

# Annex A: Funding Landscape Analysis

## INTRODUCTION

This annex is presented with appreciation to UN Women colleagues, donors and other UN Agency staff who informed and contributed to the development of this analysis in 2017 and 2018. These are the steps that were followed in developing it:

- Identified the segments of income and analysed, segment by segment, the past trends and potential for growth
- Reviewed risks and opportunities per segment
- Developed, for each segment, income scenarios based on past trends, potential risks and opportunities, and vetted these scenarios with internal stakeholders
- Identified, with internal stakeholders and building on conversations with key donors, the critical success factors (theories of change) for each segment, as resource development is a collective exercise dependent on institutional performance in several areas

## UN WOMEN'S REVENUE ENVIRONMENT

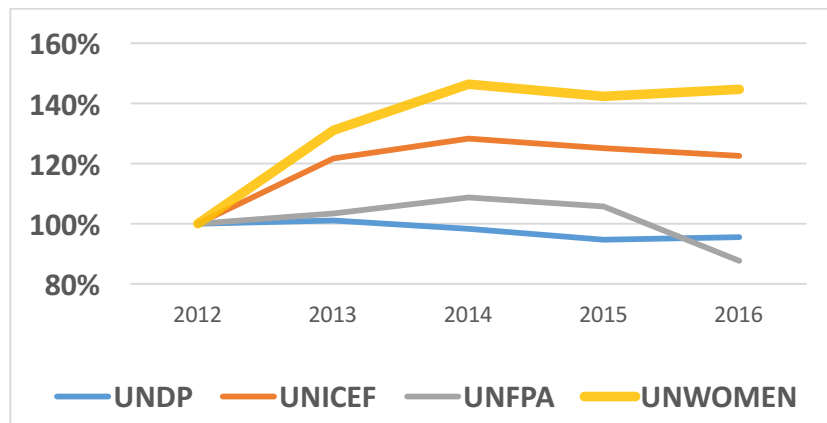
During the Strategic Plan 2014-2017, important factors affected the organization's ability to meet its contribution targets. While it was anticipated in 2010 that the optimal funding level for the organization to fully deliver on its composite mandate would be USD 500 million annually, very few Member States made the necessary adjustments to their funding priorities and reprioritized UN Women as a new entity, instead using the contribution levels to the former UNIFEM as a baseline for gradual increases.

Positive trends included:

- i. Demonstrated political will of Member States to promote a gender equality agenda, grounded in the realization that gender equality and the empowerment of women and girls will make a crucial contribution to progress across all of the SDGs and targets
- ii. Increased recognition of UN Women's proven ability to leverage the breadth of the UN system for these outcomes
- iii. Progress in delivering measurable programmatic outcomes aligned with global normative priorities through flagship joint programming

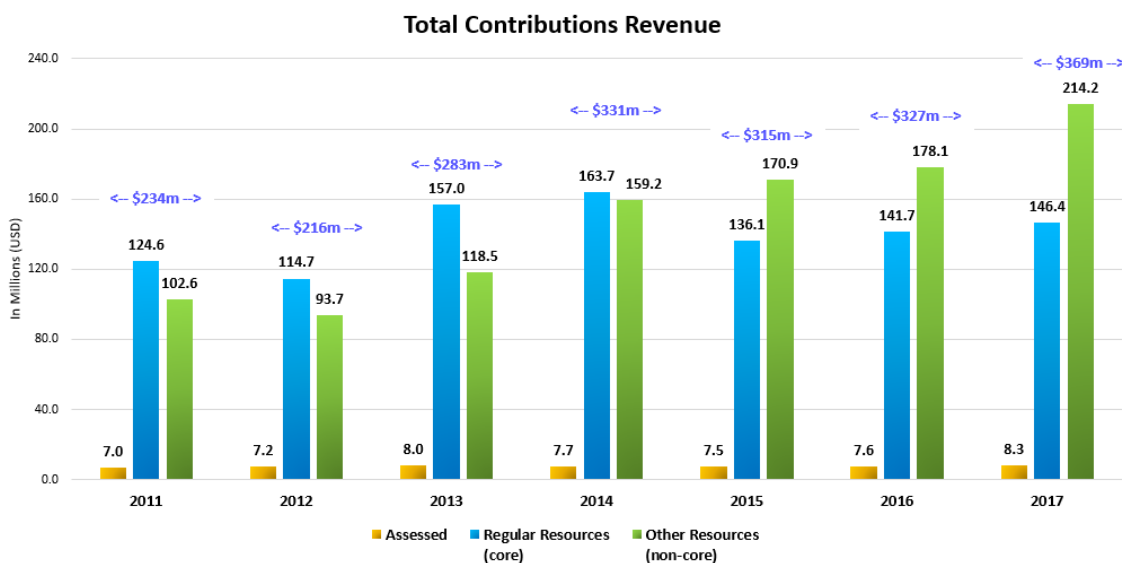
Positive trends were offset by the constraints in Member States' official development assistance priorities and obligations, including escalated pressures on official development assistance, and currency volatility. Comparing core contribution trends with sister agencies shows that UN Women enjoyed the best trajectory in recent years, albeit from a low base.

Figure A: Compared core growth since 2012



In 2017 UNW experienced areas of renewed growth with total contributions to the Entity amounting to USD 368.9 million in 2017, compared to 327.3 million in 2016.

Figure B: Total contribution revenue to UN Women 2011-2017



## TRENDS ANALYSIS PER CONTRIBUTION TYPE

UN Women’s primary funding partners are Member States, and to a lesser extent, other UN agencies. The latter provide resources mainly through joint programmes or pooled funds. The diversity of UN Women’s non-traditional partners is rapidly growing and includes non-OECD-DAC Member States, private sector resources from corporations, corporate foundations, large foundations, high-net-worth individual philanthropy, and the general public through individual giving.

In 2017, voluntary (core and non-core) contributions from Member States represented over 81.7% of UN Women’s total revenue; UN Agency contributions represented 11% of UN Women’s total revenue; private sector contributions represented 5.9% of UN Women’s total revenue; and National Committee contributions represented 2.9% of UN Women’s total revenue.

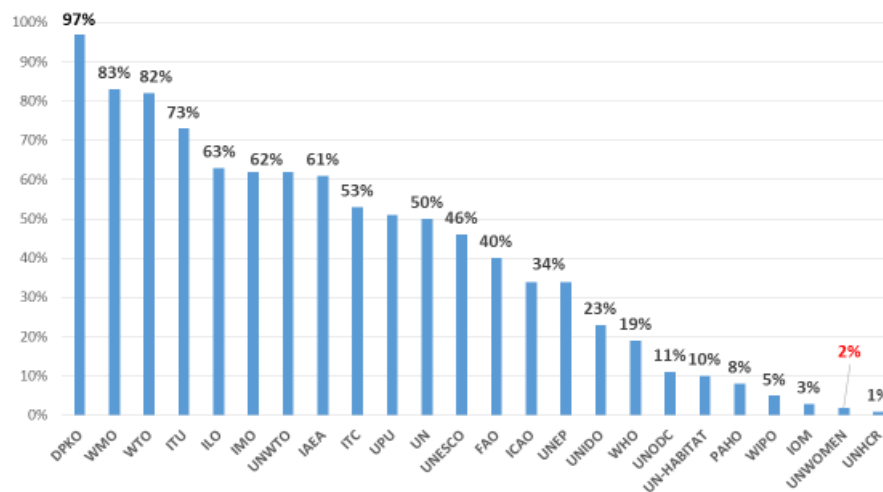
UN Women recognizes three types of funding: (i) assessed contributions, (ii) voluntary core contributions, and (iii) voluntary non-core contributions.

### Assessed Contributions

Assessed contributions are contributions from the United Nations regular budget. UN Women received 8.3 million, or 2.2 percent of its overall resources in 2017, from assessed contributions to support, in part, normative intergovernmental processes and UN system coordination work.

At 2 percent, UN Women has the second lowest ratio of assessed contributions to total expenditure among agencies receiving assessed contributions. Agencies with similar multiple mandates enjoy much larger support. For example, UNEP’s share of expenses covered by assessed contributions was 40% in 2016. The General Assembly, in its resolution A/RES/70/133, noted with concern that UN Women had to draw on voluntary contributions to enable it to carry out its mandate of servicing normative intergovernmental and UN coordination processes. In 2018 UN Women received an increase in assessed contributions in the form of 5 positions.

Figure C: Compared ratios of assessed contribution to total expenditure, 2015



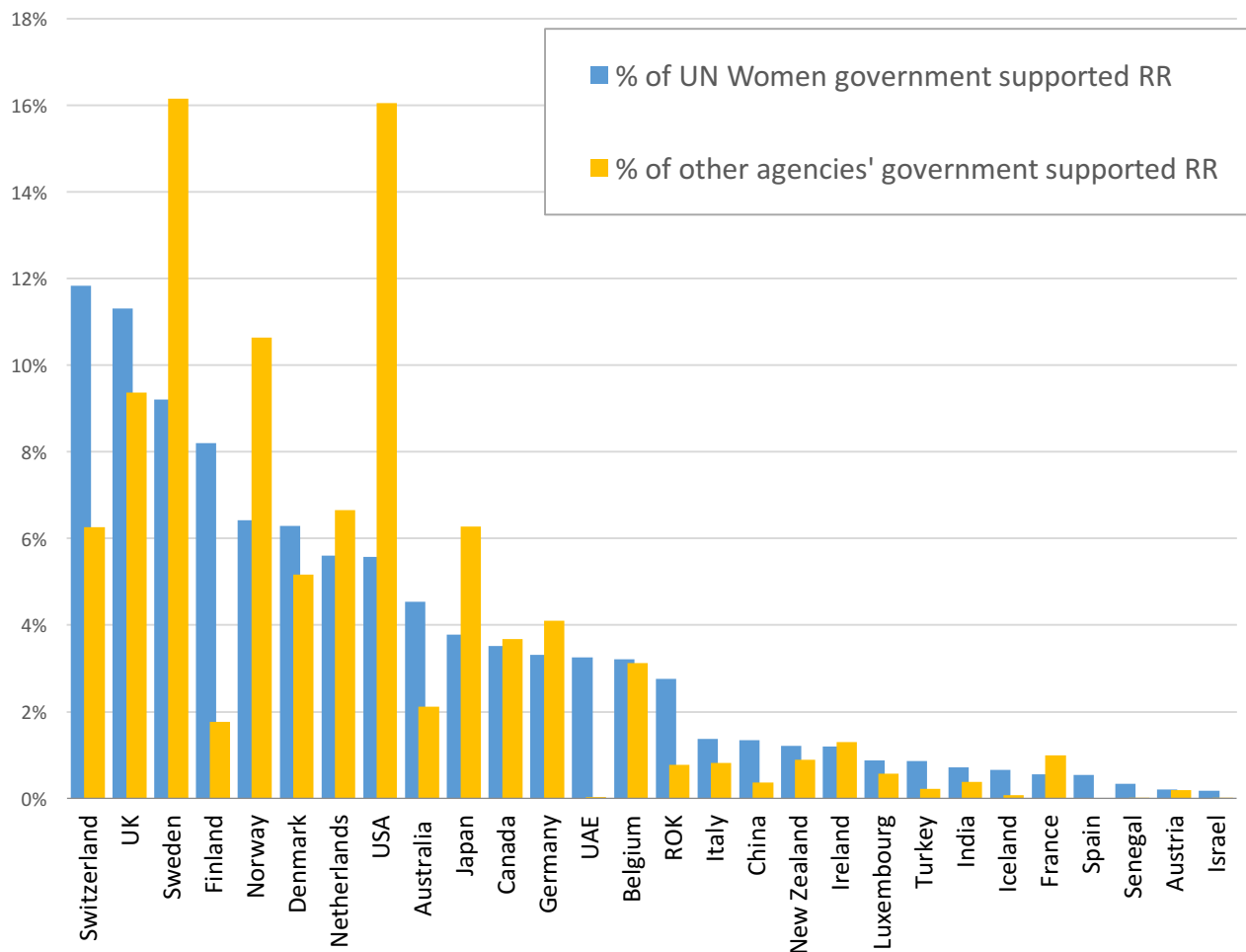
### Voluntary Core Contributions

Voluntary core contributions from traditional and non-traditional partners, also called “regular resources,” are received mainly from Member States, with a very small percentage of core received from a few private sector donors. In 2017, Member States provided USD 143 of 146.4 million, or 97% of UN Women’s core resources. After a 33% overall growth in core between 2011 and 2014, where core grew from USD 124.6 to 163.7 million, contributions to core fell to USD 136 million in 2015. In 2016, core growth resumed, with 46 Member States deepening their support and 9 countries more than doubling their contributions to the organization. In 2017 core contributions increased again, to 146.4 million.

European donors are top donors to UN Women core budget. Among European donors, there are also diverse levels of engagement. Switzerland, Finland, Iceland and Denmark are very strong supporters of UN Women core budget. Norway, France, Germany, and the Netherlands underwrite a lesser share

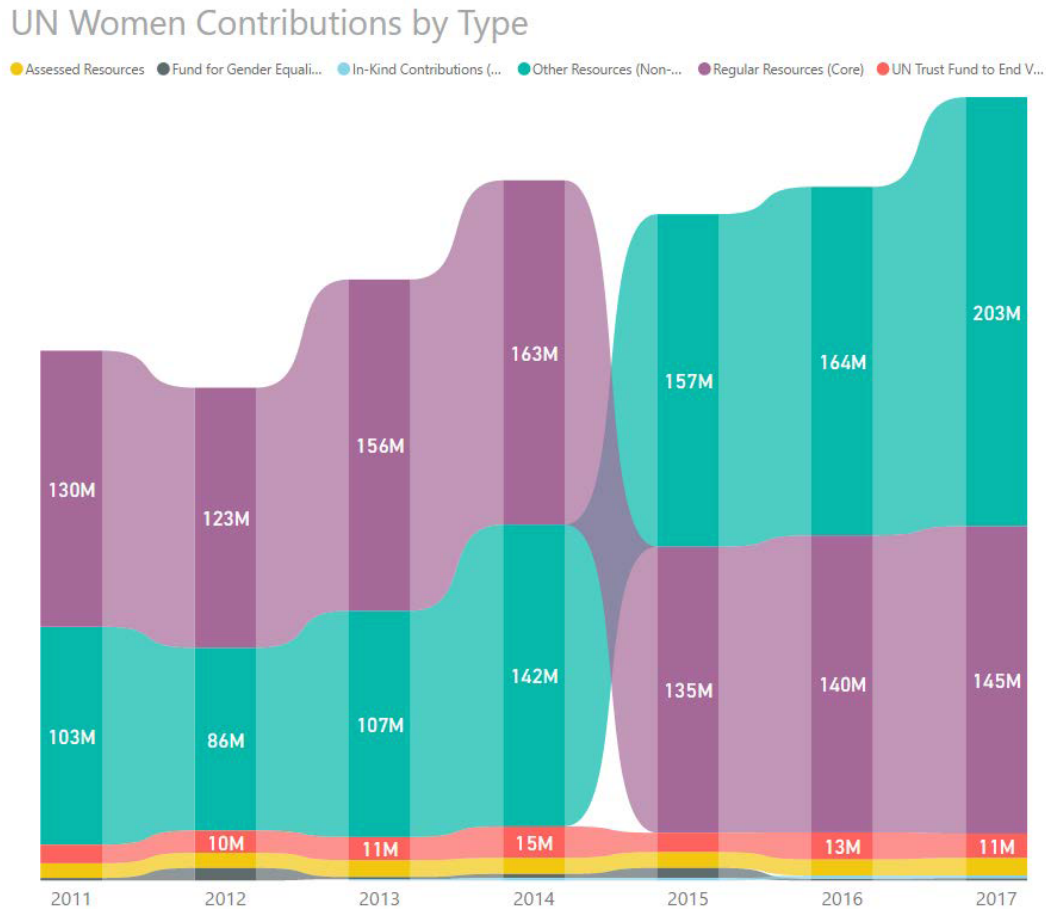
of UN Women core than of other agencies. Sweden is a special case as it is not contributing as much in core either, however invests in high quality non-core. Two countries illustrate the diversity: the United Kingdom is a major contributor, but France has, to date, been contributing less than China.

Figure D: Proportion of Government RR contribution to the Entity’s total RR government revenue in 2016



While UN Women has experienced growth in core contributions from both public and private actors in 2016 and 2017, the **level of core contributions has been surpassed by the growth of non-core resources** (see figure below). While UN Women enjoys a healthy leverage ratio, raising 3.3 dollars in non-core for every 1 dollar in programmable core, non-core cannot substitute for core support, which enables UN Women to deliver its composite mandate. Incentivizing core contributions remains UN Women’s top agenda.

Figure E: UN Women contribution by donor type 2011-2017



Several Member States have prioritized investments to UN Women through core funding or flexible non-core support, but some of the main contributors of core to UN sister agencies are providing much lower shares of core contributions to UN Women, a factor currently impeding the growth trajectory of the Entity’s core resources. Interestingly, for the concerned Member States, given the small size of UN Women’s budget compared to other agencies, bridging this gap would not require significant incremental increases.

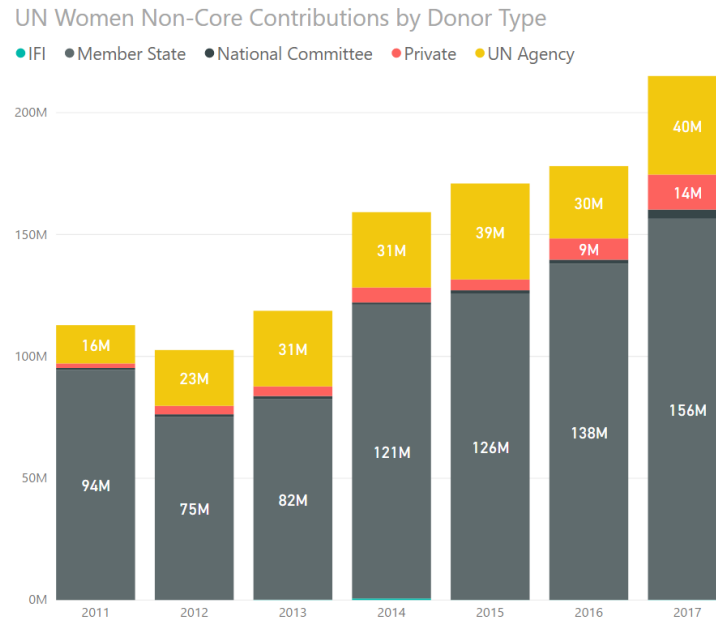
### Voluntary Non-Core Contributions

Voluntary non-core contributions from traditional and non-traditional partners, also called “other resources” have outpaced the level of core contributions to UN Women (see figure above). Non-core contributions totalled USD 214.2 million in 2017, and have grown by an average of 18% per year between 2011 and 2017. Non-core growth has translated into significantly increased impacts for women and girls. This growth has been fuelled by:

- Increased programmatic capacity by UN Women to manage large scale programmes that are implemented with other agencies and that drive transformative impact.
- Enhancements to UN Women’s own programmatic systems that improve the quality of proposals, accelerate the pace of programme inception, deliver high-quality and on-time reporting, ensure fraud management, improve value for money, and guarantee unqualified audit opinions on UN Women financial statements.

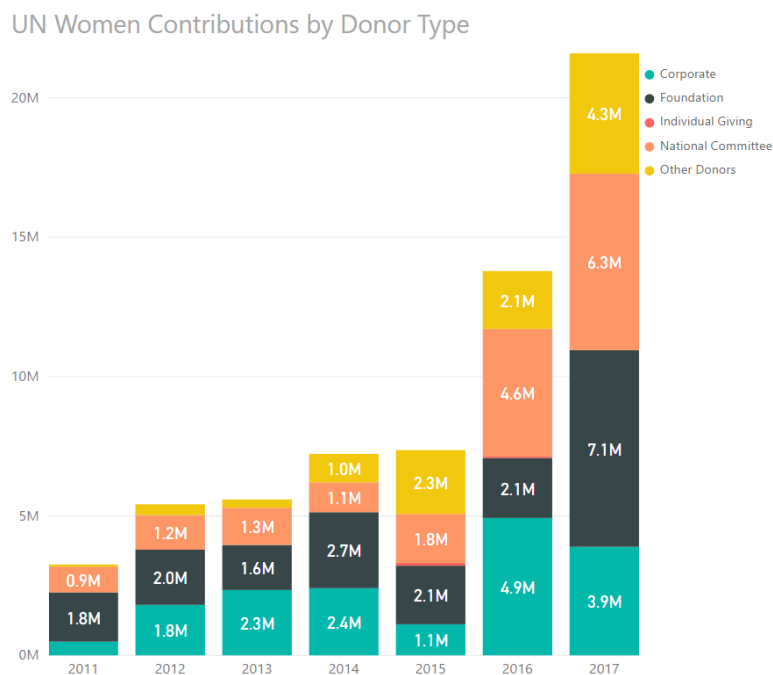
The positive trend of annual growth in non-core from Member States and the European Union, and the current healthy increases in hard and soft funding pipelines to the FPIs and other programmes, inform the anticipated future increases in non-core revenue.

Figure F: UN Women non-core contributions 2011-2017



Private Sector contributions, which have nearly tripled over the last 2 years (primarily driven by Foundation donors), indicates that UN Women needs to continue to explore Private Sector and pooled/UN funding modalities.

Figure G: UN Women contribution by donor type 2011-2017

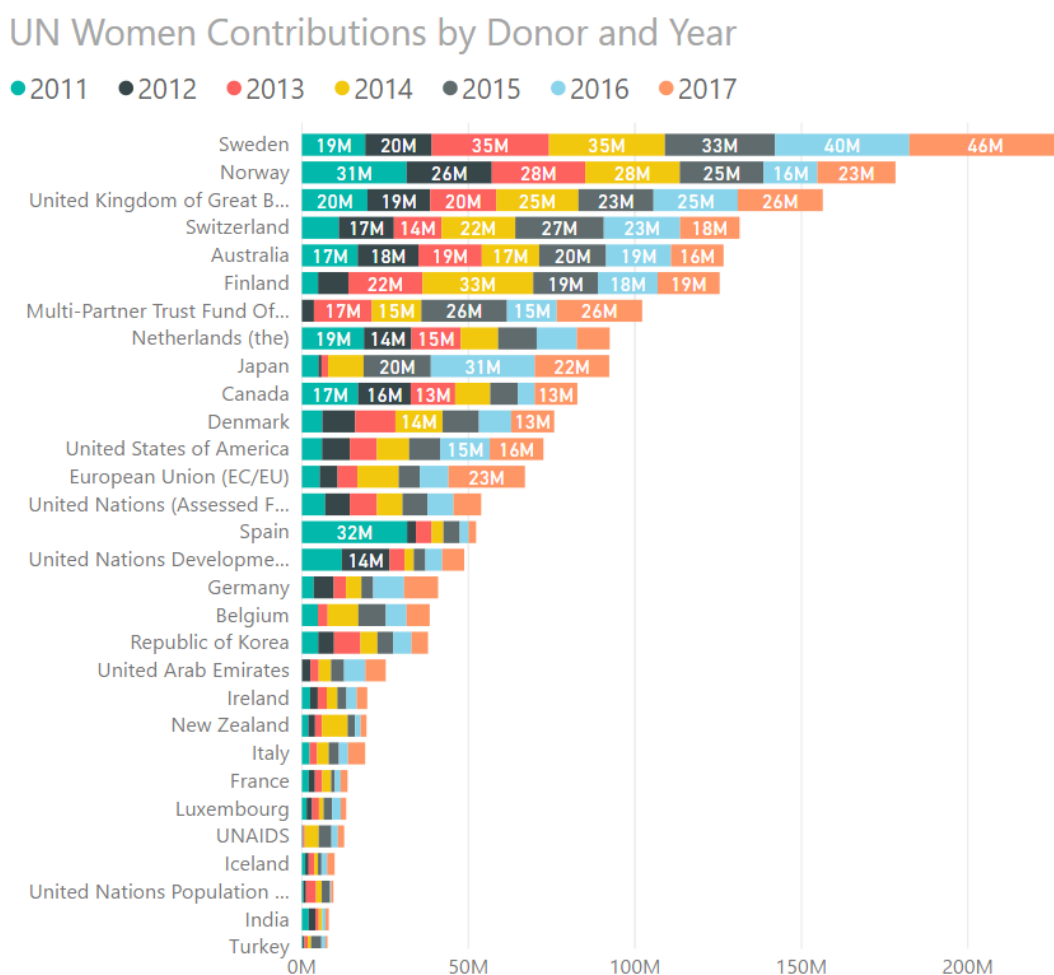


## 2018 Funding Priorities

### Top Donors Over Time: 2011-2017

As of 2015, Sweden overtook Norway as UN Women’s largest donor and has contributed over USD 228 million to UN Women since 2011. Norway, the UK, Switzerland, Australia and Finland have each also contributed over USD 100 million since 2011. UN Women needs to better recognize, highlight, and capitalize on the contributions made by its key long-term partners in order to help them build the case for increased contributions with their citizens.

Figure H: Contribution by donor and year



### Deepening Relationships with Donor Champions

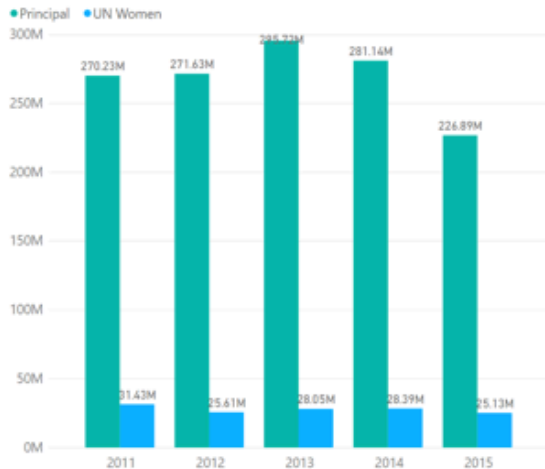
UN Women is not capturing a high market share from its top donor champions. For example, UN Women accounted for only 12% of Denmark’s, 11% of Norway’s, 2% of the EC’s, and less than 1% of the United States’ GEWE aid spending, for which GEWE was a principal objective.<sup>1</sup> Therefore, there

<sup>1</sup> A “principal” score is assigned if gender equality was an explicit objective of the activity and fundamental to its design – (i.e. the activity would not have been undertaken without this objective). Data source: <http://stats.oecd.org/Index.aspx?DataSetCode=GENDER>

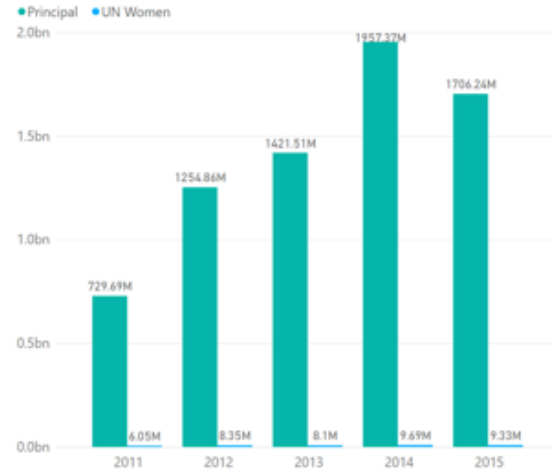
are tremendous opportunities to grow UN Women’s partnerships with its current top, champion donors.

Figure I: Comparison of UN Women funding to GEWE spending by donors

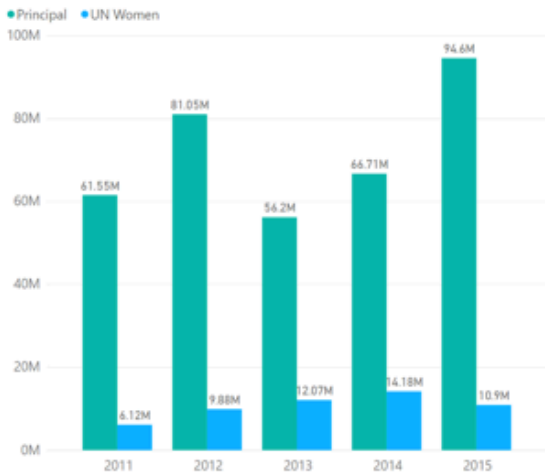
### Norway GEWE Spending



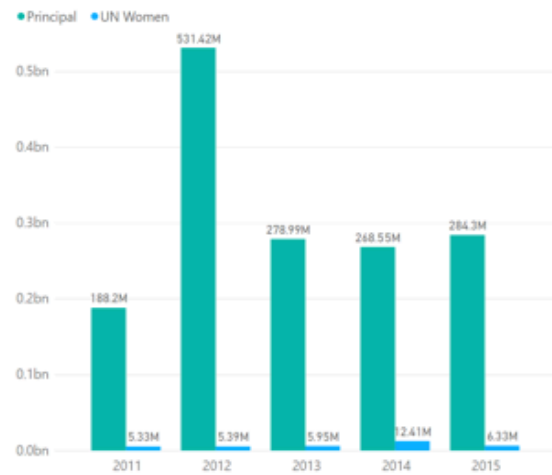
### USA GEWE Spending



### Denmark GEWE Spending



### EC GEWE Spending



## Following the Money

In 2015, OECD DAC members spent over USD 4.6 billion on projects targeting GEWE as their “principal” objective and USD 26.7 billion on GEWE as a “secondary” objective.

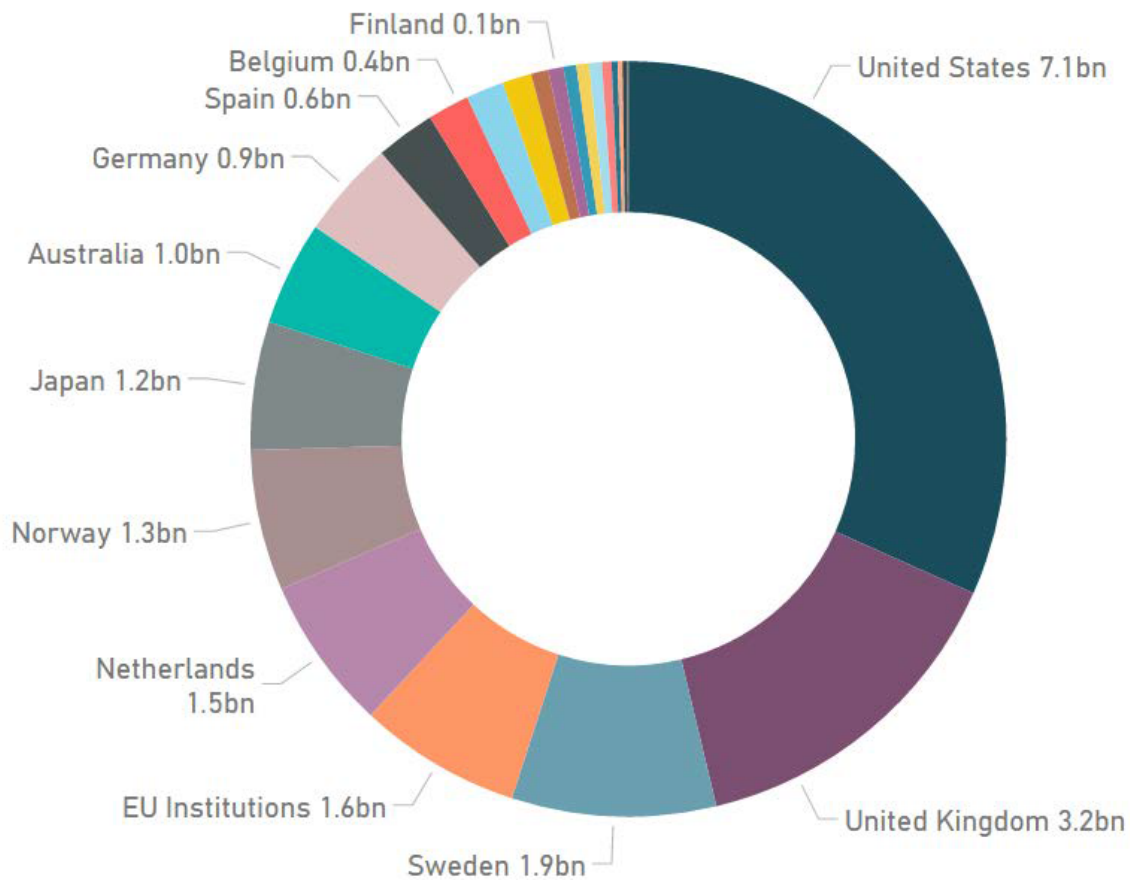
Together, OECD donors spent of USD 22 billion in GEWE projects between 2011 and 2015. The largest expenditure came from donors who already contribute substantially to UN Women (e.g. UK, Sweden, EU, Netherlands, Norway). Therefore, UN Women needs to deepen and leverage its existing relationships with major donors as they have substantial “reserves” of funding that UNW can still tap



into, under the right circumstances.

Figure J: OECD total GEWE Spending (Principal, 2011-2015)

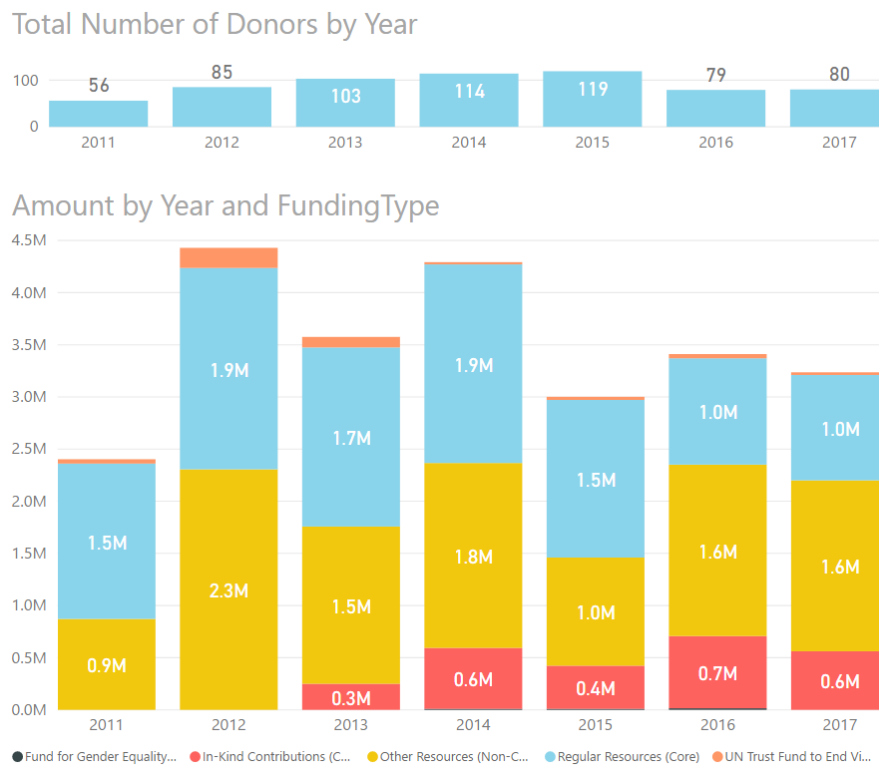
### OECD Total GEWE Spending (Principal, 2011 - 2015)



### Broadening the Donor Base Efficiently

In 2017 a total of 211 donors contributed to UN Women, of these, 112 were Member States. UN Women has categorized Member State donors into the following groupings: its “Top 10” donors; the “Next 10” largest contributors; donors where there is “High Potential” for UN Women to receive increased contributions; and the “Rest”. Together, 80 Member State donors in the “Rest” group contributed less than 3.5 million to UN Women in 2017. UN Women strives to broaden its donor base as a political, not financial objective. Therefore, the 150/250 Campaign is a crucial political effort, but needs to be low-cost, efficient, with modest, collective financial targets.

Figure K: Total number of “Rest” category Member State donors per year



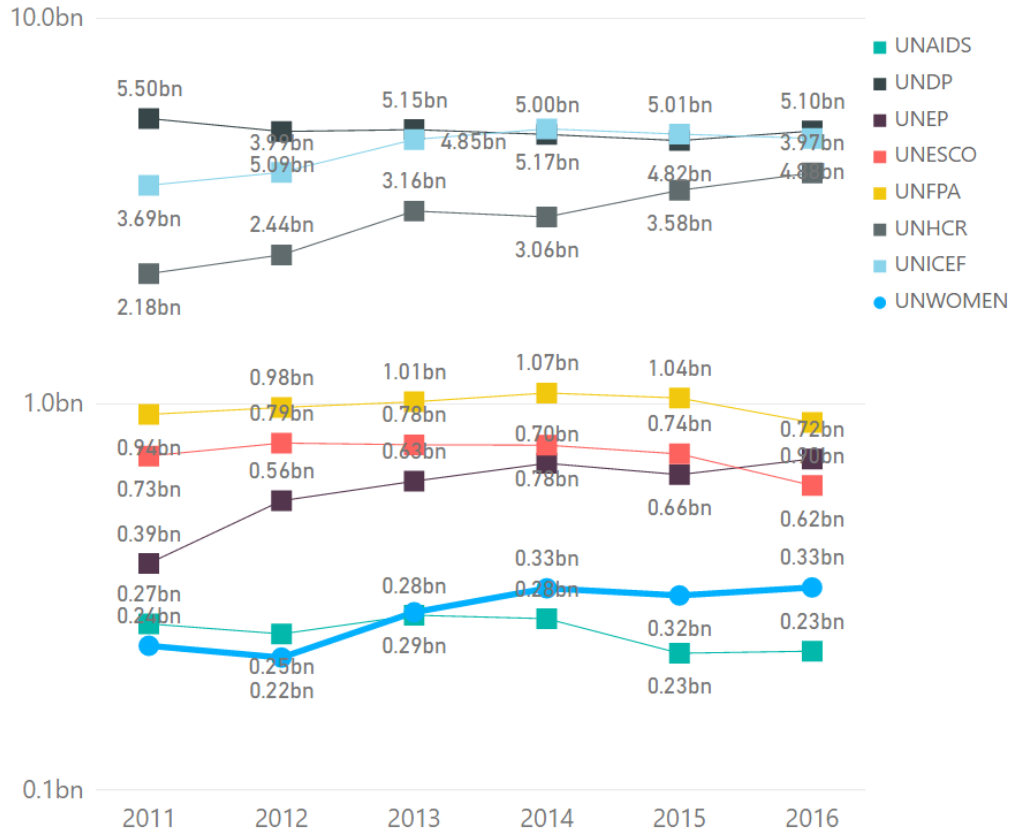
### Working with the UN

UN Women’s joint programmes have increased steadily and represented 11% of UN Women’s total funding in 2017. The Secretary General’s ongoing reform agenda offers opportunities to integrate UN Women’s unique expertise with the rest of the UN system. Therefore, UN Women needs to continue to deepen its working relationships with sister agencies, both at HQ and in the field, and strive to add value to every project.

UN Women continues to be one of the smallest UN agencies, despite its robust growth. Some sister agencies have experienced substantial growth (UNICEF, UNHCR, UNEP) while others have seen moderate reductions (UNDP, UNFPA, UNESCO, UNAIDS). Therefore, UN Women needs to adopt practices of successful agencies and avoid pitfalls learned from other agencies.

Figure L: Revenue by Selected UN Agency

Revenue by Selected UN Agency



# Annex B: Resource Mobilization Projections by Donor Segment

## INTRODUCTION

This resource mobilization (RM) segmented projection focuses on institutional funding (regular resources or core) for the Strategic Plan (SP) 2018-2022 in support of a substantive and evidence-based RM strategy. Programme funding is only possible if there is adequate institutional funding to support programme design, delivery, accounting for resources, and reporting development efficiency and effectiveness results.

It is based on analysis of risk and potential per donor segment and specific theories of change, which has led to a **reliable scenario for income projection** to deliver on the reasonably ambitious [Integrated Budget](#) estimate of USD 400 million in regular resources for the biennium 2018-2019 and leverage programme revenue (other resources or non-core) thereafter.

## PROJECTED GROWTH PER DONOR SEGMENT

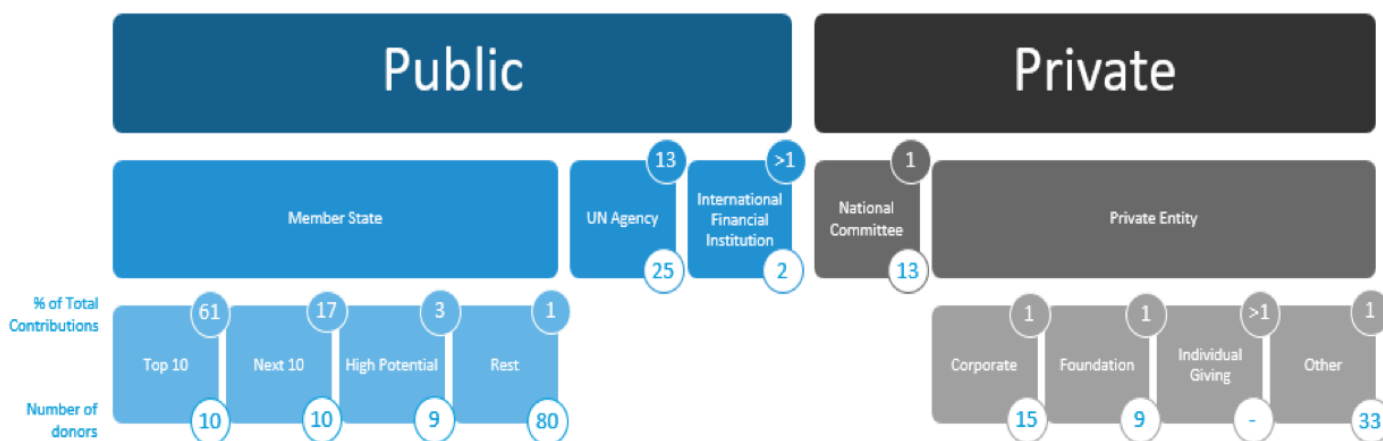
UN Women's resource mobilization strategy is a "DIG" approach that focuses on: (1) deepening engagement with public and private sector donors; (2) investing in public giving; and (3) generating greater and more sustainable revenue from existing and future GEWE communications and advocacy campaigns. While the priority donor segments identified are not new to UN Women, the Entity intends to deepen efforts, innovate within the segments and pursue more meaningful engagement with donors, as partners in the whole programming cycle.

Member State core and non-core contributions represent the lion's share of total resources to UN Women, however, neither these contributions alone or combined with all other donor segment revenue have met UN Women's biennium Integrated Budget estimates. Therefore, the Entity intends to pursue its "DIG" approach as a means to sustainably fund its institutional needs, which includes a more dedicated focus on private sector sources of revenue.

While the "cost to raise a dollar" from different donor segments varies significantly, with private sector sources being costlier to secure, and within this broad category, major differences between large foundations (lowest cost per dollar raised among private sector sources) and general public individual giving (largest costs), UN Women will pursue targeted private sector engagement alongside public sector engagement.

The growth potential of the various segments, according to the 2018 review is presented below.

Figure A: Sample segmentation of UN Women donors<sup>2</sup>



### Public Sector Fund Overview: Sustained Growth from a Low Base

UN Women is the fastest growing entity in the UN system (from a low base), with an average annual growth rate of 9.6% per year since 2011. Growth has mainly been driven by Member States' support. In 2017:

- 112 Member States contributed to UN Women
- Member States provided USD 143 of 146.4 million in 2017, or 97% of core resources
- Member States provided USD 154 of 214.2 million in 2017, or 71% of non-core resources

UN Women has a wide donor base. In 2017 the organization was supported by 211 donors, including 13 National Committees, with significant core contributions from UAE and support from China, Turkey, India.

Non-core funding growth, largely due to the decision of Member States and the EU to fund non-core, has outpaced core growth. Non-core funding rose from 102.6 in 2011 to USD 214.2 million in 2017 representing an average annual growth of 18% per year between 2011 and 2017.

The organization has leveraged the growth of support to deliver momentum on its normative, coordination and programming mandates with a lean architecture, stronger results-based management and 100% clean audits at all times.

### Private Sector Fund Overview: Faster Growth and Potential

At USD 21.6 million in 2017, contributions from the private sector, including corporations, foundations, UN Women National Committees and other private sector donors, represented a small but growing percentage of UN Women's overall resources. Corporations and Foundations contributed USD 10.9 million to UN Women in 2017 with an average annual growth of 25.3% between 2011 and 2017.

<sup>2</sup> For example, a "top 10" donor is one whose total contribution (of all types) over the last 3 calendar years (based on UN Women's financial contributions data) ranks it among the 10 highest Member State contributors to UN Women.

UN Women is working with several private sector segments including corporations and corporate foundations, large and professionally staff foundations, its National Committees, philanthropic giving from high-net-worth individuals (HNWI) and the general public giving, among other sources. Growth is anticipated to accelerate in these segments with targeted efforts to diversify UN Women's income. Outreach to corporate and large foundations has yielded a growing pipeline and large multi-year commitments (e.g. 13 million from the Bill and Melinda Gates Foundation; over USD 15 million from BHP Billiton Foundation).

In 2016 the largest proportion, or 35%, of private sector revenue (excluding UN system revenue) was from corporations, whereas in 2017 the largest proportion was from foundations, which provided 7.1 million compared to 3.9 million from corporations. UN Women National Committees' income has increased each year since 2015, and includes individual giving, with a growing pool of giving instigated by direct marketing.

### Donor Segment Projections

In 2017 UN Women reached its highest total revenue since inception. Despite the increase in voluntary funding over 2016 levels, revenue fell below the Integrated Budget projections for 2017 of USD 200 million in core (with USD 146.4 million raised) and USD 270 million in non-core (with 214.2 million raised).

The 2018 RM and Partnerships Strategy reviewed organizational assessments and analyses on the risks, opportunities, and reasonable projections and plans to raise funds from different donor segments. On this basis, the growth potential of the various segments has been estimated.

The estimated growth per donor segment presented in Figure B. below was developed in line with the Executive Board approved Integrated budget targets for the 2018-2019 biennium of USD 440 million per year (USD 200 million core and USD 240 million non-core).

In addition to growing both core and non-core contributions from Member States, and non-core through joint programming and pooled funds, private sector revenue is anticipated to increase. In particular, private sector income from National Committees, foundations and corporations are expected to be growing donor segments for core as well as non-core in particular.

Figure B: Estimated contributions per donor segment 2018-2019

Scenario: Integrated Budget 2018, Time is Now 2019			2017		2018		2019	
Donor Type	Donor Group	Donor Segment	Core	Non-Core	Core	Non-Core	Core	Non-Core
Public	Member State	Top 10	95.5 M	120.3 M	114.5 M	132.1 M	114.5 M	145.1 M
		Next 10	37.7 M	28.4 M	54.7 M	34.7 M	54.7 M	42.4 M
		High Potential	8.2 M	3.5 M	13.5 M	4.2 M	22.3 M	5.1 M
		Rest	1.6 M	1.7 M	2.1 M	1.8 M	2.1 M	1.8 M
	UN Agency		0.0 M	41.8 M	0.0 M	48.0 M	0.0 M	55.0 M
	IFI		0.0 M	0.1 M	0.0 M	0.1 M	0.0 M	0.1 M
Private	National Committee		2.6 M	3.7 M	5.2 M	6.3 M	10.0 M	9.0 M
	Private		1.2 M	14.4 M	2.0 M	20.8 M	4.0 M	25.0 M
		Sub Total	146.7 M	214.0 M	192.0 M	248.0 M	207.5 M	283.6 M
		Total		360.6 M		440.0 M		491.1 M

### Member State Core Support

The adoption of the SP 2018-2021 and the alignment on the role of UN Women and prioritization of gender equality and the empowerment of women in the UN system are critical factors to support Member States' commitment to collectively increase core contributions.

An annual increase of USD 60 million in core contributions from Member States represents around 0.28% of all Member State contributions to CEB agencies or 1% of core contributions to CEB agencies. It is therefore a relatively achievable target if political will can be harnessed. UN Women has developed the 2020 GEWE Compact to drive efforts towards an additional USD 60 million per year in core funding from Member States. The consensus of Member States at the Executive Board's 2017 Structured Dialogue on Financing and the decision to call on all Members States to expand core contributions is a major step forward that UN Women must further support.

**On this basis, UN Women will work towards its aspirational goal of an approximate USD 60 million increase in core from Member States through the 2020 GEWE Compact, in particular targeting UN Women's donor champions (Top 10 and Next 10) as well as high potential Member States. The estimated level of core contributions required from Member States in 2018 would be approximately USD 185 million and represent 96% of total projected core in that year, with Member State core projected to rise to USD 193 million, representing 93% of overall core resources in 2019.**

### Member State Non-Core Support

The positive trends of annual growth since 2012 in non-core revenue from Member States and the European Union, and the current healthy increases in hard and soft funding pipelines to the flagship programme initiatives inform the anticipated future increases in non-core revenue. Between 2012 and 2017 total non-core revenue grew by 18%, with Member States and the EU playing an important role in that upward trajectory.

**UN Women projects that Member State non-core funding will increase by at least 12% each year from the 2017 level, which would grow non-core revenue from Member States from USD 154 million in 2017 to USD 172 million in 2018, and USD 193 million in 2019.**

### UN Agencies, Joint Programmes and Pooled Funds, and Assessed Contributions

Contributions from UN Agencies are an important source of revenue, they provided 11% of UN Women's income in 2017, contributing USD 41.8 million, mainly for joint programmes (an additional USD 8.3 million was received in 2017 as assessed contributions). To increase income from UN Agencies, UN Women will focus efforts on establishing effective joint programmes on gender equality, especially in the context of UN reform. UN Women will also continue to advocate for a larger assessed contribution from the UN system regular resources.

**UN Women estimates that non-core funds from UN agencies will reach USD 48 million in 2018 and about USD 55 million in 2019, up from USD 41.8 million received in 2017.**

### Private Sector: Corporations/Corporate Foundations, Large Foundations and Other Donors<sup>3</sup>

Corporations provided USD 3.9 million to UN Women in 2017, down from 4.9 million in 2016. These figures do not reflect the additional corporate contributions channelled through UN Women National Committees in order to receive a tax deduction, which amounted to USD 2.3 million in 2016.

Large, professionally staffed foundations offer a great potential, even if for most, UN agencies are not the preferred path for investment. UN Women is increasingly engaged with large foundations, with funding commitments (some multi-year) ranging from USD 400,000 to USD 13 million. UN Women received 7.1 million from foundation in 2017.

**UN Women estimates that partnerships with the private sector could bring in up to USD 22 million in 2018 and USD 29 million in 2019, primarily in non-core, but also with smaller contribution amounts directed to core. UN Women's strategy is maturing in order to better tap into this donor segment.**

### Private Sector: National Committee Income/Individual Giving and High-Net-Worth Individuals and Influencers (HNWII)

While UN Women does not have experience with gifts from HNWII, this benchmarking could be done by mining the databases and followed up on through targeted outreach, with the potential for contributions to non-core and possibly core in the future.

National Committees advocate and fundraise for UN Women. In this capacity they contributed USD 6.3 million in 2017 with an average annual growth rate of 31.7% between 2011 and 2017, primarily driven by individual giving, as well as corporations seeking a tax deductible vehicle.

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<sup>3</sup> Other donors include local governments, sports clubs, and miscellaneous donors. In 2017 they provided a total of USD 4.6 million to UN Women.



In early 2017, UN Women completed an assessment of the fundraising landscape where its National Committees operate as well as other high-growth markets. It highlighted the very diverse trends, potential and capacities in place in various committees. Based on the assessment, the National Committees' potential to grow individual and corporate giving over the period of the SP 2018-2021 was assessed, and bearing in mind current resource constraints, UN Women will take a phased approach to prioritize its support to the private sector fundraising efforts of its National Committees. This will include support to the National Committees' monthly giving direct response fundraising programmes (including donor acquisition, retention and value maximization) as well as their corporate giving efforts.

**Through targeted support, UN Women is projecting that it will grow contributions from National Committees and HNWI from USD 6.3 million in 2017 to USD 11.5 million in 2018 and USD 19 million in 2019. Individual giving through National Committees has the potential to be an important new source of core revenue for the Entity.**