UNDP Informal Consultation on Structured Funding Dialogue

30 August 2018
10:00 a.m. – 1:00 p.m.
CR-12
Shared opportunity to eradicate poverty and reduce inequality

**CHALLENGES**

- Conflict, persistent pockets of poverty and hunger, inequality, climate and rapid urbanization
- Difficult political climate - nationalism, protectionism, isolationism and withdrawal
- Pressure on ODA, funding practice that deepen ‘bilateralisation’ of multilateralism

**OPPORTUNITIES**

- Reform: UN-wide Strategy for Financing A2030, UNDS Funding Compact
- Rising interest in leveraging ODA to mobilize private finance
- Data and innovation – IoT, AI, automation, etc.
- Development focus on preventative measures

**UNDP’S OFFER TO HELP COUNTRIES MEET THE SDGS**

- Integrated signature solutions to deal with complex development challenges
- Country platforms for UN system wide integrated support to countries achieve the SDGs
- Revamped global policy network leveraging expertise/knowledge from around the world
- SDG acceleration labs building off innovation facilities
- Country investment facility
• UNDS to improve the functioning and effectiveness of the structured funding dialogues to fund development results, agreed to in the Strategic Plan 2018-2021.

• A revitalized SFD to improve the quality and transparency of funding, and better match funding to SP outcomes.

• The SFD proposed roadmap reflects an interactive process throughout the year rather than an annual event, with a timeline as follows:

- 17 May: SFD roadmap and the RM priorities
- 30 August: Informal ahead of the formal SFD at the second EB regular session
- 5 September: Presentation of EB papers, discussion on funding the SP
- TBC: Multifaceted nature of partnerships
- TBC: Highlights of joint results of UN Funds & Programmes
Outline

• Annual Review of Financial Situation for 2017
• Quick Recap of our Starting Point for 2018-2021
• Resource-Results linkage
• Status of Funding
• Questions and Discussion
Annual Review of Financial Situation for 2017: Key messages

• 13 consecutive years of unqualified audit opinions by UN Board of Auditors on UNDP’s financial statements.

• Satisfactory audit opinion by the Office of Audit and Investigations (OAI) on the adequacy and effectiveness of UNDP’s governance, risk management and control (GRC) framework.

• 2017 ratio of core to other resources: 12% and 88% respectively (2016: 13% and 87%). Core is increasingly important to maintain healthy oversight and management.

• Balanced budget for the first time in four years.

• Year-end core liquidity maintained above the 3 months minimum threshold requested by the Executive Board.

• UNDP maintained an overall positive net asset position on the balance sheet.
## Annual Review of Financial Situation for 2017: Key Features

### Data in $ billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenses</th>
<th>ACCUM. SURPLUS BAL (incl. accum. prog earmarked resources)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5.1 b</td>
<td>4.4 b</td>
<td>4.4 b</td>
</tr>
<tr>
<td>2017</td>
<td>5.2 b</td>
<td>5.1 b</td>
<td>4.3 b</td>
</tr>
</tbody>
</table>

**Revenue**: Increased from $5.1 b to $5.2 b.

**Expenses**: Increased from $4.7 b to $5.1 b, funded from Revenue and Accumulated programme balances. The institutional budget was brought back to balance through deliberate actions, and a small institutional surplus was achieved, the first time in 4 years.

**Accumulated resources**, consisting primarily of other resources earmarked for multi-year programmes, decreased from $4.4 b to $4.3 b.
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Recap: UNDP Strategic Plan (2018-2021)

**SP vision**
To help countries to achieve sustainable development by eradicating poverty in all its forms and dimensions, accelerating structural transformations for sustainable development and building resilience to crises and shocks

<table>
<thead>
<tr>
<th>Outcome 1</th>
<th>Outcome 2</th>
<th>Outcome 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance poverty eradication in all its forms and dimensions</td>
<td>Accelerate structural transformations for sustainable development</td>
<td>Strengthen resilience to shocks and crisis</td>
</tr>
<tr>
<td>RR: $690 OR: $7,554</td>
<td>RR: $534 OR: $4,895</td>
<td>RR: $331 OR: $5,838</td>
</tr>
</tbody>
</table>

**SP Outcomes**

**SP Outputs**

<table>
<thead>
<tr>
<th>UNDP’s signature solutions</th>
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<tbody>
<tr>
<td>#1. Keeping people out of poverty</td>
</tr>
<tr>
<td>#2. Strengthen effective, accountable and inclusive governance</td>
</tr>
<tr>
<td>#3. Enhance prevention and recovery for resilient societies</td>
</tr>
<tr>
<td>#4. Promote nature-based solutions for a sustainable planet</td>
</tr>
<tr>
<td>#5. Close the clean energy gap</td>
</tr>
<tr>
<td>#6. Strengthen gender equality</td>
</tr>
</tbody>
</table>

Mainstreaming gender equality and women’s empowerment

**UNDP’s enablers**

1. Accelerated delivery of top quality programmatic results for the SDGs
   RR: $372 OR: $447

2. Organisational efficiency and effectiveness for programme delivery
   RR: $433 OR: $1,052

3. Operational service arrangements for United Nations system-wide results, coordination and coherence
   RR: $448 OR: $232

**Impact level** (Tier 1)

**Outcome level** (Tier 2.2)

**Output level** (Tier 2.2.b)
IRP 2018-2021: Estimated Resources

Total Estimated Resources

- Contributions - Government cost sharing resources
- Contributions - Regular resources
- Regular resources
- Bilateral/multilateral resources
- Government cost sharing resources
- Cost recovery income

Total Estimated Contributions

- Millions
- Source: DP/2017/39 Annex A, Figure 1a

Source: DP/2017/39 Annex A, Figure 1b
Comparison of major categories of expenditure

<table>
<thead>
<tr>
<th>Major Expenditure Category</th>
<th>Change from 2014-2017 ($)</th>
<th>Change from 2014-2017 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmatic Component</td>
<td>+$3,912m</td>
<td>+ 23%</td>
</tr>
<tr>
<td>Institutional Component</td>
<td>- $74m</td>
<td>- 3%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>+3,838m</td>
<td>+ 19%</td>
</tr>
</tbody>
</table>

Source: UNDP Integrated Resources Plan (IRP), 2018-2021
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RESOURCES-RESULTS LINK: Estimated Expenditures vs. Programmed Budgets

Note: Budget analysis included regional and global projects
Budget by Signature Solution (2018-2021)

Note:
• Budget analysis included regional and global projects
Note:
• This analysis doesn’t include regional and global projects.
Towards greater transparency:
LINKING RESULTS AND RESOURCES

https://open.undp.org
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### As of 4 September:

<table>
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<tr>
<th>Resource Type</th>
<th>Received in 2018</th>
<th>Compared to 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$290m</td>
<td>-$97m</td>
</tr>
<tr>
<td>Other</td>
<td>$2,739m</td>
<td>+$419m</td>
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</tbody>
</table>

*Current Status of Funding: Estimated Contributions vs. Received*

**As of 4 Sep.**

- **Regular Resources**: $290m, compared to $387m in 2017 (difference of $97m).
- **Other Resources (Bilateral/Multilateral)**: $2,739m, compared to $2,320m in 2017 (difference of $419m).

**2018 Estimated vs. 2018 Actual**

- Total Estimated: $4,950m
- Total Received: $4,240m (2018)
- **Regular Resources**: $950m (Estimated) vs. $630m (Actual) - difference: -$320m
- **Other Resources**: $3,400m (Estimated) vs. $3,610m (Actual) - difference: $210m
Predictability and Timeliness of Core Contributions

CURRENT MULTI-YEAR PLEDGERS TO REGULAR RESOURCES

Australia (2016-19)
Belgium (2017-20)
Canada (2016-18)
Denmark (2017-20)
New Zealand (2016-18)
Sweden (2018-19)
Switzerland (2018-20)
Importance of Core

Enables thought leadership, innovation and results culture

- Core spurs innovation and quality programming
- Demonstrable Results focusing on the poorest, particularly in crises and fragile contexts
- Allows quick emergency response

Leverages financing for the SDGs

- For every $1 received in core resources in 2014-2017, country offices in LDCs and LICs mobilized $7 in other resources, while MICs mobilized $32

Ensures Higher Quality Standards

- Compliance and oversight
- Monitoring and Evaluation
- Social and environmental safeguards
- A Gender Seal standard

Plays an Integrator, Accelerator, & Operational Backbone Role

- Country support platforms as new ways of collaboration
- Afford operational services for 80 UN entities in 137 locations
- Offer close to $700 million in financial services to the system

Enables thought leadership, innovation and results culture

Leverages financing for the SDGs

Ensures Higher Quality Standards

Plays an Integrator, Accelerator, & Operational Backbone Role
Importance of Core: Stories from the Field

**UNDP Costa Rica** and the Green Commodities Programme developed the world’s first land use monitoring system including the use of satellite images to monitor forest gain and loss associated with export commodity production. Core was essential in terms of expertise and investment in remote sensor interpretation.

**UNDP assisted Zimbabwe** to conduct credible and transparent harmonized elections through the Zimbabwe Electoral Commission Capacity Building project, by developing a biometric voters roll entailing 54% women and 44% youth, a creative and innovative voter education campaign resulting in 85% voter turn out, a free campaign environment and having strong oversight by national and international observers.

**UNDP and the Government of Maldives** came up with an out-of-the-box idea. They used drones across the islands to create three-dimensional maps and chart the topography of the terrain to use in disaster planning and relief missions. UNDP partnered with DJI, the leading drone company from China. The initial proof of concept was developed using a mix of UNDP core resources and other resources.

The Yemen Enhanced Early Recovery Project aims at creating a platform and capacities to enhance the coordination between humanitarian response and development-oriented crisis response initiatives. The project is key to achieving common outcomes of the humanitarian-development nexus in the Yemen crisis.

For More Stories: [https://open.undp.org/projects](https://open.undp.org/projects)
UNDP Funding Windows

Benefits of the Funding Windows

Integrated Approach
- One secretariat and one governance/allocation mechanism allows maximum flexibility in fund allocation
- Facilitates multi-disciplinary approaches that cut across thematic areas

Strategic Alignment
- Ability to respond to critical country, regional and global needs
- Allows UNDP and partners to align around common goals

Efficiencies
- Reduced transaction costs (management, reporting)
- Simplified Management Arrangements (e.g. fast-tracking)
UNDP and UN Pooled Funds

UN pooled funds received by UNDP as a participating UN organization, 2014-2017

New Funds

- South Sudan Humanitarian Fund
- DRC Humanitarian Fund
- Peacebuilding Fund
- Sudan Humanitarian Fund
- Somalia Multi Window Trust Fd
- Others
# Efforts Towards a Stronger UNDP: RECAP of our commitments

<table>
<thead>
<tr>
<th>Results &amp; Innovation-driven culture</th>
<th>Effectiveness &amp; Efficiency</th>
<th>Transparency</th>
<th>Diversification</th>
<th>UNDS Working Together</th>
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<tbody>
<tr>
<td>Strong performance across all areas of previous SP</td>
<td>Recognized as top org. for ‘value for money’</td>
<td>Ranked the world’s most transparent aid agency</td>
<td>Private Sector</td>
<td>Common Chapter Reporting</td>
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<tr>
<td>Alternative finance, big data, behavioral insight, innovation labs</td>
<td>2017 management efficiency ratio of 6.9%, well under the target of 8.1%</td>
<td>Link Results and Resources + Open Data</td>
<td>IFI/DFI</td>
<td>Inter-Agency MOUs</td>
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<td>Country Support Platforms</td>
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<td>Country-level joint programmes</td>
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