Annexes to
DP/FPA-ICEF-UNW/2018/1
Joint report on cost recovery

13/April/2018

ANNEX 1
Evidence based on financial information from 2014-2017 actuals

Annex 1A [UNDP]
Table 1 - Effective average cost recovery rate for 2014-2017
in millions of US dollars

Funding stream	2014		2015		2016		2017			2014-2017	
	Non-core programme expenses	Cost recovery revenue	Non-core programme expenses	Cost recovery revenue	Non-core programme expenses	Cost recovery revenue	Non-core programme expenses	Cost recovery revenue		Non-core programme expenses	Cost recovery revenue
Third-party cost sharing	1,293.4	77.6	1,296.5	82.6	1,200.5	78.5	1,484.7	95.6		5,275.1	334.3
European Union	254.7	16.4	347.4	20.8	241.1	15.1	256.9	16.2		1,100.1	68.5
Programme Country government cost sharing	907.1	35.0	918.0	35.5	798.8	29.3	932.9	32.8		3,556.8	132.6
South-South contributions	3.1	0.2	2.6	0.2	2.7	0.1	3.5	0.1		11.9	0.6
Thematic trust funds	114.7	6.8	107.8	4.4	60.3	4.1	37.5	2.7		320.3	18.0
Global Environment Facility	350.8	37.1	374.2	41.7	397.0	36.1	427.6	35.4		1,549.6	150.3
Global Fund to Fight AIDS, Tuberculosis and Malaria	474.0	31.2	423.2	28.6	395.5	25.9	503.7	32.7		1,796.4	118.4
Montreal Protocol	38.0	2.5	37.4	2.4	31.1	1.9	33.3	2.2		139.8	9.0
Law and Order Trust Fund for Afghanistan	382.7	14.7	247.4	9.5	319.4	12.3	330.8	12.7		1,280.3	49.2
Other trust funds	64.1	3.7	51.1	3.6	58.4	4.2	51.1	3.7		224.7	15.2
Total	**3,882.8**	**225.2**	**3,805.5**	**229.3**	**3,504.9**	**207.4**	**4,061.8**	**233.9**		**15,254.8**	**895.9**

Effective average cost recovery rate:	2014	2015	2016	2017	2014-2017
	6.1%	**6.3%**	**6.4%**	**6.1%**	**6.2%**

Notes:

1. All amounts from Atlas GL in line with UNDP audited Financial Statements for 2014, 2015 and 2016, and unaudited Financial Statements for 2017.

2. Note that in calculation of the effective average cost recovery rate, the denominator is adjusted for $34.3m for 2014, $38.5m for 2015 and $45.4m for 2016 to take into account GEF/Montreal Protocol related accounting.

3. Programme country governments also contribute to offset local office costs through cash as well as in-kind contributions.

The effective average cost recovery rate is calculated as: Total Cost recovery revenue divided by   (Total non-core programme expenses less Total Cost recovery revenue)

Annex 1A [UNDP]
Table 2
Effective average cost recovery rates by funding stream

Effective average	**2014**	**2015**	**2016**	**2017**
cost recovery rate:	**6.1%**	**6.3%**	**6.4%**	**6.1%**

Fundung stream	GMS rate from ARA reports			
	2014	**2015**	**2016**	**2017**
Third party cost sharing	6.23%	6.80%	7.39%	7.28%
EC	6.40%	6.37%	7.11%	6.83%
Government cost sharing	4.06%	4.02%	3.90%	3.71%
South-South contributions	6.06%	6.56%	3.99%	3.99%
Thematic contributions	7.01%	4.24%	7.37%	7.94%
GEF	9.5% on <$10m; 9.0% on >$10m	9.5% for <$10m; 9.0% for >%10m	9.5% for <$10m; 9.0% for >%10m	9.5% for <$10m; 9.0% for >%10m
GFATM	6.69%	7.26%	7.01%	6.96%
Montreal Protocol	7.80%	7.00%	6.64%	6.52%
LOTFA	4.00%	4.00%	4.01%	3.99%
Other trust funds	4.50%	7.73%	8.05%	8.81%

The effective average cost recovery rate is calculated as follows:

Total Cost recovery revenue
_____
(Total non-core programme expenses less Total Cost recovery revenue)

Note:

* Programme country governments also contribute to offset local office costs through cash as well as in-kind contributions.

Annex 1A [UNDP]
Table 3 - UNDP Calculation of rate in line with approved formula in documents – 2014-2017
DP-FPA/2013/1–E/ICEF/2013/8

	Use of resources	2014	2015	2016	2017	2014-2017
A1	Regular resources (RR)	835	714	621	611	2,781
A2	Other resources (OR), gross (A)	4,191	4,258	4,016	4,520	16,985
	Total	5,026	4,972	4,637	5,130	19,766
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources					
B1	Proportionate share RR	17%	14%	13%	12%	14%
B2	Proportionate share OR (B)	83%	86%	87%	88%	86%
	2. Calculate the sum of management and comparable Special Purpose costs (and remove costs related to critical, cross-cutting functions)					
C	Institutional Budget	670	659	634	583	2,545
	Less					
C1	Development Effectiveness Activities	(122)	(148)	(134)	(108)	(512)
C1 - a	Core funded	(56)	(63)	(43)	(54)	(217)
C1 - b	Cost recovery funded (in 2014-2016)	(66)	(85)	(91)	(54)	(296)
C2 - a	Non-Comparable Special purpose Activities (core funded)	(14)	(11)	(9)	(9)	(43)
C2 - b	Non-Comparable Special purpose Activities (agency services + UNV programme funded)	(53)	(59)	(68)	(47)	(228)
C3	UN Development Coordination Activities	(73)	(76)	(77)	(77)	(302)
C4	Critical cross-cutting management functions based on standard cos	(40)	(41)	(41)	(41)	(163)
	3. Take the amount calculated in step 2. and split it proportionally according to the levels of total planned core and non-core use of resources					
D=C-(C1:C4)	Institutional Budget Subject to Cost Recovey based on approved methodology	368.0	324.0	304.8	300.4	1,297.2
E1=B1*D	Regular Resources Proportional Share of IB	61.1	46.5	40.8	35.8	182.5
E2=B2*D	Other Resources Proportional Share of IB	306.9	277.5	264.0	264.6	1,114.7
F=E2/(A2-E2)	Notional Rate	7.9%	7.0%	7.0%	6.2%	7.0%

(*) Based on data reported in UNDP ARFS for 2014, 2015 and 2016 in annexes 1&2, net of GLOC and in-kind contributions. 2017 data based on unaudited financial information.

ANNEX 1A [UNDP]
Table 4
UNDP compliance with cost recovery policy

| | | 2014-2017 | |
		Core	Non-core
A	Delivery (basis for calculation of actual cost recovery charged)	$2,008	$15,255
B	Actual cost recovery charged (see slides for details on non-core)	$106	$895
	% (=B / [A - B])	5.6%	6.2%
C	EB approved Transitionary measures	$199	$199
D = B + C	Total actual cost recovery including Transitionary measures	$305	$1,094
E	Critical cross cutting management functions ('CCCM')	$163	-
F = D + E	**Total (including Transitionary measures and CCCM)**	**$468**	**$1,094**
	% of non-core delivery		**7.62%**

Notes:

* Based on financial information reported in UNDP's audited financial statements and annual financial reports for 2014, 2015, 2016 and unaudited financial statements for 2017.

$468m in core total expenditure under 'F' reconciles with total UNDP core expenditure on management activities plus capital investments.

Effective Cost recovery rate, and
impact of differentiated rates, legacy and waivers vs. the standard rate

IC category	Effective rates				Variance vs. standard 8% rate			
	2014	2015	2016	2017	2014	2015	2016	2017
IC waiver approved	5.20%	5.19%	6.71%	6.66%	123,685	180,210	74,270	179,213
Legacy agreements	7%	7%	7%	7%	901,586	646,242	279,870	113,461
Programme Country	5%	5%	5%	5%	452,914	682,321	534,167	832,741
Standard (8% IC)	8%	8%	8%	8%	-	-	-	-
Thematic Trust Funds	7%	7%	7%	7%	1,898,992	1,505,532	1,305,214	1,239,938
Various umbrella agreements - EC, UN Pooled / Harmonized	7%	7%	7%	7%	999,231	1,204,582	1,303,275	1,135,078
Total	**7.07%**	**7.10%**	**7.27%**	**7.33%**	**4,376,408**	**4,218,887**	**3,496,796**	**3,500,431**

Note: Variance vs. the standard rate represents the difference between the effective cost recovery received and the cost recovery that would have been earned using the standard approved rate of 8%. Thus the amount is not exactly the same when comparing the effective cost recovey received to the notional rate derived by applying the approved methodology.
Also excluded are IC recorded for the JPO programme and ePAS as the IC is not credited to the Institutional Budget.

Annex 1B [UNFPA]
Table 2

UNFPA Calculation of rate in line with approved formula in documents – 2014-2017 DP-FPA/2013/1–E/ICEF/2013/8

Calculation of Rate based on Approved Methodology 2014-2017 (in US$ Million) - UNFPA

	Use of resources	2014	2015	2016	2017	Total 2014-2017
				Actual Expenses		
A1	Regular resources (RR)	445.0	420.3	361	317	1,543
A2	Other resources (OR), gross (A) (expenditures subject to cost recovery)	512.2	502.2	508	572	2,094
	Total	957.1	922.6	868.8	888.6	3,637.1
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources					
B1	Proportionate share RR	46%	46%	42%	36%	42%
B2	Proportionate share OR (B)	54%	54%	58%	64%	58%
	2. Calculate the sum of management and comparable Special Purpose costs [and remove costs related to critical, cross-cutting functions)					
C	Institutional Budget	139.5	140.3	136.8	141.5	558.1
	Less					
C1	Development Effectiveness Activities	(30.4)	(31.1)	(30.7)	(29.7)	(122.0)
C2	Non-Comparable Special purpose Activities					
C3	UN Development Coordination Activities	(2.0)	(2.1)	(2.2)	(2.3)	(8.6)
C4	Critical cross-cutting management functions based on standard costs	(38.3)	(37.9)	(37.1)	(37.8)	(151.0)
	3. Take the amount calculated in step 2. and split it proportionally according to the levels of total planned core and non-core use of resources					
D=C-(C1:C4)	Institutional Budget Subject to Cost Recovey based on approved methodology	68.9	69.2	66.7	71.7	276.5
E1=B1*D	Regular Resources Proportional Share of IB	32.0	31.5	27.7	25.5	117.3
E2=B2*D	Other Resources Proportional Share of IB	36.9	37.7	39.0	46.1	159.7
F=E2/(A2-E2)	Notional Rate	7.76%	8.11%	8.32%	8.77%	8.25%
G	Cost Recovery actually earned	33.8	33.3	34.4	39.0	140.6
H=G/(A2-G)	Effective Rate	7.07%	7.10%	7.27%	7.33%	7.19%

UNICEF Calculation of rate in line with approved formula in documents – 2014-2017
DP-FPA/2013/1–E/ICEF/2013/8

	Use of resources	2014	2015	2016	2017	2014-2017
A1	Regular Resources (RR)	1,124	1,085	1,087	1,097	4,393
A2	Other Resources (OR)	3,680	4,193	4,454	4,205	16,531
	Total	4,804	5,277	5,541	5,302	20,925
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources					
B1	Proportionate share of RR	23%	21%	20%	21%	21%
B2	Proportionate share of OR	77%	79%	80%	79%	79%
	2. Calculate the sum of management and comparable special purpose costs (and remover costs related to critical, cross-cutting functions)					
C	Institutional Budget	441.50	469.09	484.1	532.6	1,927.3
	Less					
C1	Development Effectiveness	(113)	(129)	(135)	(149)	(527)
C2	Special Purpose Activities	-	-	-	-	
C3	UN Development Coordination	(8)	(6)	(7)	(7)	(29)
C4	Critical cross-cutting functions based on standard costs	(38)	(35)	(35)	(40)	(149)
	Net	282	299	306	336	1,223
	3. Take the amount calculated in step2. and split it proportionally acc to te levels of total planned core and non-core use of resources					
D=C-(C1:C4)	IB subject to Cost Recovery based on approved methodology	282	299	306	336	1,223
E1=B1*D	RR proportional share of IB	66	61	60	70	257
E2=B2*D	OR proportional share of IB	216	237	246	267	966
F=E2/(A2-E2)	Notional Rate	6.2%	6.0%	5.8%	6.8%	6.2%
G	Cost Recovery Actually Earned	220	257	275	295	1,047
H=G/(A2-G)	Effective Rate	6.3%	6.5%	6.6%	7.5%	6.8%

Annex 1D [UN Women]
Table 1

UN WOMEN Calculation of cost recovery rate in line with approved formula in documents- 2014-2017

		Actual Expenses				
	Actuals (use of resources per Financial Statements 2014, 2015, 2016 and est 2017)	**2014**	**2015**	**2016**	*** 2017**	**Total 2014-2017**
A1	Regular resources	143.0	149.0	142.4	141.6	**576.0**
A2	Other resources (gross)	131.0	168.9	201.5	189.0	**690.4**
	Total	**274**	**318**	**344**	**330.6**	**1266.4**
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources					
B1	Proportionate share RR	52%	47%	41%	43%	**45%**
B2	Proportionate share OR	48%	53%	59%	57%	**55%**
	2. Calculate the sum of management and comparable Special Purpose costs [and remove costs related to critical, cross-cutting functions)					
C	Institutional Budget	73.0	82.5	78.5	75.5	**309.5**
	Less					
C1	Development Effectiveness Activities	(21.3)	(23.4)	(21.2)	(17.5)	**(83.4)**
C2	Non-Comparable Special purpose Activities					
C3	UN Development Coordination Activities	(10.4)	(12.4)	(12.2)	(12.0)	**(47.0)**
C4	Critical cross-cutting functions based on standard costs	(18.5)	(21.0)	(22.4)	(22.4)	**(84.2)**
	3. Take the amount calculated in step (i) and split it proportionally according to the levels of total planned					
D= C-(C1:C4)	Institutional Budget Subject to cost recovery based on approved methodology	22.8	25.7	22.8	23.7	**95.0**
E1=B1*D	Regular Resources Proportional share of IB	11.9	12.0	9.4	10.1	**43.2**
E2=B2*D	Other Resources Proportional Share of IB	10.9	13.7	13.4	13.5	**51.8**
F=E2/(A2-E2)	**Notional cost recovery rate**	**8.3%**	**8.1%**	**6.6%**	**7.2%**	**7.5%**
G	Cost recovery actually earned	10.3	11.5	12.6	13.9	**48.3**
H=G/(A2-G)	Effective Rate	7.12%	7.00%	7.14%	7.25%	**7.13%**

* 2017 estimated until books are closed.

ANNEX 2
Evidence based on 2018-2019/2021 EB approved integrated budgets

BACKGROUND SCENARIO - Comparison current vs. potential adjusted methodology(in US$ Million) - UNDP - based on 2018-2019

	Use of resources	Current Model (per decision 2013/9)	Modular 'LEGO' approach - LEGO A	Modular 'LEGO' approach - LEGO B
A1	Regular resources (RR)	1,353	1,353	1,353
A2	Other resources (OR), gross (A)	10,320	10,320	10,320
	Total	11,673	11,673	11,673
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources			
B1	Proportionate share RR	12%	12%	12%
B2	Proportionate share OR (B)	88%	88%	88%
	2. Calculate the sum of management and comparable Special Purpose costs [and remove costs related to critical, cross-cutting functions)			
C	Institutional Budget	1,286	1,286	1,286
	Less			
C1	Development Effectiveness	(248)		
C1 - a	DE breakdown:			
C1 - b	Core funded $95 and Cost recovery funded $153			
C2 - a	Non-Comparable Special purpose Activities (core funded)	(22)		
C2 - b	Non-Comparable Special purpose Activities (other un agency / external party reimbursable services)	(112)		
C3	UN Development Coordination Activities	(161)		
C4	Critical cross-cutting management functions based on standard costs	(90)		
	Agency specific area: reimbursable support to other UN agencies		(112)	(112)
	Agency specific area: RC system support		(161)	(161)
	Agency specific areas: support to UNV/UNCDF		(22)	(22)
C5	CO leadership - LEGO A has 2 Leadership posts for all Cos; no operations.; LEGO B has 2 lead for large and 1 lead for medium/small COs (excluding RC part which is embedded above) and including operations leadership;		(122)	(113)
	Executive leadership		(16)	(8)
	Independent assurance		(45)	(4)
	subtotal 'green'		(366)	(308)
C6	Directing advocacy, resource stewardship and technical leadership		(69)	(52)
C7	Integration professional standards, norms and quality assurance		(98)	(53)
	Total functions protected using Core (regular) resources	(367)	(533)	(413)
	3. Take the amount calculated in step 2. and split it proportionally according to the levels of total planned core and non-core use of resources			
D = C - [C1-C8)	Institutional Budget Subject to Cost Recovery	654	641	761
E1 = B1 * D	Regular Resources Proportional Share of IB	76	74	88
E2 = B2 * D	Other Resources Proportional Share of IB	578	567	673
F = E2/[A2-E2]	Notional Rate	5.9%	5.8%	7.0%

Development effectiveness (DE) activities comprise:

- 'programme' level activities, (e.g. programme design and formulation, programme Q.A., formulation and management of programme pipeline); and

- 'project' level activities (e.g. programme policy advisory services)

The current model excludes all abovementioned DE activities from the calculation of the cost recovery rate. In the Modular 'LEGO' approach, 'programme' level DE activities are proposed to be funded through regular resources funded 'LEGO' blocks plus cost recovery; and 'project' level DE activities are to be funded directly by the related projects.

Annex 2B - UNFPA

Comparison current vs. potential adjusted methodology based on 2018-2021 budget (in US$ Million) - UNFPA

	Use of resources	Current Model (per decision 2013/9)	Modular 'LEGO' approach - LEGO A	Modular 'LEGO' approach - LEGO B
A1	Regular resources (RR)	1,392.3	1,392.3	1,392.3
A2	Other resources (OR), gross (A)	2,194.1	2,194.1	2,194.1
	Total	3,586.4	3,586.4	3,586.4
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources			
B1	Proportionate share RR	39%	39%	39%
B2	Proportionate share OR (B)	61%	61%	61%
	2. Calculate the sum of management and comparable Special Purpose costs [and remove costs related to critical, cross-cutting functions)			
C	Institutional Budget	708.4	708.4	708.4
	Less			
C1	Development Effectiveness Activities	(141.0)		
C2	Non-Comparable Special purpose Activities	(20.0)		
C3	UN Development Coordination Activities	(9.4)		
C4	Critical cross-cutting management functions based on standard costs	(174.8)		
C5	Agency specific areas (RC system support, support to other agencies)		(9.4)	(9.4)
	Non-Comparable Special purpose Activities		(20.0)	(20.0)
	Country Office leadership		(186.8)	(186.8)
	Executive leadership		(26.6)	(12.0)
	Independent Assurance		(45.9)	(45.9)
C6a	Non-CO (ie HQ + RO) leadership (+ 30% GOE for harmonized management functional clusters re: Corp HR, Corp External relations & Partnership; Security; Corp Finance/ICT etc; Fiedl Oversight, Managemnt, support)		(49.3)	(49.3)
C6b	Leadership at HQ and RO level for DE functions (+ 30% GOE)		(28.0)	(28.0)
C7	Integrating professional standards, norms and quality assurance		(48.8)	(46.3)
C8=(C1:C7)	Total Protected functions	(345.2)	(414.7)	(397.6)
	3. Take the amount calculated in step 2. and split it proportionally according to the levels of total planned core and non-core use of resources			
D=C-(C1:C7)	Institutional Budget Subject to Cost Recovey based on approved methodology	363.2	293.7	310.8
E1=B1*D	Regular Resources Proportional Share of IB	141.0	114.0	120.6
E2=B2*D	Other Resources Proportional Share of IB	222.2	179.7	190.1
F=E2/(A2-E2)	**Notional Rate**	**11.3%**	**8.9%**	**9.5%**

Annex 2C - UNICEF

	Use of resources	Current Model (per decision 2013/9)	Modular 'LEGO' approach - LEGO A	Modular 'LEGO' approach - LEGO B
A1	Regular resources (RR)	6,420.3	6,420.3	6,420.3
A2	Other resources (OR), gross (A)	17,550.6	17,550.6	17,550.6
	Total	**23,970.9**	**23,970.9**	**23,970.9**
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources			
B1	Proportionate share RR	27%	27%	27%
B2	Proportionate share OR (B)	73%	73%	73%
	2. Calculate the sum of management and comparable Special Purpose costs **(and remove costs related to critical, cross-cutting functions)**			
C	Institutional Budget	2,455.5	2,455.5	2,455.5
	Less			
C1	Development Effectiveness Activities	(721.9)		
C2	Non-Comparable Special purpose Activities	0.0		
C3	UN Development Coordination Activities	(49.3)		
C4	Critical cross-cutting management functions based on standard costs	(202.1)		
C5	Agency specific areas (RC system support, support to other agencies		(23.3)	(23.3)
	Non Comparable Special Purpose			-
	CO Leadership		(339.0)	(339.0)
	Corporate Leadership and Direction		(37.2)	(15.0)
	Corporate Oversight and Assurance		(47.8)	(14.3)
	subtotal 'green'		(447.3)	(391.6)
C6	Directing advocacy, resource stewardship and technical leadership		(88.9)	(88.9)
C7	Integration professional standards, norms and quality assurance		(438.8)	(377.1)
	Total functions protected using Core (regular) resources	**(973)**	**(975.0)**	**(857.6)**
	3. amount calculated in step 2, split proportionally per levels of total planned core and non-core use of resources			
D = C - [C1-C8]	Institutional Budget Subject to Cost Recovery	1,482.2	1,480.5	1,597.9
E1 = B1 * D	Regular Resources Proportional Share of IB	397.0	396.5	428.0
E2 = B2 * D	Other Resources Proportional Share of IB	1,085.2	1,084.0	1,169.9
F = E2/[A2-E2]	**Notional Rate**	**6.6%**	**6.6%**	**7.1%**

Annex 2D - UN Women

	Use of resources	Current Model (per decision 2013/9)	Modular 'LEGO' approach - LEGO A	Modular 'LEGO' approach - LEGO B
	BACKGROUND SCENARIO - Comparison current vs. potential adjusted methodology(in US$ Million) - UN Women based on 2018-2019			
A1	Regular resources (RR)	400.0	400.0	400.0
A2	Other resources (OR), gross (A)	480.0	480.0	480.0
	Total	**880.0**	**880.0**	**880.0**
	1. Calculate the proportionate percentage share of RR and OR in the planned use of resources			
B1	Proportionate share RR	45%	45%	45%
B2	Proportionate share OR (B)	55%	55%	55%
	2. Calculate the sum of management and comparable Special Purpose costs **[and remove costs related to critical, cross-cutting functions)**			
C	Institutional Budget	201.8	201.8	201.8
	Less			
C1	Development Effectiveness Activities	(50.1)		
C2	Non-Comparable Special purpose Activities	(3.0)		
C3	UN Development Coordination Activities	(27.2)		
C4	Critical cross-cutting management functions based on standard costs	(45.9)		
C5	Agency specific areas (RC system support, support to other agencies		(27.2)	(27.2)
	Non Comparable Special Purpose		(3.0)	(3.0)
	CO Leadership		(26.6)	(26.6)
	Corporate Leadership and Direction		(6.5)	(4.7)
	Corporate Oversight and Assurance		(12.7)	(12.7)
	subtotal 'green'		(76.0)	(74.2)
C6	Directing advocacy, resource stewardship and technical leadership		(27.9)	(27.9)
C7	Integration professional standards, norms and quality assurance		(28.4)	(23.3)
	Total functions protected using Core (regular) resources	**(126)**	**(132.3)**	**(125.4)**
	3. amount calculated in step 2, split proportionally per levels of total planned core and non-core use of resources			
D = C - [C1-C8)	Institutional Budget Subject to Cost Recovery	75.6	69.5	76.4
E1 = B1 * D	Regular Resources Proportional Share of IB	34.4	31.6	34.7
E2 = B2 * D	Other Resources Proportional Share of IB	41.2	37.9	41.7
F = E2/[A2-E2]	**Notional Rate**	**9.4%**	**8.6%**	**9.5%**

ANNEX 3
Summary of evidence based on 2018-2019/2021 EB approved integrated budgets

Annex 3
Table 1 - High level financial implications of the application of each proposal for each agency[1]
In US$ millions-

	UNDP (2018-2019)			UNICEF (2018-2021)			UNFPA (2018-2021)			UN Women (2018-2019)		
	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks to UNDP business model	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks for UNICEF business model	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks for UNFPA business model	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks for UN Women business model
A: Regular resources	$1,353m - 12%	$1,353m - 12%	$1,353m - 12%	$6,420.3m - 27%	$6,420.3m - 27%	$6,420.3m - 27%	$1,392.3m - 39%	$1,392.3m - 39%	$1,392.3m - 39%	$400m - 45%	$400m - 45%	$400m - 45%
B: Other resources	$10,320m - 88%	$10,320m - 88%	$10,320m - 88%	$17,550.6m - 73%	$17,550.6m - 73%	$17,550.6m - 73%	$2,194.1m - 61%	$2,194.1m - 61%	$2,194.1m - 61%	$480m - 55%	$480m - 55%	$480m - 55%
C: Cost of functions protected by regular resources	$367m	$533m	$413m	$814.5m	$975.1m	$857.6m	$345.2m	$414.7m	$397.6m	$126.2 (Core)	$132.3m (Core)	$125.4 (Core)
D: Notional cost recovery rate	5.9%	5.8%	7.0%	6.6%	6.6%	7.1%	11.3%	8.9%	9.5%	9.4%	8.6%	9.5%
E: Cost recovery from regular resources using notional rate	$76m	$74m	$88m	$397.0m	$396.5m	$428.0m	$141.0m	$114.0m	$120.6m	$34.4m	$31.6m	$34.7m
F: Regular resources available for programmatic component	$910m [67.3% of total]	$746m [55.1% of total]	$852m [63.0% of total]	$4,243.8m [66.0% of total]	$4,083.6m [63.6% of total]	$4,169.7m [65.0% of total]	$906.1m [65.1% of total]	$863.6m [62.0% of total]	$874.0m [62.8% of total]	$239.4m [59.9% of total]	$236.1m {59.0% of total)	$239.9m [60.0% of total]

[1] For UNDP, cost of functions protected by regular resources under CO leadership include the 'Resident Representative' portion of full leadership and, as such, it is treated as a partially funded post.

Annex 3
Table 2A. Annualized 'subsidy' between regular and other resources for each proposal vs. current cost recovery rate
In US$ millions

Table 2A proposed format - annualized calculation - relative subsidy between non-core to core resources vs an 8% cost recovery rate

		UNDP			UNICEF			UNFPA			UN Women		
		Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks to UNDP business model	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks for UNICEF business model	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks for UNFPA business model	Current model	LEGO option A (per Jan/18 presentation to EB)	LEGO option B Application of LEGO blocks for UN Women business model
A: Notional cost recovery rate		5.9%	5.8%	7.0%	6.6%	6.6%	7.1%	11.3%	8.9%	9.5%	9.4%	8.6%	9.5%
B: Cost recovery from other resources with the notional cost recovery rate		$289	$283	$336	$271	$271	$292	$56	$45	$48	$21	$19	$21
C: Cost recovery from other resources with an 8% cost recovery rate		$382	$382	$382	$325	$325	$325	$41	$41	$41	$18	$18	$18
D: (C - B) Difference in cost recovery between the notional cost recovery rate and an 8% cost recovery rate	Subsidy from other resources to regular resources	$93	$99	$46	$54	$54	$33						
	Subsidy from regular resources to other resources							($15)	($4)	($7)	($3)	($1)	($3)
E: for reference - annualized size of the organization (total regular and other resources)		$5,837	$5,837	$5,837	$5,993	$5,993	$5,993	$897	$897	$897	$440	$440	$440

Annex 3
Table 2B. Annualized 'subsidy' between regular and other resources for each proposal vs. current cost recovery rate
In US$ millions

B. Calculations for the four agencies combined as a total

	Current model	LEGO option A	LEGO option B
Net subsidy (from other to regular resources)	$129	$148	$69
For reference - annualized size of the four agencies combined (total regular and other resources)	$13,166	$13,166	$13,166