



UNDP Funding Dialogue



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Resilient nations.



6 September 2017, New York

Funding dialogues: a shared responsibility to fund the SP



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Strategic engagement

A forum for substantive discussion on flagship initiatives and priorities

Transparency and mutual accountability

Closer engagement and information sharing through regular dialogues



Alignment of funding with results

Funding gaps across the SP outcome areas by theme and geography.

Quality and predictability

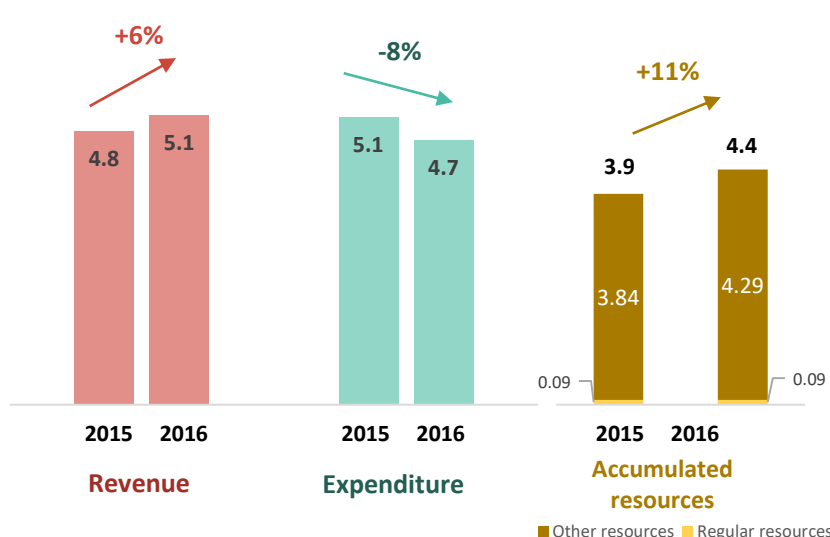
Discuss and address funding challenges, promote a move from annual pledging to a multi-year funding commitment.

Key features of the Annual Review of Financial Situation for 2016



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Data in \$ billion



Revenue increased from \$4.8b to \$5.1b, mainly due to the increased cost sharing contributions from \$2.6b to \$3.1b

Expenditure decreased from \$5.1b to \$4.7b, mainly due to reduced cost sharing programmes expenditure

Accumulated resources increased from \$3.9b to \$4.4b consisting primarily of non-core funds for multi-year programmes

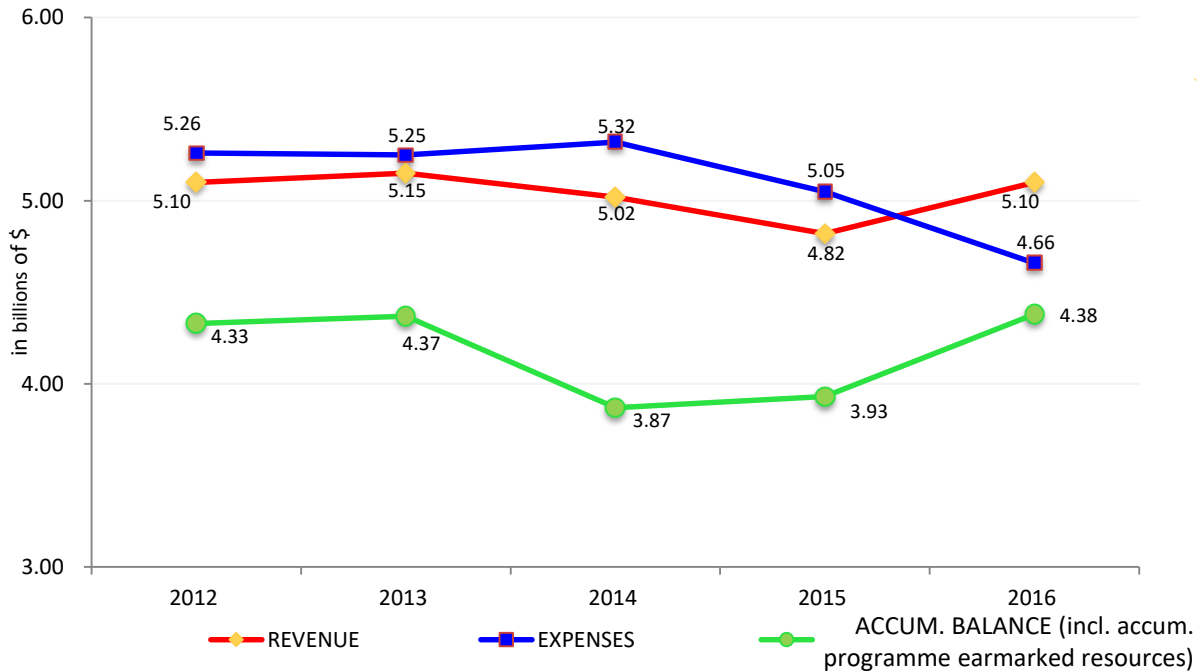
In 2016, UNDP continued to enhance its resource mobilization strategy for sustainable development and to strive for continued efficiency to ensure the financial sustainability of the organization

Financial Situation 2016

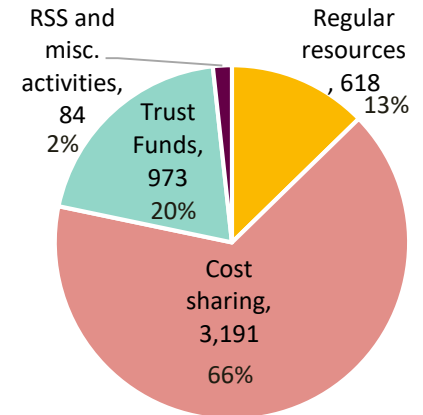
Five-year trend, 2012-2016: UNDP revenue, expenses, accumulated balance
(including accumulated programme earmarked resources)



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Contributions in 2016, by funding source (\$M)



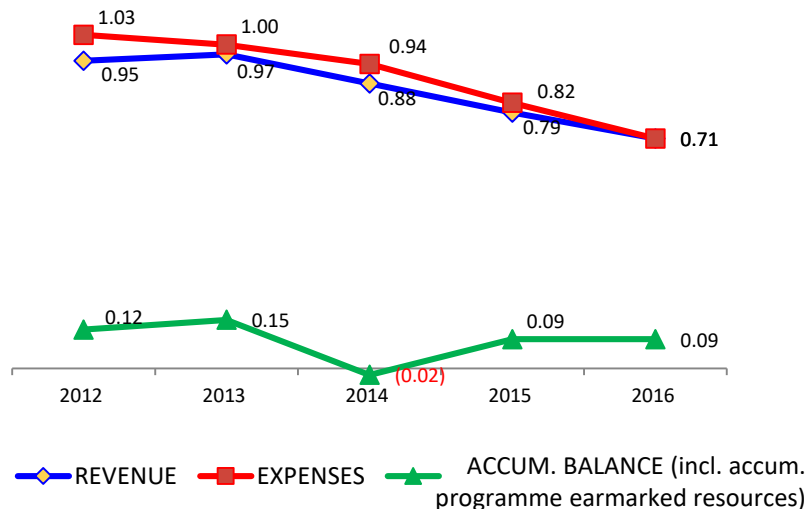
Five-year trend, 2012-2016: Regular and Other resources revenue, expenses, accumulated balance (including accumulated programme earmarked resources)



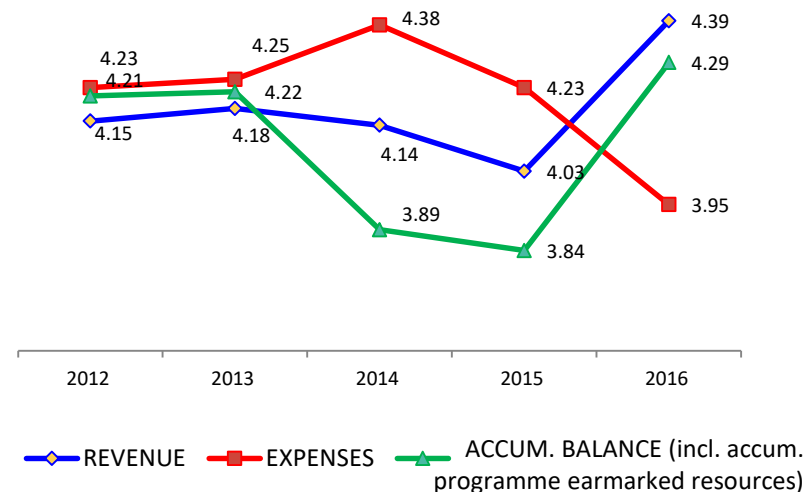
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Regular Resources



Other Resources

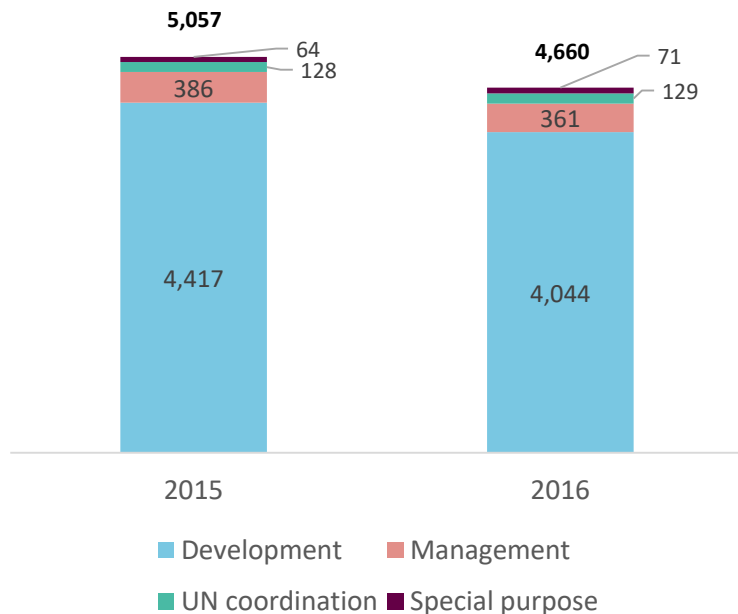


Strengthened efficiency in management activities

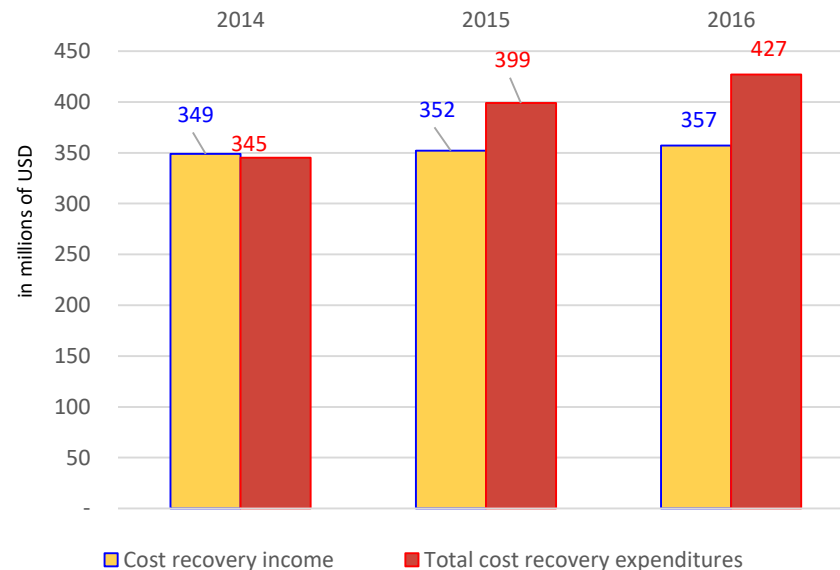


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Expenditure by harmonized cost classification (\$M)



Cost recovery Income & Expenditure (\$M)



In 2016, UNDP financed part of its institution cost by drawing from past accumulated XB reserves of \$71 million and is formulating its strategy to ensure the financial viability of its business model to support the strategic plan

ACHIEVING THE 2030 AGENDA



END

**MULTIDIMENSIONAL
POVERTY**



**ACHIEVE THE 2030
AGENDA**



**RESPOND TO CRISIS &
ACCELERATE RECOVERY**

An estimated \$20.9B needed in revenue to meet the new Strategic Plan results (15% higher than current strategic plan in nominal terms)

- \$2.7B in core resources over four years
- \$18.2B in non-core resources from bilateral and multilateral sources

These resource estimates are based on past trends, hence amounts and mix of resources may change as the Strategic Plan is finalized

Strengthening funding to financing



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FUNDING

FINANCING

SUSTAINABLE DEVELOPMENT IMPACT

MOBILIZING AND PROVIDING GRANTS

HELPING COUNTRIES PLAN, ACCESS, LEVERAGE & MEASURE FINANCING FOR SDGs

- **PLAN:** SDG financing frameworks
- **ACCESS:** Mobilize public and private funds
- **LEVERAGE:** Co-create solutions, de-risking
- **MEASURE:** Impact on SDGs

- Demand-driven financing
- Bridging funding gaps across SDGs
- More effective use of ODA and other resources
- Better alignment of public and private financing for SDGs

DESIGNING NEW FINANCIAL INSTRUMENTS - UPDATING RULES AND POLICIES

Low value grants, performance-based grants, on-granting, loans and guarantees

RM Strategy: Partnerships for Results



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Unlocking resources for country-led SDG results



Predictability

Securing multi-year flexible funding commitments through strategic partnerships



Diversification

Broadening the resource and partner base with customized offers for private sector, IFIs, etc.



Innovative Financing

Leveraging resources using new modalities (e.g., innovative/ blended finance) and partnerships.

Maximize Flexible and Predictable Funding



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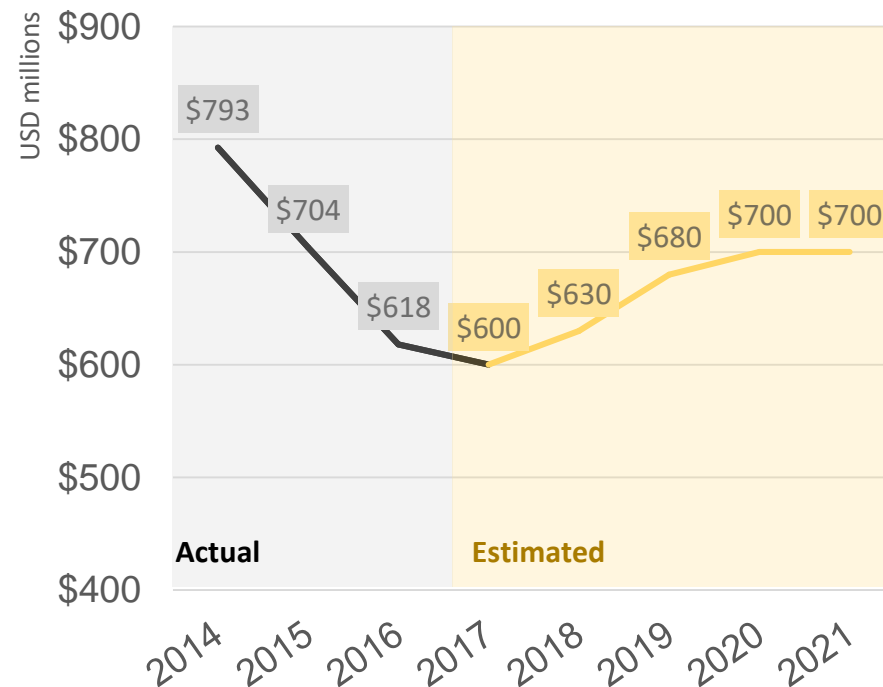
STATUS

- Continued decline in core from MS, \$618 in 2016
- Only 8 MS provide multi-year core pledges – 22% of total
- OECD-DAC countries provide 98% of total core
- Only 52 MS contributed to UNDP's core in 2016
- 48 MS contributed to GLOC, \$63M in 2016, of which \$28M is cash

GOAL

- Reverse core to total \$2.7BN over 2018-21
- Increase number of multi-year core pledges
- Increase investment partners

UNDP core funding status and goal



The role of regular (core) resources



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Multi year flexible funding enables UNDP leverage its key strengths to deliver on the Strategic Plan and contribute to the SDGs

Country office network

- Sustain long term trusted relationships
- Optimize support and presence at national and sub-national levels
- Enable coordinated, flexible and rapid response to development and emergencies
- Serve as operational backbone to UN system

SDG Support platform

- Provide institutional, operational, programme and policy capability for multi-sectoral responses – based on country ownership and priorities - for Partners including UN system

Thought leadership, innovation and quality assurance

- Expertise innovation, quality assurance, M&E
- Develop top line knowledge management practices and systems to access specialized expertise

Leveraging financing for SDGs

- Support programme countries to plan, access, leverage and measure financing for SDGs, with focused support to LICs and LDCs

Deepening partnerships with IFIs

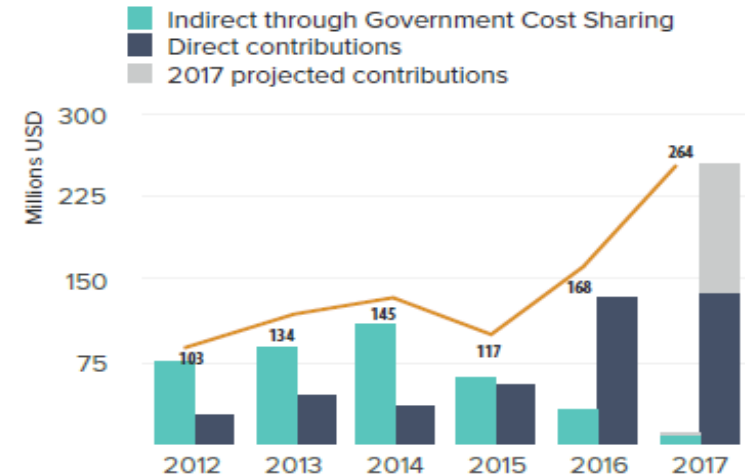


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Strengthening UNDP's engagement with IFIs is not just about RM, but a critical step to help governments leverage funding from a wider range of sources for greater development impact.

- ✓ **UNDP partnership with IFIs and governments to implement the SDGs and leverage development finance**
 - Building national capacity to develop bankable projects and implementing IFI financing when there are capacity gaps.
 - Unlocking IFI (and private) financing through its de-risking support to make investments more viable.
- ✓ **Thought leadership and systematic engagement with IFIs**

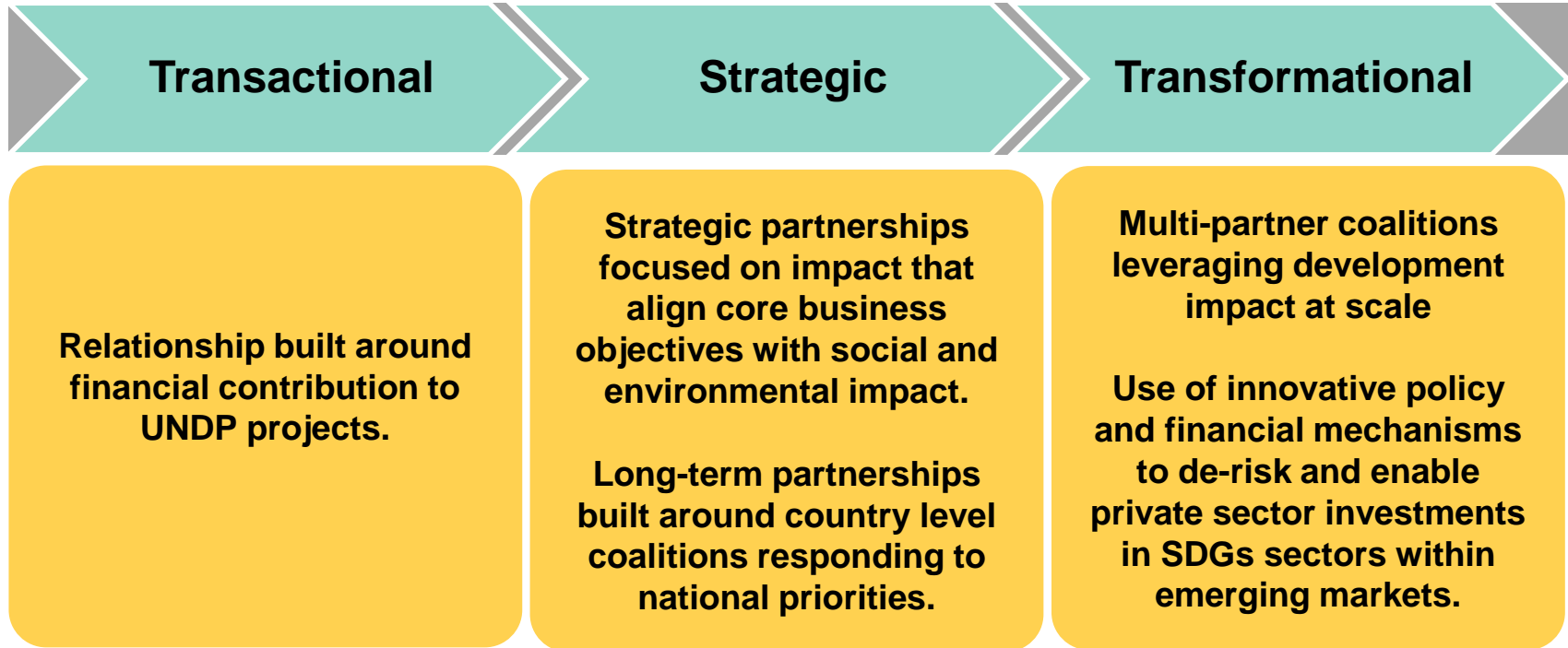
IFI contributions by funding type



Private Sector Partnerships



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De-risking

e.g., The Climate Aggregation Platform

- Assists in building pipeline of high-quality, standardized, small-scale low-carbon energy assets
- Engages investors to build awareness, interest and trust

Blended Finance/ co-investment

e.g., UNDP Social Impact Fund:

- Convenes stakeholders and facilitate the establishment of impact funds
- Provides technical support to investees on M&E of social/ environmental impact
- Sets up standards for impact assessment.

Impact Investment

e.g., Impact Investment in Africa

- Supports the development of impact investment ecosystem in the continent
- Advocacy and awareness raising programme on impact investment in Africa
- Supports establishment of a Fund for impact investing

Diaspora-targeted bonds

e.g., Uganda

- Capacity Building for Strengthening Diaspora Resource Mobilisation and Utilisation
- Helps develop a National Diaspora Policy for Uganda

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