Structured Financing Dialogue

16 February 2018 - Presentation by Arthur Erken, Director DCS
AGENDA

✓ Financial updates & analysis 2017
✓ Perspectives and Plans 2018
✓ UNFPA draft proposal to the Executive Board on Structured Financing Dialogues
✓ UNFPA Funding Compact: A Concept Note
Financial updates 2017

Analysis of past trends, and lessons learnt
Main take-away 2017

An exceptionally challenging year financially and as an organization

But …

✓ exceptional efforts to refocus, communicate and mobilize
✓ great solidarity from our traditional donors to bridge the core-gap and to maintain life-saving activities and humanitarian action
✓ international mobilization on FP (London Summit), women’s and girls rights (She Decides)
✓ consolidation of partnerships with the EU and Banks: diversification of arrangements: IADB, IsDB), DevCo, ECCO
✓ great momentum around the Strategic Plan
Between 2014-2017 UNFPA mobilized 82% of its Core Target for the period 2014-2017 and 97% of its Non-core financing Target.
CORE RESOURCES
Core Funding Overview – All Donors

- **Core Contributions (USD)**
  - 2014: $477M
  - 2015: $398M
  - 2016: $353M
  - 2017 (still subject to change): $350M

- **Number of Contributors**
  - 2014: 114
  - 2015: 120
  - 2016: 107
  - 2017 (still subject to change): 120
2017 Top 25 donors to UNFPA’s Core resources

2017 Data are provisional and still subject to changes

<table>
<thead>
<tr>
<th>SP Target</th>
<th>Actual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$486m</td>
<td>$350m</td>
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</table>

Top 10 Donors contribute to almost 90% of total Core
Programme Countries & NON-OECD Donors to Core Resources Trends 2011-2017

USD Millions

- NON-OECD Donors Core in USD
- Programme Countries Core in USD
- % of NON-OECD Donors and Programme Countries of Core

<table>
<thead>
<tr>
<th>Year</th>
<th>NON-OECD Donors Core (USD Millions)</th>
<th>Programme Countries Core (USD Millions)</th>
<th>% of NON-OECD Donors and Programme Countries of Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$4</td>
<td>$5</td>
<td>1.0%</td>
</tr>
<tr>
<td>2012</td>
<td>$5</td>
<td>$5</td>
<td>1.0%</td>
</tr>
<tr>
<td>2013</td>
<td>$5</td>
<td>$5</td>
<td>1.0%</td>
</tr>
<tr>
<td>2014</td>
<td>$4</td>
<td>$5</td>
<td>0.9%</td>
</tr>
<tr>
<td>2015</td>
<td>$5</td>
<td>$5</td>
<td>1.1%</td>
</tr>
<tr>
<td>2016</td>
<td>$4</td>
<td>$5</td>
<td>1.3%</td>
</tr>
<tr>
<td>2017</td>
<td>$5</td>
<td>$5</td>
<td>1.3%</td>
</tr>
</tbody>
</table>
Share of Core resources from Programme Countries & NON-OECD Donors 2017

7 NON-OECD/DAC Donors & Programme Countries contributed to the large majority (75%) of the 5 M. core resources:

- China ($1.2 M);
- Pakistan ($0.55 M);
- India ($0.5 M);
- Saudi Arabia ($0.5 M);
- Russian Federation ($0.3 M);
- Turkey ($0.15 M);
- Thailand ($0.15 M);
Main core-funding challenges


- **Narrow base** of large core contributors with only 10 donors contributing to 90% of 2017 revenue > vulnerability to decrease or defunding;

- **Stagnant core contributions from programme countries and non-OECD DAC** donors: only 1.3% of UNFPA total core resources;

- **Only 1/3 of donors** provide **multi year core-funding** & the majority are 40K or below;

- Majority of payments of core commitments occur **late in the year** > planning & implementation challenges;

- Some funding & national government **partners unwilling to include eligible direct costs or to comply with cost-recovery rate** > cross-subsidization & further erosion of core-resources.
NON-CORE RESOURCES
High volatility of non-core resources

Highly fragmented sources of funding

Largest share of non-core coming from donor governments

Steady but moderate growth for:
- Donor Governments
- UN Entities
- Private Sector

Modest yet increasing share for:
- Programme Countries
- European Union

*2017 data are still provisional
Top 25 donors to UNFPA's non-core resources - 2017

<table>
<thead>
<tr>
<th>SP Target</th>
<th>Actual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$656m</td>
<td>$725m</td>
</tr>
</tbody>
</table>

USD Millions
The number of agreements grew by 75%, while the average value of agreements decreased by -21%.

- This shows a decrease of Average Value per Single Agreement compared to 2014.
- This means higher transaction costs.

Number of agreements is expected to further grow, as new agreements are being recorded to date for 2017.
Strategic Partnerships
In 2017
Strategic Partnerships Results - 2017

Total contributions raised

$22.4* million

* Note: Figures are provisional and still subject to final reconciliation.
Strategic Partnerships Results - 2017

Total partnerships formed

88

* Note: Figures are provisional and still subject to final reconciliation.
Humanitarian Activities 2017
Humanitarian Funding 2017

- UNFPA global humanitarian requirements increased from US$78 million in 2006 to $424 million in 2017

- This mirrors global humanitarian trends: the “new normal” characterized by **protracted & complex crises**

- UNFPA humanitarian contributions recorded: $165.4 M. representing 23% of total non-core

- The **US defunding had a negative impact on UNFPA’s humanitarian operations**, but some Donors (Nordic Countries, Italy, EC-DG ECHO, Australia) stepped up their contributions, especially for Syria & Iraq

- Based on humanitarian contribution recorded, the **2017 humanitarian Appeal was 39% funded** leaving many emergencies underfunded (**Kasai, Rohingya, Yemen, etc**)

2017 is a provisional figure, still subject to changes
## UNFPA’s Top Humanitarian Donors in 2017

### 2017 (still subject to changes)

<table>
<thead>
<tr>
<th>Ranks</th>
<th>Donor</th>
<th>Contributions revenue in USD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>European Commission</td>
<td>42</td>
<td>25%</td>
</tr>
<tr>
<td>2</td>
<td>OCHA</td>
<td>33</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>Canada</td>
<td>25</td>
<td>15%</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>9</td>
<td>5%</td>
</tr>
<tr>
<td>5</td>
<td>Norway</td>
<td>7</td>
<td>4%</td>
</tr>
<tr>
<td>6</td>
<td>USA</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>7</td>
<td>United Kingdom</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>8</td>
<td>Denmark</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>9</td>
<td>Sweden</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>10</td>
<td>UNDP</td>
<td>4</td>
<td>3%</td>
</tr>
<tr>
<td>11</td>
<td>Republic of Korea</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>12</td>
<td>Finland</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>13</td>
<td>Netherlands</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>14</td>
<td>Australia</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>15</td>
<td>Other Donors</td>
<td>11</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>165.4</strong></td>
<td></td>
</tr>
</tbody>
</table>
Lessons learned & Perspectives for 2018
Lessons learned

✓ Setting achievable yet ambitious **RM targets** in countries had positive impact
✓ Maintaining the **focus on the 4 objectives of the RM Strategy** has generated good results
✓ Importance of **investment in RM capacities** in the field & clear accountabilities for RM results
✓ **Excellence** in programming, reporting & communicating matters much: **confidence** of donors in UNFPA
✓ **Resources Mobilization Strategy** still relevant and aligned to SP

BUT…
✓ Less successful in addressing **fragmentation of resources**
✓ More to be done to **broaden the core-funding base**
Perspectives and Objectives for 2018 & beyond

For core-resources

- Maintaining or surpassing the level of 350 M. throughout the entire cycle of the Strategic Plan > but it will be a challenge

- Additional **core mobilized will be invested in programmes**

- **Uncertainties** on revenue projections due to potential volatility of exchange rates & conditional payments

- Increasing the number of **core donors** from 120 to **150**

- Increasing the % from non-OECD DAC & countries from **1.3 %** to **5-10%**

For non-core & thematic funding

- **Optimized and fully aligned funding streams** to support the achievement of the SP transformative results
OUR PROPOSALS
OUR PROPOSALS CONSIST OF …

- Enhancing **structured financing dialogues** (focus on quality funding, gaps, etc.)
- Launching **UNFPA FUNDING COMPACT: Transforming the Live of women & young people** (core resources)
- Contributing and aligning to **SG-UNDS funding reforms** (contours yet TBC)
- Consolidating **UNFPA funding architecture (addressing fragmentation of resources)**
  - Country Programme Documents funding model
  - Funding innovation and blended finance
- Strengthening and leveraging promising **Partnerships** (EU, IFIs, Pg countries…)
- **Tracking and reporting** resources and results
- **Visibility and recognition** to our donors (Donors Pages)
UNFPA Draft proposal to enhance SFD

Guiding principles

✓ Regularity throughout the year
✓ Structured, yet interactive and flexible
✓ Framed in the context of the UN SG Reforms
✓ From funding to financing the SDGs
✓ Ownership of the dialogues by all member states
✓ Focused on:
  ❖ predictable & sustainable funding, quality non-core resources
  ❖ aligning resources with needs,
  ❖ visibility to results achieved with donor funding;
✓ Consistency of approaches with the other F&Ps
UNFPA Draft Proposal to enhance SFDs

Main highlights of past year
Funding situation at the
beginning of year
Funding gaps & perspectives
Latest developments on
thematic/joint/humanitarian
and other non-core funding,
innovative financing

DSD Dialogue on Funding Compact

First Regular Session

UN Pledging Conference for Development Activities

1st Dialogue February

ECOSOC Operational Activities Segment

2nd Dialogue May

Funding situation at mid-year
Projections for the rest of the year
Other relevant aspect of financing

Annual Session

Annual reports, including statistical and financial review

3rd Dialogue September

Second Regular Session

Annual Report on Contributions, Progress achieved & main challenges per funding instrument
Funding gaps, focus on additional pledges needed
Perspectives for upcoming year

Report on contributions by Member States and others to UNFPA and revenue projections for 20XX and future years
UNFPA Funding Compact: Transforming the Lives of women & young people

- What is UNFPA Compact for Core Resources?
- Why is a Funding Compact for core resources needed?
- What does it aim at achieving?
- How would it look like and work?
- How does it relate to the Secretary General Funding Compact?
Funding Compact between UNFPA & member states

UNFPA commits to:

- Excellence in Programming
- Transparency in Financing
- Accountability in Management & Reporting
- Visibility & Recognition

Member States commit to:

- Structured Financing Dialogue
- Adequate predictable levels of Core-Funding for the implementation of the SP 2018-21

Agreement between UNFPA and Member States

TARGETS 2018-21
- From 120 to 150 core-contributors
- From 1.5% to 5-10% of non-OECD/DAC & Programme countries
- Maintaining or surpassing $350 M. / year
UNFPA funding architecture

Transformative Results

Zero unmet need for Family Planning
Zero preventable Maternal Deaths
Zero GBV and Harmful Practices

SP Outcomes

Global Trust Funds
Regional Trust Funds
Country level

UN Joint/Pooled Funding

SG Compact

UNFPA Supplies
Maternal Health TF
Humanitarian TF
Population & Data TF

Issue-based, Regional or Multi-Country Programmes and Initiatives

Country Programme Funding (CPDs)

Thematic / Strategic Joint UN Programmes & Multipartners Trust Funds

CORE – foundation/bedrock (Target: 350 M./y. or more)

Highest correlation with the SP results
Most effective, flexible & predictable resources
Lowest transaction cost, standard reporting

Non-CORE

Ranges from structured/multi-year programmes to Ad-hoc/short-term projects
(Target: 500 M./y. or more)
DIALOGUE with member states

Comments & Suggestions covering:

- Financial updates & analysis 2017
- Perspectives and Plans 2018
- UNFPA draft proposal to the Executive Board on Structured Financing Dialogues
- Concept Note on UNFPA Funding Compact
UNFPA
Delivering a world where every pregnancy is wanted, every childbirth is safe and every young person’s potential is fulfilled.

United Nations Population Fund
www.unfpa.org