Structured Financing Dialogue – Presentation to the Executive Board, by Arthur Erken, Director, Division Communication & Strategic Partnership, 30 May 2018
AGENDA

✓ UNFPA Proposal to Enhance SFDs
✓ Funding Situation, May 2018
✓ Update on Strategic Partnerships
✓ Discussion
UNFPA’s PROPOSAL TO ENHANCE STRUCTURED FINANCING DIALOGUES
UNFPA Main Funding Challenges – A Recap

Core resources
- **Downward trend in core-funding**
- **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**
- Majority of payments of core commitments occur **late in the year** > planning & implementation challenges;

Non-core resources
- **Some partners unwilling to include eligible direct costs or to comply with cost-recovery rate** > cross-subsidization & further erosion of core-resources.
- **High volatility** of non-core resources
- **Highly fragmented** sources of funding
Ambition and Key Features of the Dialogues

- Help **align resources to needs** of countries
- Keep **member states engaged and informed** throughout the year
- Discuss and find **solutions to challenges, funding gaps** etc.
- Consolidate **UNFPA funding architecture**: addressing fragmentation of resources and enhancing quality funding
- **Visibility, Tracking and Reporting** on resources and results
- **A platform for MSs** to express their views, share best practices and locally tested solutions for additional resource mobilization, including domestic resources and new partnerships > **More impact on the ground**

> Advance the concept of a “**Funding Compact**” between UNFPA and member states (while UN reform’s contours are better defined)

> **“Co-Champions”** (One Donor and One Program country)
Funding Compact between UNFPA & member states

UNFPA commits to:
- Excellence in programming
- Transparency in financing
- Accountability in management & reporting
- Visibility & Recognition
- Alignment of funding architecture to the SP

Member States commit to:
- Adequate & predictable levels of Funding for the implementation of the SP 2018-21
- Help support the operationalization of the funding architecture

Mutual Commitment between UNFPA and Member States

Structured Financing Dialogues

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
- Increasing multi-year contributions
- Operationalizing the funding architecture
What do we want to achieve in 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, and we need all MSs involved, including program countries to pro-actively advocate for and invest in their own development : YOU ARE UNFPA’s SHAREHOLDERS !
- Increasing the number of donors committing to multi-year contributions
- Increasing the number of core donors from 120 to 150
- Increasing the % from non-OECD DAC & pg countries from 1.3 % to 5-10%
- Additional core mobilized will be invested in programmes

For non-core & thematic funding
- Optimized and fully aligned funding streams to support the achievement of the UNFPA’s transformative results (funding architecture operationalized)
UNFPA Draft Proposal to enhance SFDs

1st Dialogue - February
- 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

2nd Dialogue - May
- Other Dialogues *
- 3rd Dialogue - September
- Annual Report on Contributions, Progress achieved & main challenges per funding instrument
- Funding gaps, focus on additional pledges needed
- Perspectives for upcoming year

ECOSOC Operational Activities Segment

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

First Regular Session

UN Pledging Conference for Development Activities

Second Regular Session

Report on contributions by Member States and others to UNFPA and revenue projections for 20XX and future years

*To be further defined depending on circumstances, decisions of the Executive Board and directions of the broader UN reform.
2018-2021 Targets and 2018 Revenue as of 1 May 2018 (in USD)

![Chart showing 2018-2021 SP Targets and 2018 Recorded Revenue as of 1 May.

46% Achieved as of 1 May.

- 2018 SP Target: 850
- 2018 Recorded Revenue: 395
- 2019 SP Target: 850
- 2020 SP Target: 850
- 2021 SP Target: 850

- Regular Resources: 350, 350, 350, 350
- Other Resources: 500, 500, 500, 500

SP 2018-2021

Achievement: 46%
Core Funding Overview – All Donors

- **2014**: $477 million
- **2015**: $398 million
- **2016**: $353 million
- **2017**: $350 million
- **2018 recorded as of May 2018**: $150 million

**Core Contributions (USD)**

- **Gap**
- **Number of Donors**

**USD million**
Programme Countries & NON-OECD Donors to Core Resources Trends 2011-2018

**USD Million**

- **2011**: $4
- **2012**: $5
- **2013**: $5
- **2014**: $4
- **2015**: $5
- **2016**: $4
- **2017**: $4
- **2018**: $1

**% of Tot. Core Resources**

- **2011**: 1.0%
- **2012**: 1.0%
- **2013**: 1.0%
- **2014**: 0.9%
- **2015**: 1.1%
- **2016**: 1.3%
- **2017**: 1.3%
- **2018 recorded as of 1 May 2018**: 1.1%

**Legend**

- **NON-OECD Donors Core in USD**
- **Programme Countries Core in USD**
- **% of NON-OECD DAC and Programme Countries of Core**
What Core-Resources pay for?

The Paper was developed to:

✓ respond to member states request

✓ provide more clarity about the budget: which functions are paid by core-resources, in what proportion, and where they are performed (country, regional or HQ)

✓ illustrate the unique value of core resources and the complementarity between funding sources

✓ encourage all Member states to contribute to the bedrock of UNFPA, becoming UNFPA’s active stakeholders

Strong Case for Core Resources
UNFPA Funding Architecture and Thematic/Trust Funds

Transformative Results

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

SP Outcomes

Global Thematic Funds
UNFPA Supplies Maternal Health TF Humanitarian TF Population & Data TF

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

Country level
Country Programme Funding (CPDs)
Issue-based, Regional or Multi-Country Programmes and Initiatives

UN Joint/Pooled Funding

CORE – foundation/bedrock
Minimum Target 350 M./year

Non-CORE
Minimum Target 500 M./year
# UNFPA Supplies

## UNFPA Supplies

<table>
<thead>
<tr>
<th>Years</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Needs</td>
<td>233,000,000</td>
<td>252,000,000</td>
<td>273,000,000</td>
<td>758,000,000</td>
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<tr>
<td>Signed agreements</td>
<td>92,146,387</td>
<td>56,972,738</td>
<td>6,664,226</td>
<td>155,783,351</td>
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<tr>
<td>Gap (amount and percentage)</td>
<td>140,853,613</td>
<td>195,027,262</td>
<td>266,335,774</td>
<td>602,215,649</td>
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</table>


![Graph showing UNFPA Supplies Trust Fund: Needs covered and Gaps (2018)](image-url)
### UNFPA Maternal Health Trust Fund

#### Maternal Health Trust Fund - Phase III (2018-2022)

<table>
<thead>
<tr>
<th>Years</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Programmatic Needs</td>
<td>15,000,000</td>
<td>33,000,000</td>
<td>36,000,000</td>
<td>36,000,000</td>
<td>30,000,000</td>
<td>150,000,000</td>
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<tr>
<td>Signed agreements / Expected Commitments</td>
<td>9,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>49,000,000</td>
</tr>
<tr>
<td>Gap (amount and percentage)</td>
<td>6,000,000</td>
<td>23,000,000</td>
<td>26,000,000</td>
<td>26,000,000</td>
<td>20,000,000</td>
<td>101,000,000</td>
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<tr>
<td></td>
<td>40%</td>
<td>70%</td>
<td>72%</td>
<td>72%</td>
<td>66%</td>
<td>67%</td>
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</tbody>
</table>


![Bar chart showing needs covered and gaps for 2018](chart.png)
UNFPA/UNICEF Global Programme to accelerate Action to End Child Marriage

<table>
<thead>
<tr>
<th>Years</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Estimated Annual Needs</td>
<td>21,000,000</td>
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<td>21,000,000</td>
<td>21,000,000</td>
<td>63,000,000</td>
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<tr>
<td>Signed agreements/expected commitments</td>
<td>14,000,000</td>
<td>8,000,000</td>
<td>0</td>
<td>0</td>
<td>22,000,000</td>
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<td>Gap (amount and percentage)</td>
<td>7,000,000</td>
<td>13,000,000</td>
<td>21,000,000</td>
<td>21,000,000</td>
<td>41,000,000</td>
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<tr>
<td></td>
<td>33.3%</td>
<td>61.9%</td>
<td>100%</td>
<td>100%</td>
<td>65%</td>
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UNFPA/UNICEF JOINT PROGRAMME - FGM

UNFPA-UNICEF Joint Programme on Elimination of Female Genital Mutilation: Accelerating Change

<table>
<thead>
<tr>
<th>UNFPA-UNICEF Joint Programme on Elimination of Female Genital Mutilation</th>
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<tbody>
<tr>
<td>Years</td>
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<tr>
<td>-------</td>
</tr>
<tr>
<td>Estimated Annual Needs</td>
</tr>
<tr>
<td>Gap (amount and percentage)</td>
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</tbody>
</table>

8% 55.6% 83.8% 85% 60.4%

UNFPA Humanitarian Activities and New Humanitarian Action Thematic Fund (To be launched in June 2018)

<table>
<thead>
<tr>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Needs (Humanitarian Requirements)</td>
</tr>
<tr>
<td>Expected humanitarian revenue</td>
</tr>
<tr>
<td>Gap Amount</td>
</tr>
<tr>
<td>Gap percentage</td>
</tr>
<tr>
<td>Humanitarian Thematic Fund (Target year 1)</td>
</tr>
</tbody>
</table>

✓ Responding to UNFPA’s annual global appeals
✓ Flexible and multi-year funding
✓ Response, Preparedness, Humanitarian-Development Nexus
✓ 3 main programmatic areas: SRHR, GBV, humanitarian data
The new fund will focus on:

✓ Data for development, including census and civil registration
✓ Tracking progress on the SDGs and ICPD
✓ Demographic Dividend(s)
✓ Humanitarian data (migration)
IMPROVED FUNDING FOR COUNTRY PROGRAMMES

Moving towards CPDs as Resource Mobilization Instruments

- Example of Somalia and Ethiopia’s CPDs supported by Sweden and Finland
- Potential to scale-up this approach

Increasing partnerships with IFIs:
- World Bank
- Islamic Development Bank
- Inter-American Development Bank
- Caribbean Development Bank

Increased efforts to promote blended finance & Domestic RM
UPDATE ON STRATEGIC PARTNERSHIPS

https://spark.adobe.com/page/7osUTk2Cdbng4/
Discussion

Questions?

Suggestions for upcoming sessions

Next steps
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