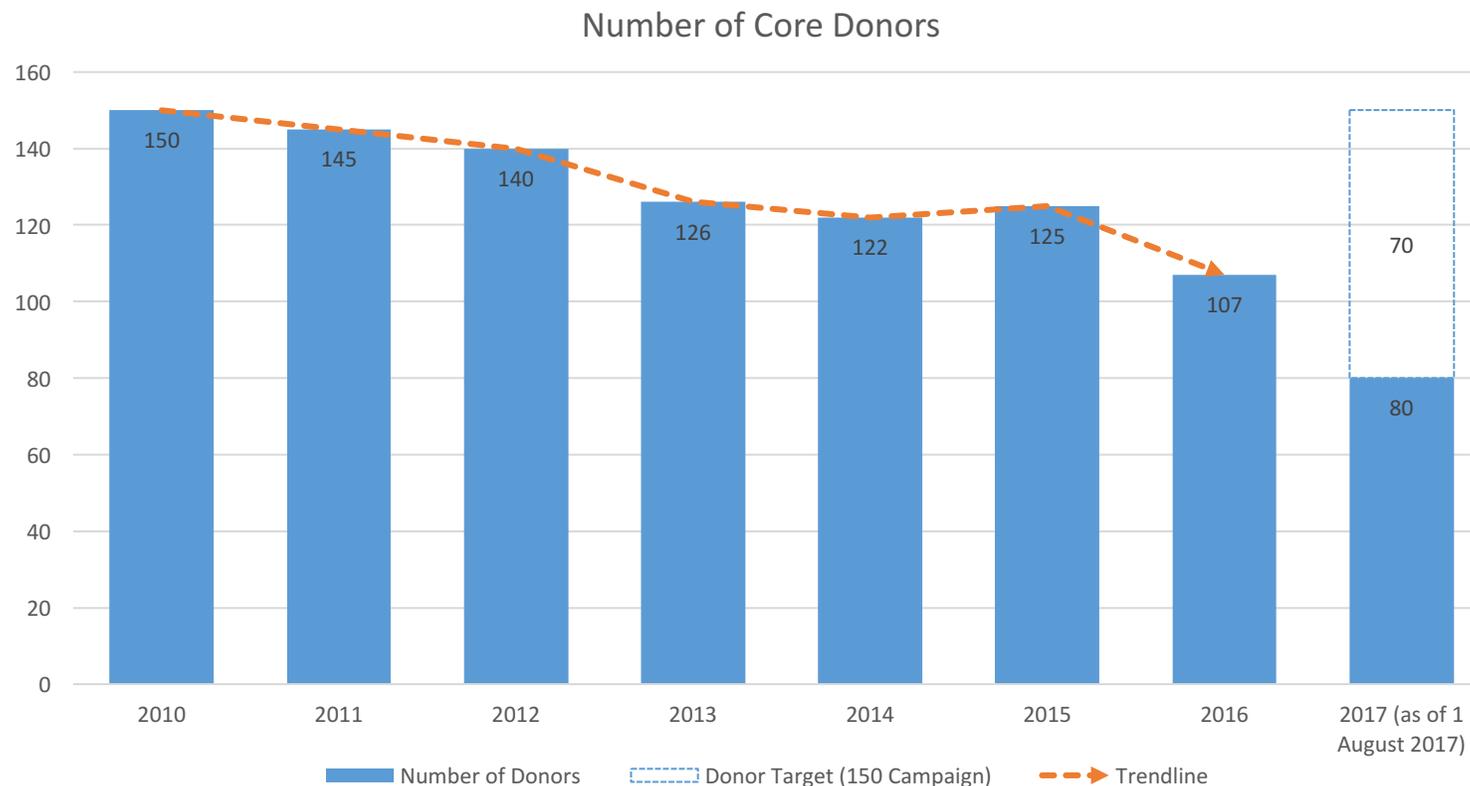
Funding Situation

Based on the evolving development financing landscape and information from donors, **the funding outlook remains challenging** in 2017 and future years, a case that has affected UNFPA resources, particularly core resources



A narrow funding base for core-resources

Compared with 150 donors in 2010, UNFPA experiences a narrowing funding base for core-resources, with only 107 donors in 2016.



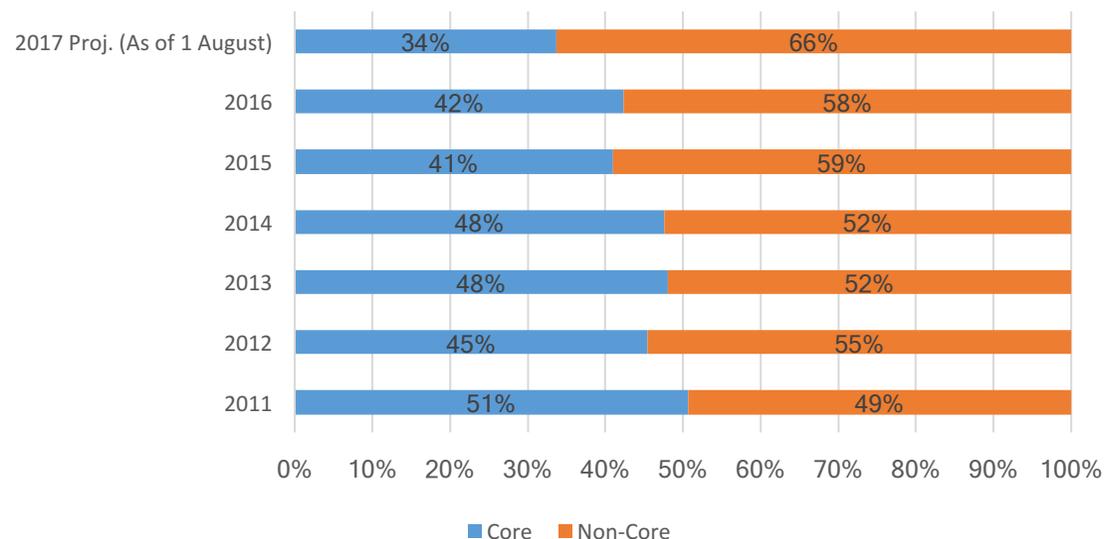
A narrow funding base for core-resources (con't)

- In 2016, OECD/DAC donors contributed 99% of total contribution revenue to core resources; the top 13 donor countries to UNFPA contributed to 95% of revenue;
- There is a need for a more equitable burden-sharing among donors to:
 - offset the impact of core-funding decrease and US cuts, and
 - significantly expand UNFPA's donorship towards a less vulnerable donor base and a more balanced community of contributors.

DONORS	% share of total Core Resources in 2016	Cumulative % share of Core Resources in 2016
1. Sweden	16.7%	16.7%
2. Norway	13.3%	30.0%
3. The Netherlands	11.1%	41.1%
4. United States	8.7%	49.8%
5. Denmark	8.0%	57.8%
6. United Kingdom	7.1%	64.9%
7. Germany	6.9%	71.8%
8. Finland	5.7%	77.5%
9. Japan	5.4%	82.9%
10. Switzerland	4.6%	87.5%
11. Canada	3.3%	90.8%
12. Belgium	2.2%	93.0%
13. Australia	2.0%	95.0%
Other Regular Contributions	5.0%	100%

Core and non-core contributions - Trends 2012-16

The proportion of core resources compared to non-core resources continues to diminish.



Core resources and additional mobilized non-core resources complement each other and together allow UNFPA to effectively carry out its normative role and its universal mandate, and to cover a larger number of Member States and communities.

Funding needs for Strategic Plan 2018 - 2021

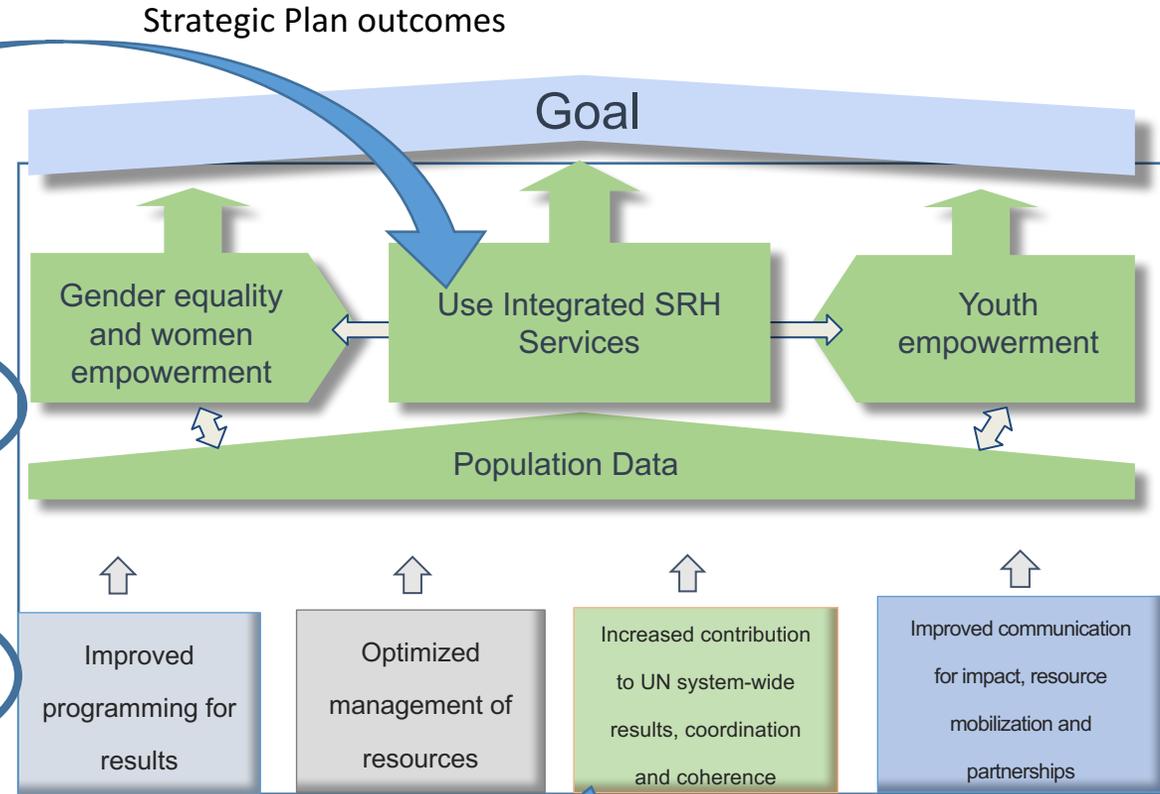


Regular Resources Total: \$1,400 M
 Other Resources Total: \$2,000 M
 Overall Total: \$3,400 M

- **Realistic targets**, based on minimum amount required to achieve the 3 transformative results of the Strategic Plan (zero unmet need for family planning; zero preventable maternal death, zero harmful practices and gender based violence)
- UNFPA will explore opportunities to **further mobilize resources beyond these targets** in order to achieve the ambition of Agenda 2030

Strategic Plan and Integrated Budget 2018-2021

1. Resources available	Integrated budget 2018-2021				Percentage of total
	Regular resources	Other resources Programme	Core recovery	Total resources	
2. Use of resources					
A. Development activities					
A.1 Programme ^{d/}	642.8	2,194.1	(146.8)	2,690.1	75.0%
A.2 Global and regional interventions	153.1			153.1	4.3%
A.3 Emergency fund	20.0			20.0	0.6%
A.4 Development effectiveness	141.0			141.0	3.9%
Total development	956.9	2,194.1	(146.8)	3,004.2	85.8%
B United Nations development coordination	9.4			9.4	0.3%
C Management activities					
C.1 Recurring costs	389.7	-	141.1	530.8	14.8%
C.2 Non-recurring costs	5.5	-	2.0	7.4	0.2%
Total management	395.2	-	143.1	538.3	15.0%
D. Special purpose					
D.1 Premises capital plan	10.3	-	3.7	14.1	0.4%
D.2 ICT transformation	20.0	-		20.0	0.6%
Total special purpose	30.3	-	3.7	34.0	0.9%
Total use of resources (A+B+C+D)	1,391.8	2,194.1	0	3,585.9	100.0%



Organizational effectiveness and efficiency (OEE) outputs



Towards a new compact for predictable and sustainable funding



- Moving away from a situation where the Executive Board approves a strategic plan without the necessary level of predictable funding to implement it.
- In the spirit of the SG's report, working with you towards a **funding compact** where:
 - UNFPA would commit to excellence in programming, and to transparency and accountability in management.
 - Partners would commit in turn to adequate levels of predictable funding for the strategic plan.
- The aim is for partners to commit to a funding compact throughout **the three cycles of the Strategic Plan towards 2030.**
- How can we get there?

What would such a “compact” achieve?

- Achieve **sustainability of global funding for UNFPA’s mandate**, and provide **predictable and adequate levels of funding for the 3 transformative results of the 2018-2021 Strategic Plan**.
- The funding compact rests on the availability of core resources as **the foundation/bedrock with which we achieve those results**. It funds **UNFPA’s global normative role and footprint as the champion for sexual and reproductive health and reproductive rights for all**.
- Foster a **more mature trust-based partnership based on regular dialogues**, focusing on:
 - Funding gaps
 - Accountability and efficiencies
 - Communication for results
 - Any other issue to be addressed to further the partnership

What we propose:

1. Making UNFPA funding more attractive



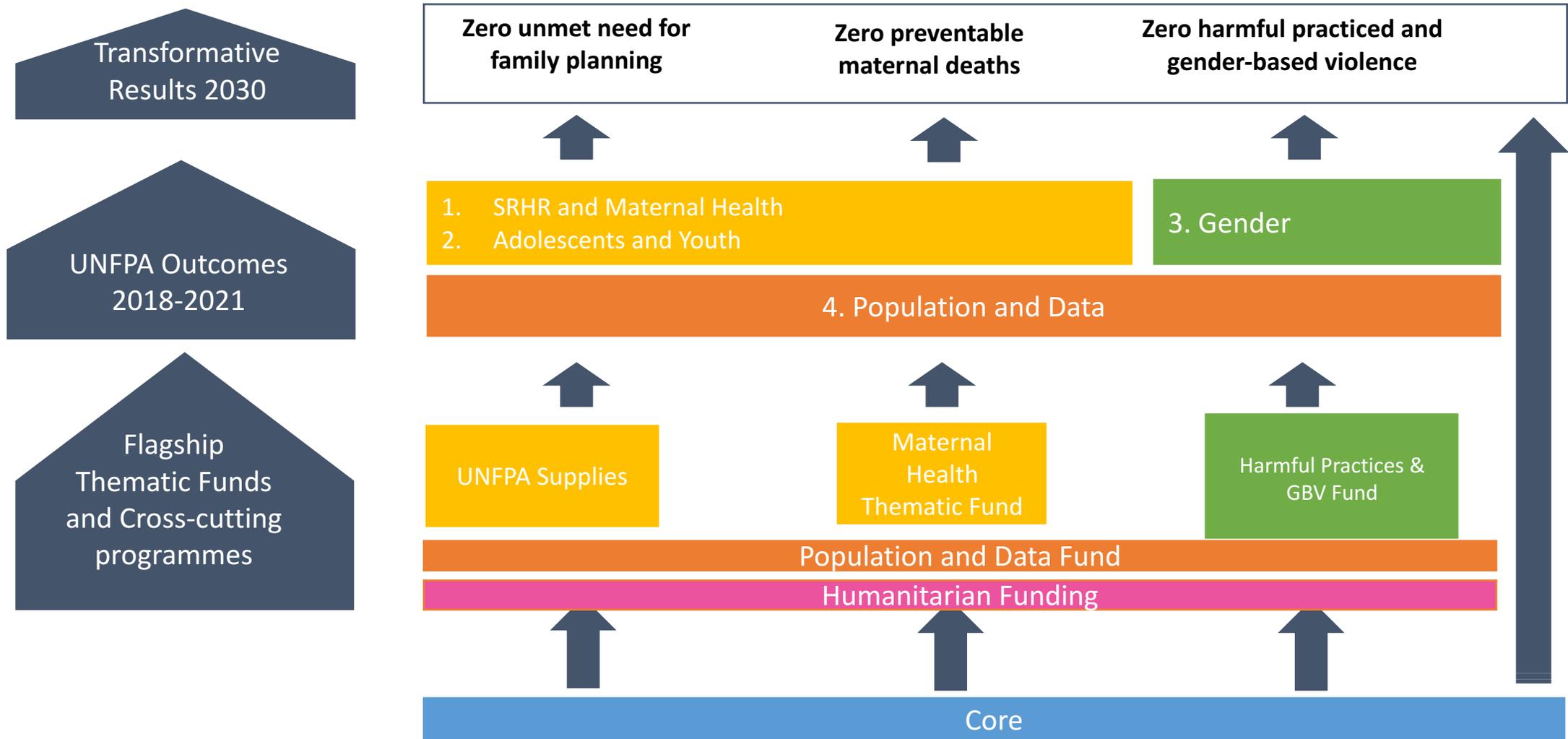
- The **Comprehensive Resource Review (CRR)** expected to make UNFPA's structure fit-for-purpose to implement the new Strategic Plan:
 - Optimal alignment between the strategic plan, resource allocation and organizational structures
 - Analysis of UNFPA structures and spending categories, and identification of key levers for transformational organizational change identified for further in depth consideration
- Going forward, we aim to arrive at an even **clearer delineation** of what 'core' constitutes and pays for, viz. non-core resources; core resources being used to ensure a global presence and footprint to perform the global and regional functions necessary to support the mandate, integrity and resource mobilization platform of the Fund, and to raise additional non-core resources
 - ✓ Why? Because we want to build trust and understanding around core funding needs

1. Making UNFPA funding more attractive (con't)



- **Positioning thematic funding streams** that facilitate flexible and predictable contributions towards the three transformative goals
 - ✓ Why? Because we want to fully align all funding streams towards the three transformative goals and maximize the impact of all partners' contributions.

Structured financing architecture underpinning transformative results



2. Continue to Strive for more Efficiencies

- As spelled-out in the IB, additional gains in operating efficiencies, the result of systematic reviews, and reductions of expenditures throughout cost categories in all UNFPA business units in HQ and in the field.
- As a result of the **Comprehensive Resource Review**, potential further efficiencies to make UNFPA's organizational structure fit-for-purpose

3. More transparency, visibility and recognition for our partners



- **Core contributors will become UNFPA’s “shareholders”**. As such their contribution to every result achieved with core and non-core is fully recognized.
- UNFPA commits to **excellence in implementing the International Aid Transparency Initiative (IAITI)**, ensuring visibility of our operations throughout the delivery chain, and for greater coordination in emergencies (as per Grand Bargain commitments).
- UNFPA commits to **more tailored communication and visibility products**: revised transparency portal, donor pages, and other digital tools ...

4. Build on Resource Mobilization and Partnership initiatives



- **150 donors Campaign**
- **End of Year Campaign:** Acceleration of RM efforts by targeted outreach
- **Boosting efforts at regional and country levels**, using differentiated messages based on local contexts and priorities, through:
 - Tailored RM strategies for each Country Program Document, with strong engagement of Regional directors, country representatives and RMPAs
 - Specific RM plans for selected countries with high prospect: “RM engines”
- **Strategic partnerships:** achieving a steady increase in resources (Co-Financing, In-kind) from non-traditional donors through strategic partnerships, further exploring blended financing potential, funds from development banks, bridging mechanisms for UNFPA supplies ...

Structured Discussion

Moving forward...

- What are the EB views on such a funding compact? It is feasible?
- How to ensure that the funding compact engages programme and donor countries altogether?
- How to further enhance the structured funding dialogues: content, frequency, format, participation of non-state actors ?
- How can we best use the funding dialogues to fulfill the objectives set out in the SG's Report, including recommendations for a UNDS funding compact?

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