



Unlocking Public and Private
Finance for the Poor



UNCDF at 50

Innovative Financing
Solutions for Last Mile
Development

.....
Annual report

2016

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Published by the Partnerships, Policy and Communications Unit
United Nations Capital Development Fund (UNCDF)
Two United Nations Plaza
26th Floor
New York, NY 10017
United States

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All amounts herein are reported in United States dollars (\$) unless otherwise specified.

About UNCDF

The UN Capital Development Fund makes public and private finance work for the poor in the world's 48 least developed countries (LDCs). With its capital mandate and instruments, UNCDF offers 'last mile' finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through two channels: **financial inclusion** that expands the opportunities for individuals, households and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and **localized investments** that show how fiscal decentralization, innovative municipal finance and structured project finance can drive public and private funding that underpins local economic expansion and sustainable development.

By strengthening how finance works for poor people at the household, small enterprise and local infrastructure levels, UNCDF contributes to Sustainable Development Goal (SDG) 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to the achievement of a number of different SDGs.

UNCDF & SUSTAINABLE DEVELOPMENT GOALS



WITH IMPACT ON



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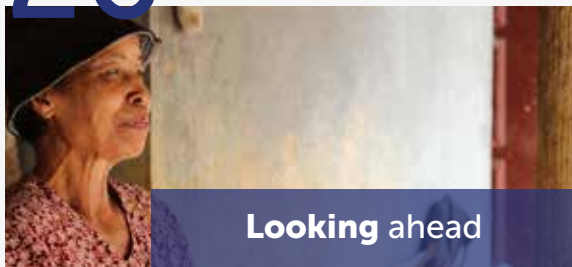
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Resources & Funding

UNCDF is a small and focused organization with a clear mission. With a capital mandate unique in the UN development system, UNCDF helps the Least Developed Countries (LDCs) get finance flowing to the people, local governments and small enterprises that are underserved by and excluded from other financing mechanisms.

We demonstrate every day how small amounts of Official Development Assistance (ODA) can help LDCs leverage public and private resources for maximum impact in the last mile.

Since UNCDF was founded in 1966, many LDCs have made impressive gains in improving people's lives and livelihoods. Now, as the world looks to achieve the Sustainable Development Goals (SDGs) and ensure that no one is left behind, our focus on getting finance flowing to where it is needed most is more important than ever.

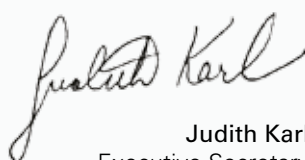
Today, more than ever, LDCs need continued support to mobilize sufficient resources on a range of issues: to benefit from urbanization; to adapt to climate change; to give poor citizens access to the financial services they need to build a better future for themselves and their families; and to build resilient local economies that offer opportunities and livelihoods to women, men and young people.

This report demonstrates the vital role UNCDF plays in these areas. Our work, supported by ODA, allows us to identify opportunities where others see only challenges, to demonstrate the business case for investing where others see risks, and to pilot projects and ideas that others can scale up, in regions they might otherwise overlook.

Looking ahead, UNCDF will continue to expand the frontiers of where finance flows by proving the business case for operating where few others do.

We are creating an investment fund for LDCs to demonstrate how blending different sources of finance—grant funding, ODA, concessional finance, impact investment funding seeking a financial return—can catalyse further investment, both public and private, into promising LDC markets. We are applying digital and other technologies to bring banking and microinsurance services to the poor people in rural and underserved areas, to bring down the cost of remittances for migrants, and to encourage young people to save, learn financial skills and start businesses that can improve their lives.

Our successes are a result of the willingness of LDC governments to partner and innovate with us. We are also deeply grateful to our funding and implementing partners, who champion our work by contributing to UNCDF's regular resources, fund thematic and country initiatives that allow us to test new ideas, and support us to adapt the best lessons learned and apply them for greatest impact. Working with our partners, we can help translate global development agendas into concrete benefits for the people, governments and institutions at risk of being left behind. Working together, we can build a fairer, more inclusive and more prosperous world.



Judith Karl
Executive Secretary



FOREWORD

WHERE DID we start ?

1966 and beyond: The early years



1966

UNCDF is born

UNCDF is created in 1966 to *“assist developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants and loans”*.

1973



Focus on the Least Developed Countries

The 1970s oil crisis had a particularly devastating effect on the economies of the LDCs. In 1973, the United Nations General Assembly decided that UNCDF should focus *“first and foremost in the least developed among the developing countries”*.

1987

Promoting economic growth and local development

For the first 20 years, UNCDF financed stand-alone infrastructure projects, such as bridges, roads and irrigation schemes. In 1987, UNCDF was present in 47 countries, including 40 LDCs. 32 donors—including 12 LDCs—provided UNCDF with US\$40 million in annual core resources.

The 1990s: Making new strides in development



1990

Local governments take the lead in the fight against poverty

UNCDF began to work directly with those responsible for local investments: local authorities. Providing investment capital directly to local governments at a time when many countries were highly centralized was a calculated risk. UNCDF bet on local authorities' ability to invest effectively in local economic development, service delivery and poverty reduction while strengthening governance and accountability. The early results from this change in approach were documented in the 1998 publication 'Taking Risks'.

1995

Taking risks in post-conflict and crisis settings

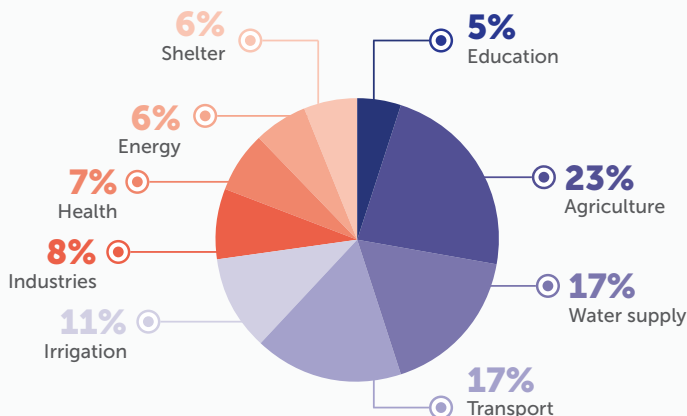
Since 1995, UNCDF's local development fund approach has enabled conflict-affected societies to rebuild from the bottom up. It helps local governments connect with citizens, and provides resources for officials at the local level to build infrastructure and other projects in response to their citizens' needs. This approach has contributed to peacebuilding from Cambodia to Mozambique, and is currently working in Somalia.

Late 1990s

Expanding the focus

UNCDF's work at the local level started to include support for microcredit institutions. While increasing the availability of credit was generally considered an effective way to stimulate local private-sector activity, 'microcredit' was beginning to give way to the broader concept of 'microfinance'.

Sectoral breakdown of UNCDF commitments 1967–1987¹



¹ UNCDF, 'It Makes a Difference', Publication #457, New York, May 1988.

The 2000s and beyond: Tackling big challenges



2001

Piloting local economic development

Responsibility for meeting the enormous demand for infrastructure and services has increasingly shifted from national to subnational governments. Yet local governments outside major cities often lack the capacities, financial resources, management systems and pipeline of bankable projects to fulfil this responsibility. UNCDF's local development work helps to build these systems and provides funds for local authorities to use to demonstrate their new capacities.

2005



From microfinance to financial inclusion

In 2005, UNCDF served as the secretariat for the UN International Year of Microcredit, a milestone that signalled the shift from 'microfinance' to 'financial inclusion'. Since then, UNCDF has promoted financial inclusion through a 'market development' approach, focusing on creating conducive enabling environments; using data and diagnostics to drive policy change; working with a wide range of financial service providers to expand their reach to households and businesses, including through digital financial services; and ensuring that financial services are provided responsibly and at a reasonable cost.

2006

Proving, so others can scale up

In Bangladesh, Cambodia, Mozambique, Senegal, Uganda and elsewhere, governments borrowed from the World Bank to scale up the local investment platforms UNCDF helped establish. The follow-on investments in many cases have been multiple times the value of UNCDF's financial support. Today, local public finance and investment in around half of the world's LDCs can trace their origin to the systems introduced by UNCDF and described in a flagship 2006 publication 'Delivering the Goods'.



2010

Building resilience to climate change

UNCDF participated in the inaugural World Congress of Resilient Cities and pledged to support cities, rural local governments and local economies in LDCs to secure access to the additional finance required to build climate change resilience. Now, 16 countries are working with UNCDF on systematic approaches that design verifiable climate-resilient investments and enable their financing, including from the Green Climate Fund.



2012

Empowering women and supporting gender equality

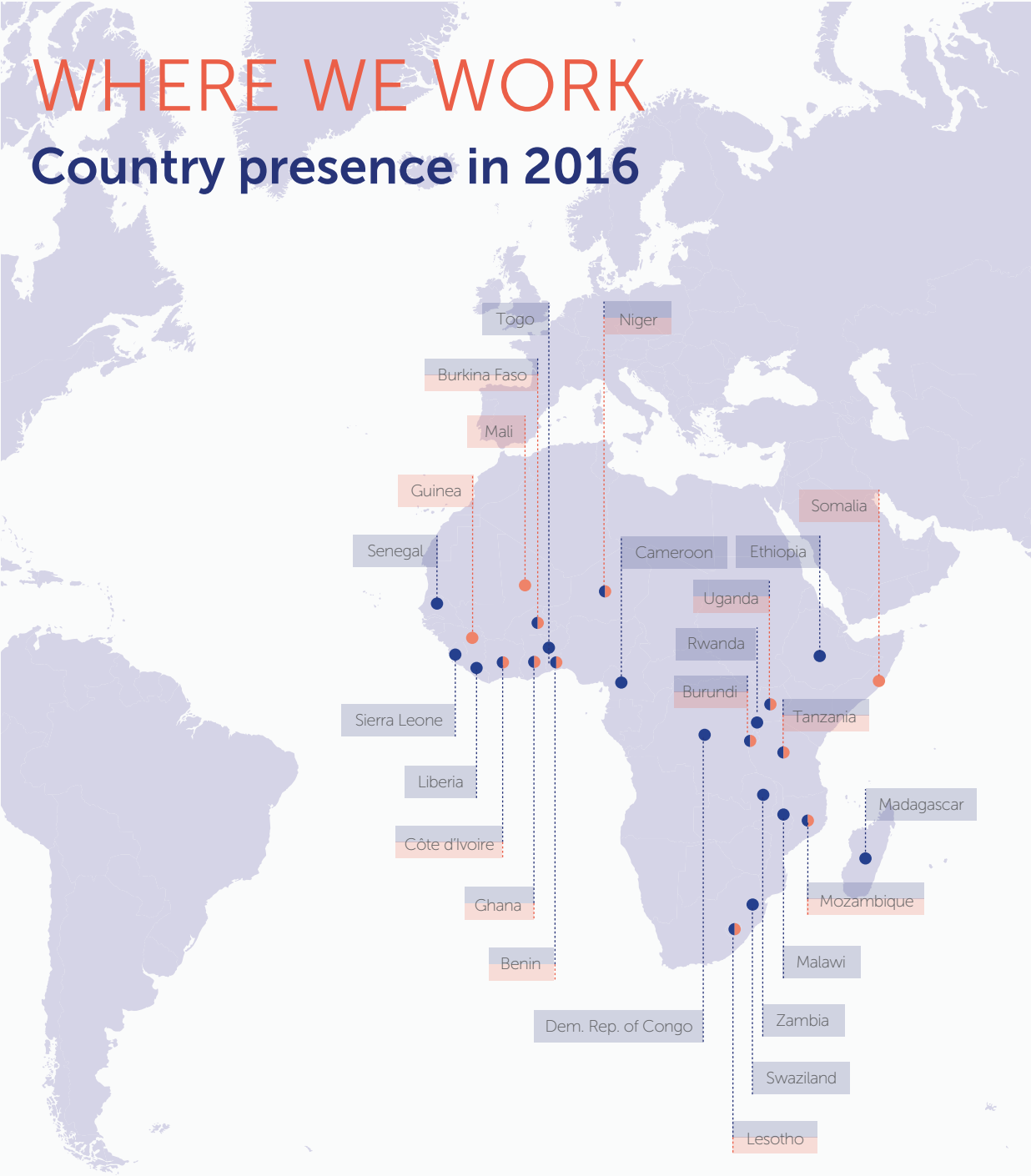
UNCDF launched its Gender Equality and Empowerment of Women strategy to ensure that UNCDF's financing models meet the needs of women for customized financial services and also address structural barriers that bar women from accessing economic activities. This strategy has led to a cross-cutting focus on empowering women across UNCDF's programmes.

2016

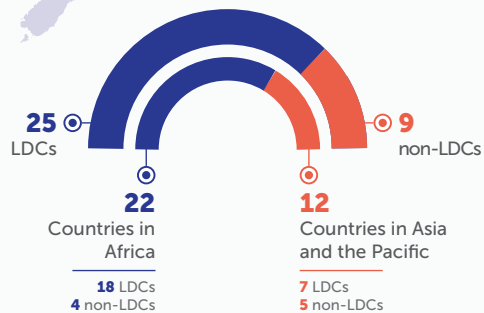
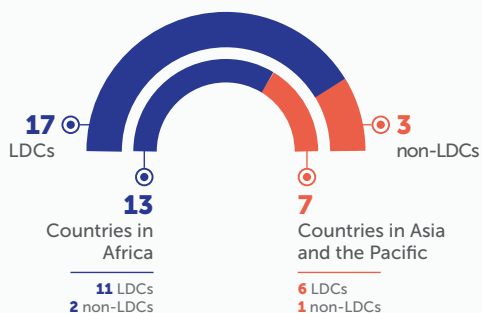
UNCDF turns 50

On 13 December 2016, UNCDF celebrated its 50th anniversary. UNCDF's work to unlock public and private resources, particularly at the domestic level, support the growth of a viable private sector in LDCs, and bring new sources of financing to the LDCs helps to realize the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development, the Paris Agreement on climate change and the Istanbul Programme of Action.





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WHAT DID we accomplish?



EXPANDING financial inclusion

Reached

**14 MILLION
SAVING CLIENTS**

with financial services
under the current **Strategic
Framework (2014-2016)**



Served

**4.7 MILLION
NEW CLIENTS**

since 2014 with financial
products that strengthen
their resilience to shocks

Two billion adults—more than half of the world's working-age adult population—are still excluded from formal financial services.

This is most acute among low-income populations in emerging and developing economies. Including people in the formal economy is a critical contribution to poverty reduction, tackling inequality and fostering inclusive growth.

Financial inclusion means that individuals and enterprises **can access and use a range of appropriate and responsibly provided financial services** offered in a well-regulated environment.

The SDGs comprise an ambitious 17 goals, and greater access to financial services is a key enabler for many of them. Financial inclusion is featured as a target in 7 of the 17 goals: SDGs 1, 2, 3, 5, 8, 9 and 10.

What's UNCDF's strategy?

1st UNCDF supports:

- **New products:** Credit, savings, microinsurance and payment systems, including remittance pathways.
- **New populations:** UNCDF helps rural women and girls save money by linking them to formal financial services; expands digital financial services to hard-to-reach communities; offers poor families access to clean household electricity and cook stoves; and connects small and medium enterprises (SMEs) and young people with the financial services they need to invest and grow.
- **New technologies:** UNCDF increasingly uses mobile money and digital payment platforms to connect people to the financial sector and new economic opportunities.
- **New providers:** UNCDF not only works with traditional microfinance institutions but also supports a range of private-sector financial service providers.

2nd

UNCDF works with private- and public-sector partners to get the regulatory environment right and to bring those products to the maximum number of underserved and excluded populations, including rural communities, youth and women.

In 2016, UNCDF supported 134 FINANCIAL SERVICE PROVIDERS

(banks, cooperatives, microfinance institutions, money transfer operators and mobile network operators) through grant and loan instruments to ensure that more households and small businesses gain access to financial services that expand their opportunities and reduce their vulnerabilities.





SUPPORTING LOCAL development finance



In 2016, UNCDF supported

854
local
governments



Trained more than

45,000
government officials
and local stakeholders
in 2015 and 2016

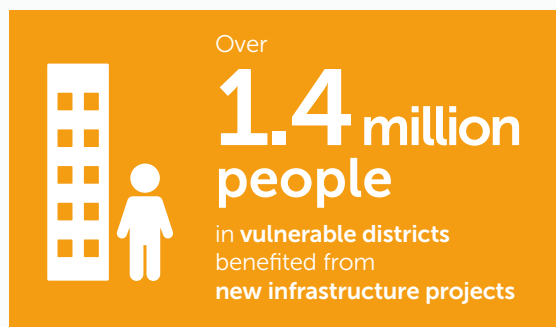
There are still 767 million people living in extreme poverty—under US\$1.90 per capita per day.²

Disparities in incomes and living standards are the result of the unevenness of economic development, including within countries. Location matters more for living standards in poor countries than it does in rich ones.³

Local authorities, especially in secondary cities, peri-urban and rural areas, are facing growing pressures that increase their need to access and mobilize finance to build local infrastructure, provide services, support local economic development and respond to the needs and aspirations of citizens. Yet, overall, sufficient resources do not always flow to the local level, resulting in underfunded or even unfunded local development plans.

² UNDP/UNRISD, 'Global Trends, Challenges and Opportunities in the Implementation of the Sustainable Development Goals', New York, 2017.

³ World Bank, 'World Development Report 2009: Spatial Disparities and Development Policy', Washington, D.C., 2009.



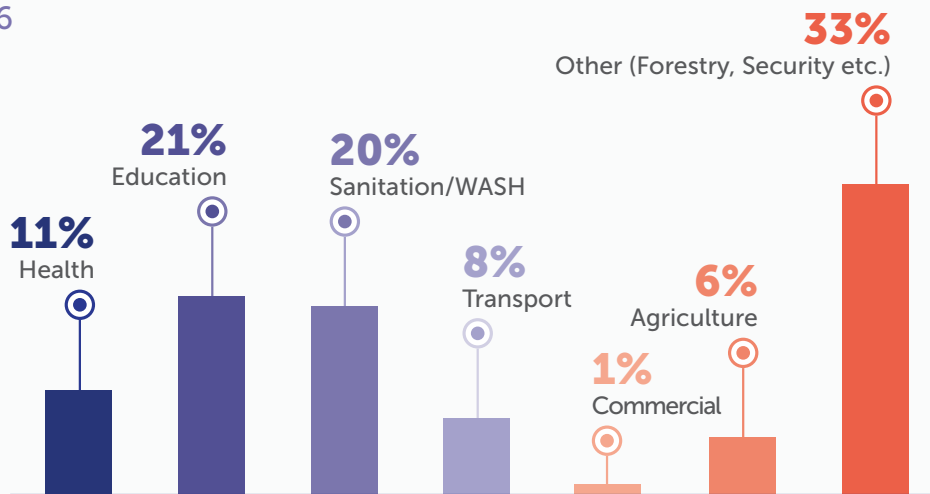
UNCDF has long reached underserved localities in LDCs by helping financing to flow more smoothly and predictably to local governments in urban, peri-urban and rural areas.

UNCDF's work focuses on building effective local development finance models—models that provide the capacities and tools to local government authorities to be able to address development challenges at the local level. By moving the decision-making process about government spending closer to the people, we empower local authorities to **make investments and build infrastructure that address the most pressing needs in their communities.**

UNCDF applies its local development finance approach and instruments to promote resilience to climate change; food security and land restoration; women's economic empowerment; and local economic development and cross-border integration and development.

UNCDF seed capital is invested through three main modalities: **the local development fund and performance-based grants; project finance and SME finance; and innovative approaches for municipal finance, a new area of work that includes exploring how public-private partnerships, bonds and own-source revenue can help local authorities respond to the needs of citizens and build robust local economies.**

UNCDF-supported public local infrastructure investments by sector in 2016



EMPOWERING women

49% WOMEN

in 2016, 49% of
**infrastructure
beneficiaries**
were **women**

83%

of financial roadmaps
supported address
gender issues
and use
sex-disaggregated data

4 million

borrowers

supported since 2014,
of which **54% are
women**

Gender equality is acknowledged in the 2030 Agenda for Sustainable Development as a driver of progress across all the development goals.

Around the world, significant inequalities remain between women and men in a range of areas, from formal participation in the labour market to income, entrepreneurship, access to credit, inheritance rights and land ownership.

When women are empowered, whole communities and societies benefit too. But there are many structural barriers that impede women's economic empowerment, such as deep-rooted discriminatory attitudes and inequitable social and economic structures. Laws and policies often deny or limit women's rights to inherit and own land. In many countries, women generally have less access to resources, including to quality inputs and financial services, than their male counterparts.

Across all its work, UNCDF recognizes the importance of **acting locally for gender equality**. Increased investment in financial inclusion, local infrastructure and entrepreneurship at the local level has the greatest potential to make a direct and lasting difference in women's lives.

Although more people are gaining access to financial services worldwide—62% of the world's adult population had access to a financial services account in 2014, up from 50% in 2011—**1.1 billion women are still excluded from formal financial services**. Across the world, women still earn consistently less than men.

Financial inclusion can improve women's earnings, increase consumption, strengthen household resilience, boost the health of children and improve the prospects of the next generation of girls and women. Digital financial services can enable women to safely store funds, as well as save the time and effort required to travel long distances to collect or transfer cash.

UNCDF's work on financial inclusion is piloting new financial services and products that empower women, and is focusing on bringing them to scale. As a result, more women will be able to access digital financial accounts, savings groups, mobile money, loans and other financial services that can help lift them and their families out of poverty. UNCDF is proud that all its financial inclusion programmes collect sex-disaggregated data and include specific targets on women.

Investments in appropriate local infrastructure can accelerate progress for women's economic empowerment by reducing their burden of unpaid care work and providing them with access to markets and resources.



Worldwide, the majority of women work in non-wage employment and the informal sector. In 2015, 586 million women were own-account or contributing family workers.

Women working in the informal job market often work in an unsafe and difficult working environment with no social protection and fewer opportunities to access markets and services and with far fewer avenues to expand their businesses.

Lack of access to basic infrastructure exacerbates these problems. Unsafe and poor transport infrastructure often impedes women's participation in the economy as entrepreneurs and workers. Moreover, with additional responsibilities at home taking care of household chores as well as looking after children and elderly family members, women

work twice as many hours as men on average, which leaves them with no time to engage in productive employment.

UNCDF addresses these structural barriers by working with local governments and the private sector to design and implement high-impact investments in gender-responsive businesses and infrastructure, thus unlocking domestic capital for women's economic empowerment and entrepreneurship. For example, UNCDF's investment in energy projects such as micro-hydro allows women to grow their home-based businesses through enhanced production. Similarly, investments in gender-responsive agri-businesses promote women's economic empowerment through increased employment opportunities for women and better access for female farmers to market and inputs.

TAKING climate action

\$10 million

**Supported 64
GOVERNMENTS**



**in 2016
UNCDF**

mobilized about **\$10 million**
to scale up **local climate
efforts** in Bangladesh,
Cambodia and Tuvalu



**in
12 COUNTRIES**

since **2014** to introduce
**climate adaptation
measures** at the local
level

Local governments are on the front line of responding to climate risks, and getting them the finance they need so that they can climate-proof infrastructure and grow in an inclusive and sustainable manner is essential for building resilience to a range of shocks.

The 2015 Paris Agreement stressed the role of subnational government in strengthening resilience to climate change. Yet most climate finance is centrally allocated or managed.

In 2016, UNCDF worked **with 64 local governments in 12 countries to introduce and scale up a climate-resilient, performance-based grant system**. Over **130 investments were completed**, addressing a range of sectors from water and sanitation to agriculture, disaster prevention and transportation.



EMPOWERING young people



UNCDF's partners trained over

700,000 young people
in financial education

With UNCDF's support, financial service providers provided loans to over

125,000
young entrepreneurs



in **2016**

Financial Service Providers supported by UNCDF provided
saving accounts to almost

730,000 young people

Working poverty rates among youth in sub-Saharan Africa were nearly 70% in 2016, translating to 16.4 million working youth in that region living in extreme or moderate poverty (less than \$3.10 per day).⁴

In 2014, 46% of young adults (ages 15-24) worldwide owned a financial account, compared to 66% of older adults (age 25 and above). The gap is smaller for mobile money accounts: 10% of younger adults have a mobile money account in sub-Saharan Africa, compared to 12% of older adults.⁵

The lack of access to financial resources is a major constraint for young people transitioning from school to work.

It is difficult for young people to access the credit they need to start a business, accumulate assets or get insurance and other relevant financial services that could help them build a bright future.

In 2016 alone, UNCDF partners provided access to savings accounts to almost 730,000 young people, of whom **44% were young women**; trained over 700,000 young people in financial education; and provided loans to over 125,000 young entrepreneurs, of whom **54% were young women**.

⁴ ILO, 'World Employment and Social Outlook 2016: Trends for Youth', Geneva, August 2016.

⁵ World Bank, Global Findex Database, 2014.

CATALYSING INVESTMENTS into the last mile

The Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development, the Paris Agreement on climate change, the mid-term review of the Istanbul Programme of Action and the New Urban Agenda all have a strong focus on the need to leave no one behind.

These agendas call for tackling entrenched inequalities and exclusions, and for integrated development solutions that can support the achievement of multiple goals.

With their strong focus on the need to mobilize resources from multiple sources and get them working together effectively, these agendas are also giving impetus to UNCDF's work to innovate **'last mile finance'** models that use public resources to catalyse additional public- and private-sector funding, from both domestic and international actors.

For every \$1 in core resources, UNCDF is able to leverage about \$10 of investments into local economies.



Since 2014 UNCDF has leveraged

11.7 TIMES ITS INVESTMENT
of **\$10.2 million** made to local government
from the private and public sectors

Development partners

have provided \$97 million for

**UNCDF-designed financial
inclusion programmes**

since 2014



**\$97
million**



**\$3
billion**

Financial service providers' deposits have increased from

\$1.2 billion to \$3 billion

over the period of UNCDF support

STORIES OF LEVERAGE & Scale-Up

A photograph of a concrete staircase leading up a grassy hill. The stairs are made of light-colored concrete and are partially covered with green moss or algae. The background shows a clear blue sky, lush green trees, and a chain-link fence in the distance. The overall scene is bright and sunny.

WOMEN and SAVINGS

MicroLead was successful in institutionalizing small balance savings mobilization in 53 partner Financial Service Providers (FSPs) from 2009 to 2016. In phase I, MicroLead addressed a market gap in a number of LDCs where a market leader was needed to jumpstart innovation and competition. In phase II, MicroLead challenged FSPs to develop, pilot and scale deposit services for low-income rural populations, particularly women.

Over the life of the programme, over 2 million active depositors (of which 70% of them are women and rural) otherwise excluded, have been accessing services.

With MicroLead's support, FSPs are reaching last mile rural markets with customer centric financial products offered via alternative delivery channels (agents, mobile phones, point of sale (POS) devices and informal community groups) with financial education to boost usage by customers. MicroLead publications include a set of six digital financial services (DFS) toolkits describing the business models for FSPs to go digital and over a dozen individual partner case studies which outline the business case of small balance deposit mobilization, the how-to of providing services to informal community groups, as well as building agent networks to service low-income populations. As UNCDF continues to scale MicroLead, future priorities include emphasis on women's economic empowerment through financial access and use, including through the empowerment aspects of group solidarity, domestic resource mobilization, customer-centric product design and digital financial services ... ultimately "leaving no one behind."



MicroLead was successful in institutionalizing small balance deposit mobilization

53 PARTNER FSPs

2 million
customers actively using savings accounts

>70% women



31
new products launched



INNOVATIONS

Alternative delivery channels

Informal groups linked to formal services

Behavioral economics

Financial education

Change management at FSPs

Digital financial services

Human-centered design

BUILDING LOCAL GOVERNMENT CAPACITY for infrastructure and service delivery in Bangladesh

Over the last 15 years and through different phases of innovation, UNCDF spent \$10 million of core funding to pilot and test approaches to fiscal decentralization in Bangladesh.

What began in one of 64 districts in Bangladesh in 2000 eventually was scaled up by the World Bank with \$720 million in International Development Association (IDA) financing and the Bangladesh government's own funding across the entire grass-roots tier of local governments in the country. Under this programme, 10,242 investments were made locally.

UNCDF raised the participation of poor households in the planning process from 4% in 2012 to 36% in 2015, with 37% of the participants (295,000) being women. In 2016, Japan came forward with an additional \$400 million to continue expanding the nationwide scale-up across the entire lower tier of local government.

Read more **STORIES OF LEVERAGE AND SCALE-UP** at
<http://www.uncdf.org/en/stories-leverage-and-scale>

Over the last 15 years, UNCDF spent
\$10 million

this programme began in 2000
in 1 of the 64 districts in Bangladesh

scaled up with **\$720 million** by

World Bank

in International
Development Association
(IDA) financing

Bangladesh government's

own funding across the
entire grass-roots tier of
local governments

10,242 investments
made locally

participation of poor households in the planning process

4%

2012

36%

2015



37%
295,000
women

in 2016, Japan

came forward with an additional

\$400 million

to continue expanding the nationwide scale up across
the entire lower tier of local government





WHAT DID we learn?

UNCDF has identified
FOUR KEY LESSONS from the
implementation of the current
Strategic Framework.

1st

UNCDF's focus on 'last mile finance' and its risk appetite to work where others are not present remain critical to helping LDCs use blended financial models effectively to address exclusion while they pursue the SDGs and graduation from LDC status.

UNCDF's work fills a significant gap in the development finance landscape by concretely demonstrating how to shift the dynamic of local resource flows in LDCs. Without sufficient finance in the last mile, poor populations, SMEs and local governments in LDCs are at great risk of being left behind.

2nd

UNCDF's experience shows that well-designed financial tools and instruments can drive innovation and the development of new sustainable finance models that work for poor people.

Fiscal transfers, municipal finance and structured project finance help localities attract investments to address their infrastructure needs.

The use of challenge funds—calls for proposals for the best ideas to address 'last mile' inclusion challenges—drew private-sector actors into new markets and incentivized them to address the needs of poor communities they would not ordinarily serve. This is leading to shifts in the way financial service providers view the viability of serving poor clients.

New services are creating more resilient and financially dynamic households, SMEs and value chain actors. UNCDF is connecting women, young people and smallholder farmers to financial services they never had access to before, expanding usage into previously excluded areas. New digital finance models such as pay-as-you-go are helping poor people tap into essential services, such as clean household electricity. Based on these lessons, UNCDF is now exploring how these innovations, especially in digital financial services, can be expanded to other essential goods and services.

3rd

UNCDF has continued to evolve its tools and approaches, based on lessons learned, to respond to the changing development landscape.

For example, UNCDF is increasingly supporting savings-led financial inclusion and gender-sensitive infrastructure investments because evidence shows that these are important ways for women to exercise economic and financial agency in their homes and communities.

UNCDF supports data collection and the development of diagnostics because this evidence base helps reveal markets to economic actors and investors and drives policy change. UNCDF has learned that there is no single 'right' way when it comes to digital financial services; the right enabling environment is key.

UNCDF has also learned that empowering local authorities with discretionary budget allocations in crisis situations can help reinforce the legitimacy of the State, especially in rural and remote areas. UNCDF helps local authorities access diverse funding sources to respond to their citizens' needs as the world urbanizes and populations grow.

4th

UNCDF's maturity model—innovate, consolidate/replicate and scale up—helps it punch far above its weight through the demonstration effect and the leverage it generates. This is why ensuring sustainability and leverage continues to be a driving objective in UNCDF's business model, and meeting annual regular resource funding targets is so important going forward.

UNCDF is incorporating these lessons into the design of its new programmatic approaches, as well as its new Strategic Framework.



LOOKING
ahead

Looking ahead, UNCDF is PRIORITIZING FOUR AREAS:

1st UNCDF will continue...

to **innovate, consolidate and scale up programmes and blended finance approaches**, and to **evolve and adapt its models based on lessons learned**, evaluations and programme monitoring. Many of UNCDF's programmes take many years and more than one planning cycle to bear fruit.

2nd

UNCDF will continue to use its capital mandate to expand the frontiers of finance in LDCs. In particular, this will result in:

- **Promoting financing and digital tools to expand financial inclusion** and access to real-world goods and services;
- **Expanding access to finance for secondary cities and rural municipalities in LDCs** in line with the New Urban Agenda;
- **Helping local governments respond to and prepare for climate change**;
- **Using data and diagnostics** to drive policy and regulatory decisions related to inclusive finance; and
- Maintaining a **strong focus on empowering women**.

3rd

By strengthening how finance works for poor people at the household, small enterprise and local infrastructure levels, UNCDF contributes to SDG 1 and SDG 17, with an impact on a number of different SDGs.



WITH IMPACT ON



4th

To make all of this happen...

UNCDF will continue to **seek to diversify its funding and partnership base** to implement its Strategic Framework 2018-2021 and fulfil the promise of the SDGs.

FULLY FUNDED

UNCDF will be able to be present in 40 LDCs to support their development goals and help them mobilize much-needed public and private resources at the local level.

UNCDF is entirely funded by voluntary contributions from UN Member States, multilateral organizations, foundations and other sources.

These contributions are provided as regular (core) resources, or other resources earmarked for specific purposes.

Core resources remain the foundation for UNCDF's business model, providing the risk capital for innovation and leverage, the technical expertise to remain at the frontiers of innovation in 'last mile' finance, and the robust country-level presence needed to be a strategic partner to governments and UN country teams.

In 2016, UNCDF **received total contributions of \$54.5 million. Twelve Member States** contributed a total of **\$10.2 million in core resources**,⁶ compared with \$12.5 million in 2015.

Other resources earmarked for specific themes, programmes or activities were \$43.8 million in 2016, of which \$11.3 million came from donor-country governments, \$19.7 million from the private sector, foundations and NGOs, and \$12.9 million from multilateral organizations. UNCDF works in partnership with a range of UN agencies to achieve our results. As UNCDF is an associated fund of UNDP, UNDP is a preferred programme partner at country level. Other UN partners include UN Women, WFP, UNHCR, IFAD, ILO, FAO and UN HABITAT.

⁶ Includes a contribution of \$795,934 from UNDP for programme support.



RESOURCES & Funding

in 2016



UNCDF's core donors

were Sweden, Switzerland, Luxembourg, Australia, USA, Norway, Austria, Lao PDR and Liechtenstein. Two LDCs—Myanmar and Lao PDR—as well as two Member States of the Group of 77—Thailand and China—supported UNCDF through core resources



UNCDF's overall donors

were the Bill & Melinda Gates Foundation, the Multi-Partner Trust Fund, The MasterCard Foundation, Sweden, Switzerland, the United States, the European Union, Belgium, Luxembourg and Australia

UNCDF RECEIVED TOTAL
CONTRIBUTIONS OF

\$54.5 million

12 MEMBER STATES contributed a total of

\$10.2 million*

in core resources

* Includes a contribution of \$795,934 from UNDP for programme support.



CORE BUDGET CONTRIBUTIONS BY MEMBER STATES IN 2016

in United States dollars

Donor	Total Core
Sweden	3,095,209
Switzerland	3,009,027
USA	750,000
Luxembourg	891,694
Australia	761,615
Norway	579,441
Austria	222,965
China	30,000
Liechtenstein	24,065
Myanmar	4,878
Thailand	2,500
Grand Total	9,371,395



33 Partners

TOTALS



\$ 10,167,329*
of Core

\$ 43,820,103
of Non-core

**Total Core &
Non-Core**

\$ 53,987,432

JPO Resources

\$ 1,330,262



\$ 55,317,694



* Includes a contribution of \$795,934 from UNDP for programme support.

Read **WHAT PARTNERS SAY ABOUT US** at www.uncdf.org/en/what-partners-say-about-us

TOTAL CONTRIBUTIONS IN 2016

in United States dollars

Donor	Core	Non-core	JPO Resources	Total
Bill & Melinda Gates Foundation		7,994,489		7,994,489
Multi-Partner Trust Fund		7,458,776		7,458,776
The MasterCard Foundation		7,425,292		7,425,292
Sweden	3,095,209	4,075,644	137,641	7,308,494
Switzerland	3,009,027			3,009,027
United States	750,000	1,932,000		2,682,000
European Union		2,627,694		2,627,694
Belgium		3,365,410		3,365,410
Luxembourg	891,694	443,951	333,495	1,669,141
Australia	761,615	526,363		1,287,978
LIFT Fund		1,284,552		1,284,552
PACT Global Microfinance Fund		1,217,766		1,217,766
VISA		1,000,000		1,000,000
CITI Foundation		750,000		750,000
Omidyar Network		750,000		750,000
UNDP		653,714		653,714
Denmark		452,828	153,386	606,214
Norway	579,441			579,441
United Nations Convention to Combat Desertification		558,761		558,761
MasterCard Worldwide		500,000		500,000
Kuwait			468,936	468,936
Germany		292,811		292,811
Italy			236,804	236,804
Austria	222,965			222,965
United Kingdom		205,754		205,754
IFAD		171,914		171,914
World Bank (IBRD)		100,000		100,000
Financial Sector Deepening - UGA		32,383		32,383
China	30,000			30,000
Liechtenstein	24,065			24,065
Myanmar	4,878			4,878
Thailand	2,500			2,500
Grand Total	9,371,395	43,820,103	1,330,262	54,521,760





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Finance for the Poor

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