STRUCTURED FUNDING DIALOGUE AND RESOURCE MOBILIZATION PRIORITIES

17 MAY 2018
Part 1: Funding overview and analysis

Part 2: Resource mobilization priorities

Part 3: Way Forward SF Dialogues
TRENDS OVER SP 2014-2017

• Strong support to UNDP with 5% increase in total funding, despite challenging funding environment.

• Significant decrease in quality of funding, with reduction in both core and thematic funding – consistent with the overall UNDS trend.

• Significant increase in vertical funds, pooled funds as well as funding from programme countries.

• Majority of funding from governments, with noteworthy increase in funding from IFIs.

• Uneven funding across development outcomes.
Contributions to UNDP SP, 2014-2017

Core share declined from 17% in 2014 to 13% in 2017

USD millions

<table>
<thead>
<tr>
<th></th>
<th>2014-2017 Total</th>
<th>IRP Estimates</th>
<th>% of IRP Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Cost-Sharing</td>
<td>$3,590</td>
<td>$3,000</td>
<td>120%</td>
</tr>
<tr>
<td>Bilateral/multilateral</td>
<td>$12,271</td>
<td>$12,759</td>
<td>96%</td>
</tr>
<tr>
<td>Core</td>
<td>$2,727</td>
<td>$3,600</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,588</strong></td>
<td><strong>$19,359</strong></td>
<td><strong>96%</strong></td>
</tr>
</tbody>
</table>
Contributions by funding stream, 2014-17

- **Donor Cost Sharing**: $1,803
  - 2014: $1,939
  - 2015: $1,939
  - 2016: $1,939
  - 2017: $1,939

- **Government Cost Sharing**: $852
  - 2014: $852
  - 2015: $1,006
  - 2016: $1,006
  - 2017: $1,006

- **Vertical Funds**: $751
  - 2014: $751
  - 2015: $858
  - 2016: $858
  - 2017: $858

- **Core**: $793
  - 2014: $793
  - 2015: $858
  - 2016: $858
  - 2017: $858

- **Pooled Funds**: $272
  - 2014: $272
  - 2015: $342
  - 2016: $342
  - 2017: $342

- **Thematic Funds**: $119
  - 2014: $1,803
  - 2015: $1,803
  - 2016: $1,803
  - 2017: $1,803

**Changes from 2014 to 2017**

- **Donor Cost Sharing**: +8%
- **Government Cost Sharing**: +14%
- **Vertical Funds**: +18%
- **Core**: +18%
- **Pooled Funds**: +26%
- **Thematic Funds**: -45%
Top 25 partners to UNDP core resources, 2014-2017

2014-2017 core contribution

- Top 1: $322 million (12%)
- Top 5: $1,215 million (55%)
- Top 10: $2,371 million (83%)
- Top 15: $3,516 million (93%)
- Top 20: $4,490 million (97%)
- Top 25: $5,303 million (99%)

Cumulative % share, 2014-2017 core contributions

- $0 to $50 million: 0%
- $50 million to $100 million: 10%
- $100 million to $150 million: 20%
- $150 million to $200 million: 30%
- $200 million to $250 million: 40%
- $250 million to $300 million: 50%
- $300 million to $350 million: 60%
- $350 million to $400 million: 70%
- $400 million to $450 million: 80%
- $450 million to $500 million: 90%
- $500 million to $550 million: 100%

Millions

<table>
<thead>
<tr>
<th>Country</th>
<th>2014-2017 Core Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>$322 million</td>
</tr>
<tr>
<td>USA</td>
<td>$318 million</td>
</tr>
<tr>
<td>UK</td>
<td>$315 million</td>
</tr>
<tr>
<td>Japan</td>
<td>$274 million</td>
</tr>
<tr>
<td>Switzerland</td>
<td>$274 million</td>
</tr>
<tr>
<td>Denmark</td>
<td>$237 million</td>
</tr>
<tr>
<td>Canada</td>
<td>$165 million</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$131 million</td>
</tr>
<tr>
<td>Germany</td>
<td>$118 million</td>
</tr>
<tr>
<td>Belgium</td>
<td>$110 million</td>
</tr>
<tr>
<td>Australia</td>
<td>$77 million</td>
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<tr>
<td>France</td>
<td>$64 million</td>
</tr>
<tr>
<td>Finland</td>
<td>$51 million</td>
</tr>
<tr>
<td>Ireland</td>
<td>$49 million</td>
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<tr>
<td>ROK</td>
<td>$37 million</td>
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<tr>
<td>New Zealand</td>
<td>$30 million</td>
</tr>
<tr>
<td>India</td>
<td>$24 million</td>
</tr>
<tr>
<td>Italy</td>
<td>$22 million</td>
</tr>
<tr>
<td>China</td>
<td>$20 million</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>$16 million</td>
</tr>
<tr>
<td>Turkey</td>
<td>$12 million</td>
</tr>
<tr>
<td>Spain</td>
<td>$12 million</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>$9 million</td>
</tr>
<tr>
<td>Austria</td>
<td>$8 million</td>
</tr>
<tr>
<td>Others</td>
<td>$8 million</td>
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</table>
Estimated Contributions for Strategic Plan 2018-2021

(Total estimated revenue is $22.7 billion)
RESOURCE MOBILIZATION PRIORITIES
RM PRIORITIES

QUALITY FUNDING

DIVERSIFICATION

UNDS WORKING TOGETHER
QUALITY FUNDING

WHY: TO MAXIMIZE DEVELOPMENT IMPACT

• Government ownership – based on national priorities
• Timely, integrated responses to needs in a strategic and predictable manner + ability to adjust and respond to emerging issues
• “Leave no country behind”, 86% of core programme funds are spent in LICs
• Catalytic funding for development priorities to leverage additional financing
• High standards of accountability, quality assurance, transparency and reduced transaction costs for all
QUALITY FUNDING

HOW TO GET THERE?

STABILIZE & GROW CORE
- Clarity on what core pays for and visibility to core contributions
- Explore alternative funding models for core
- Increase proportion of core allocated to programs

INCREASE THEMATIC FUNDING
- Reconfigure Funding Windows to new SP
- Strengthen policy dialogue on FW’s focus areas

SUPPORTING ACTIONS
- Demonstrate value addition
- More tailored and strategic partner engagement
- Better information on funding impact on SP implementation
**DIVERSIFICATION**

**Governments**
- Replicate and tailor high-quality service offers to different country needs
- Strengthen pipeline management to manage risk of large one-off contributions
- Stepped-up strategic engagement with individual partners

**Vertical Funds / Multilaterals**
- Maintain high quality implementation of vertical funds
- Increasing capacity for pipeline development and quality assurance
- Reaffirm EU partnership e.g., External Investment Plan, Spotlight Initiative

**IFIs**
- Stepped-up engagement with WB
- Operationalize partnerships with ADB, AfDB, EBRD, EIB, IDBG & w/national development banks like KfW and ChinaDB
- Engage DFIs as partners for SDG implementation

**Private Sector**
Develop new service offers:
- Convening around advocacy, knowledge services, policy dialogue and multi-stakeholder platforms;
- Catalising a better enabling environment for private sector engagement in the SDGs;
- Mobilizing private capital for the SDGs.
UNDS WORKING TOGETHER

HOW TO GET THERE?

Increase UN pooled funding and new opportunities for collaboration
• Advocate for pooled funding & joint programming
• Proactive engagement in multi-partner funds
• Improve performance and visibility for joint results

Improved support to UNDS
• Offer innovative programming and financing instruments to UNDS
• Formulate service level agreements and business support strategies as part of UNDAF
ENABLING PARTNERSHIPS

FOR RESULTS

• **Country-Support Platforms** to bring partners together around development challenges and bring to scale successful partnership initiatives.

• **Innovation**: New approaches to how UNDP does partnerships (innovation facility, new financial and legal instruments).

• **Competencies**: Strengthen core competencies required in the new funding landscape.
OPPORTUNITIES

- UNDS reform – funding compact
- Decision makers continue to see UNDP as a trusted and reliable partner, relevant to their development priorities
- Strengthened H-D-P nexus
- Increase in private sector engagement on SDGs and blended finance
STRUCTURED FUNDING DIALOGUES (SFD)
QCPR calls on the UNDS to improve the functioning and effectiveness of the structured funding dialogues on how to fund development results, agreed to in the Strategic Plan.

The objective of the revitalized SFD is 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 an initial timeline as follows:

- **17 May**: SFD roadmap and the RM priorities
- **27-31 August TBC**: Informal ahead of the formal SFD at the second EB regular session
- **4-7 September**: Presentation of EB papers, discussion on funding the SP
- **TBC**: Multifaceted nature of partnerships
- **TBC**: Highlights of UN F&P joint results