



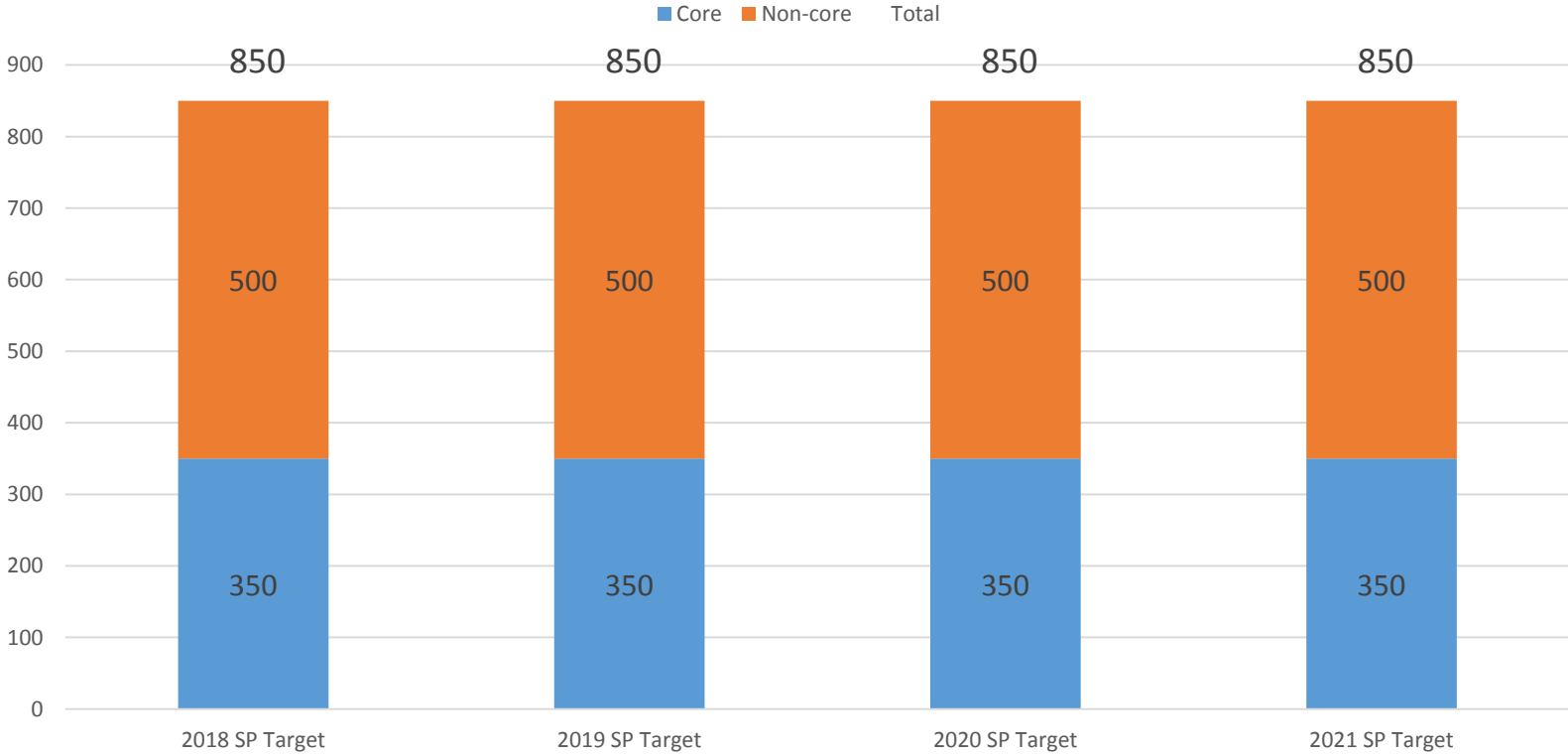
**THIS IS UNFPA**



**Integrated Budget 2018-2021**

Executive Board informal  
5 June 2017

# UNFPA Income Projection for 2018 - 2021

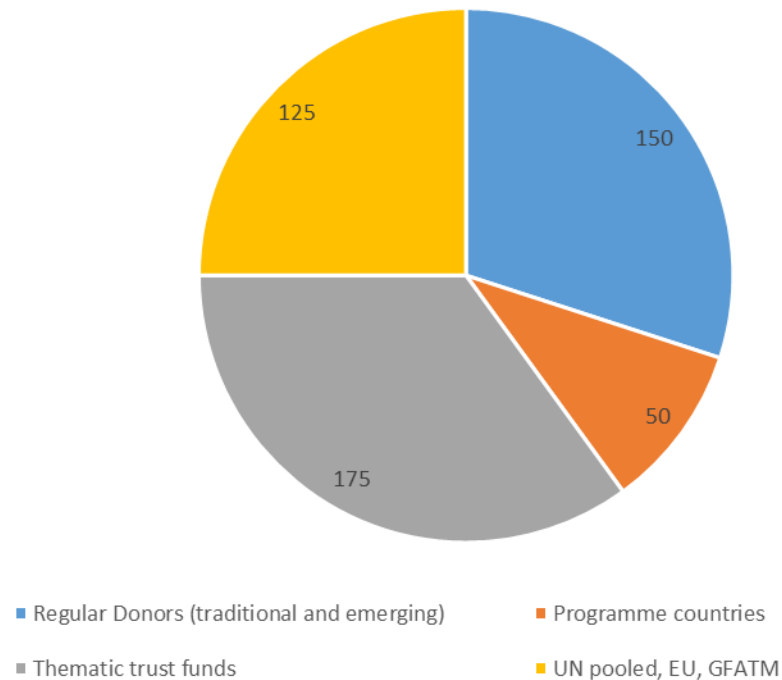


- The income projections are at realistic level
- UNFPA continues to improve its systems, strengthen outreach and communication, as well as the funding modalities and mechanisms to support programmes effectively, recognizing the different needs, challenges and opportunities to further mobilize resources beyond these targets

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

# Other Resources – key funding streams

Estimated composition of other resources (USD m p.a.)



- **Regular Donors (traditional and emerging)** - conservative considering current level of bilateral funding but recognizing increased volatility and dependence on a small number of key donors
- **Programme Countries** - increased based on census and data analysis funding prospects, strengthening of country programme documents as funding vehicles
- **Thematic Trust Funds** - continued current trend based on two existing TTFs
- **UN pooled, EU, GFATM** - continuing current trend, which can be impacted by shifts in ODA channeling and modalities

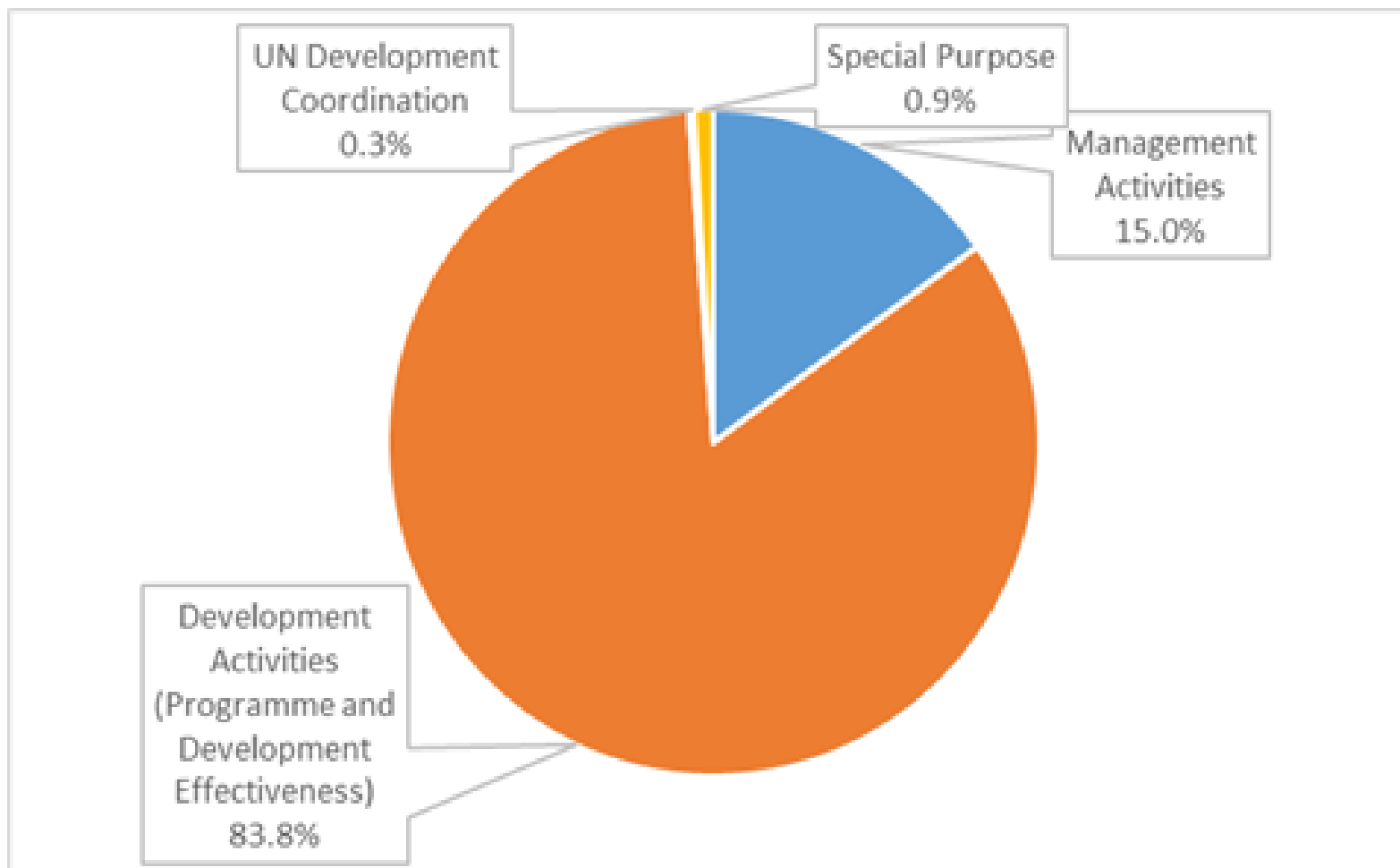
Conservative projections compared to 2014-2017 targets – based on realistic assumptions

# Integrated Resource Plan 2018-2021



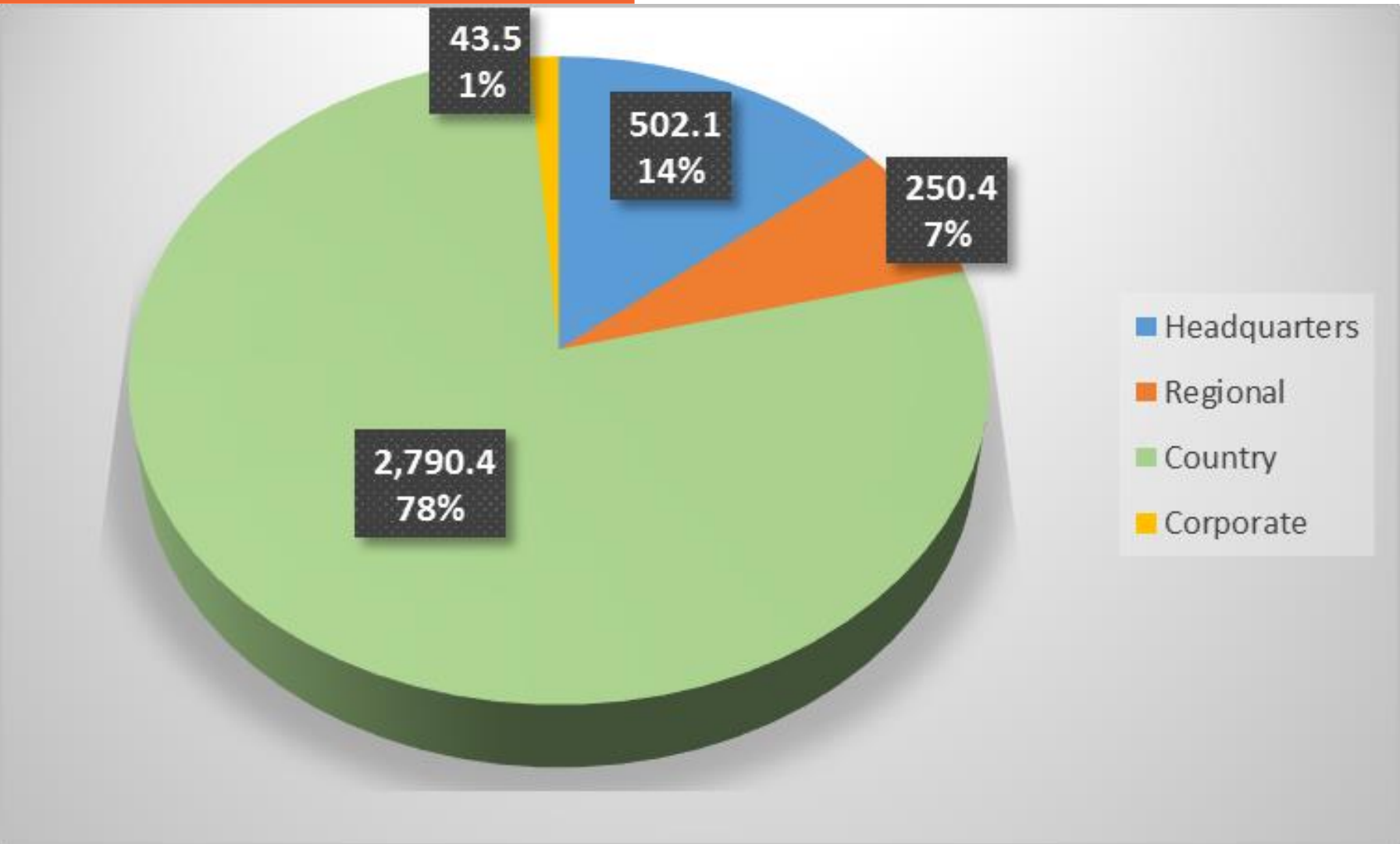
	Integrated budget, 2014-2017 - DP/FPA/2016/3					Integrated budget, 2018-2021				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
<b>1. Resources available</b>										
Opening balance <sup>a/</sup>	6.1	321.9		328.0		0.1	416.4		416.5	
Income										
Contribution-gross	1,565.0	2,398.6	-	3,963.6		1,400.0	2,000.0	-	3,400.0	
Other <sup>b/</sup>	29.7	(13.0)	-	16.7		20.1	-	-	20.1	
Total income	1,594.7	2,385.6	-	3,980.3		1,420.1	2,000.0	-	3,420.1	
Less tax reimbursement <sup>c/</sup>	(21.3)	-	-	(21.3)		(23.8)	-	-	(23.8)	
<b>Total available</b>	<b>1,579.5</b>	<b>2,707.5</b>		<b>4,287.0</b>		<b>1,396.4</b>	<b>2,416.4</b>		<b>3,812.8</b>	
<b>2. Use of resources</b>										
<b>A. Development activities</b>										
A.1 Programme <sup>d/</sup>	925.6	2,291.1	(150.4)	3,066.3	78.0%	642.8	2,194.1	(146.8)	2,690.1	75.0%
A.2 Global and regional interventions	213.8			213.8	5.4%	153.9			153.9	4.3%
A.3 Emergency fund	14.0			14.0	0.4%	20.0			20.0	0.6%
A.4 Development effectiveness	127.3			127.3	3.2%	141.0			141.0	3.9%
Total development	1,280.7	2,291.1	(150.4)	3,421.4	87.1%	957.7	2,194.1	(146.8)	3,005.0	83.8%
<b>B. United Nations development coordination</b>	8.5			8.5	0.2%	9.4			9.4	0.3%
<b>C. Management activities</b>										
C.1 Recurring costs	338.2	0.0	145.4	483.6	12.3%	392.2	-	138.6	530.8	14.8%
C.2 Non-recurring costs	11.6		5.1	16.7	0.4%	4.4		2.8	7.2	0.2%
Total management	349.9	-	150.4	500.3	12.7%	396.6	-	141.4	538.0	15.0%
<b>D. Special purpose</b>										
D.1 Premises capital plan						8.6	-	5.5	14.1	0.4%
D.2 ICT transformation						20.0			20.0	0.6%
Total special purpose						28.5	-	5.5	34.0	0.9%
<b>Total use of resources (A+B+C+D)</b>	<b>1,639.1</b>	<b>2,291.1</b>	<b>-</b>	<b>3,930.2</b>	<b>100.0%</b>	<b>1,392.3</b>	<b>2,194.1</b>	<b>(0.0)</b>	<b>3,586.4</b>	<b>100.0%</b>

# Integrated Budget by key cost category

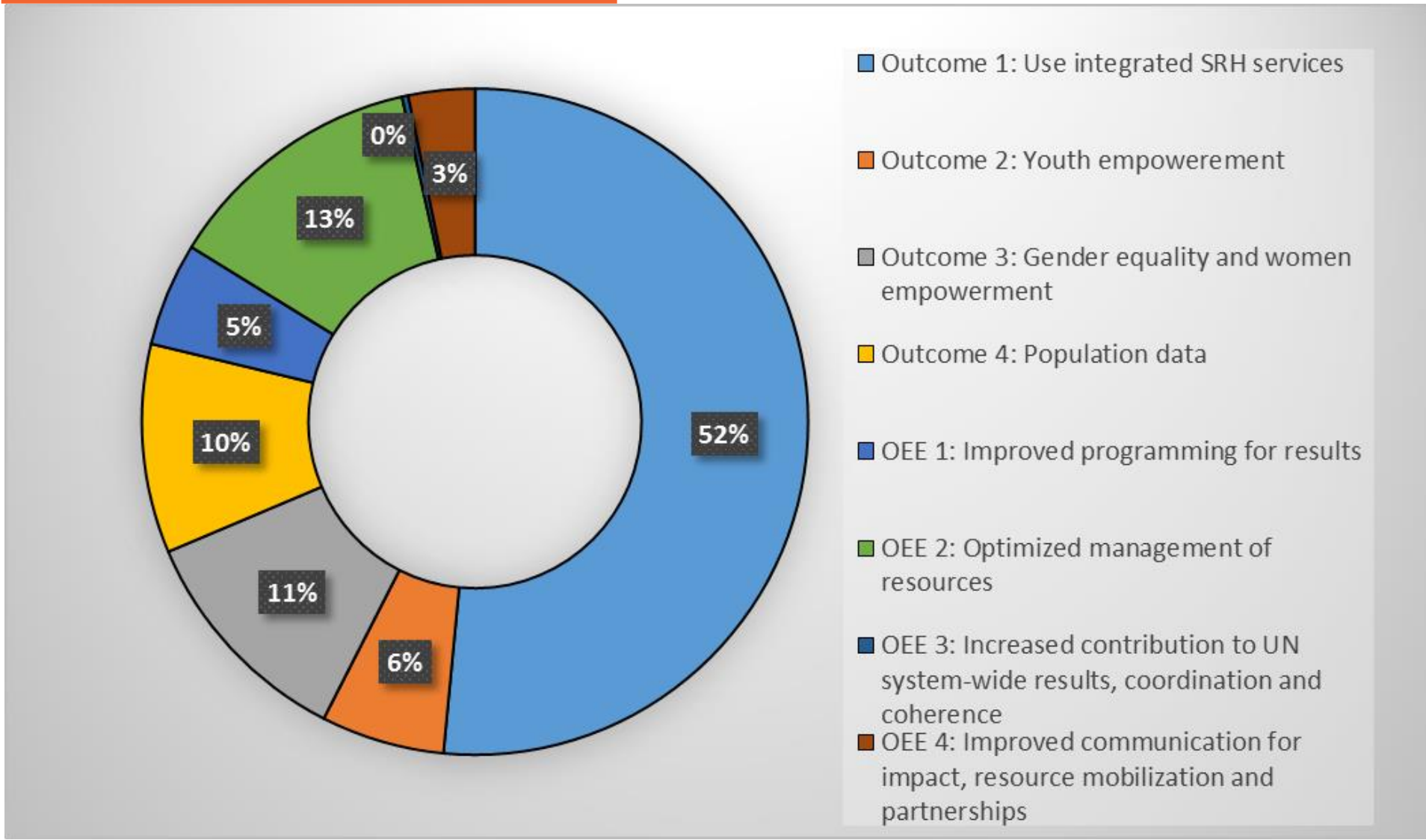


- Largest portion of resources to development activities
- Introduction of special purpose category
- Management activities proportionally higher due to lower income, transfers from programmes (GRI) and statutory increases

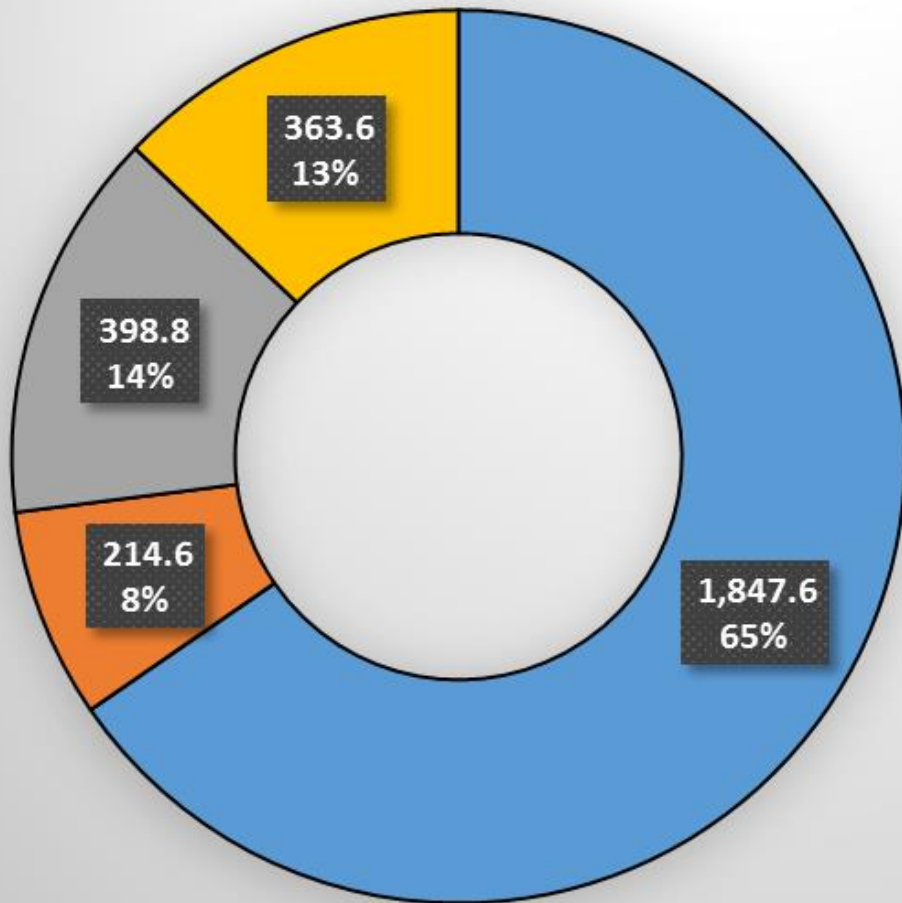
# Integrated Budget by location



# Integrated budget by SP outcome and OEE output



# Resources by strategic plan outcomes



- Outcome 1: Use integrated SRH services
- Outcome 2: Youth empowerment
- Outcome 3: Gender equality and women empowerment
- Outcome 4: Population data

Total 2018-2021 resources allocated to SP outcomes: \$2,824.6 million



# Resources by strategic plan outcomes

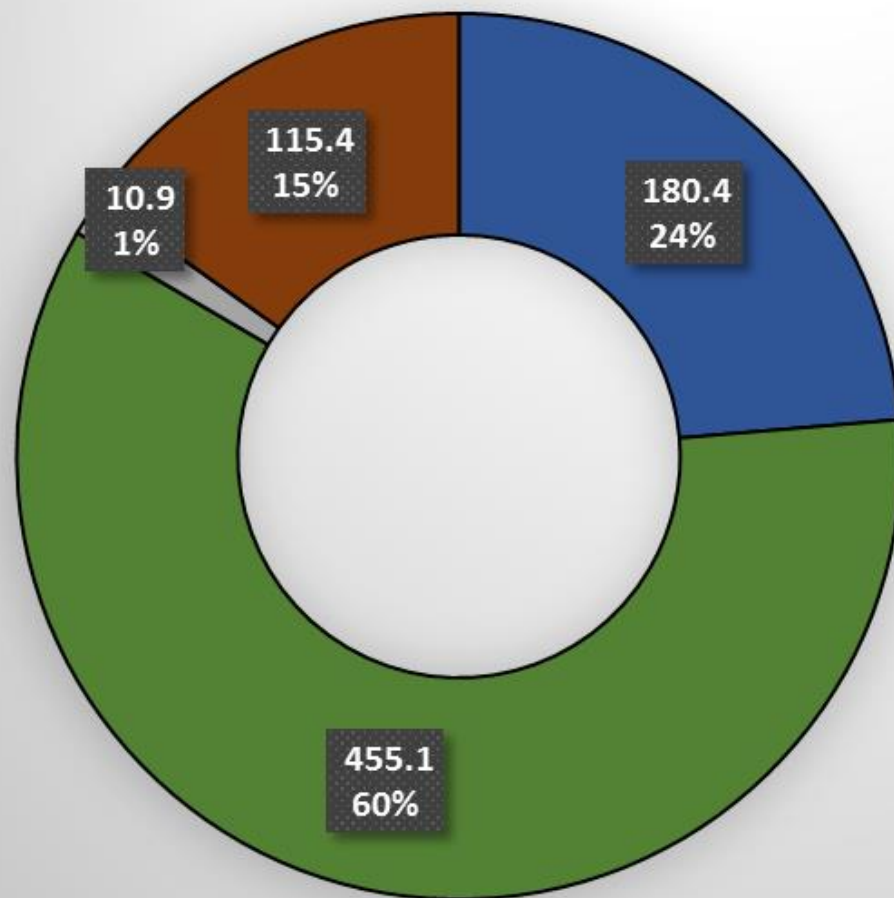
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Important elements when interpreting the link between outcomes and resources:

- Outcomes are not distinct, but are inter-related
- Programme strategies vary based on both the setting and the nature of work
- These are global estimates, informed by current priorities in the ongoing country programmes, rather than precise amounts that each country expected to spend on each outcome

The figures are estimates of UNFPA contribution, not the total necessary to reach development goals

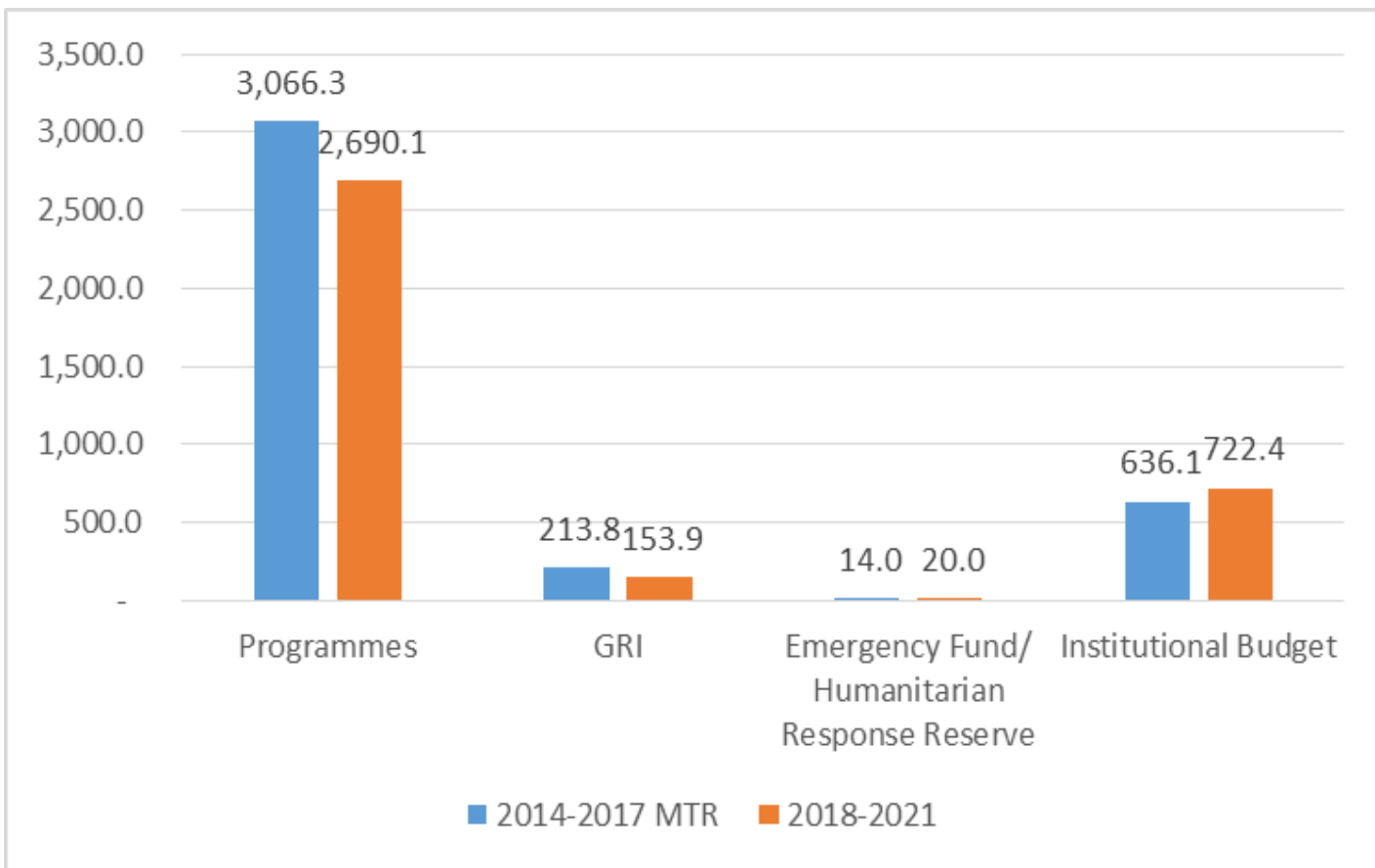
# Resources by organizational effectiveness and efficiency outputs



- OEE 1: Improved programming for results
- OEE 2: Optimized management of resources
- OEE 3: Increased contribution to UN system-wide results, coordination and coherence
- OEE 4: Improved communication for impact, resource mobilization and partnerships

Total 2018-2021 resources allocated to OEE outputs: \$761.8 million

# Integrated budget by component



- 75% of total resources allocated to programmes (overall decrease primarily due to reduced income levels plus investments in institutional budget)
- GRI reduced due to further reclassification of costs (4.3% of total)
- EF/HRR increase compared to mid-term review of 2014-2017 budget (0.6% of total)
- Institutional budget maintains significant austerity measures; however overall increase due to statutory cost increases, transfers from GRI and proposed investments (20.1% of total)

# Country Programmes

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- Will continue to receive the largest proportion of resources, for the attainment of four SP development outcomes
- Country programme regular resources will continue to be allocated through the resource allocation system (RAS), with updated indicators
- Matching funds concept for UMICs and HICs retained
- Indicative RAS ranges:

Color quadrant	2018-2021 target
Red	56-60%
Orange	14-18%
Yellow	15-17%
Pink	7-11%

# Global and Regional Interventions (GRI)

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- For the first time fully developed within the Integrated Budget process – 1 global + 6 regional action plans
- Honors commitment (DP/FPA/2013/CRP.1) to review GRI costs and reclassify to management and/or development effectiveness – (continuation of) ongoing process
- Integrated budget-neutral effect of \$39.9 million proposed transfer for the 4-year period
- The proposed transfer is one of key drivers for the increase in the Institutional Budget component

# Emergency Fund (EF) and Humanitarian Response Reserve (HRR)

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- Decision 2015/3: approved the EF increase to \$10 million plus one-time funding for the HRR at \$10 million
- Due to significant income reductions since 2015 UNFPA was unable to fully fund the EF and HRR
- Mid-term review of the Integrated Budget envisaged \$2 million annually for the EF (and no funding for HRR)
- 2018-2021 projections: annual EF/HRR combined provision at \$5m

# Institutional Budget

Key change drivers	USD million
2014-2017 budget	636.1
Statutory cost increases	52.8
GRI cost reclassification – integrated budget neutral effect	39.9
ICT Transformation - optimize programme & operations efficiencies	24.2
Premises capital plan – BOA recommendation	14.1
All others (incl. outreach, branding, communication and resource mobilization, evaluation, global engagement for ICPD and SDGs)	11.4
Reductions (including savings and efficiencies)	(56.0)
Net change	86.3
2018-2021 budget	722.4

90% of the budget increase (\$78.1m) driven by these 3 items



# ICT transformation

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- Current enterprise resource planning (ERP) systems outdated and at-risk to support key business operations
- Other applications for programme management and business intelligence incomplete and not integrated with one another, leading to inefficiencies
- Investment needed to:
  - enable fully integrated and digitized business processes
  - design a coherent information model that simplifies the tasks of reporting and knowledge usage
  - Improve interoperability with UN and other partners for joint operations
- Once new system deployed, direct ongoing costs for enterprise applications expected to be lower
- Opportunity for further strengthening internal controls framework and reduced risk of fraud, through controls already built in the systems



# Comprehensive Resource Review (CRR)

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- Inclusive, multi-phase process with senior management participation
- Goal is to ensure optimal alignment between the strategic plan, resource allocation and organizational structures through analysis of and recommendations for improved programmatic and operational efficiency and effectiveness at HQ, RO and CO levels
- To that end, all UNFPA structures and spending categories were analyzed as part of the first phase (Q2/2017)
- Recommendations and decisions for immediate, medium and long term adjustments, as applicable, are expected to be made by end 2017
- Additionally, a number of key levers for transformational organizational change were identified for further in depth consideration

# Integrated Budget – next steps

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## June

- Submission of the final budget document to ACABQ

## July

- ACABQ session

## August

- Executive Board informal consultations based on final document and ACABQ report

## September

- 5-11 September Integrated Budget document formally discussed, together with the Strategic Plan, at the Second Regular Session

UNFPA

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

**Thank you!**

