



STRUCTURED FUNDING DIALOGUES - 22 February 2019

1. Recap on Structured Funding Dialogues

Securing adequate levels of predictable financing is the linchpin for the success of UNFPA's new Strategic Plan (2018-2021) and its programmes. It is also critical to UNFPA's ability to keep pace with the growing demands for its services around the world, to fully integrate the ICPD agenda into national development strategies, and to the comparative advantage it brings to implementing Agenda 2030 for Sustainable Development.

With the adoption of the new Strategic Plan 2018-21, there is great momentum to boost the political and financial support of member states for predictable and sustainable financing in order to achieve the three ambitious transformative results, and to contribute to the implementation of the 2030 Agenda for Sustainable Development.

In line with the QCPR 2017 (A/RES/71/243), ongoing reform proposals for the UN Development System (UNDS), and Executive Board decisions, UNFPA has enhanced dialogues with member states on how to fund the development results agreed in the Strategic Plan. The goal of the structured funding dialogues is to arrive at a more diverse coalition of donors, as well as predictable and commensurate financing for the realization of universal access to sexual and reproductive health and rights for the next three cycles of the strategic plan towards 2030.

The structured funding dialogues¹ provide a unique platform for member states to gain greater understanding of the funding situation of UNFPA at various points in the year, to exchange on ways to better link results to resources, and to discuss progress of the instruments central to UNFPA funding architecture within the broader framework of the SG Funding Dialogue and Compact.

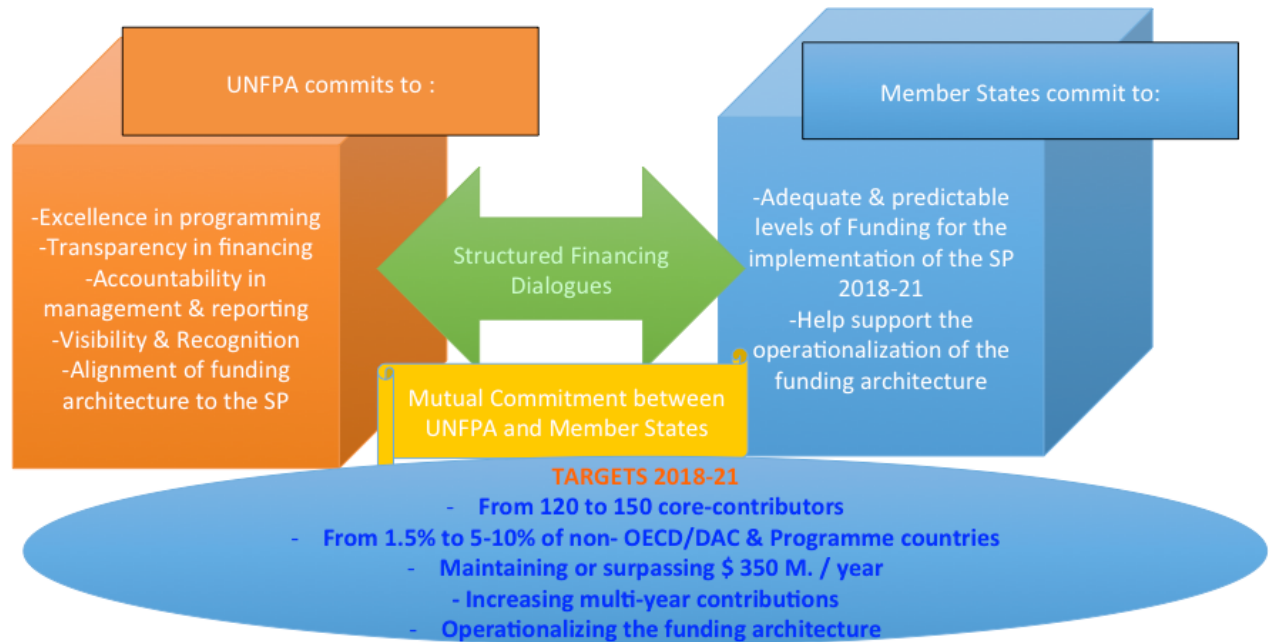
The SG Funding Compact, currently under negotiation with member states is a tool to maximize investments in the UNDS, its transparency and accountability to system-wide results. The list below presents key parameters of the SG Funding Compact. UNFPA intends to continue to significantly contribute to the realization of these parameters, including through the UNFPA SFDs:

- Improved presentation of funding requirements, at global (SP) and country level (CPD, UNDAF)
- Strengthened funding dialogues (agency specific)
- Compelling case for core
- Improved management of pooled & thematic funds
- Improved transparency on the use of resources

¹ All documents and materials on UNFPA structured funding dialogues are available on a dedicated webpage accessible at: <https://www.unfpa.org/structured-funding-dialogues>.

- Visibility & Communication of Results

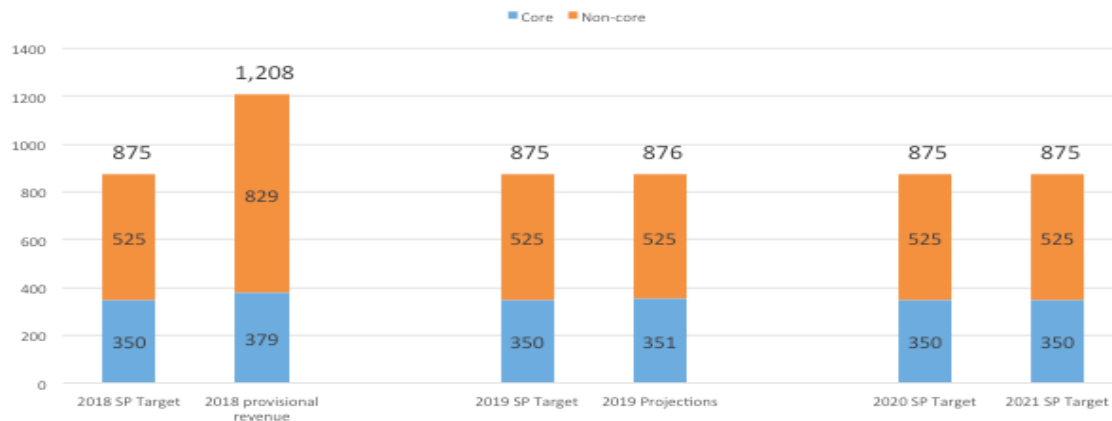
In the same spirit as the SG Funding Compact, UNFPA’s SFDs are based on a mutual commitment between the Fund and member states towards the achievement of specific targets.



2. Update on funding (as of February 2019)

Overall funding situation - Based on current estimations, as of February 2019, UNFPA projects \$ 351 M. in core resources and \$ 525 M. in non-core resources, for a total of \$876 M., which correspond more or less to the SP’s estimates² (total of USD 875 M.).

² It is however important to keep in mind that the total funds which were raised and recorded in 2018 are not necessarily all available for the same year, nor for the immediate consecutive year. This is mainly due to multi-year disbursements schedules, and to the fact that a large majority of funds are received late in the year, part of them are thus carried-over to consecutive years. UNFPA will readjust income projections later in the year.



It is important to note that UNFPA integrated budget is built on fund-raising estimates, which are calculated based on donors’ commitments, expected contributions to thematic funds and other parameters, such as political, and macro-economic scanning, as well as other financial forecasts (such as exchange rates).

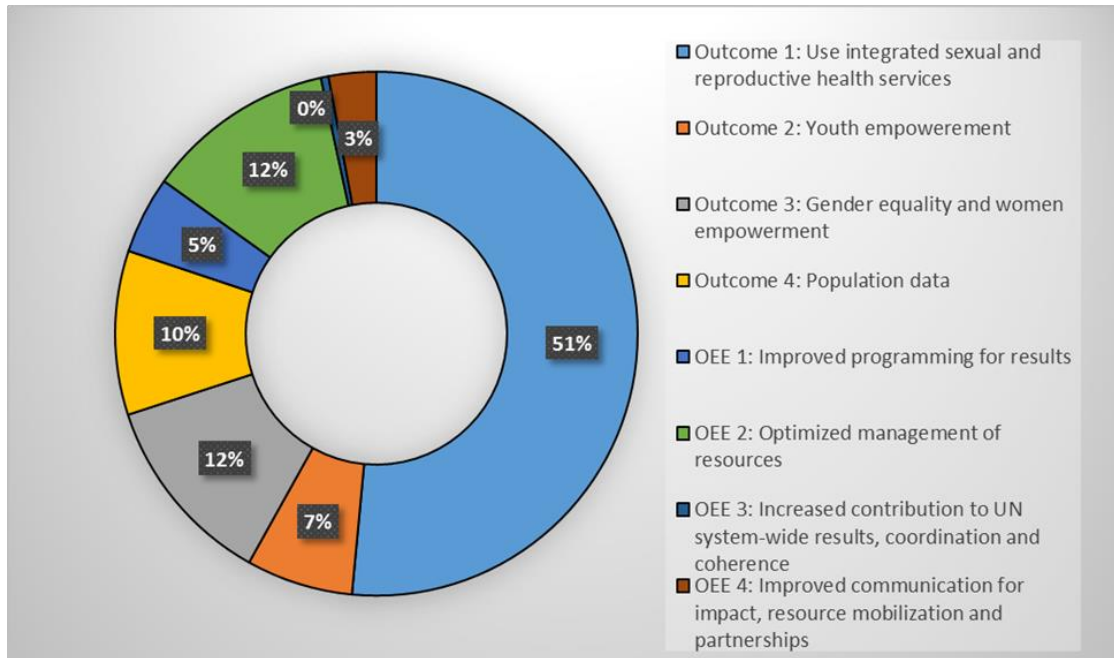
It is a realistic and prudent projection of what UNFPA expects to raise during the year. As such, unless a significant and/or unexpected drop in funding occurs, UNFPA does not expect to face funding gaps. This approach has been adopted based on experience from the previous SP cycle, and to minimize the likelihood of downward budgetary readjustments within the year, which would negatively affect country and regional programming. This is in line with the risk-informed income projection and budgeting practiced by UNFPA.

Expected funding estimates per outcome area – Based on UNFPA IRRF (SP 2018-2021)³, trends observed over 2014-17 expenditures in Country Programmes, Global and Regional Initiatives, Emergency Fund, Institutional Budget, and other resources, UNFPA estimates the resources expected to be dedicated to each outcome on an annual basis. Below is an approximation of the allocations by outcome and OEE output area for 2018-21. These indicative estimations continue to be relevant for the year 2019⁴.

³ Source: UNFPA Integrated budget, 2018-2021, revision corrigendum (DP/FPA/2018/8/Corr.1)

⁴ This is an approximation and cannot be considered final figures. UNFPA issues an annual review of actual expenditures per outcome and output area in a comprehensive statistical and financial review presented as an annex to the Annual Report of the Executive Director (June of each year).

Indicative allocations by outcomes and OEE outputs, 2018-2021



Several important elements influence the interpretation of these numbers. First, the integrated results and resources framework has been designed as an integrated approach to deliver upon the 3 transformative results. The outcomes are not distinct but interrelated. This particularly affects outcome 2, as resources directed at adolescents and youth programming are contained in each of the 4 outcomes, not solely in outcome 2. For example, UNFPA support in the delivery of sexual and reproductive health services for adolescents and youth is contained in outcome 1, reflecting an integration of these services with broader sexual and reproductive health services, rather than in outcome 2.

Secondly, the programme strategies for the different outcomes vary, based on both the setting and the nature of the work. For example, work on outcome 3 often takes the form of advocacy and policy dialogue, whereas work on outcome 1 employs a full spectrum of strategies, ranging from advocacy and policy dialogue/advice to knowledge management, capacity development, and, in some circumstances, service delivery.

Thirdly, these are global estimates, informed by current priorities in the ongoing country programmes, rather than precise amounts that each country is expected to spend on each outcome. The amounts that each country spends on each outcome will be determined by dialogue at the national level, and approved separately by the Executive Board. Therefore, the allocations of resources to development outcomes must be seen as indicative only.

Finally, these are not fully costed estimates of what is necessary to achieve each outcome. The attainment of results at the outcome level involves the participation of many other actors – particularly national Governments – besides UNFPA⁵.

Way forward to improve results-based funding requirements - For UNFPA to contribute to the realization of the vision of the “three zeros”, a significant higher amount of resources is needed. This is why UNFPA has committed to spare no efforts to fund-raise beyond these minimum targets.

Additional to these fund-raising efforts, in early 2019, UNFPA has embarked in a “costing exercise”, which would provide robust estimates for the realization of the SP vision. This implies determining global financing gap required to reduce maternal mortality, eliminate violence against women and harmful practices and bridge the unmet need for family planning.

This costing exercise is using a 3-step methodology:

- Determine overall costs of the scaling up to three zeros at the national level and determine costs of key accelerators of such transformation. These accelerators normally differ from country to country depending on national context and include for example, expansion of midwifery services to empower skilled birth attendance, improvement of supply chain management to deliver to the last mile, availability of data etc.
- Aggregation of the financing needs by regions and globally to accelerate towards the 2030 timeline
- Determining overall global costs and financing required for the three Transformative Results



The costing exercise, scheduled to be completed by end of 2020, will enable UNFPA to generate robust results-based funding estimates, solidly grounded in country needs. This costing will in turn be used for:

⁵ UNFPA Integrated Budget 2018-21, DP/FPA/2018/8.

Advocacy

Prioritizing interventions/outputs/thematic areas

Revisiting targets in the results framework

Formulating partnership and resource mobilization plan

Additionally, UNFPA has embarked in a comprehensive IT transformation initiative as part of the Change Management process. Among other things, this will enable UNFPA to adjust internal systems to better link resources to results throughout the planning, budgeting and programming cycles.

3. Updates on UNFPA commitments

Through the SFDs, UNFPA is committed to improve a number of programmatic and managerial practices, and to inform member states about progress on a regular basis. The list below provides updates on ongoing or recent initiatives.

3.1 Excellence in programming

- Results-Based Management culture: (1) Certification of all UNFPA managers in RBM, (2) Results-Based-Management “SEAL”: a corporate certification aiming to recognize good performance of UNFPA country offices in results-based management
- Systematic Theory of change for each CPD, clearly linked to the Strategic Plan
- CPD Peer review committee for quality control , ensuring integration of evaluation and LLs in programmatic cycles
- UNFPA Change Management, incl. ICT transformation allowing automatization of management of programmes and resources for efficiency gains and traceability of resources
- Improvement of Impact Measurement

3.2 Transparency and Accountability

- Regular consultations with the Board, including on the Budget and Change Management
- Communication of Result: Country and SP levels: <https://www.unfpa.org/data/results>
- Resource utilization outlook for 2018-21: UNFPA is adopting a long term strategic and risk-informed approach to the Strategic Plan and Integrated Budget funding, in particular with regards to regular resources, to ensure regular resources funding for the Strategic Plan is in line with the Integrated Budget

3.3 Visibility and Communications

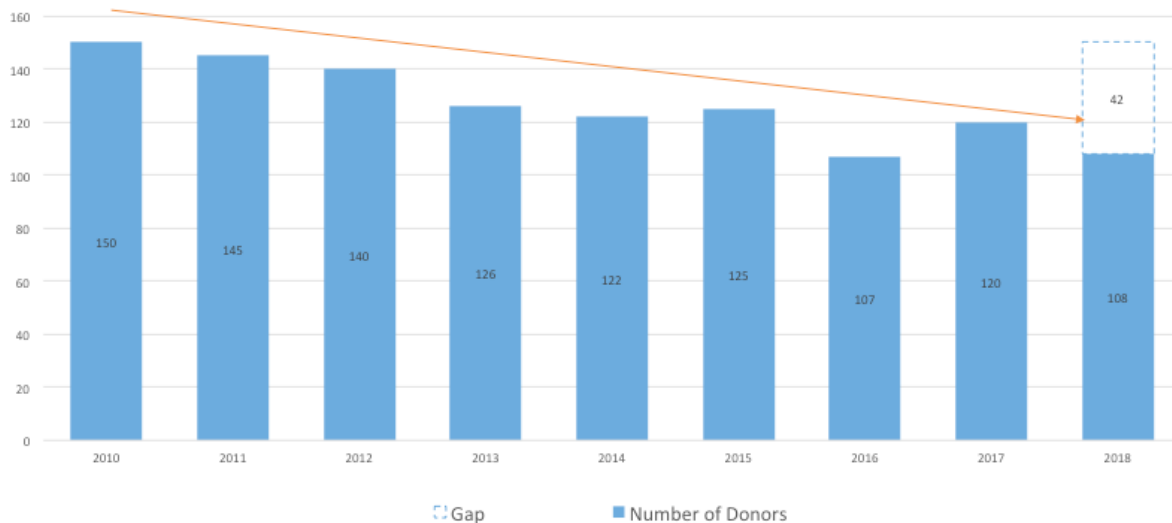
- UNFPA dedicated web-page on SFDs: <https://www.unfpa.org/structured-funding-dialogues>
- EXPANDED DONOR PAGES TO 20 DONORS: <https://www.unfpa.org/data/donor-contributions>
- REGULAR “STORIES FROM THE FIELD”: UNFPA website
- UNFPA Individual Giving Strategy (2018-2021): Delivery of the start-up and market entry phase of the Programme with the goal of raising \$100 million per year in donations from the general public by 2030 (see Annex 2 for more information).

3.4 Progress on instruments of the Funding Architecture

UNFPA continues to consolidate instruments of its funding architecture, including thematic and joint funds. Annex 1 provides an overview of UNFPA’s funding mechanisms, as well as needs and gaps for each of them for 2019 and consecutive years.

4. Updates on number of core-contributors

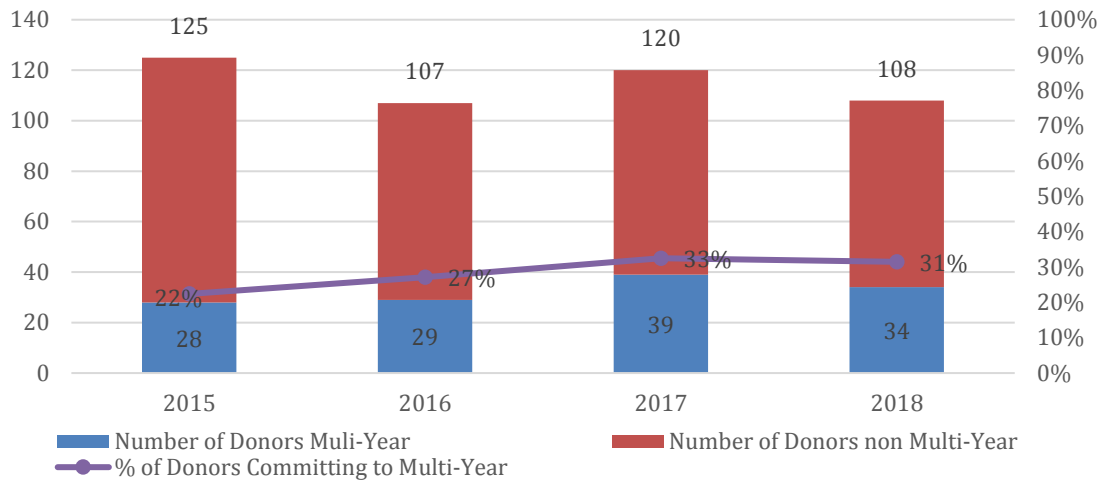
Number of donors - Over the past decade, UNFPA has been facing a downward trend regarding the number of core-donors. Despite intensive and targeted efforts throughout the year, UNFPA did not reach the target of 150 donors in 2018.



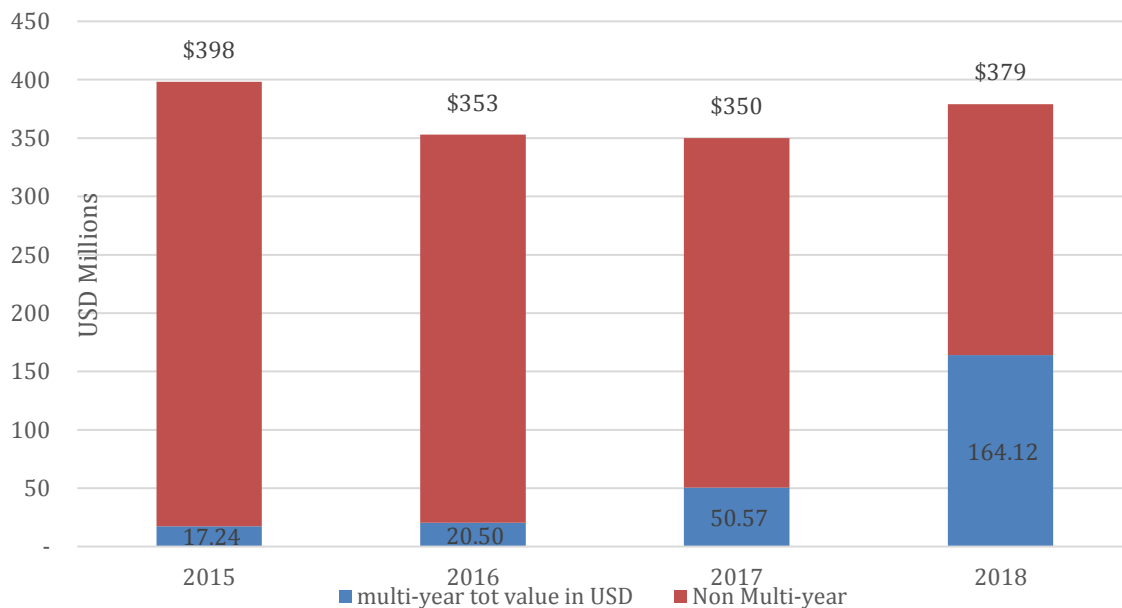
Geographic Distribution of core-contributors - In 2018, the large majority of core funds came from OECD/DAC donors, which provide 98.7% of UNFPA’s core-resources. With only 1.3 % of core-resources coming from non-OECD DAC countries, UNFPA is still very far from the target of 5-10 %.

5. Updates on multi-year core-funding

When provided in a predictable manner, especially through multi-year contributions, core resources enable UNFPA to better plan and deliver more effective programming. The number and proportion of donors providing multi-year core-funding to UNFPA has modestly but consistently increased over the past 5 years, as shown by the graph below.



The overall value of multi-year contributions has consistently increased over the same period and has more than tripled between 2017 and 2018. This is due to new multi-year contributors, as well as to an increase in the value of individual contributions provided by multi-year contributors. In 2018 the average duration of a Multi-Year agreement was 4.1 years.



In total, 34 countries have contributed to multi-year funding to UNFPA core resources in 2018. This corresponds to a decrease compared to 2017 (39 countries). Countries contributing to multi-year core funding (from USD 5,000 upwards) are listed below.

List of governments providing minimum USD 5,000 multi-year funding (2018) Presented in alphabetical order
Belgium (2017-2020)
Botswana (2014-2018)
Burkina Faso (2016-2020)
Cambodia (2017-2022)
Canada (2018-2021)
Cote D'Ivoire (2014-2019)
Denmark (2017-2019)
Eritrea (2014-2018)
Georgia (2018-2022)
Kenya (2015-2019)
New Zealand (2016-2018)
Philippines (2016-2020)
Sao Tome & Principe (2017-19)
South Africa (2017-2018)
Sri Lanka (2018-2022)
Sudan (2017-2021)
Sweden (2018-2021)
Switzerland (2018-2020)
Trinidad and Tobago (2017-2021)
Uganda (2015-2019)
Uruguay (2017-2019)
Vietnam (2017-2019)
Zambia (2017-2018)

6. Timing and Subjects to be discussed in future SFDs

In order to ensure that SFDs continue to respond to member states interests and priorities, UNFPA would like to solicit input for the year to come, both in terms of timing and subjects for future discussions. Member states are invited to provide suggestions to ensure that SFDs remain relevant and continue to add value to the broader discussion on repositioning of the UN Development System.