

# 2023 Forecast for Year End Position

C-FAR

*17<sup>th</sup> Nov 2023*

# Introduction

- ✓ This is the year end forecast for 2023.
- ✓ Workings are high-level and are based on a set of reasonable assumptions and adjustments.
- ✓ Main purpose of the exercise is to
  - estimate/ project the closing position for general reserves/ designated funds and restricted funds.
  - ensure projected general reserves within overall threshold set by the Board (US\$19 Mn- US\$26Mn)
  - expenditure remains within the budgetary threshold as envisaged.
- ✓ All tables are excluding hosted projects.
  
- **Key Highlights – New projects added**
  - ✓ USAID and FCDO Humanitarian projects signed off recently.
  - ✓ GAC Global likely to be signed off in Nov'23
  
- **Risks**
  - ✓ ~~Swedish income for 2023 SEK45 Mn included as core income, has not been signed off yet.~~
  - ✓ Core income lower than the quarter 3 projections by US\$ 2.4 Mn.

# Assumptions

The following are the assumptions used in calculating the year end position i.e., Q4 forecast for 2023:

- **Unrestricted Core Income**
  - ✓ Grant income is based on up-to-date projections from donor relation team and latest forward contract positions.
  - ✓ Donation Income and overhead recovery income have been kept at the same level.
  - ✓ Other income (including investment and interest income) much higher than budgeted due to YTD performance .
- **Unrestricted Core Expenditure**
  - ✓ Sub-awards to MAs under Stream 1/ stream 2 adjusted downwards based on likely underspend.
  - ✓ Core staff expenditure at the end of Sept'23 was at 86% utilization of YTD forecast. The full year core staff costs have been worked out at 91% utilisation.
  - ✓ Other Secretariat Expenditure kept at the same level.
- **Restricted Projects**
  - ✓ Projects confirmed post Q3 forecast have been included.
  - ✓ Cost extensions received post Q3 forecast have been included too.
  - ✓ Hosted projects have been kept outside the scope of this exercise.
- **Designated Expenditure**
  - ✓ Fund movement based on DLT discussion on the stream 2 reduction and draw down of stabilisation fund for the LGBTQI project.

## Q4 Forecast 2023 vs Q3 Forecast 2023 - Income

Income	Q4 Forecast				Q3 Forecast				Variance			
	Restricted	Designated	Unrestricted	Total	Restricted	Designated	Unrestricted	Total	Restricted	Designated	Unrestricted	Total
<b>Income</b>												
Grant Income	53,823	-	52,156	<b>105,980</b>	39,875	-	55,805	<b>95,680</b>	13,949	-	(3,649)	10,300.07
Donation Income	15	-	3,738	<b>3,753</b>	15	-	3,738	<b>3,753</b>	-	-	0	0
Other Income	0	-	1,910	<b>1,910</b>	0	-	661	<b>661</b>	-	-	1,248	1248
Overhead Income	88	-	2,411	<b>2,499</b>	88	-	2,411	<b>2,499</b>	-	-	0	0
<b>Total Income</b>	<b>53,927</b>	-	<b>60,215</b>	<b>114,142</b>	<b>39,978</b>	-	<b>62,615</b>	<b>102,593</b>	<b>13,949</b>	-	<b>(2,400)</b>	<b>11,548</b>

- **Unrestricted – Income \$2.4Mn lower than Q3 forecast**
  - ✓ \$516K in Q3 forecast from Canada and \$3Mn from Germany (Ukraine) under core is no longer receivable.
  - ✓ Above reduction, partially offset by
    - additional grants received from Switzerland by \$300K and
    - higher other income \$1.2Mn on account of better investment strategy.
- **Restricted funds – Income \$13.9Mn higher than Q3 forecast**
  - ✓ New projects added **\$11.2Mn** - GAC Global \$5.7Mn, Humanitarian FCDO Sudan \$2.2Mn, Safe Abortion in West Africa \$1.25Mn, USAID \$1.1Mn and FCDO Emergency Ukraine \$635K
  - ✓ Cost extension received **\$2.5Mn**- DFAT Pacific \$1.09Mn, RESPOND \$1.03Mn and MFAT Humanitarian \$378K

## Q4 Forecast 2023 vs Q3 Forecast 2023 - Expenditure

Expenditure	Q4 Forecast				Q3 Forecast				Variance			
	Restricted	Designated	Unrestricted	Total	Restricted	Designated	Unrestricted	Total	Restricted	Designated	Unrestricted	Total
Staff Costs	8,158	3,769	12,394	<b>24,321</b>	7,641	4,699	13,620	25,960	517	(930)	1226	813
Grants	42,278	3,828	35,916	<b>82,021</b>	35,802	3,828	40,701	80,331	6,475	0	4785	11261
Other Secretariat Costs	8,353	6,050	7,533	<b>21,936</b>	8,268	6,553	7,533	22,354	85	(503)	0	(418)
<b>Total Exp</b>	<b>58,789</b>	<b>13,647</b>	<b>55,842</b>	<b>128,279</b>	<b>51,711</b>	<b>15,080</b>	<b>61,853</b>	<b>128,644</b>	<b>7,078</b>	<b>(1,433)</b>	<b>6,011</b>	<b>11,656</b>

- **Restricted** – Expenditure is \$7Mn higher than Q3 forecast
  - ✓ New projects added \$6.7Mn- GAC Global \$3.5Mn, Humanitarian FCDO Sudan \$1.4Mn, USAID \$1.1Mn, FCDO Emergency Ukraine \$635K and Pacific Islands Cervical Cancer project \$82K.
  - ✓ Small adjustments to other existing projects \$332K.
- **Designated** – Draw down lower by \$1.4Mn as compared to the Q3 forecast
  - ✓ \$800K for new centers will be moved to 2024 as per DLT decision.
  - ✓ \$300K reduced from Solution 7 based on YTD underspend.
  - ✓ \$200K Innovation fund closure.
  - ✓ \$275K of P90 for induction costs will be carried forward to 2024 subject to DLT approval.
  - ✓ Partially offset by (\$494K) drawn down for LGBTQI project from the total \$762K already approved by DLT. This was from the stabilization fund.
- **Unrestricted** – Expenditure is \$6Mn lower than Q3 forecast
  - ✓ Grants are expected to be \$4.8Mn lower (explained on the next slide).
  - ✓ Staff costs are at 91% of the full year forecast.
  - ✓ Assumed that Other Secretariat Costs will be fully spent by year end.

# Q4 Forecast 2023 vs Q3 Forecast 2023 – Core Grants

Countries & Categories	FY Q3 Forecast	Region
<b>Potential Savings</b>	<b>3,135</b>	
<b>No IPPF Member</b>	<b>1,217</b>	
Angola	340	ARO
Equatorial Guinea	69	ARO
Gabon	63	ARO
Gambia	90	ARO
Iran (Islamic Republic of)	158	SARO
Liberia	150	ARO
Nicaragua	70	ACRO
Rwanda	105	ARO
Turkey	173	EN
<b>No grants paid YTD</b>	<b>403</b>	
El Salvador	189	ACRO
Martinique	76	ACRO
Namibia	138	ARO
<b>Expelled Countries</b>	<b>815</b>	
Bangladesh	720	SARO
Djibouti	95	AWRO
<b>Sustainability Project</b>	<b>700</b>	

- **Stream 1 Core Grants (not including vouchers and youth allocation) – Expenditure**  
projected \$3.1Mn lower than Q3 forecast
  - ✓ \$1.2Mn is on account of the 9 countries where we had an amount allocated but there is no MA yet.
  - ✓ \$815K is for Bangladesh and Djibouti who have been expelled (*adjusted for payments approved for 2023 for two partners in Bangladesh*).
  - ✓ Sustainability project had a budget of 1Mn in 2023. The spend to the end of Sept is only \$104K and assumed \$700K savings.
  - ✓ \$403K for 3 countries where no grants have been released till the end of Sept'23.
- **Stream 2 – Expenditure is projected to be lower by \$1.65Mn as compared to the Q3 forecast**
  - ✓ For Consortium based grants, in 2023 we expect to spend only ~\$400k.
  - ✓ We expect to spend almost all the amount allocated under stream 2 Funds and Centres barring \$50K.

Stream 2 Strategic Funds	Actuals till Sept'23	YTD Q3 Forecast	FY Q3 Forecast	Variance	Projected Savings in 2023
Stream 2 Consortium Based Grant	0	789	2,000	789	1,600
Stream 2 Funds and Centres	493	665	1,000	172	50
<b>Grand Total</b>	<b>493</b>	<b>1,454</b>	<b>3,000</b>	<b>961</b>	<b>1,650</b>

## Overall Secretariat Operating Budget (as a % of total income)

Income/Expenditure	Q4 Forecast				Q3 Forecast			
	Restricted	Designated	Unrestricted	Total	Restricted	Designated	Unrestricted	Total
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<b>Expenditure</b>								
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<b>Total Exp</b>	<b>58,789</b>	<b>13,647</b>	<b>55,842</b>	<b>128,279</b>	<b>51,711</b>	<b>15,080</b>	<b>61,853</b>	<b>128,644</b>
<b>Net Op Income/ (Draw down)</b>	<b>(4,862)</b>	<b>(13,647)</b>	<b>4,373</b>	<b>(14,137)</b>	<b>(11,733)</b>	<b>(15,080)</b>	<b>762</b>	<b>(26,051)</b>
<b>Secretariat Costs %</b>			<b>33.1%</b>				<b>33.8%</b>	

- Overall savings under unrestricted core projected at US\$ 4.373 Mn and a lower-than-expected draw down under restricted and designated funds in the year end forecast. The higher underspend under unrestricted core is contributed by:
  - ✓ Lower than expected core income by **-US\$ 2.4 million**
  - ✓ Lower than expected core staff cost spending by **US\$ 1.226 million**
  - ✓ Lower than expected grants to MAs by **US\$ 4.785 million**
- Overall threshold of total secretariat wide operating expenditure is now at 33.1%, which is 0.7% lower than the threshold in Quarter 3.

## Projected Fund Movement

Source of Funding	Opening Balance 1st Jan'23	Q4 Forecast 2023	Projected Closing Balance 31st Dec'23
General Reserves	20,894	4,373	25,267
Designated Funds	39,182	(13,647)	25,535
Restricted	24,143	(4,862)	19,281

- Overall fund balance across all sources is projected to remain positive at the end of this year.
- General reserves projected to remain within the levels approved by the BoT, i.e. \$19-26Mn.
- Newly included restricted projects in the Q4 forecast not contributing materially towards the recovery of staff costs but this might change as we begin to have more detailed budgets for these projects.





Thanks