

Board of Trustees
03-04 March 2021

Refers to
 agenda item 8

Agenda Item: Revision of 2021 Budget for the Unified Secretariat

Action Required

As per recommendation of the C-FAR, the Board of Trustees approves:

a) the US Office and its associated structure to be considered a sub-office of the London Office, similar to the Geneva and Melbourne offices and b) the revised Annual Budget for the year 2021 as presented below.

- 1) The Unified Secretariat Budget for 2021, was approved by the Board of Trustees, in its meeting held on the 17-18th November 2020.
- 2) Following this a detailed review was undertaken by the management, at each secretariat office and the divisions in London office. This review was undertaken to identify any changes/ revisions that may be required to the budgets under the unrestricted, restricted, and designated sources of funding.
- 3) This review was required to be undertaken, due to the high-level risks that were identified by the management at the time of preparation and presentation of the first unified secretariat budget and new developments in the US. Some of these are listed below:
 - a) **Renewed US Focus:** *The US (New York/DC) office will be carrying out global fundraising, UN advocacy work and hosting of Nexus. We are setting up a Bogota/Port of Spain regional office (ACRO) which will be much more focused on the MAs of the Americas and the Caribbean than it has been in the past. To manage this we are proposing to consider the US Office a sub-office of the London Office, similar to the Geneva and Melbourne offices. These changes and the staffing up to take advantage of the opportunities in a Biden-Harris administration have led to an increase in the unrestricted core budget.*
 - b) **GCACI project budget cut:** *The LAD informed IPPF about a significant budgetary cut (circa 47%) to its overall contribution to IPPF's. This led to a last-minute requirement to recalculate the overall budgetary envelope available for 2021. In addition, and contrary to previous instances where such cuts have been required, the LAD has also asked that all unspent funds for prior periods within the current Phase V be returned to them. A summary of the position so far is as follows, although this is still being worked on:*

Entity	Budget 2021	Revised 2021	Amount cut	% cut
London Office	1,300,854	832,547	468,307	36.00%

Africa	3,233,128	1,993,277	1,239,851	38.35%
Asia	2,263,195	1,266,174	997,021	44.41%
Cote d'Ivoire (+S4)	1,960,530	619,007	1,341,523	68.43%
Total	\$8,757,707	\$4,711,005	\$4,046,702	46.21%

- c) **Americas and Caribbean region:** *Limited budget provided for any additional costs required to set up new offices for the Americas and Caribbean regional office and identifying new Member Associations in the Western Hemisphere Region and any legal costs that may arise relating to use of the IPPF brand name etc.*
- d) **Salary Adjustment:** *On review of the final budget, it was observed that some of the salaries under restricted projects required adjustment, due to end dates of these projects being earlier than what was envisaged at the time of budgeting.*
- e) **Recognition of Income:** *It was observed that some projects had recognized income for the initial budget on cash basis, whereas the others had recognized this on accrual basis.*

- 4) The above revision has been reviewed and signed off by the Director's Leadership team (DLT).
- 5) The first revision of the 2021 Unified secretariat budget, by source of funding, are presented in the following paragraphs:

a) Unrestricted Core Budget

The net impact of the revisions on the unrestricted core budget is an additional surplus of US\$ 320k as presented in the table below.

	Oct-21	Adjustment		Dec-21
		Increase	Decrease	
Income	61,544,224.26	505,625.14		62,049,849.40
Expenditures-non salary	48,765,034.26		- 93,334.59	48,671,699.67
Expenditures -Salary	12,779,190.00	278,887.00		13,058,077.00
	61,544,224.26	278,887.00	- 93,334.59	61,729,776.67
Net surplus/deficit	0.00			320,072.73

The key changes proposed are listed below:

- i) Increased unrestricted core income by **US\$ 505k** due to **additional overhead recovery** identified due to addition of new restricted projects.
- ii) Additional cost of staffing for the new US (New York/DC) office led to an increase in the unrestricted core budget by US\$300k, as detailed below:
- UN-New York advisors for US\$140k charged to the Americas and Caribbean budget in the first round of budget presentation.
 - Following the US election result a new post has been created, namely, the Chief strategic partnership with a budget of US\$160k.
- iii) In addition, we have made two other minor adjustments:

- Additional salary of US\$ 26k required to be covered under unrestricted core, due to specific projects, ending earlier than estimated during the budgeting process.
 - Reduction of salary of US\$47k from ESEAOR.
- iv) Expenditures reduction in non-salary is as the result of a reduction of other expenses in Americans budget for \$140k to cover the additional salary for UN-New York advisor role. This saving is also offset by an increase by \$47k in ESEAOR as the result of some reallocation exercise done in the revised version.

C-FAR is requested to:

- 1. Consider and recommend approval of the above structural change to the Board of Trustees.***
- 2. Recommend approval of the additional US\$300k cost in the unrestricted budget.***

b) Restricted Budget

The net impact of the revisions on restricted budget is a deficit of US\$ 6984k. This will be drawn from restricted funds already available with IPPF as on 31st Dec 2020. The current restricted project balance held is US\$31,501k.

Particulars	Oct/ Nov Version	Adjustments		
		Increase	Decrease	Dec Version
Income	79,488		(3,248)	76,240
Expenditure non salary	69,914	1,033		70,946
Expenditure salary	7,293		363	7,657
Overheads	4,104		517	4,621
Expenditure	81,311	1,033	881	83,224
Net surplus/deficit	(1,823)	(1,033)	(4,129)	(6,984)

- Reduction of restricted income of \$3248k due to
 - recognition of Q4 income of 2020 from WISH Lot 1 earlier recognized in 2021 budget on cash basis, now being recognized in 2020 on accrual basis and
 - funds drawn down from the balance sheet, recognized as income in the previous budget, now being revised and shown as draw down from funds already available.
- Expenditure variance for non-salary is mainly due to some projects added to the last version such as Packard Frontiers for SRHR, Packard Solutions, UNFPA/SROP Transformative Agenda, also, additional expenditure included for Sprint III, MFAT-2019-2022 Niu Vaka Pacific Strategy, MFAT SRHiE (Humanitarian).
- Expenditure salary decreased by \$0.4m mainly due to some program's salary being budget for the full year with agreements ending during 2021. This is the case of WISH programmes, GUSO and Packard Stigma III.
- Overheads recoveries increased by \$0.5m mainly due to WISH 1 estimating the full project overheads at \$0.3m; new Packard Frontiers brought \$0.1m, GCACI \$0.1m.

c) Designated Budget

The net impact of the revisions on designated budget is a deficit of US\$ 6959k. This will be drawn down from designated reserves already available in the Balance Sheet, with the current balance being US\$ 16,159k, as presented in the table below.

	C-FAR version	Adjustment		Dec Version
		Increase	Decrease	
Income	6,535,332.64		6,535,332.64	-
Expenditures-non salary	6,365,716.32	336,643.43		6,702,359.75
Expenditures -Salary	169,616.82	87,088.00		256,704.82
	6,535,333.14	423,731.43	-	6,959,064.57
Reserve -Movement				
Fund available from 2020 designated		16,159,000.00		16,159,000.00
Additional fund required to finance the movement		423,731.43		423,731.43
		16,582,731.43	0.00	16,582,731.43
Reserve as at 31 st Dec 2021	- 0.50	16,159,000.00	6,535,332.64	9,623,666.86

- i) Reduction of designated reserves income by US\$ 6535k. This is a presentational change, as earlier draw down from designated reserves was shown as income for the year in the budget, however in the revision this has been shown as a draw down from reserves.
 - ii) Increased expenditure due to the Business solution 5 project now added in the revised budget.
 - iii) Increased salary allocation of \$66k of the Health and Safety advisor which was previously shown under restricted projects and US\$21k in External relation for Business solution 1 &2.
- 6) As the overall impact of the revisions made to the budget is not significant, this note will be shared for information only (other than the specific request for approval provided under point # 4 a)) with the Board of Trustees at its next meeting.

Annex 1 - 2021 Designated budget

IPPF Designated Funds Budget 2021 US\$'000	Expenditure	Salaries	Total Expenditure
Central Office			
18.P0294 IP3 Innovation Programme Phase III (IP)	340		340
19.P0535 Solution 1+ 2 Social Movements Centre	225		225
19.P0535 Solution 1+ 2 Countering Opposition Centre	258		258
19.P0535 Solution 1+ 2 Winning narratives Centre (see EN)			0
19.P0535 Solution 1+ 2 Subgrants	1,000		1,000
19.P0535 Solution 1+ 2 Management	0	90	90
18.P0314 CIP	106		106
19.P0506 Youth Audit	50		50
19.P0505 Youth Manifesto	5		5
19.P0537 Solution 3 3.1 CSE Centre / CoEs	255		255
19.P0537 Solution 3 3.3 Youth participation Centre	202		202
17.P139 SEAP	276		276
17.P140 COPF CO Pension Fund	1,900		1,900
17.P0298 ERP Implementation Project Phase II	518		518
20.P0713 Solution 6: 6.3.1. Women's Leadership Fund Grants	246		246
20.P0713 Solution 6: 6.3.1. Women's Leadership Fund Admin/OH	32		32
20.P0713 Solution 6: 6.3.2. Women's leadership Institute Grants	80		80
20.P0713 Solution 6: 6.4 IPPF Anti-Racism initiative professional f	300		300
20.P0708 Business Plan Solution 5	335	66	401
	6,128	156	6,284
EN - Designated			
Winning Narratives - CO London	136	101	237
	136	101	237
ARO Designated funds			
21.P0712 Administration costs & Utilities	2		
21.P0714 Mobilise political commitment for the full implementat	3		
21.P0714 Mobilise political commitment for the full implementat	30		
21.P0726 CSE4ALL	20		
21.null Accountability Efficiency and Compliance for Africa Regior	46		
21.P0733 ICT services	43		
21.P0734 West Africa Sub Office	150		
21.P0711 Staff and other HR costs	144		
	438	0	438
Total Designated funds	6,702	257	6,959

Annex 2 - 2021 Budget Restricted Funds

IPPF Restricted Funds Budget 2021 US\$'000	Income	Activity Exp	Salaries	Overhead	Total Expenditure	% overhead over income
Central Office						
18.P42.SAAF	2,061	1,108	610	179	1,897	9%
18.P0465 JTF Phase (2018) XIX	0	231	75	8	314	
19.P0596 JTF Phase (2019) XX		94		2	96	
P38.JTFXVI		96		3	99	
P39.JTFXVII		154		5	159	
P40.JTFXVIII		333		8	341	
18.P0412 WISH1	1,950	1,841	175	304	2,320	16%
P0046 Gov of Netherlands : GUSO		26	21		47	
18.P0411 PackS3		56	39		95	
20.P0720 ACCESS IMPLEMENTATION	8,385	7,852	332	164	8,348	2%
17.P69 GATE2030	113	94	84	18	197	16%
18.P260 PC		9			9	
18.P0315 FGM2	317	400			400	
China 2021			28		28	
19.P0513 Young People		1,252	50	18	1,320	
20.P0701 C-19 Emergency fund	615	635		44	678	7%
18.P0452 SheDecides Unit	1,500	1,317	599	179	2,096	12%
20.P0595 IPPF Transition		210			210	
18.P0343 WISH2ACTION -CO	46,030	42,940	349	2,754	46,042	6%
19.P0543 Packared Solutions funding		146	31	25	202	
19.P0514 GCACI - Phase V	670	77	480	114	670	17%
19.P0515 CMISV	200	30	170	0	200	
GCACI RO	634	0	0	0	0	
GCACI MA	2,725	2,725	0	0	2,725	
18.P0463 Cote d'Ivoire CIACAC ARO project (471	0	0	0	0	
20.P0738 Packard Frontiers in SRHR	800	510	14	114	638	14%
Gov of Switzerland support for Geneva office	100		96		96	
17.P30 DUPPF			43		43	
	66,570	62,137	3,197	3,938	69,272	6%
Arab World						
18.P0344 DFPA Danish Arab Partnership	29		23		23	0%
19.P0522 GCACIAWROPHASEV			61		61	
	29	0	84	0	84	0%
EN						
Project Name						
Countdown - Bill & Melinda Gates Foundatio	2,489	2,075	349	65	2,489	3%
Erasmus+ - Safe from SGBV	8	8	12		20	
Erasmus+ OnlineCSE	82	70			70	
Movement Accelerator SRHR - OSF	289	129	145	15	289	5%
MyBobyMyRights - MSD for Mothers	158	71	75	12	158	7%
Reframing - Bill & Melinda Gates Foundatio	413	306	94	14	413	3%
YouthSpectactor-EC	59	33	22	3	59	5%
Grand Total	3,498	2,693	697	108	3,498	3%
ESEAOR						
20.P0599 STAR PROJECT	0	178		41	219	
18.P264 SPRINTIIIIBK		16	492		508	
	0	194	492	41	727	
SROP - ESEAOR						
19.P0494 DFAT Pacific Strategy 19-22	716	663	53		716	
19.P0548 MFAT-2019-2022 Niu vaka Pacific St	673	619	53		673	
18.P0420 PRIMCCM	130	61	69		130	
20.P0702 UNFPA/SROP Transformative Agen	529	432	90		521	
18.P265 SPRINTIIIIFJ	283	85	218		302	
19.P0510 MFAT SRHIE (Humanitarian)	126	22	93		114	
20.P0737 IPPF SROP/UNFPA Spotlight	450	385	27	39	450	9%
	2,907	2,266	602	39	2,907	1%
Bangkok						
18.P265 SPRINTIIIIFJ	2,143	21			21	
18.P264 SPRINTIIIIBK		1,807		316	2,122	15%
19.P0510 MFAT SRHIE (Humanitarian)	273	273			273	0%
	2,416	2,101	0	316	2,416	13%
P0264 DFAT Sprint III		14	33		47	
19.P0510 MFAT SRHIE (Humanitarian)			1		1	
	0	14	35	0	49	
SARO						
18.P0501 DFATRENEW		4			4	
19.P0502 STIGSARO3		19		3	21	
20.P0736 Levi Strauss		4		0	4	
19.P0536 SA-GCACI-V		16	95	17	127	
	0	42	95	20	157	
ARO						
16.P0226 GCACI_ARO		54	334	58	446	
16.P189 GUSO-ARO	11		11		11	
18.P172 GAAP	65	37	28		65	
18.P0301 LAD	303	239	64		303	
17.P209 SCAAY	63	27	36		63	
19.P0550 FSPi-No 2019-95 French Embassy	327	297		30	327	
18.P0445 Bergstrom	1			1	1	100%
19.P0495 AIBEF-3C project		141	258	72	471	
19.P0475 E4SRH	50	9	41		50	
18.P0343 WISH2ACTION -ARO		694	1,685		2,379	
					0	
	819	1,499	2,456	161	4,115	20%
Total IPPF	76,240	70,946	7,657	4,621	83,224	6%