



Notes for Annual Meeting of Board

Geneva

30 June 2010

Thanks , etc.

Great way to situate today's discussion.... UNCDF did have good year in 2009. Tomorrow marks half-way point of 2010 > shaping up well.

Intend to be quite brief.... Have just had an informal lunch with our LDC constituency....Have a real exchange....

Three parts: Larger context > 2009 results > upcoming priorities.

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- I. **Larger context:** see slide deck. Overall message past 5 years is one of growth:
- a. Geographically: 26 – 40 LDCs (also two non-LDCs)
 - b. Programatically: number of local govts nearly 2x; MFIs 3x; clients 6x (revise target up)
 - c. Financially: income and expenditure double since 2005
 - d. Funding: quite dramatic change in financial model. Considerable diversification of funding sources; growth in number of funders.
 - e. Organizationally:
 - i. staff complement 120 > 127 (efficiency gains)
 - ii. support v. total dropped from 26% – 15.2%

Key Points:

- *Growing in response to LDC demand for support in MF and LD.*
- *Becoming more efficient*
- *Can do better still.... But overall trajectory is positive*

II. UNCDF in 2009

- a. Statistics

- i. 70% Africa; 30% Asia (and Haiti): stable over time
- ii. 61% LD; 39% MF: strong growth MF
- iii. 100% country level programmes with UNDP (vast majority of total spending): doing separate but COMPLEMENTARY things...

b. PROGRAMME PERFORMANCE

- i. SRF going back about 4 years; derived from UNDP strat plan + UNCDF indicators
- ii. Many indicators but two things: 1) capacity MFI / LG; 2) systemic impact
Vision: "Paves ..."; pilots; goes where others don't but in ways that make it easier for them to follow ; small entity > success means getting scaled up....
 - 1. LD: capacity of local govts; upstream impact; replication of intervention
 - 2. MF: capacity of MF institutions; policy impact; fin infrastructure impact
- iii. 2009 most targets for capacity / impact were met.... (details in the report)
- iv. New results framework 2010 - 13 will emphasize eve more the upstream impact....; increase access to microfinance and investment capital

c. Gender

- i. Microfinance: self-evident; but also specific target (53%)
- ii. Local Development: GELD in Senegal, SL, Rw, Moz, Tan. Evaluation...

d. Crisis

- i. 40%; biggest and most complex; key partner to UNDP; grow (Haiti; DRC)
- ii. Demand MF: jump start the economy (BCPR report); savings...
- iii. Demand LD: investments >(but also legitimacy; participatory process....)

e. 2009 MANAGEMENT PERFORMANCE

- i. Resources:
 - 1. Regular up slightly (18.7); other down (anticipated)
 - 2. Outlook neutral: core a challenge; non-core going well
- ii. Expenditure +12%; increasing efficiency (highest level ever?)
- iii. Harmonization with UNDP procedures
- iv. External scan > OAI audit: "Project 2010" (position to respond to demand).

Overall (2009): going very well. Coming up to two years.

Organization performing quite strongly. Can always do better. My goal is to ensure it can effectively respond to demand. Positive we are getting there.

Resources...? Do need your help. Very grateful to our financial supporters, in particular to our core donors, especially those that continued to back UNCDF during leaner times.

But still much more demand out there than we can supply. Have just come from Jo'burg... UNDP programming arrangements....

III. Upcoming priorities:

Vision = in focus areas, paves the way, small big; EXECUTION!!

Concerns:

- **Continuing to grow so quickly**
 - **Responding to new kinds of demand**
 - **Having impact....**
- a. Managing Growth: PROJECT 2010
 - i. Have a roadmap, are aggressively implementing. Couple more UNDP streamlining steps. Empowering regions. Resources.
 - b. Meeting demand: NEW PRODUCTS
 - i. LD: cc adaptation (is local); Food security; LED
 - ii. Microfinance: more versus smarter: branchless banking; remittances; micro-insurance
 - c. Having impact: STRATEGIC PARTNERSHIPS
 - i. Vision implies need for scale > comes only via partnerships
 - ii. Deep pockets: World Bank; Gates Foundation; EC (all going well)
 - iii. Happening already but could be more deliberate (co-designing programmes...)

Finally, mention some ongoing initiatives

- iv. Evaluation: SPIRE and architecture
- v. KM: internal; external (Outlook in Cambodia; others coming)
- vi. Communications: branding; website
- vii. Advocacy (Biz Model)
 - 1. UNSGSA: mushrooming
 - 2. Global Forum on Local Development Oct

Angola
Chad
Equatorial Guinea
Gambia
São Tomé and Príncipe
Zambia

Check Against Delivery