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Integrated Budget 2018-2021 MTR

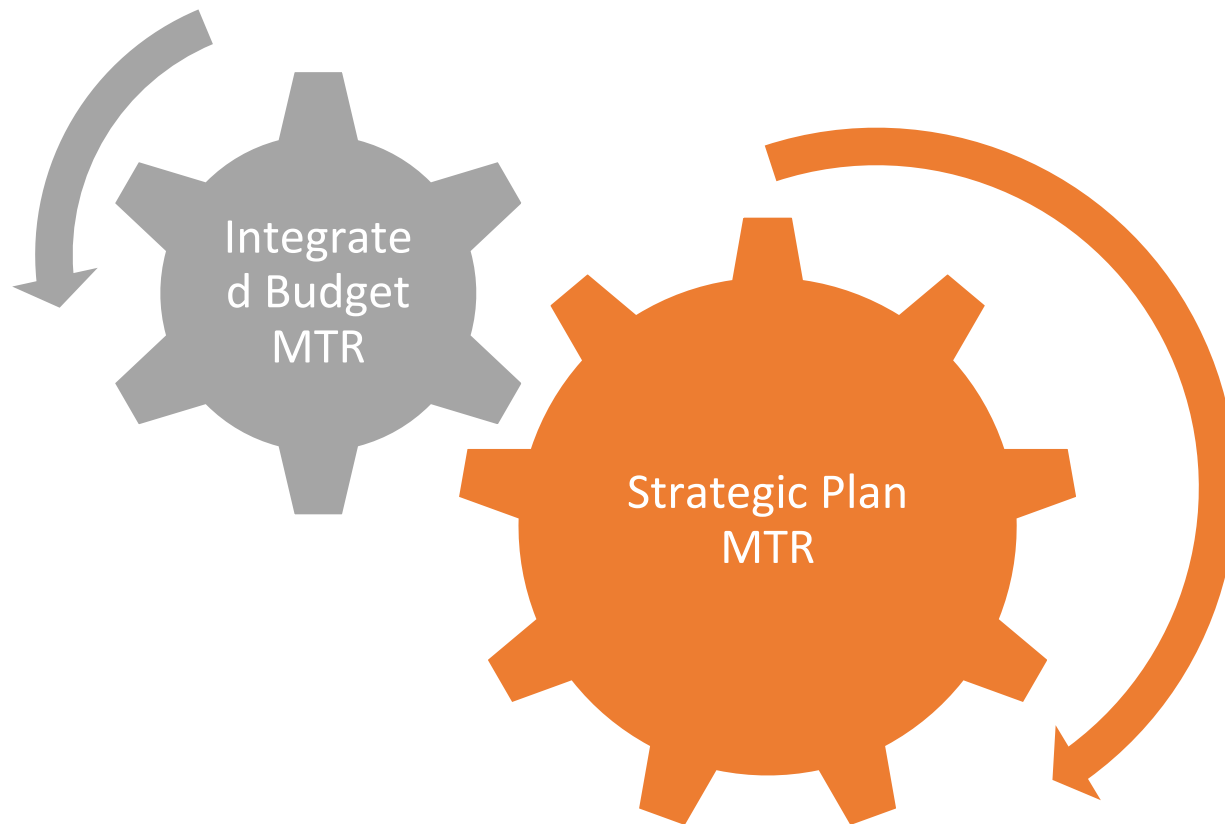
Executive Board informal consultations
5 March 2020

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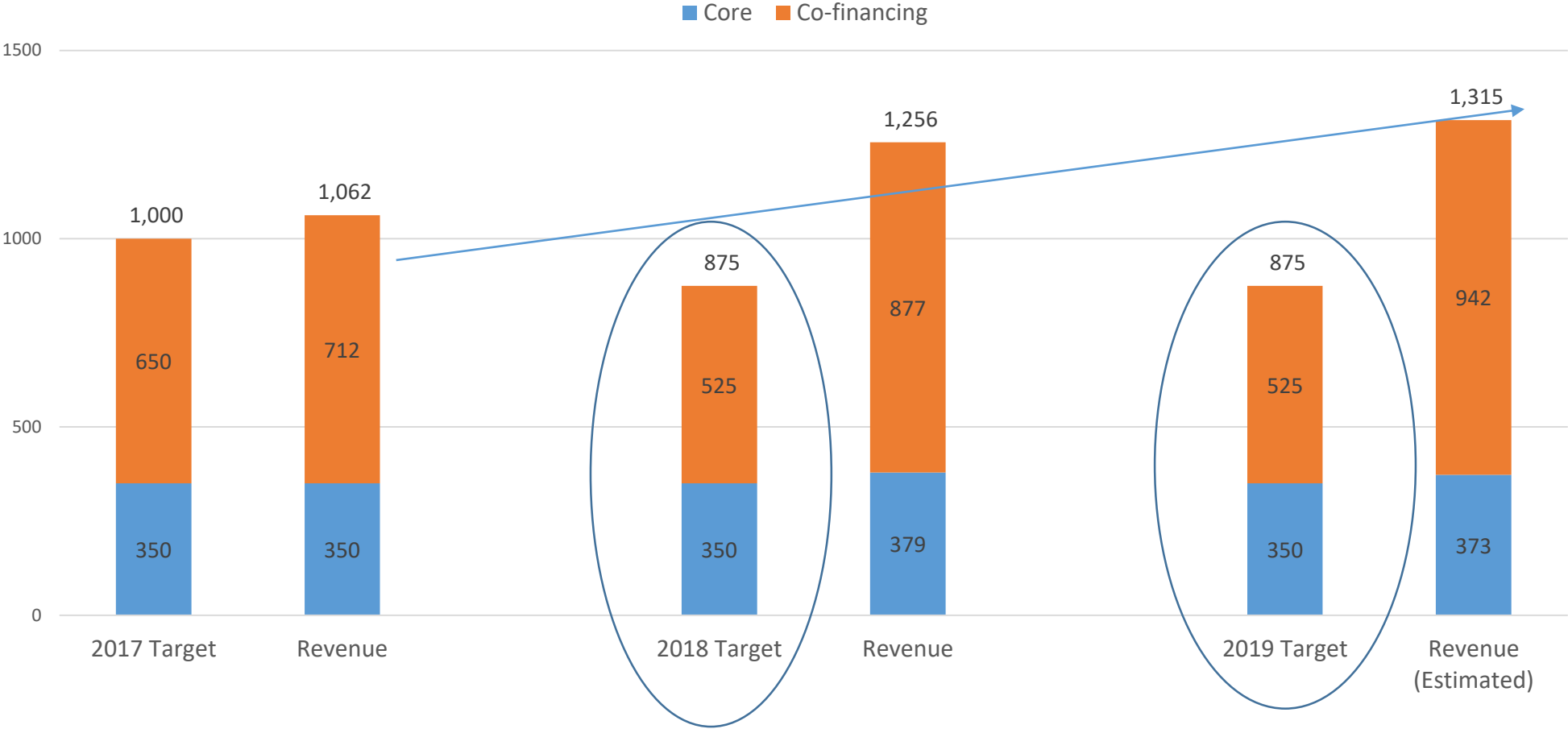


Integrated Budget 2018-2021 MTR context

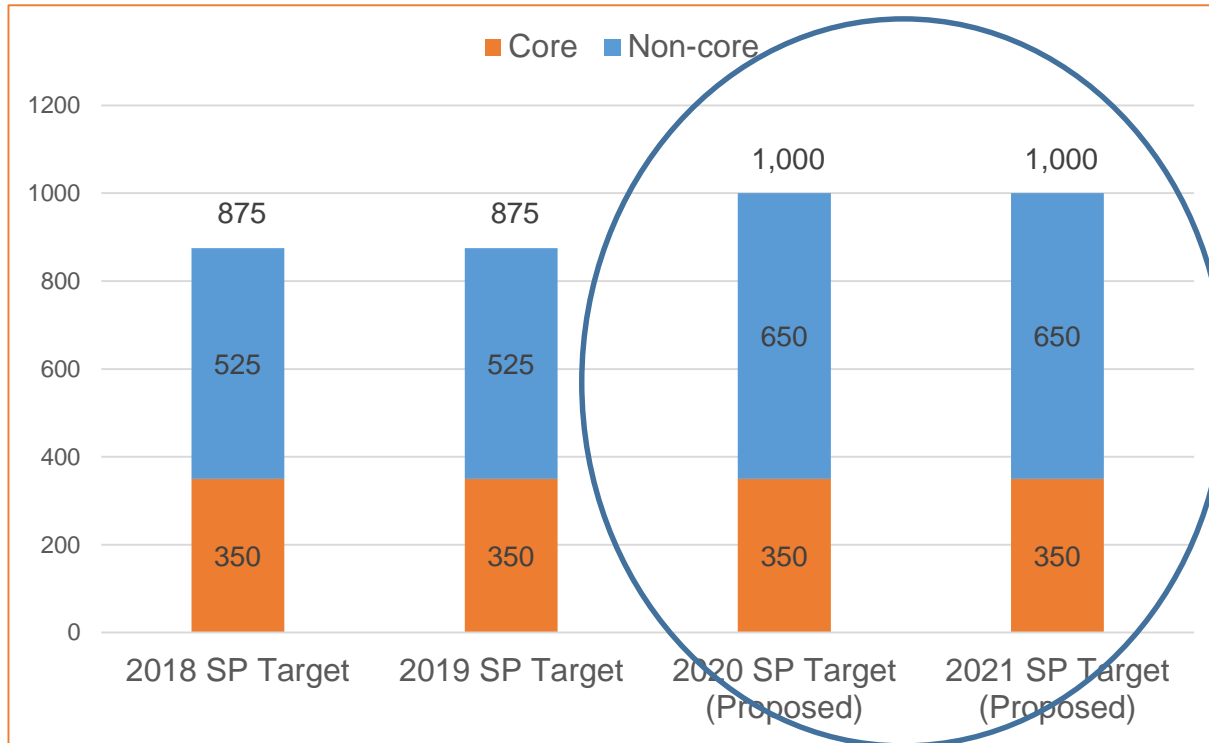


- Continued alignment with SP MTR
- Opportunity to revise income projections
- Strategic investments to support the achievement of SP development outcomes and OEE outputs
- Envisages growth to reflect the ambition and scale-up needed to achieve the 3 transformative results

Current Contribution Revenue vs SP Targets, 2017 -2019 (in millions of USD)



Revised Strategic Plan Contribution Revenue Targets, 2018-2021 (in millions of USD)



Core Total:	\$1,400M
Co-financing Total:	\$2,350M
Total 2018-2021:	\$3,750M

- New contribution targets for 2020 and 2021: \$1bn per year
- Change primarily due to increased co-financing targets; core remains the same, at the \$350m per year
- Strong results by surpassing the contribution revenue SP targets in the last three years
- Projected revenue increases expected from global thematic funds (Supplies, MHTF, Humanitarian, Data), humanitarian non-core funding, UN pooled funds, other UN inter-agency transfers (incl. EU-UN Spotlight Initiative)
- Trend is expected to grow in the context of UN reform, and programme countries contributing to their own country programmes, incl. allocating financing from multilateral development banks, demonstrating increased prioritization of UNFPA collaboration to national SDG achievement

Priority areas of resource mobilization engagement for increased non-core contribution targets, 2020-2021



Momentum expected to be carried forward in 2020 and 2021 as UNFPA:

- continues to build strong **joint programmatic and financing portfolios** with a broad range of United Nations entities for result areas that benefit from inter-agency synergies
- intensifies its **partnerships, particularly with International Finance Institutions** to support country programmes;
- engages in **outreach efforts to strengthen contribution to its thematic funds namely** UNFPA Supplies, Maternal Health Trust fund, the Humanitarian Action Thematic Fund, Population Data Thematic Fund in support of the implementation of the Strategic Plan
- accelerates **issue-based, regional or multi-country programmes and initiatives** such as the World Bank Sahel Women's Empowerment and Demographic Dividend project (SWEDD); the EU-UN Spotlight Initiative to eliminate violence against women and girls; and the EU supported Global Programme to Prevent Son Preference and the Undervaluing of Girls;
- strengthens **country level pooled funding instruments**, which facilitates pooled contributions towards multi-year delivery of UNFPA country programmes;
- Increases **collaboration with all relevant UN entities** in order to serve Governments in the achievement of the 3 transformative results - zero unmet need for family planning, zero preventable maternal deaths, and zero gender-based violence and harmful practices, and improve effectiveness of UNCT Delivery.

2018-2021 Integrated Budget MTR – process and principles



1. Bottom up approach – field and HQ offices had the opportunity to put forward proposals
2. Balances the fiduciary responsibility as well as the investments to enable further growth, with particular emphasis on risk-based approach
3. Prioritization based on several principles, ensuring alignment with the overall vision for UNFPA:
 - Alignment with the priorities of the Strategic Plan
 - Deployment of a larger share of funds to Programmes
 - Alignment with Executive Board decisions and mandates
 - Alignment with corporate priorities and change management initiatives
 - Alignment of cost structure with funding structure (regular resources and other resources)
4. Once approved, budget revision effective retroactively as of 1 January 2020 to reflect mid-point of the cycle

Fiduciary responsibility: After Service Health Insurance (ASHI)



- Fiduciary responsibility - increase in ASHI surcharge to cover service costs
- UNFPA is one of the organizations with most funded liability in the UN system
- Yet, unfunded liability still about 35%
- UNFPA payroll charges rates lower than other agencies (4% vs average 8.3%)

In order to continue with its fiduciary responsibility, UNFPA will change the ASHI charge from 4% to 8% [?] budget cost increase

ASHI charge in organizations with harmonized budget framework/Atlas:

Organization	Charges
UNDP	9.95% for all fixed-term staff (reviewed annually)
UNICEF	5% for IP staff and 4% for local NP and GS staff
UN Women	8% for all fixed-term staff
UNSSC	10.35% for all fixed-term staff
UNTAR	11% for all fixed-term staff
UNCDF	6% for all fixed-term staff
UNFPA (current)	4% for all fixed-term staff

Programmes

1. Resources available	Integrated budget, 2018-2021 - DP/FPA/2018/8/Corr.1					Integrated budget, 2018-2021 (MTR)				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
Summary programme										
Country programme	716.5	2,325.1	(155.6)	2,886.0	76.6%	721.9	2,526.4	(169.2)	3,079.1	76.8%
Global and regional interventions	152.5	-	-	152.5	4.0%	162.7	-	-	162.7	4.1%
Emergency fund	22.5	-	-	22.5	0.6%	29.5	-	-	29.5	0.7%
Total programme	891.4	2,325.1	(155.6)	3,061.0	81.2%	914.0	2,526.4	(169.2)	3,271.2	81.6%

- Country programmes will increase by \$193.1 million (or 6.7%)
- GRI increases by \$10.2 million, reflecting cost increases (\$3.7m) and key investments in global family planning virtual network (\$1.2m), strengthened programme activities and technical support to the field offices (\$2.2m), strengthened humanitarian response (\$1.4m) as well as in programmatic partnerships to leverage post-Nairobi momentum (\$1.3m). Other minor net investments \$0.4m.
- Emergency Fund reflects \$2m increase provided in 2019 and envisages \$2.5m p.a. increase for 2020 and 2021 – part of further strengthening the humanitarian response (total \$7m increase)
- Overall ratio of total resources used for programmes increases substantially

Institutional Budget

1. Resources available	Integrated budget, 2018-2021 - DP/FPA/2018/8/Corr.1					Integrated budget, 2018-2021 (MTR)				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
Summary institutional budget										
A.2 Development effectiveness	139.4	-	-	139.4	3.7%	148.9	-	-	148.9	3.7%
B. United Nations development coordination	16.6	-	-	16.6	0.4%	16.3	-	-	16.3	0.4%
C.1 Management recurring costs	372.6	-	152.5	525.1	13.9%	380.3	-	165.9	546.3	13.6%
C.2 Management non-recurring costs	4.1	-	3.1	7.2	0.2%	3.9	-	3.3	7.2	0.2%
D.1 Special purpose - Premises capital plan	-	-	-	-	0.0%	-	-	-	-	0.0%
D.2 Special purpose - ICT transformation	20.0	-	-	20.0	0.5%	20.0	-	-	20.0	0.5%
Total	552.6	-	155.6	708.2	18.8%	569.5	-	169.2	738.6	18.4%

- Institutional budget increases by \$30.4 million, reflecting cost increases of \$15 million (\$8.3m salary scales and \$6.7 in ASHI contribution) and key investments of \$15.4 million (details in the next slide)
- Recurring management cost ratio decreases from 13.9% to 13.6%
- Overall ratio of total resources used for institutional budget shows important decrease

Institutional budget investments - organizational efficiency and effectiveness outputs



OEE	Strategic plan focus	Budget investment	USD mil. 2020-2021
Improved programming for results	Continue to strengthen programming for results , including institutionalizing new RBM benchmark framework (\$8.4 m)	• Risk-based country office strengthening – programme oversight and coordination	5.5
		• Strengthened programming for results – programme and technical support and activities	2.0
		• Independent oversight and assurance - evaluation	0.7
		• Other investments	0.2
Optimized management of resources	Strengthened leadership in particular at country level and in humanitarian setting to drive 3 zeros	• Risk-based country office strengthening – representational and operational leadership	1.6
	Strengthened independent oversight functions	• Independent oversight and assurance – audit and investigation	1.1
	Boost operational capacity esp. field operations	• Strengthened field operations support	1.4
	Optimized human resources management	• Strengthened and decentralized HR management	1.0
	Various	• Other – finance/budget alignment, regional posts alignment, last mile assurance, outsourced services etc.	1.1
Enhanced comm. for impact, resource mob. & partnerships	Strengthen comms and partnerships for resource mob. and leveraging post-Nairobi momentum	• Scaling partnerships and leveraging post-Nairobi momentum – resource mobilization and communications, websites etc.	5.9
	Various	• Strengthened coordination of PSEA (\$0.5m) and other (\$0.2m)	0.7
Proposed reductions (Country office alignment, position realignments incl. finance/budget, savings and efficiencies, RC cost sharing)			(5.8)
Net volume increases/(decreases)			15.4

Note: amounts shown for 2 years, 2020 and 2021

Integrated Budget - MTR Integrated Resource Plan



	Integrated budget, 2018-2021 - DP/FPA/2018/8/Corr.1					Integrated budget, 2018-2021 (MTR)				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
1. Resources available										
Opening balance ^{af}	48.5	458.8		507.3		48.5	458.8		507.3	
Income										
Contribution-gross	1,400.0	2,100.0	-	3,500.0		1,448.7	2,350.0	-	3,798.7	
Other ^{bf}	19.9	-	-	19.9		29.4	-	-	29.4	
Total income	1,419.9	2,100.0	-	3,519.9		1,478.1	2,350.0	-	3,828.1	
Less tax reimbursement ^{cf}	(23.8)	-	-	(23.8)		(23.6)	-	-	(23.6)	
Total available	1,444.6	2,558.8		4,003.4		1,503.0	2,808.8		4,311.8	
2. Use of resources										
A. Development activities										
A.1 Programme ^{df}	891.4	2,325.1	(155.6)	3,061.0	81.2%	914.0	2,526.4	(169.2)	3,271.2	81.6%
A.2 Development effectiveness	139.4			139.4	3.7%	148.9			148.9	3.7%
Total development	1,030.8	2,325.1	(155.6)	3,200.3	84.9%	1,062.9	2,526.4	(169.2)	3,420.1	85.3%
B. United Nations development coordination	16.6			16.6	0.4%	16.3			16.3	0.4%
C. Management activities										
C.1 Recurring costs	372.6	0.0	152.5	525.1	13.9%	380.3	-	165.9	546.3	13.6%
C.2 Non-recurring costs	4.1		3.1	7.2	0.2%	3.9		3.3	7.2	0.2%
Total management	376.7	-	155.6	532.3	14.1%	384.3	-	169.2	553.5	13.8%
D. Special purpose										
D.1 Premises capital plan	-	-	-	-	0.0%	-	-	-	-	0.0%
D.2 ICT transformation	20.0			20.0	0.5%	20.0			20.0	0.5%
Total special purpose	20.0	-	-	20.0	0.5%	20.0	-	-	20.0	0.5%
Total use of resources (A+B+C+D)	1,444.1	2,325.1	-	3,769.2	100.0%	1,483.5	2,526.4	(0.0)	4,009.9	100.0%
3. Net amounts from/(to) reserves ^{ef}	0.5	-	-	0.5		(2.3)	-	-	(2.3)	
4. Balance of resources (1-2+3)	1.1	233.7	-	234.7		17.2	282.4	0.0	299.7	

Note: OR income as per original SP targets for 2018 and 2019

Integrated Budget – Restated 4-year Integrated Resource Plan



	Integrated budget, 2018-2021 - DP/FPA/2018/8/Corr.1			
	Regular resources	Other resources Programme	Cost recovery	Total resources Percentage of total
1. Resources available				
Opening balance ^{df}	48.5	458.8	-	507.3
Income				
Contribution-gross	1,400.0	2,100.0	-	3,500.0
Other ^{bv}	19.9	-	-	19.9
Total income	1,419.9	2,100.0	-	3,519.9
Less tax reimbursement ^{df}	(23.8)	-	-	(23.8)
Total available	1,444.6	2,558.8		4,003.4

2. Use of resources				
A. Development activities				
A.1 Programme ^{df}	891.4	2,325.1	(155.6)	3,061.0 81.2%
A.2 Development effectiveness	139.4	-	-	139.4 3.7%
Total development	1,030.8	2,325.1	(155.6)	3,200.3 84.9%
B. United Nations development coordination	16.6	-	-	16.6 0.4%
C. Management activities				
C.1 Recurring costs	372.6	0.0	152.5	525.1 13.9%
C.2 Non-recurring costs	4.1	-	3.1	7.2 0.2%
Total management	376.7	-	155.6	532.3 14.1%
D. Special purpose				
D.1 Premises capital plan	-	-	-	- 0.0%
D.2 ICT transformation	20.0	-	-	20.0 0.5%
Total special purpose	20.0	-	-	20.0 0.5%
Total use of resources (A+B+C+D)	1,444.1	2,325.1	-	3,769.2 100.0%
3. Net amounts from/(to) reserves ^{df}	0.5	-	-	0.5
4. Balance of resources (1-2+3)	1.1	233.7	-	234.7

Integrated budget, 2018-2021 (MTR-restated 4 year)				
Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
48.5	458.8	-	507.3	
1,448.7	2,600.0	-	4,048.7	
29.4	-	-	29.4	
1,478.1	2,600.0	-	4,078.1	
(23.6)	-	-	(23.6)	
1,503.0	3,058.8		4,561.8	

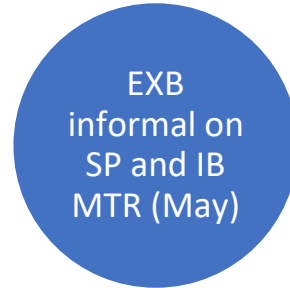
919.0	2,770.9	(185.5)	3,504.4	82.3%
153.7	-	-	153.7	3.6%
1,072.7	2,770.9	(185.5)	3,658.1	85.9%
16.3	-	-	16.3	0.4%
375.3	-	183.1	558.4	13.1%
4.8	-	2.4	7.2	0.2%
380.1	-	185.5	565.6	13.3%
-	-	-	-	0.0%
20.0	-	-	20.0	0.5%
20.0	-	-	20.0	0.5%
1,489.1	2,770.9	-	4,260.0	100.0%
(12.3)	-	-	(12.3)	
1.6	287.9	-	289.6	

Basis for comparison with next SP/IB cycle

Further improved ratios, as economies of scale improve

Institutional Budget ratio reduces from 18.8% to 17.7% even with nominal growth

Next steps - MTR



Additional consultations and
informal discussions as
needed



UNFPA

Delivering a world where
every pregnancy is wanted
every childbirth is safe and
every young person's
potential is fulfilled

Thank you!

