



**Executive Board of the  
United Nations Development  
Programme, the United Nations  
Population Fund and the United  
Nations Office for Project Services**

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**UNFPA – Structured funding dialogue**

## **United Nations Population Fund**

### **Report on the structured funding dialogue 2018-2019**

#### *Summary*

The present report is prepared in response to General Assembly resolution 71/243 (2016) to improve the functioning and effectiveness of the structured dialogues on how to fund the development results agreed in the strategic plans. UNFPA structured funding dialogues, informed by General Assembly resolution 72/279 on the repositioning of the United Nations development system, are conducted in accordance with the UNFPA proposal to the Executive Board on structured funding dialogues (DP/FPA/2018/10/Add.1) and within the framework of system-wide funding and collaboration, as spelled out in the United Nations funding compact endorsed in May 2019 at the United Nations Economic and Social Council operational activities for development segment (A/74/73/Add.1).

In accordance with decision 2018/18, this report has been adjusted to improve the quality of the structured funding dialogues, and aims to initiate the monitoring of UNFPA-specific progress towards the achievement of the United Nations funding compact, which includes a set of ambitious commitments by Member States and the United Nations Sustainable Development Group (UNSDG) to ensure predictable and flexible funding for United Nations development activities.

In line with the UNFPA Strategic Plan, 2018-2021, and the UNFPA resource mobilization strategy, the present report provides an overview of the resource trends, current situation and funding perspective of the Fund, taking into account both core and non-core resources, and concludes with elements of a decision the Executive Board may wish to adopt.

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Annexes to this report are available separately on the UNFPA website.

## **I. Introduction**

1. Despite the remarkable progress achieved since the landmark International Conference on Population and Development (ICPD) in Cairo, there are still millions of women and girls who have not benefited from the promise of the ICPD Programme of Action. As the world celebrates the 25<sup>th</sup> anniversary of the ICPD, UNFPA will continue to seek active engagement and valuable feedback in dialogue with all partners, including through the structured funding dialogues, to reenergize the movement, reconfirm commitments and forge new partnerships to fulfil the promise for women and girls around the world.
2. The present report is prepared in response to General Assembly resolution 71/243 (2016) on the QCPR to improve the functioning and effectiveness of the structured dialogues on how to fund the development results agreed in the strategic plans.
3. UNFPA structured funding dialogues, informed by General Assembly resolution 72/279 on the repositioning of the United Nations development system, are conducted in accordance with UNFPA proposal to the Executive Board on structured funding dialogues (DP/FPA/2018/10/Add.1) and within the framework of system-wide funding and collaboration, as spelled out in the United Nations funding compact endorsed in May 2019 at the United Nations Economic and Social Council operational activities for development segment (A/74/73/Add.1).
4. In accordance with decision 2018/18, this report has been adjusted to improve the quality of the structured funding dialogues, and aims to initiate the monitoring of UNFPA-specific progress towards the achievement of the United Nations funding compact, which includes a set of ambitious commitments by Member States and the United Nations Sustainable Development Group to ensure predictable and flexible funding for United Nations development activities.
5. In line with the UNFPA Strategic Plan, 2018-2021 and the UNFPA resource mobilization strategy, the present report provides an overview of the resource trends, current situation and funding perspective of the Fund, taking into account both core and non-core resources.

## **II. UNFPA structured funding dialogues within the framework of the United Nations funding compact**

### **A. UNFPA structured funding dialogue: goal, objectives and progress in 2018-2019**

6. The UNFPA structured funding dialogues aim to build and maintain a more diverse coalition of donors, as well as predictable and commensurate financing for the realization of universal access to sexual and reproductive health and reproductive rights for the next three cycles of the strategic plan towards 2030. This is expected to be achieved by focusing on: (a) funding needs, gaps and projections, using rigorous and updated financial information; (b) aligning resources with programmatic needs, using robust analysis; and (c) demonstrating and giving visibility to results achieved, including through UNFPA digital instruments and platforms, improving real-time data access and enhancing visibility for donors and partners.
7. The specific objectives which UNFPA expects to achieve through the structured funding dialogues are to:
  - (a) Maintain or surpass the minimum floor of \$350 million in core resources throughout the entire cycle of the Strategic Plan, 2018-2021;
  - (b) Increase the number of core contributors from 120 (2017 baseline) to 150 (2018 target) and maintain that level throughout the entire cycle of the Strategic Plan, 2018-2021;

- (c) Increase the number of donors committing to multi-year contributions;
- (d) Increase the proportion of core contributions from non-OECD/DAC and programme countries from 1.5 per cent (2017 baseline) up to 10 per cent (2018-2021 target);
- (e) Help to operationalize the UNFPA funding architecture and the funding compact.

8. Over the past two years, UNFPA has enhanced dialogues with Member States on how to fund the development results agreed in the Strategic Plan. Three informal sessions and one formal session took place every year with consistent participation of Member States: traditional donors, emerging donors and programme countries. UNFPA is making special efforts to ensure interactivity and ownership of the dialogues by all Member States. The focus of the structured funding dialogues has been on predictable and sustainable funding for the duration of the Strategic Plan, 2018-2021, with core funding as the bedrock of UNFPA; the quality of non-core resources, including fragmentation and compliance as factors for the cost-recovery policy; improving presentation of results and resources; transparency and visibility initiatives; and collaboration with the other United Nations funds and programmes.

9. The structured funding dialogues have provided a unique platform for Member States to gain greater understanding of the funding situation of UNFPA at various points in the year, to exchange on ways to better link results to resources and to discuss progress of the instruments central to the UNFPA funding architecture within the broader framework of the United Nations funding compact.<sup>1</sup>

Table 1

**Structure funding dialogues: achievements in 2017 and 2018 against targets**

| Structure funding dialogues objectives and targets                                       | 2017   | 2018   |
|--|--|--|
| Number of structure funding dialogues per year (target: 3 sessions per year)             | 4 sessions<br>(3 informal sessions;<br>1 formal session) | 4 sessions<br>(3 informal sessions;<br>1 formal session) |
| Minimum \$350 million in core resources  | \$350 million  | \$379 million  |
| 150 core contributors  | 120 countries  | 108 countries  |
| Increase in the number of multi-year core contributions                                  | 39 countries   | 34 countries   |
| Proportion of core contributions from non-OECD/DAC and programme countries (target: 10%) | 1.3%   | 1.2%   |

*Note:* On-target objectives are marked in green, while below-targets objectives are marked in red.

## B. United Nations funding compact

10. The United Nations funding compact is a tool to maximize investments in the United Nations development system, its transparency and accountability to system-wide results. The list below presents key parameters of the funding compact:

- (a) Improved presentation of funding requirements, at global and country level;
- (b) Strengthened agency-specific funding dialogues;
- (c) Compelling case for core resources;

<sup>1</sup> All documents and materials on UNFPA structured funding dialogues are available on a dedicated webpage accessible at: <https://www.unfpa.org/structured-funding-dialogues>.

- (d) Improved management of pooled and thematic funds;
- (e) Improved transparency on the use of resources;
- (f) Visibility and communication of results.

11. The UNFPA corporate resource mobilization strategy, the funding architecture designed to support the delivery of the UNFPA Strategic Plan, 2018-2021, and the UNFPA structured funding dialogues are fully aligned with the parameters and commitments contained in the United Nations funding compact. UNFPA intends to continue to contribute to the realization of these parameters, including through the UNFPA structured funding dialogue and other associated initiatives. Baselines and targets related to UNFPA-specific commitments to the United Nations funding compact are available in the annexes (on the UNFPA website).

### C. Operationalization of the UNFPA funding architecture

12. The UNFPA funding architecture is structured around the following funding and financing instruments:

- (a) *Core (regular) resources*; these constitute the bedrock of UNFPA;
- (b) *Non-core (other or co-financing) resources*; these include the following:
  - (i) *Global thematic funds*. UNFPA has operationalized three thematic funds – UNFPA Supplies, the Maternal Health Trust Fund and the Humanitarian Action Thematic Fund in support of the implementation of the Strategic Plan. A fourth thematic fund on population and data is under elaboration and will be launched by the end of 2019;
  - (ii) *United Nations pooled and inter-agency mechanisms*. These include joint-instruments such as the UNFPA-UNICEF Global Programme to Accelerate Action to End Child Marriage; the UNFPA-UNICEF Joint Programme on Elimination of Female Genital Mutilation; the Spotlight Initiative to eliminate violence against women and girls; and the Peace Building Fund;
  - (iii) *Issue-based, regional or multi-country programmes and initiatives*. These include the World Bank Sahel Women Empowerment and Demographic Dividend project (SWEDD) and the European Union supported Global Programme to Prevent Son Preference and the Undervaluing of Girls;
  - (iv) *Country-level pooled funding instruments*. These facilitate pooled contributions towards multi-year delivery of UNFPA country programmes.

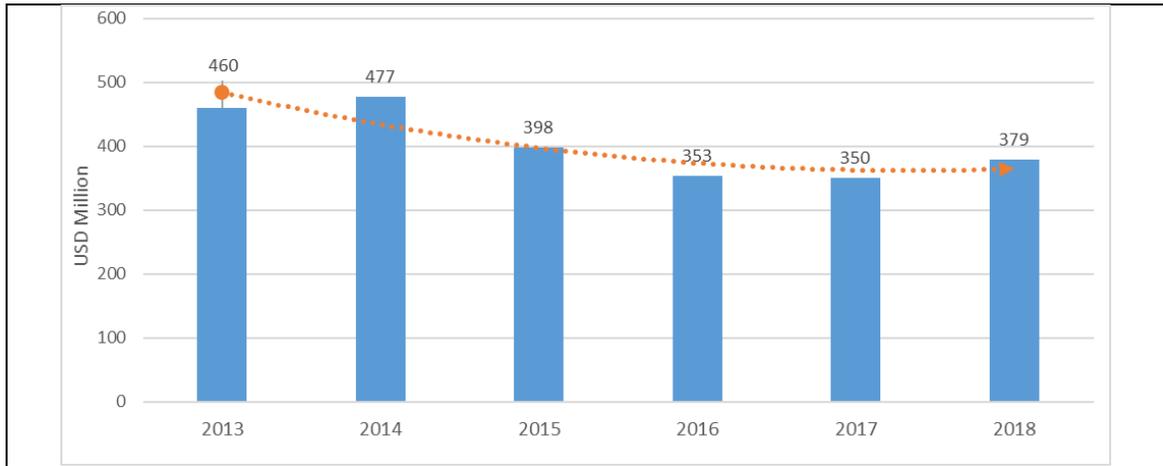
13. UNFPA encourages donors to contribute to the operationalization of its funding architecture by prioritizing, as much as possible, funding and financing instruments of the above-described funding architecture over other forms of earmarked mechanisms.

## III. UNFPA funding situation

### A. Overall funding situation

14. Core resources represent the most effective investment one can make in UNFPA. Core resources provide UNFPA partner and donor countries with unique expertise and extensive field-based development presence to deliver on the Sustainable Development Goals (SDGs), with a global reach in over 150 countries and territories, including in crisis situations. Core resources allow UNFPA to effectively carry out its normative role and provide essential services to countries, communities and individuals, in particular those most in need, with high-quality support and standardized approaches. In recent years, UNFPA has been able to stabilize the decline in funding for core resources.

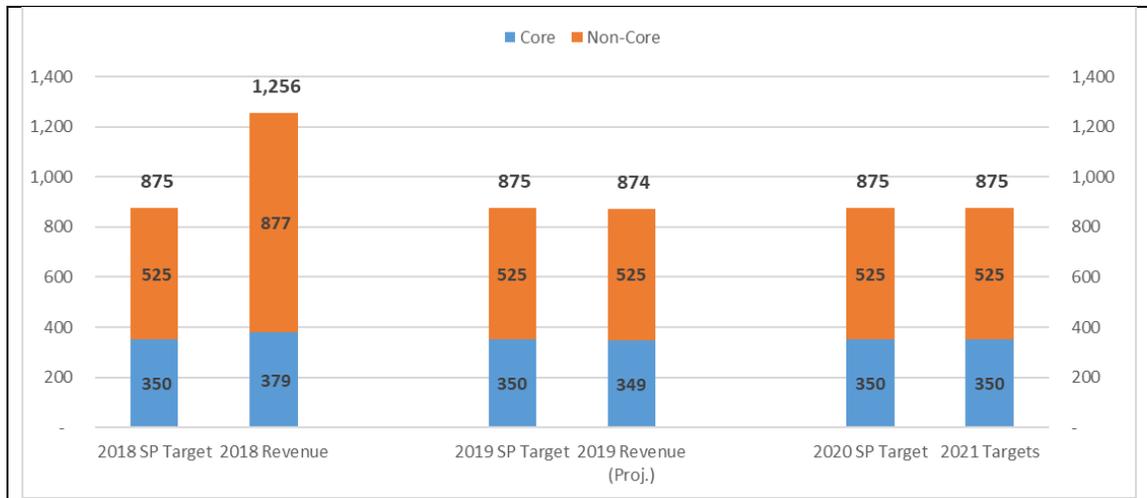
Figure 1  
Recorded core resources, 2013-2018



15. The UNFPA Strategic Plan, 2018-2021, calls for leaving no one behind, which requires mobilization of a minimum amount of regular resources – the bedrock of the Fund’s operational activities – broadening strategic partnerships, increasing political support and maintaining flexibility in a challenging and evolving environment.

16. The annual target for core resources income for the UNFPA Strategic Plan, 2018-2021, has been determined at a realistic level of \$350 million annually, or \$1.4 billion over four years.

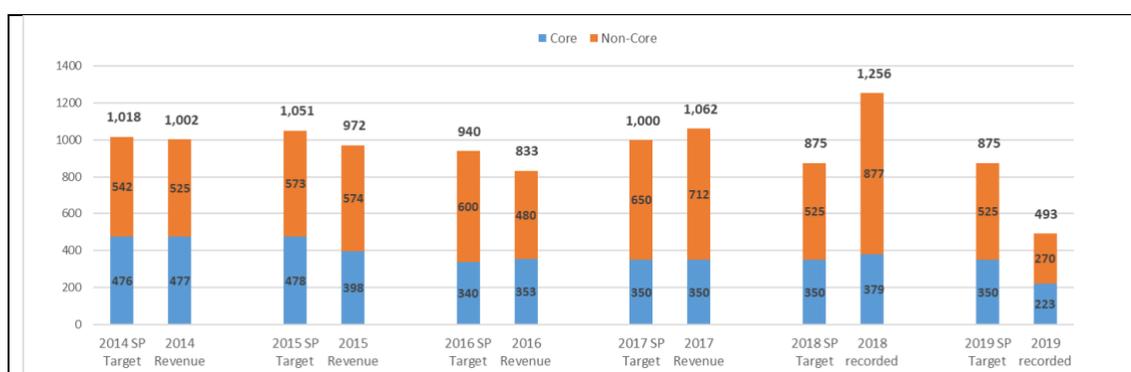
Figure 2  
Strategic Plan 2018-2021 targets, compared to actual revenue for 2018 and projections for 2019



17. At the level of core funding, under the current structure, UNFPA is functioning with a minimum level of resources to maintain its scope of engagement in programme countries, to perform the global and regional functions necessary to support the mandate and to maintain the integrity and resource mobilization platform of the Fund, i.e. to raise additional core and non-core funds. This realism and prudence have been driven by careful financial and political analysis drawn from the experience of past years, including the defunding of UNFPA in 2017 by one of its major donors.

18. Intensified resource mobilization efforts, both for core and non-core resources, succeeded in raising funds from a wide range of sources, resulting in an increase in total contribution revenue by 18 per cent, from \$1.062 billion in 2017 to \$1.256 billion in 2018. Regular interactions with Member States through the structured funding dialogues, and the momentum generated by milestones and movements such as She Decides, the London Family Planning Summit, the African Union focus on the demographic dividend and Women Deliver, among others, helped bring greater attention to the urgency of sexual and reproductive health and reproductive rights. They led to substantial additional contributions from donors to not only bridge the funding gaps left by the defunding of one of UNFPA top donors in 2017, but also to mobilize resources above \$1 billion for two consecutive years (2017 and 2018). The graph below presents an overview of the UNFPA funding targets compared to actual revenue recorded since 2014.

Figure 3  
UNFPA funding targets and actual recorded revenue, 2014-2019

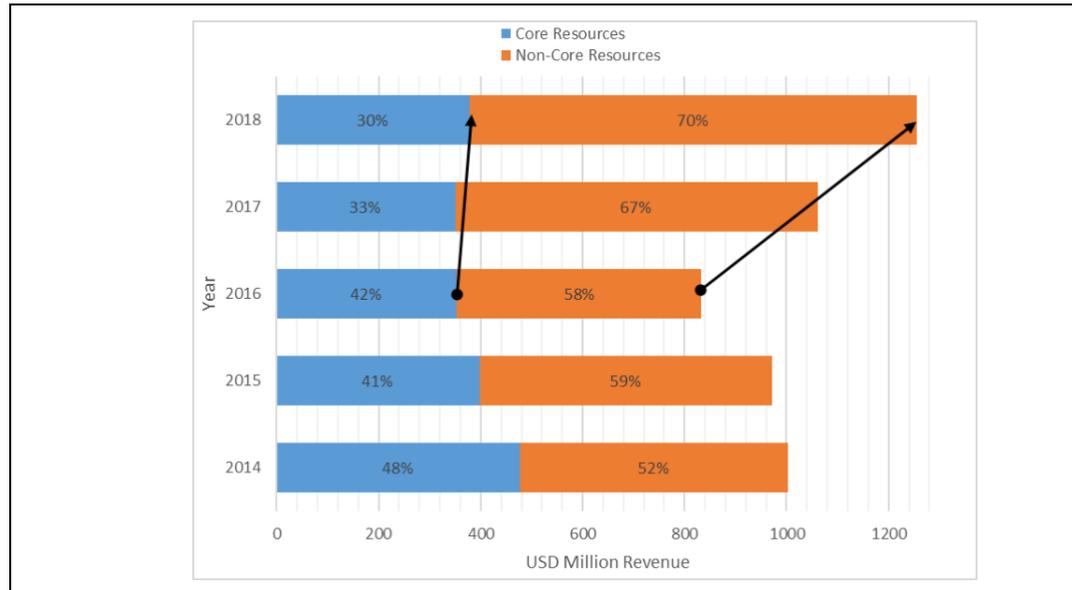


19. The two record years of 2017 and 2018 contrast with the below-target funding situation under the past cycle of the Strategic Plan (2014-2017). It demonstrates the unpredictable nature of voluntary resources, which characterize UNFPA funding. As of 1 May 2019, UNFPA secured only \$223 million core resources out of a target of \$350 million and \$270 million non-core resources out of a target of \$525 million.<sup>2</sup> In other words, at mid-year, UNFPA has recorded only 56 per cent of its funding targets. This yearly pattern is analysed in more detail in this report.

20. Over the past five years, UNFPA has experienced a pronounced shift in proportion of core and non-core funding, which has an impact on its overall funding structure in terms of predictability and sustainability. From an approximately balanced 50 per cent proportion in 2014, core funding has dropped to 30 per cent in 2018, which nevertheless remains within the United Nations funding compact target. This changing funding feature is mainly driven by the growth of non-core resources in proportionally higher terms than core resources.

<sup>2</sup> Recorded revenue as of 1 May 2019.

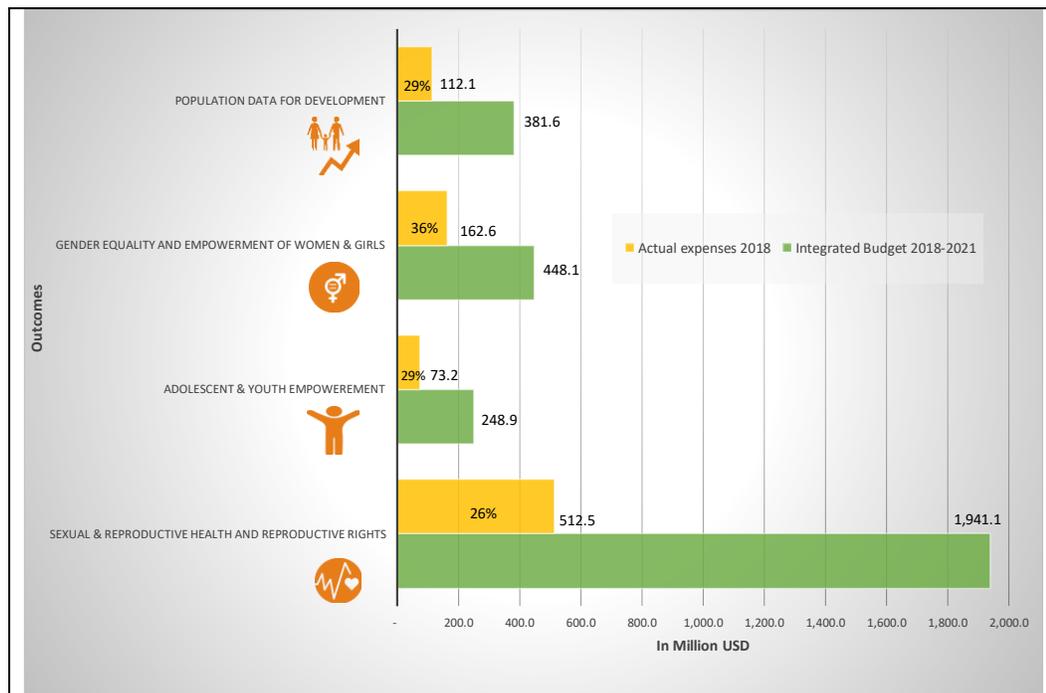
Figure 4  
**Proportion of core and non-core resources, 2014-2018**



**Allocation of resources in 2018**

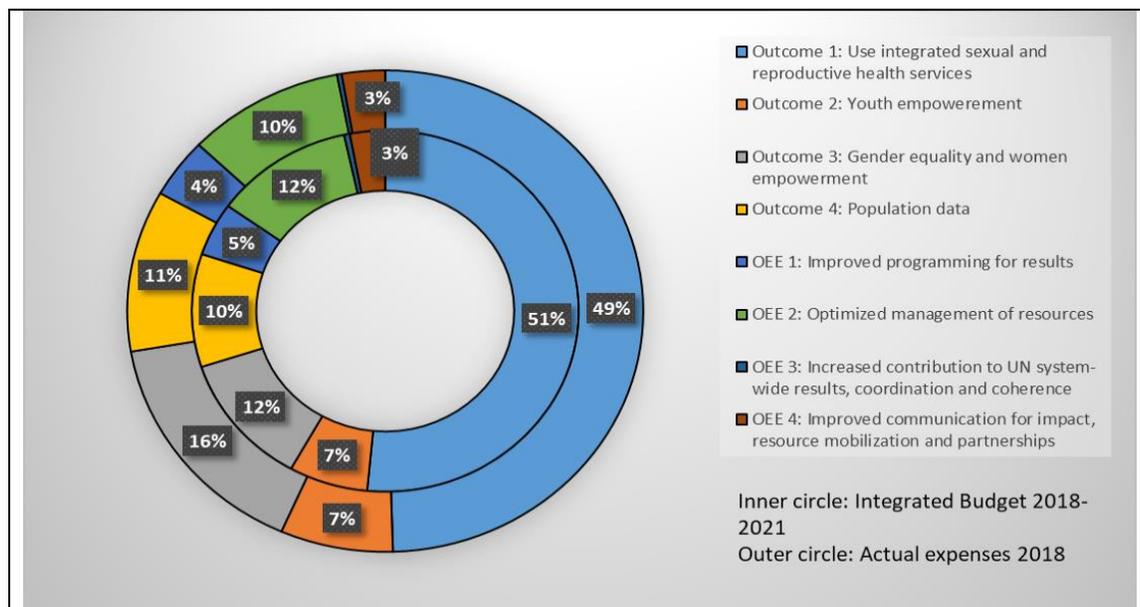
21. The integrated results and resources framework of the Strategic Plan (DP/FPA/2018/8) presents an indicative allocation of resources per outcome area for 2018-2021. The distribution of actual 2018 expenses is presented in figure 5. With 2018 expenses ranging between 26 per cent and 36 per cent in the first year of implementation of the Strategic Plan, UNFPA is in line with the indicative allocations envisaged for the four outcome areas.

Figure 5  
**Indicative planned allocation of resources and 2018 expenses, per outcome area**



22. The proportion of annual expenses in 2018 are also consistent with the planned allocation of resources per outcome and organizational efficiency and effectiveness output for the four-year period of the Strategic Plan (2018-2021).

**Figure 6**  
**Planned (2018-2021) versus actual (2018) proportion of resources allocated to outcome and OEE outputs**



23. The analysis of actual expenses per quadrant as defined in UNFPA business model also shows good alignment compared to planned allocations as spelled out in the Strategic Plan and integrated budget for 2018-2021. Table 2 presents the relative percentage of resources allocated to each category of countries in 2018, which are within the ranges envisaged in the Strategic Plan. Accordingly, countries in the red quadrant, which have the greatest needs and the lowest abilities to finance their own responses, received the largest share of resources.

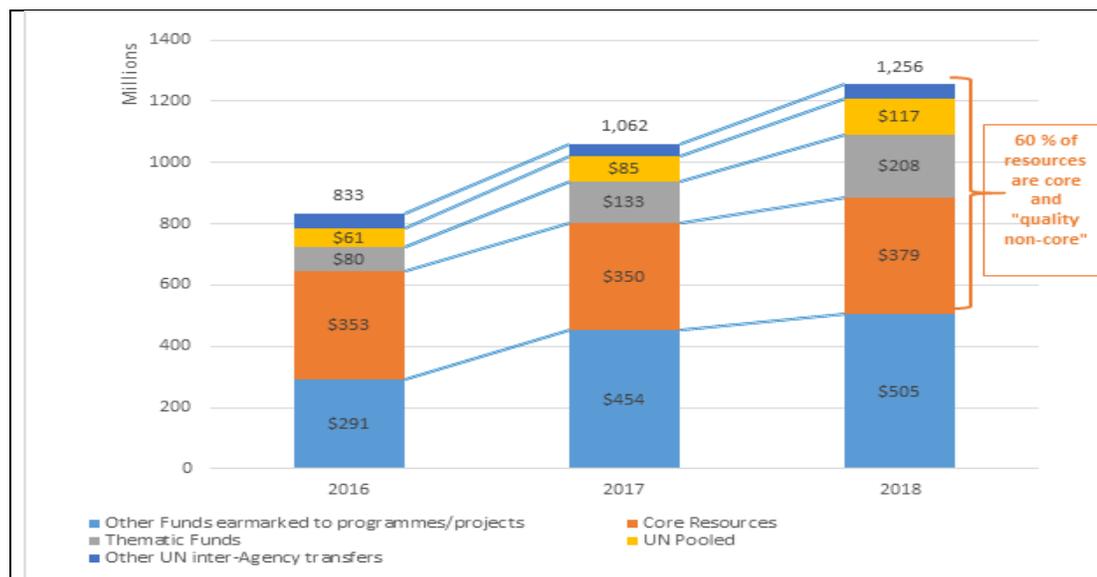
**Table 2**  
**Resource allocation per quadrant**

|   | Countries in red quadrant | Countries in orange quadrant | Countries in yellow quadrant | Countries in pink quadrant |
|---|---------------------------|------------------------------|------------------------------|----------------------------|
| Resources allocation as approved in the Strategic Plan, 2018-2021 | 56-60 %                   | 14-18%                       | 7-11 %                       | 15-17%                     |
| Resources allocated in 2018 (actual expenses)                     | 60%                       | 16%                          | 10%                          | 14%                        |

***Funding situation per funding instrument***

24. As described in UNFPA funding architecture, UNFPA uses several funding instruments to deliver on its mandate. The evolution and relative proportion of each funding instrument is presented in detail below.

Figure 7  
**Evolution and relative proportion of UNFPA funding instruments**



25. *Core (regular) resources.* This refers to un-earmarked funding that is used at the sole discretion of UNFPA and its Executive Board.

26. *Non-core (other or co-financing) resources.* These include the following:

(a) *United Nations pooled funds.* These consist of inter-agency pooled funds, which are commingled contributions to a multi-entity funding mechanism and not earmarked for a specific United Nations entity. Funds are held by a United Nations fund administrator; fund allocations are made by a United Nations led governance mechanism for activities specifically aimed at promoting the sustainable development of programme countries, with a focus on long-term impact.

(b) *United Nations inter-agency transfers.* These consist of all other transfers that do not correspond to the above defined inter-agency pooled funds.

(c) *Thematic funds.* These consist of thematic single-agency commingled contributions to a single-entity funding mechanism designed to support high-level outcomes within a strategic plan, of which UNFPA is the fund administrator.

(d) *Other funds earmarked to programmes/projects.* All other forms of funding that are directed by donors towards specific locations, themes, activities and operations, which do not meet any of the above listed categories. They are also referred to as “multi-bilateral” projects and programmes.

27. Over the past year, UNFPA overall funding contribution revenue increased by 18 per cent, with each funding instruments evolving as follows:

- (a) UNFPA thematic funds recorded the largest growth, increasing by 57 per cent;
- (b) United Nations pooled funds increased by 38 per cent;
- (c) Other United Nations inter-agency transfers increased by 17 per cent;
- (d) Other funds earmarked to programmes/projects increased by 11 per cent;
- (e) Core resources increased by 8 per cent.

28. The evolution in 2018 can be qualified as generally positive, considering that “quality non-core” funding, as defined in the United Nations funding compact<sup>3</sup>, has registered more significant growth than highly earmarked funding instruments. However, the medium-term pattern of non-core funding continues to pose challenges: between 2013 and 2018, UNFPA experienced an increase of 42 per cent in non-core funds in use and an increase of 31 per cent in the number of donor reports.<sup>4</sup> These generate significant additional transaction costs and complexity in the overall management of the Fund’s operations. For financial and managerial sustainability reasons, it is thus essential that donors and partners contribute in greater proportion to UNFPA funding instruments with lower transaction costs, such as core, thematic and pooled/joint funds.

## **B. Overview of core funding**

### *The case for core resources*

29. UNFPA core resources provide partner and donor countries with unique expertise, extensive field-based development presence, and allow UNFPA to effectively carry out its normative role and provide essential services to countries, communities and individuals, in particular those most in need, with high quality support and standardized approaches. Investing in UNFPA core funds (as opposed to stand-alone projects) has a powerful leveraging effect in the development of national capacities, health institutions, supply networks and competent human resources. UNFPA, in collaboration with the United Nations country teams, also invests core resources in the coherence and effectiveness of the United Nations development system, enhancing the impact of United Nations collective action at country level. When provided in a predictable manner, especially through multi-year contributions, core resources enable UNFPA to: (a) better plan and form more strategic partnerships; (b) lower operational costs; (c) build local capacity; (d) respond early and at scale when needs are on rise or a crisis hits; (e) strengthen resilience and coherence between development and humanitarian programmes by allowing better integration of resilience building strategies within wider development programming; and (f) deliver more impactful programming, adaptable to changes in circumstances, conditions and local needs.

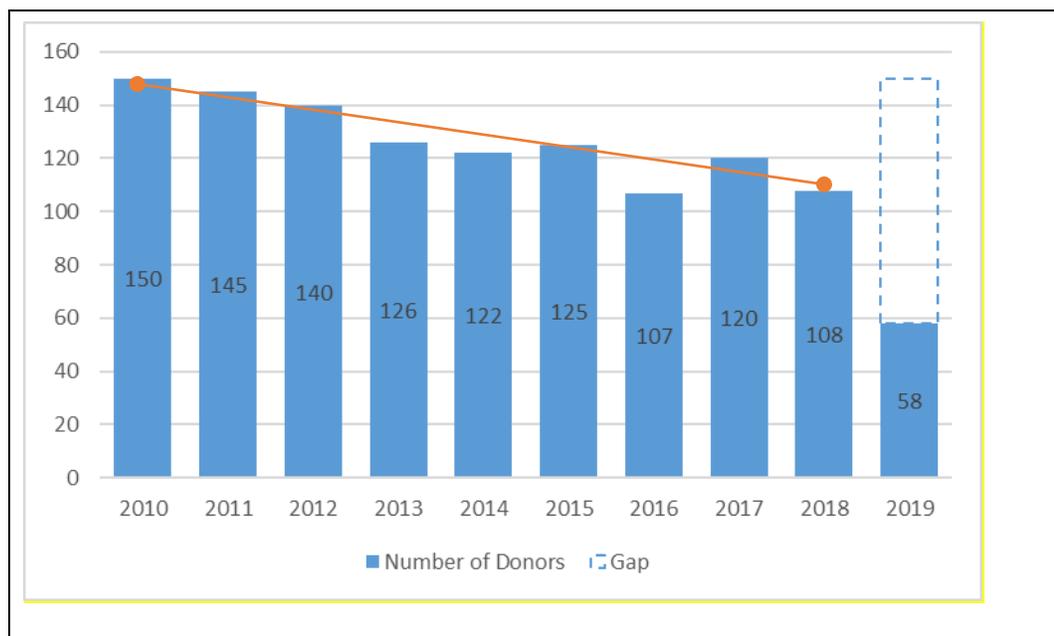
### *UNFPA number of core contributors and need to further expand the donor base*

30. Despite intensive outreach and mobilization efforts in 2018 in headquarters as well as at regional and country levels, the overall number of donors to core resources decreased from 120 in 2017 to 108 in 2018. As of 1 May 2019, despite regular calls through the Executive Board and the structured funding dialogues, only 58 countries have so far contributed to the UNFPA core budget.

<sup>3</sup> A/74/73/Add.1 – E/2019/4/Add.1

<sup>4</sup> The number of donor reports for 2018 includes the number of certified interim and final reports to be issued in 2019 for 2018 non-core funds. However, it does not include the uncertified interim reports issued by country offices, which would sharply increase these figures.

Figure 8  
**Number of core contributors, 2010-2019, and gap to reach the 150 donors target**



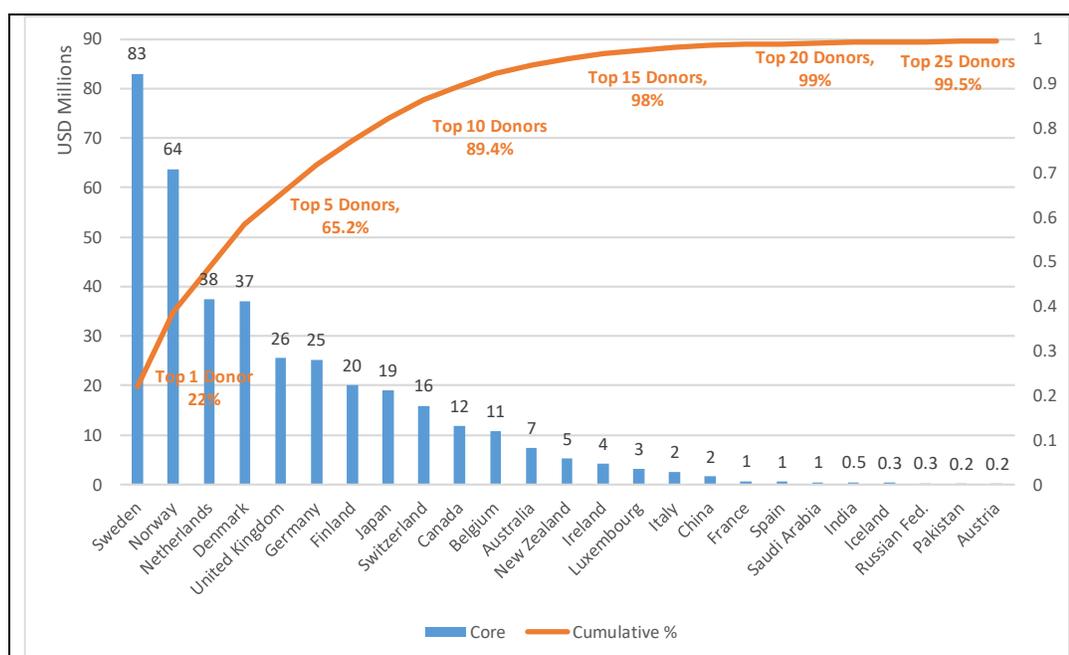
31. As a fully voluntarily funded organization, UNFPA calls on every Member State to provide core contributions to UNFPA, even in modest terms. As the Fund celebrates its 50<sup>th</sup> anniversary and the 25<sup>th</sup> year since the adoption of the ICPD Programme of Action, rallying broad based support for UNFPA mandate is of utmost importance.

32. In line with Executive Board decision 2016/18, UNFPA continued to invigorate “the case for core” through elaboration of argumentation papers that demonstrate the unique value and impact of UNFPA actions funded through core resources. Since 2017, UNFPA has been conducting a 150-donor campaign to expand the donor base for core resources. Concerted efforts of country, regional and headquarter levels aim at engaging host governments and counterparts and communicating the critical importance of core resources. These efforts will continue in order to broaden the coalition of core-contributors, minimize risks of sharp decrease or de-funding and rally more support around UNFPA mandate, in particular among emerging donors and programme countries.

#### ***UNFPA top contributors to core resources (2018)***

33. UNFPA core funding structure is characterized by its reliance on a small number of voluntary contributors. As shown in figure 9, in 2018, 15 donors contributed 98 per cent of UNFPA total core-resources, all from OECD/DAC countries. While UNFPA has been in a position to reliably count on the consistent generosity of those traditional donors, the Fund continuously seeks to broaden its donor base as instructed by the QCPR and spelled out in the United Nations funding compact (A/74/73/Add.1 – E/2019/4/Add.1). UNFPA calls on all Member States to contribute to voluntary core funding in 2019 and beyond in order to solidify UNFPA overall funding structure, contribute to the achievement of the 150 donors target as set-out in the structured funding dialogues and, in turn, provide more financial stability to the United Nations development system.

Figure 9

**Top contributors to UNFPA core resources (2018) in volume and cumulative proportion****Core-contribution from non-OECD/DAC and programme countries**

34. UNFPA is committed to broaden its coalition of core contributors beyond traditional donors, and has initiated a number of initiatives in order to increase the baseline percentage of approximately 1.5 per cent (2017) to 10 per cent by the end of the Strategic Plan cycle (2021). Table 3 presents an overview of UNFPA top ten core contributors from non-OECD/DAC and Programme countries. With a total of \$4.4 million in 2018, this category of donors represents 1.2 per cent of UNFPA core-contributions, approximately the same proportion as in 2017.

Table 3

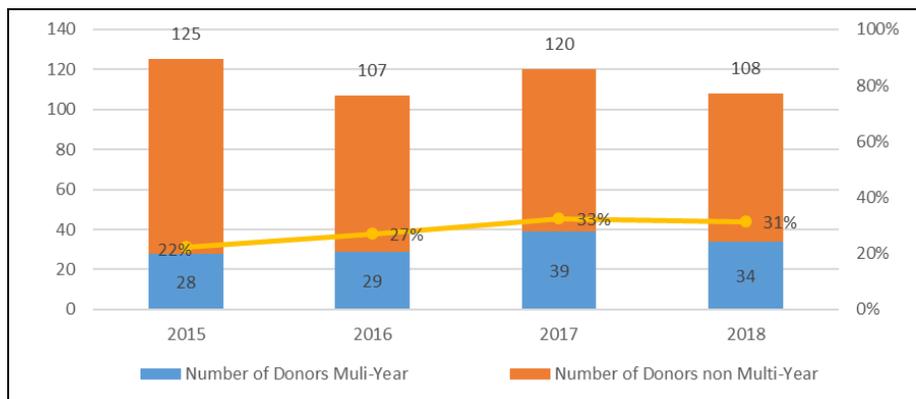
**Top 10 core contributors from non-OECD/DAC and programme countries**

| Donors (in \$ millions)             |             |                                     |             |
|-------------------------------------|-------------|-------------------------------------|-------------|
| 2017                                |             | 2018                                |             |
| China                               | 1.20        | China                               | 1.60        |
| Pakistan                            | 0.55        | Saudi Arabia                        | 0.50        |
| India                               | 0.51        | India                               | 0.50        |
| Saudi Arabia                        | 0.50        | Russian Federation (the)            | 0.30        |
| Russian Federation (the)            | 0.30        | Pakistan                            | 0.25        |
| Turkey                              | 0.15        | Thailand                            | 0.15        |
| Thailand                            | 0.15        | Turkey                              | 0.15        |
| Mexico                              | 0.07        | Estonia                             | 0.07        |
| Israel                              | 0.07        | Mexico                              | 0.06        |
| Estonia                             | 0.06        | Qatar                               | 0.06        |
| Iran (Islamic Republic of)          | 0.06        | Kazakhstan                          | 0.05        |
| Others                              | 1           | Others                              | 2.31        |
| <b>Total</b>                        | <b>4.6</b>  | <b>Total</b>                        | <b>4.4</b>  |
| <i>Percentage of core resources</i> | <i>1.3%</i> | <i>Percentage of core resources</i> | <i>1.2%</i> |

**Multi-year contributions to core resources**

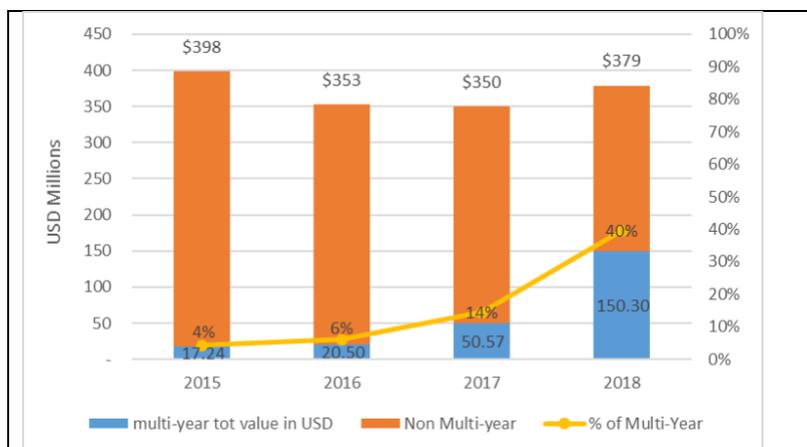
35. Multi-year core funding results in decreased costs of programme delivery and operations, streamlined reporting and reduced fragmentation of resources managed. It significantly reduces the workload of country offices and costs associated with managing steady operations. When provided in a predictable manner, especially through multi-year contributions, core resources enable UNFPA to better plan and deliver effective and consistent programming. The number and proportion of donors providing multi-year core-funding to UNFPA has modestly but consistently increased over the past five years, as shown by the graph below. This said, we note that this upward trend has not materialized in 2018, as only 34 countries contributed multi-year funding to UNFPA core resources in 2018, compared with 39 countries in 2017.

Figure 10  
**Number and percentage of multi-year core donors (2015-2018)**



36. However, as presented in figure 11, the overall value of multi-year contributions has consistently increased over the same period and has tripled between 2017 and 2018. This is due to an increase in the number of new multi-year contributors, as well as to an increase in the value of individual contributions provided by multi-year contributors. In 2018, the average duration of a multi-year agreement was 4.1 years, which considered as an adequate average considering the duration of the strategic plan cycle and other programming documents.

Figure 11  
**Value and percentage of multi-year core contributions (2015-2018)**

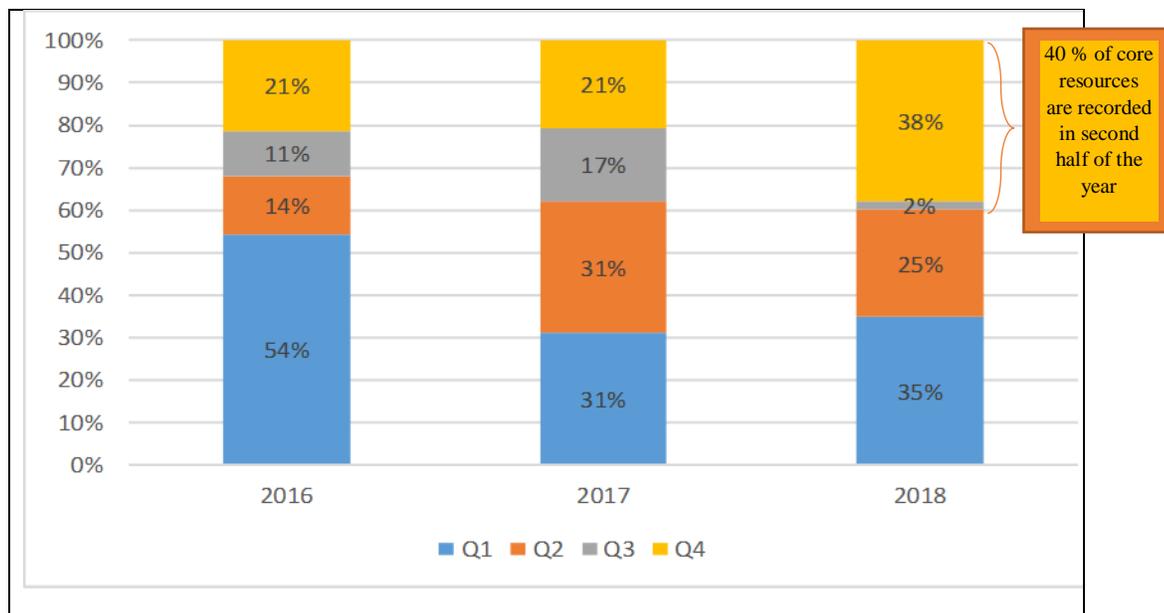


### *The criticality of early payment of contributions*

37. Timely payments of funding commitments are essential to effective and efficient planning and management of UNFPA programmes and operations. It also reduces risks associated with currency fluctuations. UNFPA strongly advocates for early payment of all contributions, especially core resources. In 2018 and 2019, geo-political developments and economic trends are causing major fluctuations in the currency market, with a strengthening of the United States dollar against all major donors' currencies, which increases the volatility of contributions and has a negative impact on the predictability of resources.<sup>5</sup>

Figure 12

**Timing of revenue recorded 2016-2018 (as percentage of total per quarter a year)**



38. As figure 12 shows, in 2018, 40 per cent of UNFPA core contributions have been recorded during the second half of the year. This proportion has increased over the past years, which poses predictability and implementation challenges. UNFPA urges Member States to make payments as early as possible in the year in order to enable sound planning of programmes and operations.

### *Managing volatility and uncertainty*

39. Given the continuing uncertainty and volatility associated with level and timing of core contributions, UNFPA is taking a long-term strategic approach when dealing with higher than projected core resources income in 2018. The higher 2018 core contributions resulted in higher carry-forward balances as additional income was received late in the year. UNFPA remains committed to ensure funding for the Strategic Plan is in line with the revised integrated budget. Higher available 2018 balance enables UNFPA to honour the commitments in the approved revised integrated budget as well as strengthen mechanisms to support programme delivery and balance financial and fiduciary responsibility.

40. Not all core resources available will be distributed due to donor commitment uncertainty and exchange rate volatility. Core resources carry-forward balances from 2018 will be progressively used over the remaining Strategic Plan period but not all in one year. This gives

<sup>5</sup> As an illustration of the significance of this phenomenon, in 2018, the total loss associated with foreign exchange rates fluctuations (FX) on total contributions amounted to \$20.9 million.

UNFPA an opportunity to make adjustments if income projections do not materialize in the remaining years of the cycle (2019-2021). As a result, in the short-term a balance of core resources will remain undistributed, as disclosed in annual financial statements. This may create perception that UNFPA cannot utilize and thus does not need, additional core resources, which is not the case. UNFPA continues to advocate for an increase of core resources above the minimum target of \$350 million in support of our programmes worldwide.

### C. Overview of non-core contributions and instruments

41. The total non-core (co-financing) contribution revenue for 2018 was \$877 million, an increase by \$165 million compared to 2017, or 23 per cent, between 2017 and 2018.

42. This increase has been mostly driven by significant growth in UNFPA thematic funds (57 per cent), United Nations pooled funds (38 per cent), United Nations inter-agency transfers increases (17 per cent) and other funds earmarked to programmes/projects (11 per cent).

Table 4

#### Contributions to UNFPA non-core (co-financing) resources, 2017-2018

| Donors in (\$ millions)                              |            |  |            |
|--|------------|--|------------|
| 2017   |            | 2018   |            |
| United Kingdom of Great Britain and Northern Ireland | 140        | United Nations and inter-organizational transfers    | 164        |
| United Nations and inter-organizational transfers    | 125        | United Kingdom of Great Britain and Northern Ireland | 128        |
| European Commission                                  | 61         | Canada   | 117        |
| Sweden   | 53         | Norway   | 64         |
| Denmark  | 46         | European Commission                                  | 64         |
| Netherlands  | 44         | Netherlands  | 55         |
| Guatemala  | 41         | Australia  | 51         |
| Canada   | 34         | Denmark  | 46         |
| Norway   | 17         | Sweden   | 23         |
| Republic of Korea                                    | 17         | Cameroon   | 19         |
| Others   | 134        | Others   | 146        |
| <b>Total</b>   | <b>712</b> | <b>Total</b>   | <b>877</b> |

#### *United Nations pooled funds and joint programmes (United Nations inter-organizational transfers)*

43. United Nations pooled funds and joint programmes (United Nations inter-organizational transfers) represent a significant and growing portion of UNFPA non-core resources, exemplifying the centrality that UNFPA, donors and United Nations agencies place on integrated approaches, joint-delivery and working together globally. As presented in Table 4, this modality now represents 19 per cent of UNFPA non-core resources. UNFPA will continue to prioritize these joint-up mechanisms in order to effectively implement the Common Chapter with sister agencies.

44. In 2018, UNFPA continued to play an active role in inter-agency funding and related platforms through representation in the UNSDG Strategic Financing Results Group and other fora involved in oversight, coordination, data generation and implementation of pooled financing mechanisms. UNFPA currently serves as a member of the Operational Steering Committee of the Joint Fund for the 2030 Agenda.

45. UNFPA continues to build strong joint programmatic and financing portfolios with a broad range of United Nations entities for result areas that benefit from inter-agency synergies. As a modality that facilitates not only joined-up delivery, but also flexible and predictable contributions from donors, pooled and other inter-agency funding mechanisms play a

complementary role to regular contributions and agency-specific thematic funds in the UNFPA funding architecture.

46. Prominent examples of joint action and pooled funding mechanisms to facilitate scaled up progress are: (a) the UNFPA-administered UNFPA-UNICEF Joint Programme to End Female Genital Mutilation (since 2008); and (b) the Global Programme on Essential Services for Women and Girl Victims of Gender-Based Violence. In 2017, UNFPA also joined as a founding partner, with UN-Women and UNDP, the United Nations-European Union Spotlight Initiative to eliminate violence against women and girls.

#### *Contributions from programme country governments and IFIs*

47. UNFPA continues to intensify its partnerships, particularly with international finance institutions to support programme countries. Co-financing contributions from programme country governments in support of their country programmes continues to form a sizable part of revenue, mainly originating from loans and grants coming from international finance institutions<sup>6</sup>. In 2018, agreements were signed for \$70 million for 24 programme countries, which represents an increase of approximately 10 million compared to 2017 (Table 5). This increase has been made possible through intensified upstream engagement between UNFPA and various development finance institutions.

48. Beyond partnerships with international finance institutions, in line with the Addis Ababa Action Agenda and the Sustainable Development Goals, UNFPA calls on programme countries governments to increase domestic resource allocation for their own development goals.

Table 5

#### **Programme countries contributing to their own country programmes**

| Donors (in \$ millions) |             |                                  |             |
|-------------------------|-------------|----------------------------------|-------------|
| 2017                    |             | 2018                             |             |
| Guatemala               | 40.7        | Cameroon                         | 19.0        |
| Haiti                   | 8.0         | Guatemala                        | 13.2        |
| Paraguay                | 2.9         | Haiti                            | 12.0        |
| Indonesia               | 2.6         | Indonesia                        | 9.3         |
| Nigeria                 | 1.8         | Brazil                           | 4.9         |
| Chad                    | 1.4         | Democratic Republic of the Congo | 4.3         |
| Brazil                  | 1.3         | Nigeria                          | 2.7         |
| Uruguay                 | 0.8         | Cote d'Ivoire                    | 1.8         |
| Honduras                | 0.6         | Uruguay                          | 1.1         |
| Moldova                 | 0.4         | Panama                           | 0.5         |
| Others                  | 0.2         | Others                           | 1.2         |
| <b>Total</b>            | <b>60.7</b> | <b>Total</b>                     | <b>70.0</b> |

#### *European Commission*

49. In 2018, non-core contributions received from the European Commission totalled \$63.6 million, compared to \$61.5 million in 2017, the highest ever. The partnership between UNFPA and the European Commission was further strengthened, manifested in the signing of 16 new agreements.

50. These included eight agreements signed with the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations. These humanitarian activities focused on strengthening sexual and reproductive health interventions, including

<sup>6</sup> Funding originating from IFIs in 2018 include: Islamic Development Bank, Global Fund to Fight AIDS, Tuberculosis and Malaria, Inter-American Development Bank, and the World Bank.

gender-based violence interventions in Bangladesh, Jordan, Sudan, Syria and Yemen, the provision of life-saving clinical management of rape services to women and girls in Iraq and South Sudan, and access of rural refugees to health and protection services in Turkey.

51. Also, four new agreements were signed with the Directorate-General for Neighbourhood and Enlargement Negotiations and four agreements with the Directorate-General for International Cooperation and Development. These include support to Egypt's National Population Strategy and support to UNFPA Supplies. Other new projects include the promotion of family planning services in Afghanistan, the advancement of midwifery in Libya and the European Union contribution to the Health Development Fund in Zimbabwe.

#### ***UNFPA global thematic funding***

52. The three UNFPA thematic trust funds are internally pooled donor funds aimed at supporting the achievement of results in the framework of the UNFPA Strategic Plan. They support approved programmes in the areas of UNFPA work in priority countries and reinforce a coherent approach to align with national plans and budgets. The predictability of resources in the thematic funds creates a unique opportunity to catalyse and scale up programming to help meet unmet needs. UNFPA has established three thematic funds: UNFPA Supplies; Maternal and New Born Health Thematic Fund; and Humanitarian Action Thematic Fund. In late 2019, UNFPA will launch a new thematic fund for population data. With its partners, UNFPA is engaged in outreach efforts to strengthen contributions to these funds in accordance with the funding compact and the UNFPA resource mobilization strategy.

53. *UNFPA Supplies*. The main global channel for ensuring that every person can choose from a range of quality family planning options is UNFPA Supplies. The thematic fund continues to be a key vehicle to implement the organization's family planning strategy and achieve the Family Planning 2020 goal. UNFPA Supplies operates where gaps are greatest, with a particular focus on 46 countries with the highest level of unmet need for family planning. Supplies provided by the programme reached some of the poorest communities as well as places struck by humanitarian crises, with potential to avert 10.4 million unintended pregnancies, 3.2 million unsafe abortions and 190 maternal and child deaths. UNFPA Supplies helped countries catalyse progress in procuring and delivering reproductive health commodities on a number of fronts in 2018.

54. In 2018, the rapid development of more precise systems to forecast demand for commodities and make procurement choices resulted in cost savings and greater responsiveness to the needs of users. Targeted action to strengthen supply chains included UNFPA Supplies rolling out the maturity model, which helps countries pinpoint the weakest link in the chain and conducting "last mile" audits for the first time to assess how well commodities are managed all the way down to delivery to users. In 2018, the Bill & Melinda Gates Foundation launched an \$18 million family planning fund, managed by UNFPA Supplies, for the Ouagadougou Partnership countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Mauritania, Niger, Senegal and Togo. It will allocate \$2 for every additional \$1 that these countries invest in family planning from domestic resources.

55. UNFPA Supplies mobilized an increased amount from donor partners during 2018, totalling \$203 million (as of December 2018), representing a 63 per cent increase, compared to 2017. However, despite this encouraging figure, the funding gap for the programme is still not closed. As of 1 May 2019, only 54 per cent of UNFPA Supplies annual estimated needs have been covered.

56. *Maternal Health Thematic Fund*. As a UNFPA flagship programme, the Maternal and Newborn Health Thematic Fund (MHTF) is a key contributor to realizing the promise of the International Conference on Population and Development (ICPD) Programme of Action and achieving the SDGs/Agenda 2030, including universal health coverage. Applying an integrated,

evidence-based and person-centred approach, the MHTF strategy is based on three foundational principles: equity in access, quality and accountability. It supports Sustainable Development Goal 3 on health and well-being, focusing on reducing maternal and newborn deaths and disabilities, and on improving universal access to sexual and reproductive health; and Goal 5 on gender equality and empowerment of women and girls. The program in its third phase (2018-2021) continues to provide technical and financial support to over 30 high burden countries to end preventable maternal and newborn deaths and morbidities. Through an integrated health systems approach it ensures implementation of evidence-based, catalytic and cost-effective interventions to strengthen health systems, foster an enabling environment to empower health workers to offer high-quality care and improve the health and well-being of women, adolescent girls and newborns.

57. In 2018, the programme continued to show quantifiable and normative results in the four focus areas. The development and implementation of the emergency obstetric and newborn care facility network assessment and prioritization tool has enabled five more countries to increase cost effectiveness and population coverage by using the Geographic Information Systems (GIS)/AccessMod tool. This is an example of an innovative and catalytic intervention and normative change process. Together with interventions to build capacity of the health workforce, it provides supplies and improves data collection and monitoring contributing to an improved sustainable health system in countries. The increased availability, quality and regulation of midwives contributed to further strengthening the systems approach and the possibility to scale up access and quality at national level. In 2018, the programme supported training for 28,500 midwives. In total, 27 out of 33 MHTF countries (or 82 per cent) had routine and continuously available fistula treatment services in strategically selected hospitals. Health facilities in 32 MHTF countries were strengthened to provide treatment for the consequences of obstetric fistula through capacity building and provision of medical supplies and surgical equipment. A maternal death rate indicator was introduced in MHTF supported countries to improve their capacity to notify and monitor maternal deaths in the health information systems, which is now used in 50 per cent of countries or more, for example in Bangladesh, Benin, Ethiopia, Guinea Bissau, Timor Leste and Zambia.

58. In 2018, 60 per cent of the annual programmatic funding needs of \$15 million of the MHTF were covered, leaving a funding gap of \$6 million. The overall programmatic needs of the MHTF for the third phase of the programme is \$150 million, of which only 33 per cent is covered as of 1 May 2019.

59. *Humanitarian Action Thematic Fund.* UNFPA established the Humanitarian Action Thematic Fund (HTF) in 2018 to provide flexible, multi-year funding for the increasing number of humanitarian crises across the globe. The HTF is designed to support activities for rapid and ongoing response, for preparedness and for addressing the humanitarian/development nexus. Through an expedited internal grants mechanism, the HTF provides the opportunity for country programmes to access funding not being met by bilateral funding arrangements, thereby expanding the reach and scope of UNFPA life-saving humanitarian operations. As of June 2019, three donors have made commitments to the HTF. Good progress has been achieved and UNFPA is expecting several additional contributions in 2019. The [Humanitarian Action Overview](#) 2019 provides more information on key achievements of UNFPA in 2018 and 2019 priorities in humanitarian work.

60. *Population Data Thematic Fund.* UNFPA is in the process of finalizing the Population Data Thematic Fund, to be launched at the end of 2019. The new thematic fund will propose key investments to advance the scale and contributions of population data within UNFPA programme countries, to improve the impact of UNFPA work on sexual and reproductive health right and to advance the well-being of women and girls. It offers a new funding mechanism and implementing architecture to capitalize on our ongoing support to national population and housing census and to leverage that support to strengthen multiple dimensions of the national

data system. This catalytic role of the Population Data Thematic Fund is key in ensuring that UNFPA reaches everyone and everywhere with its services.

***Contributions to UNFPA for emergency preparedness and humanitarian response***

61. Whether in response to the devastating effects of protracted crises, natural hazards or disease outbreaks, UNFPA response teams were on ground throughout 2018, saving lives and restoring dignity and hope in places such as Bangladesh, Democratic Republic of the Congo, Indonesia, South Sudan, Syria and Yemen. In 2018, UNFPA humanitarian action reached an estimated 18 million women, girls and young people in 56 countries. This assistance includes providing women-friendly spaces, for example to Rohingya women and girls living in displacement camps; treating survivors of sexual violence in the Democratic Republic of the Congo; and running a maternity clinic in the Za'atari refugee camp in Jordan, where UNFPA has overseen more than 10,000 safe deliveries with zero maternal deaths since the facility opened in 2013.

62. UNFPA humanitarian revenue continued to grow in 2018, with total contributions at \$172.3 million, compared to \$165.4 million in 2017 and \$154.8 million in 2016. In 2018, UNFPA surge mechanism also received in-kind support, valued at \$1.4 million, from its four standby partners (Danish Refugee Council, Norwegian Refugee Council, CANADEM and RedR Australia). These partners deployed 33 personnel to 20 UNFPA country offices responding to humanitarian emergencies.

63. United Nations joint humanitarian funding modalities, such as the Central Emergency Response Fund (CERF) and country-based pooled funds, continued to be critical to implementing UNFPA humanitarian action. In 2018, a total of \$20 million was received from the CERF to support UNFPA operations in 28 countries. Other humanitarian donors to UNFPA humanitarian action in 2018 included Australia, Canada, Denmark, the European Commission, Italy, Japan, Norway and the United Kingdom.

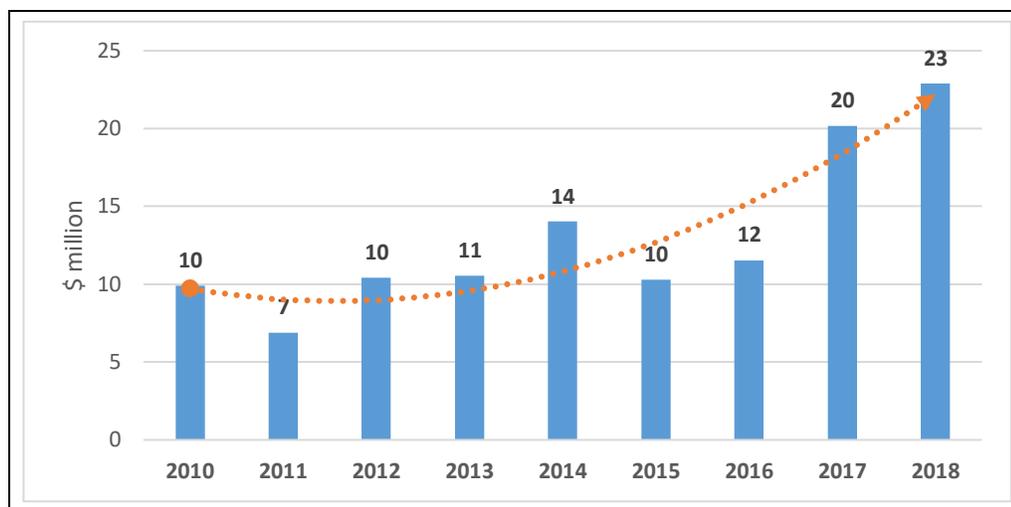
64. Another funding source of humanitarian fund is UNFPA Emergency Fund, which is an internal funding mechanism financed from core resources. It allows teams on the ground to kick-start humanitarian response at the onset of an emergency. In 2018, \$9.5 million was allocated to 34 UNFPA country offices and two regional offices, reaching about three million people in need. Of the total allocation, \$7 million came from UNFPA core resources and \$2.5 million was donated by Canada and Norway to help in the global response.

**Private sector**

65. Private sector contributions to UNFPA have steadily increased over the past decade.

Figure 13

**Contributions from the private sector, 2010-2018 (in \$ millions)**



66. In 2018, UNFPA continued strengthening its partnerships with non-traditional partners, mobilizing \$22.9 million in private sector contributions (a 14 per cent increase compared to 2017) and collaborating with 63 partners (an 18 per cent increase from 2017). In addition to funding and in-kind contributions, significant work has been achieved to engage partners in diverse partnership modalities (visibility campaigns). Overall, partnerships in 2018 helped strengthen the profile of UNFPA, fund UNFPA programmes more effectively and support innovative and creative solutions, or advocate for the rights and health of women and adolescents.

67. UNFPA strengthened the relationship and enhanced the resources received from key partners in a number of ways. A new partnership was initiated with the Bill and Melinda Gates Foundation in support of UNFPA work to end unmet need for family planning through the provision of family planning supplies in the West Africa region. Building on the achievements of 2017, UNFPA expanded its collaboration with Johnson & Johnson to include Pakistan in addition to Haiti and Liberia as part of efforts to strengthen the capacity of midwives and improve maternal health service delivery.

68. A new global partnership was initiated with Royal Philips. The partnership aims at expanding access to quality, affordable health care, including maternal and reproductive health services for women and girls in marginalized communities through the introduction of technologies and innovations that can extend the reach of health systems, lower costs and transform maternal health services. Moreover, a new partnership was initiated with Nutrition International to integrate sexual and reproductive health services and nutrition and with Zonta International, the first private sector partner to join the global effort to end child marriage.

69. The increased outreach to academia that started in 2018 has led to the creation of a global network with more than 120 university partners since its launch in March 2019. Through this network, UNFPA is able to create new innovative “reach” and “brain power” partnerships, including with the London School of Economics, University of Oslo, American University in Cairo, University of Chile, University of Ghana and Stanford University.

70. In 2018, UNFPA also developed a four-year Individual Giving Strategy to formally establish this important strand of fundraising with the vision of mobilizing \$100 million per year in donations from individuals by 2030. In the same year, UNFPA successfully delivered a digital pilot of the Individual Giving Programme to test the viability of this important channel of fundraising. Building on the success of the pilot phase, UNFPA will formally launch the start-up and market entry phase of the programme in 2019, which will see the establishment of donor recruitment and stewardship infrastructure at UNFPA Headquarters and select regional and country offices.

71. Partnerships have been further strengthened at country and regional levels through the continuous support of the regional and country offices. These include partnering for gender equality and inclusiveness with the Special Olympics; an extended collaboration partnership with Baby Box in response to humanitarian relief efforts in Liberia; a partnership with Itaipu Binacional to prevent unintended pregnancies in Brazil; and a partnership with Beifang International Education Group in support of youth leadership activities in the People's Republic of China.

#### *Additional funding windows and opportunities*

72. UNFPA is facing an increasingly complex landscape of development finance to manage, as domestic public and private resources increase and the sources of external resources diversify, with official development assistance witnessing allocation sectoral shifts, with declining investments for social sectors. Achieving the *three zeros* will demand both significant increases in capacity and resources, as well as changes in the way existing resources are used and prioritised. For this reason, UNFPA is active not only at global level, but is working to build a bottom-up, holistic country-level approach to financing its transformative goals. This approach is leading to building new partnerships, as described below.

73. *South-South and triangular cooperation.* Throughout 2018 and 2019 South-South and triangular cooperation (SSTC) has continued to be promoted as an effective and efficient programming strategy to support the achievement of the three transformative results. Capacity development of over 50 offices was completed across four regions on how to better integrate SSTC into country programmes and leverage SSTC initiatives for achieving national development results. Further expanding the partnership using southern funding mechanisms, four additional country-led project proposals were approved, totalling over \$2 million from the India-United Nations Partnership Development Fund as well as from the China South-South Cooperation Assistance Fund for Zimbabwe (\$2 million) and Nepal (\$2 million).

74. In 2019, UNFPA participated in the landmark United Nations High-Level conference on SSTC held in Argentina (Buenos Aires Plan of Action +40), advocating for recognition of SSTC as a key enabler of the ICPD Programme of Action, in partnership with Partners in Population and Development (PPD), on how to advance the demographic dividend. The advocacy efforts of UNFPA continued, in conjunction with PPD, at ministerial side event such as at the 52<sup>nd</sup> Commission on Population and Development on the importance of SSTC towards achievement of SDGs and ICPD. UNFPA continues to partner with the United Nations Office for South-South Cooperation at global fora such as the Global South-South Expo as well as with inter-agency coordination initiatives for mainstreaming SSTC in United Nations development programming. The UNFPA Inter-Country Cooperation Office continues to maintain these relationships as well as explore opportunities for new ones as part of strengthening UNFPA leadership globally in SSTC.

75. *Leveraging innovative financing solutions.* UNFPA is consistently working to become an organization ready to face the challenges of the new financing landscape and take advantage of new opportunities that will come along. UNFPA has built new partnerships, both with public and private institutions, to diversify financing beyond official development assistance funding and create new platforms for “impact investing” in key areas of UNFPA mandate, with a focus

not only on mobilizing additional resources, but also increasing efficiency of spending and re-prioritization of national budgets towards the achievement of the “three zeros”.

76. In 2018, UNFPA, Bill and Melinda Gates Foundation and the Department for International Development, with technical support from McKinsey, partnered to develop a guarantee mechanism which leverages the full breath of UNFPA sexual and reproductive health commodity procurement capacity. UNFPA is currently working on extending this guarantee mechanism to cover and attract a broader range of contribution sources to speed up its procurement processes; achieve greater economies of scale; allow programme countries to make better use of their resources; and create a sustainable pathway for countries to graduate and become self-sufficient in their sexual and reproductive health procurement needs.

77. UNFPA and the Islamic Development Bank (IsDB) are partnering on the design of a development impact bond to invest in adolescent girls’ social, economic and health development in the Arab States region. UNFPA in Cameroon, together with the Government of Cameroon and the Islamic Development Bank, is developing a “Micro-Takaful” (insurance scheme compliant with Sharia Law) to address maternal, neonatal and child mortality in the country.

78. UNFPA has worked together with some governments and financial institutions to set up compulsory charges or levies (small taxes) to fund procurement of sexual and reproductive health commodities and programmes targeting youth. For example, UNFPA-Guatemala is working with the Ministry of Finance and Health to use resources coming from taxes on alcoholic beverages in order to replenish a revolving fund used for emergency procurement, including procurement of sexual and reproductive health commodities. UNFPA is also working with the Government of Panama to channel a percentage of taxes coming from the trade of tobacco and its products to promote healthy lifestyles for young people.

79. *Partnerships with parliamentarians.* Partnerships with parliamentarians help build support for the ICPD Programme of Action and the SDGs. In 2018, more than 100 parliamentarians from 80 countries adopted the Ottawa Statement of Commitment, pledging to mobilize their constituencies and governments to make bold efforts to fully implement all aspects of the Programme of Action by 2030.

## IV. Strategic considerations and future directions

### A. Perspective for 2019

80. Total income projections as of 1 May 2019 are more or less in line with the expected 2019 total targets, with \$874 million projected revenue compared to \$875 million. It is however important to note that this could evolve either positively or negatively over the next months as the trend of payments occurring late in the year continues. Income projections are reviewed on a monthly basis in order to ensure financial sustainability and assess the need for austerity measures if projections fall short of targets. Income projections are based on fundraising estimates, calculated on commitments by donors and partners, expected contributions to thematic and other funding instruments, other macro-economic and political parameters and financial forecasts, such as exchange rates.

81. Based on indications by key donors and contribution trends, the preliminary contribution revenue forecast for core resources for 2019 is currently \$349 million (as of May 2019). This is still subject to changes as UNFPA receives more indications from donors. To date, out of the \$349 million projected for core resources for 2019, only \$223 million is already pledged by donors, while the balance is expected to materialize by end of year, based on official signed commitments. This speaks to the unpredictability of core-resources which remain the bedrock of UNFPA funding structure as it exposes the organization to potential funding and cash flow

shortfalls. In this context, UNFPA urges donors and partners to make multi-year pledges, preferably in United States dollars and to process payments as early as possible in the year, which is in line with Executive Board decisions.

82. For non-core resources, the contribution revenue projection for 2019 is \$525 million, of which only \$270 million was recorded, as of May 2019.

83. UNFPA is focusing its efforts on implementing the funding shift required to deliver on a global mandate and respond in an integrated, flexible and dynamic way to the needs and priorities of the Member States, including by engaging more in joint activities with the other United Nation Sustainable Development Group entities, increasing the quality of non-core resources through the strengthening of UNFPA-specific thematic funds, and enhancing the cooperation for results at the country level with host governments. This sustained growth has had an impact on increasing the number of waivers, as well as contributed to reducing the effective cost recovery rates in 2018 compared to 2017. This might pose additional challenges to the sustainability of UNFPA funding structure.

## **B. Way forward to improve transparency, accountability and visibility for results**

84. As stated in this report, UNFPA applies an overall prudent and realistic budget planning approach, based on income projections in order to minimize the likeliness of funding gaps or austerity measures in case projections do not materialize. However, resource mobilization forecasts remain difficult to predict, especially for non-core resources, and fund allocation is more complex given multiple non-core funding streams. It is in this context that UNFPA initiated a number of key measures in 2018 and 2019 in order to improve transparency, accountability and visibility for results, while attempting to mitigate risks inherent to the voluntary and volatile nature of its funding. These measures are aligned with the United Nations funding compact to which they are also expected to contribute both at the agency-specific level and system-wide.

### ***UNFPA Costing and Financing Initiative***

85. With just 12 years left to the 2030 deadline, the world must inject a sense of urgency. For UNFPA, achieving the three transformative results requires immediate and accelerated actions by countries along with collaborative partnerships among governments and stakeholders at all levels.

86. Indeed, UNFPA transformative agenda necessitates profound change that goes beyond business as usual. The ambitious agenda requires substantial investments across several sectors. A wide range of social investors needs to be mobilized and along traditional actors such as governments, donors and civil society, a greater role must be reserved for private sector, public private partnerships and individuals.

87. To realize 2030 transformative agenda commitments, UNFPA, as the lead United Nations agency for sexual and reproductive health and reproductive rights, is required to play a leading role in implementing and mobilizing partnerships and investments around these results. This requires UNFPA to scale up its evidence and economic-based arguments advocacy, programming and operations towards the 2030 vision. Bringing sound economic and impact arguments is the timeliest investments to scale up evidence-based advocacy and policy dialogue during the ICPD25 and UNFPA@50. UNFPA-driven Costing and Financing Initiative will support filling in the financing gaps for achieving the SDGs.

88. UNFPA established partnerships with several academic institutions to support the costing initiative,<sup>7</sup> and expects to extend this partnership with other academic and United Nations organizations. The objective will be to incorporate perspective of the Global South and to ensure that the initiative is well integrated with the on-going efforts of the United Nations system to deliver collective outcomes. Overall, five interrelated work streams are envisaged:

- (a) Overall price tags and impact for three transformative results;
- (b) UNFPA price tags for three transformative results;
- (c) Country investment cases;
- (d) Costing UNFPA country programmes;
- (e) Lives Saved model to capture UNFPA impact.

89. The Costing and Financing Initiative will provide robust funding estimates and requirements at all levels, and is expected to create a momentum for enhanced value for money, partnerships, advocacy and resource mobilization in order to accelerate implementation of the Strategic Plan, the ICPD Programme of Action within the framework of the 2030 Agenda. As the world prepares for the Nairobi Summit<sup>8</sup>, the UNFPA Costing and Financing Initiative will be discussed during the High-level Political Forum 2019, and will contribute to elaborate financing strategies for the universal access to sexual and reproductive health by 2030 and to scale up national response to finance UNFPA transformative agenda.

#### ***UNFPA ICT transformation***

90. In 2017, UNFPA initiated the information and communication technology (ICT) transformation in the context of the comprehensive change process. It consists of several components<sup>9</sup> aimed at adjusting UNFPA internal systems to more systematically link resources to results, to improve the monitoring of income forecasts and better support the planning, allocation, management and reporting of resources, based on expected needs and results. The ICT transformation is expected to be rolled-out by the end of 2021.

#### ***Improved reporting, visibility and recognition***

91. As instructed by the Executive Board, UNFPA has adjusted the format and content of its annual report on structured funding dialogue in order to improve the quality of the dialogues. Additionally, in line with the funding compact, UNFPA is strengthening annual reporting on results against expenses. This is done through improved digital instruments, such as the 2018 [annual report](#), and [country-level reports](#), also available online. UNFPA is also multiplying visibility and recognition products, including [donor pages](#) and stories from the field illustrating recent donors' contributions and concrete progress achieved with donors' support.

92. UNFPA is an active member of the International Aid Transparency Initiative (IATI), strengthening systems and visualization tools to provide tractability and better report on core and non-core resources. This information and related results are used by partner government information systems, United Nations system-wide data portals and the online UNFPA Results Portal. Expense information and related results, as reported in IATI, are presented through visualization of results and expenses by country, region and donor, under the UNFPA Results Portal. The continued enhancement of UNFPA data reporting in IATI has been well received by donors.

<sup>7</sup> Johns Hopkins University, Victoria University, University of Washington, and Avenir Health

<sup>8</sup> The Nairobi Summit on ICPD25: Accelerating the Promise will be held from 12 to 14 November 2019 in Kenya, to accelerate the implementation of the ICPD Programme of Action and agree on actions and present commitments to advance universal access to sexual and reproductive health within the context of the SDGs.

<sup>9</sup> Among the ICT transformation components are: plan to report, client relations management, and enterprise resources planning.

93. For improved transparency, visibility and monitoring of Member States contributions to core and pooled funds, UNFPA continues to strengthen its resource planning and tracking systems to be able to effectively contribute to system-wide requests for data and evidence, joint reviews and reporting. To strengthen mechanisms for transparency and accountability for core and non-core fund management, UNFPA is tracking and reporting on resources in line with the harmonized financial reporting standards, known as “Data Cube”, as agreed by the UNSDG entities and the International Aid Transparency Initiative (IATI).

94. UNFPA supports UN INFO as the UNDS planning, monitoring and reporting platform at country level. The discussion is underway on the architecture and roll-out as a single data entry and national ownership to benefit to the multiple utility of the data captured in UN INFO. It will be integrated into UNFPA corporate performance management and reporting tools and fully harmonized with the prospective plan-to-report functionality of the UNFPA enterprise resource planning system under development.

95. UNFPA will continue its efforts to improve managerial and programmatic excellence, transparency, accountability and visibility of results, and welcomes Member States suggestions in this regard. UNFPA is committed to continue exchanging with and learning from United Nations sister agencies in order to further improve the structured funding dialogues and to effectively implement the United Nations funding compact.

#### ***Continued advocacy and dialogue for high-quality funding***

96. UNFPA continues to systematically emphasize that the best modality is unrestricted (core) resource contributions, as these continue to form the bedrock of sustainability and effective delivery of its mandate, as underscored by the QCPR and the funding compact. The sustainability of resources is critical to the Fund’s ability to keep pace with the growing demands for its services in the countries it serves, to fully integrate the ICPD agenda into national development strategies and to sustain the comparative advantage UNFPA brings to support the implementation of the 2030 Agenda for Sustainable Development.

97. With a successful roll-out of the Strategic Plan in 2018,<sup>10</sup> UNFPA is well positioned to implement the bold vision set forth in the 2030 Agenda and its own three transformative results. It is in this spirit that UNFPA appeals to the donor community to support a predictable cash flow, so important for the efficient and effective management of operations. UNFPA encourages all Governments to increase their contribution levels to the Fund’s core resources or other quality funding instruments such as global thematic funds. UNFPA also urges donors to maintain timely contribution commitments and payment schedules to ensure UNFPA actions have the greatest impact.

98. UNFPA recognizes the reality of the current levels and proportions of core and non-core resource flows. Strategies to optimize both are not mutually exclusive, but rather form the backbone of the UNFPA resource mobilization strategy. The Fund continues to seek active engagement and valuable feedback in dialogue with partners, as exemplified by the structured funding dialogues. This will be particularly critical in 2019, which marks the 25<sup>th</sup> anniversary of ICPD and provides an opportunity to reenergize the ICPD movement, reconfirm our commitment and forge new partnerships to fulfil the promise of Cairo.

## **V. Elements of a decision**

99. The Executive Board may wish to:

- (a) Take note of the UNFPA report on the structured funding dialogue, 2018-2019 (DP/FPA/2019/8);

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<sup>10</sup> See the UNFPA annual report 2018: <https://www.unfpa.org/annual-report>.

- (b) Emphasize that UNFPA needs strong political and increased financial support, as well as predictable regular resources, in order to enhance its assistance to countries to implement its Strategic Plan, 2018-2021; to fully integrate the agenda of the International Conference on Population and Development into national development strategies and frameworks; to achieve the internationally agreed development goals; and to support countries in advancing the 2030 Agenda for Sustainable Development;
  - (c) Reiterate that core (regular) resources are the bedrock of UNFPA and essential to maintaining the multilateral, neutral and universal nature of its mandate and to carrying out its work, and encourages UNFPA to further mobilize these resources while continuing to mobilize supplementary resources for thematic funds and programmes;
  - (d) Encourage all Member States to increase their contributions to core resources, and also encourage countries in a position to make contributions during the first half of the year and to make multi-year pledges in order to ensure effective programming;
  - (e) Also encourage all programme country governments, where possible, to expand their contributions to programmes in their own countries;
  - (f) Appreciate the progress and improvements by UNFPA to its structured funding dialogue;
  - (g) Encourage UNFPA to further consolidate the funding architecture, with a view to aligning resources with programmatic results, as set out in the Strategic Plan, 2018-2021;
  - (h) Further encourage UNFPA to continue working jointly with UNDP, UNICEF and UN-Women to improve collaboration on structured funding dialogues and to contribute to the effective implementation of the funding compact;
  - (i) Urge all Member States to contribute to the achievements of commitments set-out in the United Nations funding compact.
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