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UNFPA – Structured funding dialogue

United Nations Population Fund

Report on the structured funding dialogue 2019-2020

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 are informed by General Assembly resolution 72/279 on the repositioning of the United Nations development system, and conducted in accordance with the UNFPA proposal to the Executive Board on structured funding dialogues (DP/FPA/2018/10/Add.1), within the framework of system-wide funding and collaboration, as spelled out in the United Nations Funding Compact, endorsed in May 2019 at the operational activities for development segment of the United Nations Economic and Social Council (A/74/73/Add.1).

In accordance with recent Executive Board decisions, this report has been adjusted to further improve its format and content, including reporting on annual implementation of entity-specific commitments and contribution to the Funding Compact.

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. The report also takes into consideration the additional challenges created by the COVID-19 pandemic, and presents measures taken so far to respond to the crisis, as well as forward looking perspectives.

The report concludes with elements of a decision.

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The annexes are available on the [UNFPA Executive Board website](#).

I. Introduction

1. The present report is prepared in response to General Assembly resolution 71/243 (2016) on the quadrennial comprehensive policy review (QCPR) to improve the functioning and effectiveness of the structured dialogues on how to fund the development results agreed in the strategic plans.
2. 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).
3. In accordance with recent Executive Board decisions, this report has been adjusted to further improve its format and content, including on annual reporting on implementation of entity-specific commitments and contribution to the Funding Compact. In line with the UNFPA Strategic Plan, 2018-2021 and the UNFPA resource mobilization strategy, it provides an overview and analysis of the resource trends, current situation and funding perspective, taking into account both core and non-core resources.
4. Despite the remarkable progress made since the landmark International Conference on Population and Development (ICPD) in Cairo in 1994, there are still millions of women and girls who have not benefited from the promise of the ICPD Programme of Action. In 2019, the world celebrated the 25th anniversary of the ICPD, a critical milestone on the road towards the achievement of 2030 Agenda. At the Nairobi Summit on ICPD25, in November 2019, countries and partners announced a total of 1,250 voluntary commitments, including financial ones, towards accelerating the implementation of the ICPD Programme of Action, giving new impetus and energy to finish the unfinished agenda of the ICPD. In 2020, as we are celebrating the 25th anniversary of the Beijing Platform for Action, and embarking into the Decade of Action,¹ UNFPA will leverage this momentum, and, as appropriate, help countries deliver on their voluntary commitments, upon their request. UNFPA will continue to roll-out the costing of the three transformative results,² and to seek active engagement in dialogue with all partners, including through the structured funding dialogues, in order to leverage adequate resources and partnerships to fulfil the promise for women and girls around the world.
5. The COVID-19 pandemic, with its global health and socio-economic implications, will require UNFPA to redouble its efforts to bridge the gap on the achievement of the three transformative results in support of Sustainable Development Goals (SDGs). This report also elaborates on the criticality of flexible, quality, and joint-up funding to overcome the additional challenges created by the pandemic, and presents forward-looking perspectives.

II. The United Nations Funding Compact

A. Background

6. The United Nations Funding Compact was conceived in response to the recognition that a significant shift in funding behaviour was needed in order to achieve the 2030 Agenda for sustainable Development; and that the United Nations must be at the heart of the response to the global challenges that the SDGs aim to address.³
7. As such, improvements in the quantity and quality of funding lie at the centre of the Funding Compact. While this imperative applies to both core and non-core resources for United Nations development activities, the Funding Compact particularly recognizes the criticality of core funds for the achievement of results. It notes that due to their flexible nature, core resources are essential to the United Nations development system's ability to offer the type of cross-cutting, holistic development solutions that the 2030 Agenda requires, and provide the means to bridge siloes across SDG responses.

¹ <https://www.un.org/sustainabledevelopment/decade-of-action/>

² Costing the three transformative results focuses on new research to estimate the costs associated the global effort led by UNFPA to: (a) end preventable maternal deaths; (b) end the unmet need for family planning; and (c) end gender-based violence and all harmful practices, including child marriage and female genital mutilation. This analysis goes beyond calculating costs; it also identifies the specific interventions needed to achieve the three transformative results by 2030, including developing country investment cases and costing of the work of UNFPA country programmes. <https://www.unfpa.org/featured-publication/costing-three-transformative-results>

³ <https://undocs.org/en/A/74/73/Add.1>

8. For the purposes of the structured funding dialogue, it is important to note that Member States have committed to bringing core resources to a level of at least 30 per cent within the next five years, increasing the share of multi-year contributions and doubling the levels of resources channelled through development related inter-agency pooled funds and single agency thematic funds.

The United Nations Funding Compact – key parameters

- Improved presentation of funding requirements, at global and country level;
- Strengthened agency-specific funding dialogues;
- Compelling case for core resources;
- Improved use and management of joint, pooled and thematic funds;
- Improved transparency on the use of resources;
- Visibility and communication of results.

9. The UNFPA corporate resource mobilization strategy, the funding architecture designed to support the delivery of the 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 lead by example in the realization of United Nations reforms, which includes contributing to the realization of these parameters and systematically reporting on progress.

B. Progress achieved in 2019-2020

10. In early 2019, UNFPA conducted a systematic review of baselines and targets of agency-specific funding compact commitments, in close collaboration with UNDP, UNICEF and UN-Women. In line with requests from the Executive Board, UNFPA is working closely with the Development Coordination Office (DCO) and United Nations partners to harmonize indicators, methodologies and metrics for reporting on Funding Compact commitments. This is important for coherent reporting for system-wide targets and for consistent approaches to agency-specific reporting across governing bodies. Likewise, along with UNDP, UNICEF and UN-Women, UNFPA is actively engaged with the Executive Boards on options for improving the structured funding dialogues, including through better analysis of resource gaps and ensuring joint ownership and leadership by entities and Member States.

11. UNFPA progress towards the Funding Compact commitments is presented in detail in a matrix format in the Annex 1. As per the Executive Board request, UNFPA collaborated with UNDP, UNICEF and UN-Women to further harmonize annual reporting, including adding milestones, where appropriate, country-level examples, and a forward-looking narrative. The trajectory of UNFPA performance after two years of implementation is very positive. All Funding Compact indicators are meeting the set targets, with the exception of the core/non-core ratio, which fell under 30 per cent (27 per cent in 2019), and the number of core contributors, which has continued to decrease over the past years.

12. The COVID-19 pandemic is a reminder of how essential multilateralism is in our interconnected world – both as the best platform for the immediate response and the best defence against future global threats. Funding the United Nations development system commensurate to these challenges helps it deliver at its full potential. The Funding Compact aims to achieve flexible funding that facilitates impartiality, responsiveness and the best possible use and alignment of resources. This is more important than ever, in the face of unprecedented challenges.

Joint action

13. UNFPA delivers a significant portion of its activities through joint programmes addressing key SDG challenges, including collaboration with UNICEF on [ending child marriage](#) and on [combating female genital mutilation](#). These programmes serve as broad issue-based partnership platforms to bring on board other agencies and collaborators. In the context of COVID-19, they have been able to build on strong networks to adapt programme delivery and receive direct feedback from communities. UNFPA experiences in the governance structures of the [Spotlight Initiative](#),⁴ the [Joint SDG Fund](#),⁵ and the [COVID-19 Multi-Partner Trust Fund](#),⁶ among other system-wide instruments, have validated the commitment of UNFPA to support funding and programming platforms that draw on expertise across entities; as reflected in the funding architecture, UNFPA explicitly prioritizes high-impact inter-

⁴ <https://www.un.org/en/spotlight-initiative/>

⁵ <https://jointsdgfund.org/homepage>

⁶ <http://mptf.undp.org/factsheet/fund/COV00>

agency collaboration. These jointly executed United Nations Sustainable Development Group (UNSDG) funds complement humanitarian instruments, and help consolidate and strengthen the role of the resident coordinator and collaboration within United Nations country teams (UNCTs) for the best possible United Nations system support. The jointly drafted framework for the socio-economic response to COVID-19 and the rapid activation of the corresponding Multi-Partner Trust Fund are a good real-time test of the United Nations reform and a demonstration of the ability of UNFPA to co-design joint action and align behind lead technical organizations and the resident coordinators. The United Nations development system has moved beyond “business as usual”. To continue to drive innovation and partnerships within the system, and with key partners, such as international financial institutions and the private sector, adequate funding for the resident coordinator system and for coordination functions is crucial.

Examples of country-level impact of the Funding Compact

Namibia. UNFPA negotiated placement of continuity of essential sexual and reproductive health (SRH) and maternal and newborn health services as part of the infection prevention control pillar of the national response. A joint United Nations team (WHO, UNICEF and UNFPA) is currently working with the Ministry of Health and Social Services to develop national guidelines for SRH, maternal and newborn health and child health service protocols in the context of COVID-19 pandemic.

Azerbaijan. UNFPA, UNICEF and WHO are leading the health cluster of the country preparedness and response plan. UNFPA, WHO, UNICEF and the Ministry of Health are virtually meeting twice a week to discuss the COVID-19 prevention activities. Following up to a request from the Ministry of Health, the UNFPA country office, in collaboration with WHO and UNDP as well as other United Nations agencies, contributes to the procurement of personal protective equipment items for health workers, gender-based violence survivors, pregnant women, aged people, people with disabilities.

Transparency of financial flows

14. Along with the existing transparent reporting UNFPA already undertakes, the adoption of the financial reporting data standards (UNSDG-HLCM) has yielded concrete results in making reporting across the system more granular and comparable, facilitating analysis of the scale of results and value delivered. To further support access to reliable data for United Nations system planning and monitoring, UNFPA is offering resources such as its population data platform, costing estimates and investment cases for integration of sexual and reproductive health into national planning and financing frameworks.

Examples of country-level impact of the Funding Compact

Moldova. UNFPA is an active member of UNCT, the UN Communication Group and two thematic United Nations task force groups established as part of the COVID-19 response: Economic and Social Development (chaired by UNDP) and Education (chaired by UNICEF). As the leading agency in data provision and monitoring, UNFPA supported the elaboration of real time monitoring data dashboard – a joint project of Esri IT company and John Hopkins University – which is being used in several countries affected by the COVID-19 pandemic. The dashboard in Moldova allows the dissemination of messages about COVID-19 and pregnancy, and the monitoring of infection cases.

Shifts in funding behaviour

15. While growing non-core contributions have increased the imbalance between core and non-core funding, UNFPA experienced shifts towards less restrictive earmarking and modalities that support coherence and joint action. As UNFPA continues to make the important ‘[case for core](#)’, UNFPA is also grateful to increased funding to its entity-level thematic funds, which support the strategic areas of the agency’s mandate with optimal value for money and larger-scale support. UNFPA also encourages direct country programme funding, which brings multiple benefits at country level.

Democratic Republic of Congo, Ethiopia and Sudan – direct country programme support funding modality currently supported by Sweden

- Enabled UNFPA to allocate resources for priority areas in a flexible manner
- Provided flexible allocation of resources aligned to national priorities
- Enabled UNFPA to strengthen presence at subnational level
- Strengthened UNFPA reputation as a trusted partner
- Was critical to leverage other resources
- Helped UNFPA better address the humanitarian-development continuum and nexus agenda

This modality and other country-level pooled funding instruments facilitate pooled contributions towards multi-year delivery of UNFPA country programmes.

C. Opportunities and challenges

16. The structured funding dialogues constitute an important platform to pursue the collective commitments of Member States and United Nations entities towards the Funding Compact for a more stable and sustainable financial system. The Funding Compact articulates mutually reinforcing commitments to be implemented by the United Nations system and Member States for improved presence on the ground, and greater impact of United Nations development activities towards the achievement of the Sustainable Development Goals. Without more predictable, stable and flexible funding, as articulated in the Funding Compact, the United Nations development system will not be in a position to fully use its unique strengths and fulfil its core functions, including the normative support expected by Member States, and the acceleration towards achieving the Sustainable Development Goals.

17. The Funding Compact created a necessary momentum among Member States around the issue of adequate levels of sustainable and predictable funding. This momentum has to be maintained and amplified to continue progress. For example, increasing core and other forms of flexible funding helps United Nations organizations enhance cooperation for common results at country level, allowing United Nations country teams to provide integrated policy advice tailored to priority needs. Increasing the share of contributions through inter-agency pooled funds is another way of strengthening joint activities, especially where integrated development approaches are needed. Streamlined reporting and visibility requirements at country level will have positive efficiency effects, an important element of the Funding Compact.

18. In contrast, lack of progress on Member States commitments would hamper coherence and efficiency. For example, inadequate levels of funding for the resident coordinator system budget will have detrimental effects on the quality and footprint of United Nations presence in countries, weakening its leadership and impact, especially where policy dialogue and normative work are urgently needed. Coordination is not a luxury: it is a necessary function, which requires strengthening in order for the United Nations system to be more impactful. Consistent implementation of the 1% coordination levy is thus critical. Instances of non-compliance with the cost recovery rates and policies further erode already scarce core resources. Lack of adequate levels and predictable funding for the duration of the strategic plans hampers the capacity of the United Nations funds and programmes to allocate commensurate resources for the implementation of country programmes, especially in countries or for functions highly core funds-dependent.

19. UNFPA expects the Funding Compact to continue to generate a “virtuous circle” of trust and partnership, with its intended original purpose of generating more predictability and stability at its core. UNFPA is committed to do its part towards greater transparency, “jointness”, efficiency, and recognition, so that in turn governments and the public at large significantly invest in the multilateral system in general and in UNFPA in particular.

20. The integrated midterm review and progress report on the UNFPA Strategic Plan, 2018-2021 offers a great opportunity to boost key parameters promoted through the Funding Compact, such as the enhancement of cooperation for results at country level. Likewise, the Funding Compact is an essential foundation for the acceleration of results as proposed in the midterm review, including investments in field operations support and the robust estimation of financial needs, to stimulate the acceleration of the achievement towards the transformative results and the ICPD Programme of Action.

III. UNFPA structured funding dialogues

A. UNFPA structured funding dialogues: goals, objectives and progress in 2019-2020

21. 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 can 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.

22. In addition to system-wide agency-specific commitments spelled out in the Funding Compact, UNFPA is pursuing more specific targets through the [UNFPA structured funding dialogues](https://www.unfpa.org/structured-funding-dialogues) as a way to maintain a high level of ambition, and engagement with Member States.⁷

⁷ <https://www.unfpa.org/structured-funding-dialogues>

UNFPA-specific structured funding dialogues targets

- Maintain or surpass the minimum floor of \$350 million in core resources throughout the entire cycle of the Strategic Plan, 2018-2021
- Increase the number of core contributors from 120 to 150
- Increase the number of donors committing to multi-year contributions, and processing early payment
- Increase the percentage of core contributions from non-OECD/DAC programme countries: from 1.5% up to 10%
- Help to operationalize the UNFPA funding architecture
- Collaboration with the other United Nations funds and programmes.

23. 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 during 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.⁸

Table 1. Structure funding dialogues: status and progress

Structure funding dialogues objectives and targets	2017	2018	2019	2020 (as of June)
Number of structured funding dialogues per year (target: 3 sessions per year)	4 sessions: 3 informal sessions 1 formal session	4 sessions: 3 informal sessions 1 formal session	5 sessions: 3 informal sessions 1 formal session 1 joint session	1 informal session 1 joint session
Minimum \$350 million in core resources	\$350 million	\$379 million	\$373 million	\$398 million (projected)
150 core contributors	120 countries	108 countries	106 countries	52 countries
Increase in the number of multi-year core contributions	39 countries	34 countries	35 countries	28 countries
Proportion of core contributions from non-OECD/DAC and programme countries (target: 10%)	1.30%	1.2%	1.10%	0.3%

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

B. Inter-agency collaboration on structured funding dialogues

24. Over the past two years, UNDP, UNFPA, UNICEF, UN-Women intensified collaboration in funding dialogues. Under UNFPA leadership, an informal inter-agency working group on SFDs was created, with a focus on inter-agency coordination, harmonization and alignment on funding/financing issues, in line with the Funding Compact. UNDP, UNFPA, UNICEF and UN-Women fully embrace the principles of the Funding Compact, are aligned with its parameters and committed to its implementation in the spirit of mutual collaboration with Member States and the United Nations system. Taking note of Executive Board requests to further improve the quality of structured dialogues, as well as the format and content of reporting, the four agencies have implemented more granularity regarding results, improved linkages and analysis between the implementation of the strategic plan and resources, and increased harmonization of structured funding dialogue reporting. Inter-agency collaboration is also further enhancing the alignment of approaches to these structured funding dialogues and the Funding Compact.

⁸ All documents and materials on the UNFPA structured funding dialogues are available on a dedicated web page accessible at: <https://www.unfpa.org/structured-funding-dialogues>.

25. Joint structured funding dialogues with the membership of the three Executive Boards took place in 2019 and 2020. In August 2019, a [joint informal session](#) was organized on the Funding Compact to foster a common understanding and engagement, and to identify key challenges and opportunities to advance its implementation. In January 2020, a [joint briefing](#) was held to discuss options to improve the format, content and frequency of structured funding dialogues. Additionally, the four agencies presented common funding considerations to consolidate understanding and alignment in dialogues (see annex 2).

IV. Overall funding situation

A. UNFPA funding architecture

26. The UNFPA funding architecture (see annex 3) is structured around the following funding and financing instruments:

- (a) *Core (or regular) resources*. This refers to un-earmarked funding used at the sole discretion of UNFPA and its Executive Board. These constitute the bedrock of UNFPA operations;
- (b) *Non-core (or co-financing) resources*. This includes the following:
 - (i) *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. UNFPA has operationalized four thematic funds in support of the implementation of the Strategic Plan: UNFPA Supplies, the Maternal and Newborn Health Thematic Fund, the Humanitarian Action Thematic Fund, and the Population Data Thematic Fund. (see annex 6).
 - (ii) *United Nations pooled funds and inter-agency transfers*. These consist of inter-agency pooled funds and other transfers, 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. 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 United Nations Peacebuilding Fund;
 - (iii) *Other earmarked funds*. 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, such as 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; and country-level pooled funding instruments, which facilitate multi-year delivery of UNFPA country programmes.

27. In response to the COVID-19 pandemic, UNFPA leveraged the full support of its existing funding architecture to ensure a rapid response to evolving needs. This included repurposing core resources, while also leveraging its thematic funds and other funding instruments in support of a ‘whole of agency response’. UNFPA also launched its [Global Response Plan](#) in March 2020, followed by an updated version in June 2020.⁹ The plan complements the OCHA-led Global Humanitarian Response Plan, the WHO-led Strategic Preparedness and Response Plan, as well as the Socio-Economic Framework.¹⁰

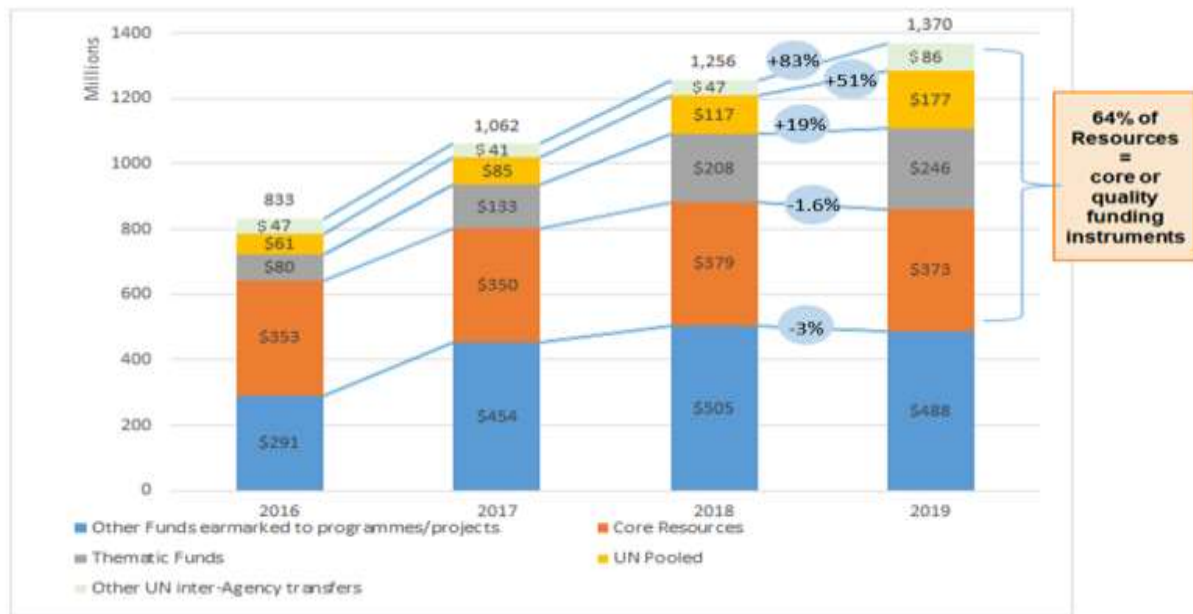
⁹ https://www.unfpa.org/sites/default/files/resource-pdf/UNFPA_Global_Response_Plan_Revised_June_2020_.pdf

¹⁰ Additional details on the UNFPA funding architecture in the context of COVID-19 can be found in annex 4. A more detailed presentation was shared with the Executive Board in May 2020, and is available on the UNFPA website at: <https://www.unfpa.org/structured-funding-dialogues>.

B. Funding situation per funding instrument

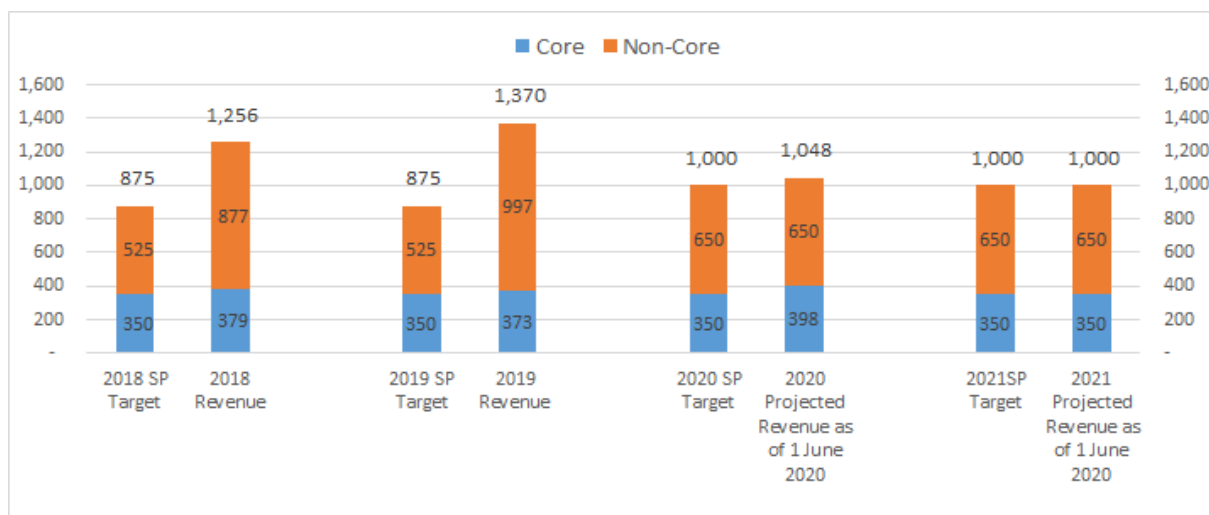
28. As described in the UNFPA funding architecture, UNFPA uses several funding instruments to deliver on its mandate. The evolution and relative proportion of each funding instrument is presented in detail in figure 1 below.

Figure 1: Evolution and relative proportion of UNFPA funding instruments (in millions of \$)



29. As presented in figure 2 below, the resources estimated to achieve the results set out in the UNFPA Strategic Plan, 2018-2021 total \$3,750 million, comprising \$1,400 million in core resources and \$2,350 million in non-core resources. For the first two years, resource targets were significantly surpassed, positioning UNFPA on a solid financial ground and adequately resourced to achieve or surpass most of its results targets¹¹.

Figure 2. Strategic Plan 2018-2021 targets, compared to actual revenue for 2019 and projections for 2020
(in millions of \$)



¹¹ For details of results performance in 2019, please refer to the integrated midterm review and progress report on the UNFPA Strategic Plan, 2018-2021 (DP.FPA/2020/4 Part 1), available [here](#).

30. The evolution in 2019 can be qualified as generally positive, considering that UNFPA overall funding contribution revenue continued to increase (by 9 per cent between 2018 and 2019), and that “quality non-core” funding, as defined in the United Nations Funding Compact,¹² grew significantly more than highly earmarked funding instruments. However, the medium-term pattern of non-core funding continues to pose challenges, including fragmentation of programme planning, difficulties in managing programme continuity, increased volume of donor reporting, which generates significant additional transaction costs and complexity in the overall management of the Fund’s programmes and operations. For programme operations and financial sustainability reasons, it is thus essential that donors and partners continue to further adhere to the Funding Compact principles, and to transition towards more sustainable funding behaviours by contributing in greater proportion to UNFPA funding instruments with lower transaction costs, such as core, thematic, pooled and joint funds.

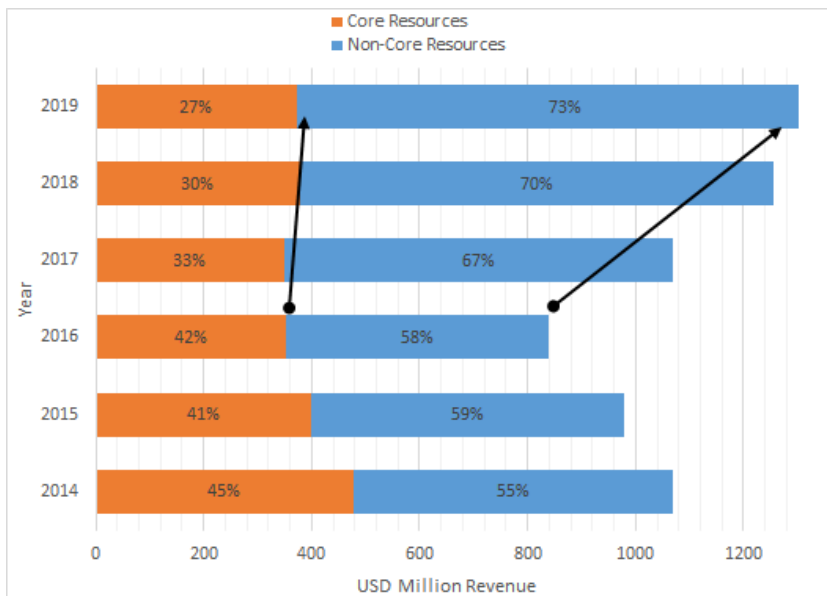
Analysis of UNFPA funding momentum and trajectory in 2018-2019

- Active engagement in funding dialogues with Member States (individually, collectively and as a system) to find ways to improve the overall quality of funding provided to the system and to accelerate implementation of the Funding Compact.
- Intensified resource mobilization efforts both for core and non-core resources, including annual resource mobilization and communications campaigns, donor outreach for thematic funds, supported by UNFPA senior management, regional and country office engagement.
- Championing the role played by long-standing partners and contributors, playing a positive influential role among Member States regarding core, quality and flexible resources.
- Visibility and recognition efforts for all contributions, with special efforts on core contributors highlighting results at country level, creations of donor portals etc.
- Demonstrating concrete progress on results achieved through donor investment, transparency, joint United Nation approaches, efficiency measures and commitment to contributing to United Nations reform and the Funding Compact.
- UNFPA global leadership and advocacy for rights and choice for all, including at the Nairobi Summit on ICPD25 and a series of follow-up events.
- Costing of the three transformative results, with robust calculation of funding needs, and investment cases.

31. Over the past five years, UNFPA has experienced a pronounced shift in proportion of core and non-core funding, which had 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 27 per cent in 2019, which for the first time, is below the United Nations funding compact target (30 per cent). This trend is mainly driven by the increasing growth of non-core resources in proportion to core resources. For 2020, there is a probability that the 30 per cent threshold of the Funding Compact may be reached once again, as some key donors have substantially increased their core contributions over their 2019 levels.

¹² A/74/73/Add.1 – E/2019/4/Add.1

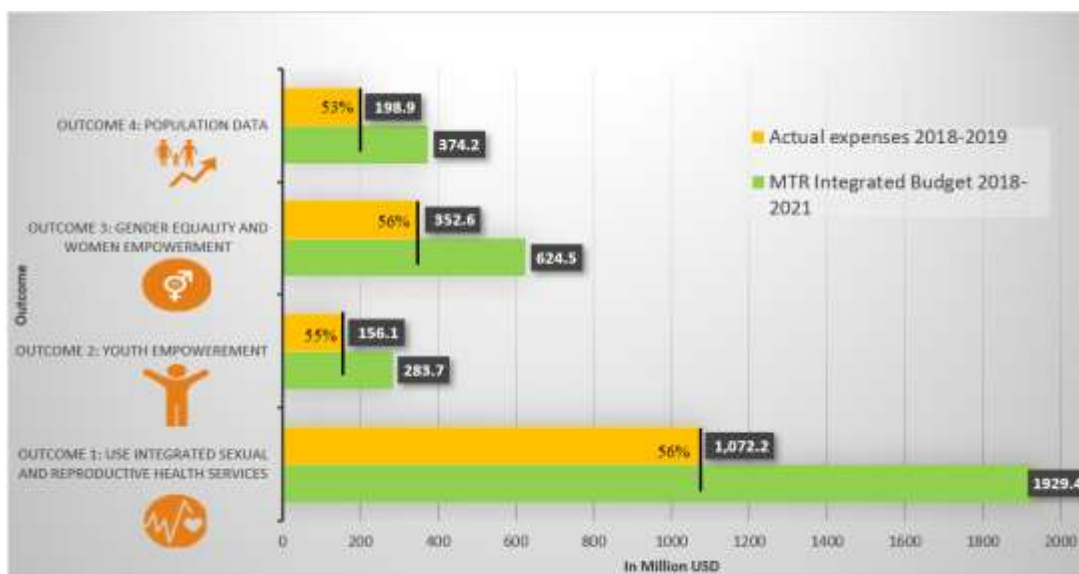
Figure 3. Proportion of core and non-core resources, 2014-2019



C. Allocation of resources in 2018-2019

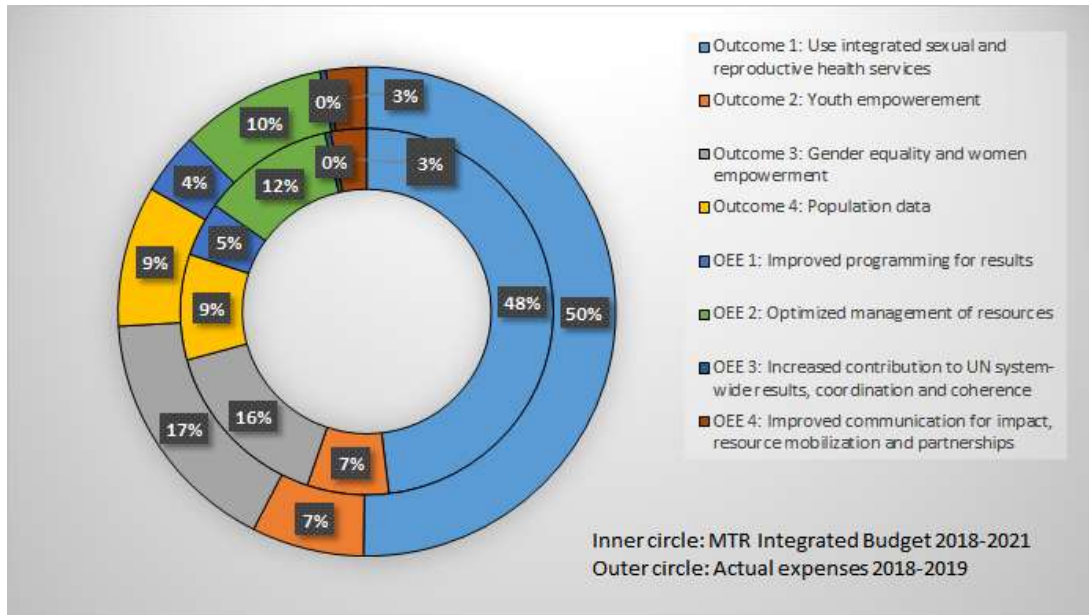
32. The allocation of resources per outcome area in 2018 and 2019 cumulatively is presented in Figure 4. It ranges between 53 per cent and 56 per cent in the first two years of implementation of the strategic plan, reflecting both a healthy financial situation for UNFPA and a robust implementation capacity on the ground. These contributed to the overall good results presented in the “output performance scorecard” of the [midterm review](#).

Figure 4. Indicative planned allocation of resources 2018-2021 and cumulative 2018-2019 expenses, per outcome area



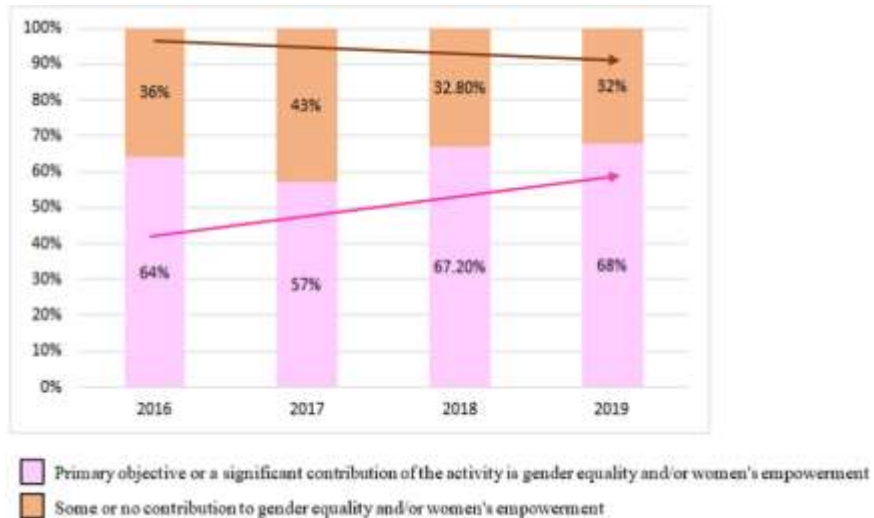
33. The distribution of actual 2018-2019 cumulative expenses is presented in figure 5. The proportion of cumulative expenses continues to show a good alignment with the planned indicative allocation of resources per outcome and organizational efficiency and effectiveness output for the four-year period of the Strategic Plan, 2018-2021. In other words, resources continue to be disbursed as intended at a solid disbursement rate. Of note, the disbursement rate of expenses for outcome 3 (gender equality and women’s empowerment, 56 per cent) demonstrates a positive trend toward greater investments in women and girls, and “leave no one behind” efforts.

Figure 5. Indicative (2018-2021) vs actual cumulative proportion of resources allocated to outcomes and organizational efficiency and effectiveness (OEE) outputs (2018-2019)



34. This is corroborated by the evolution of expenses by gender marker (figure 6). With two out of three transformative results packaged under outcome 3, UNFPA learned that more is needed in institutionalizing and scaling up those areas. Additionally, as spelled out in the integrated midterm review and progress report on implementation of the UNFPA Strategic Plan, 2018-2021 (DP/FPA/2020/4), population data, quality of sexual and reproductive health care, harmful gender and socio-cultural norms, and gender-based violence accountability mechanisms are instrumental in further advancing gender equality and women’s empowerment, and will be prioritized for the next two years in order to accelerate implementation.

Figure 6. UNFPA expenses, by gender marker, 2016-2019



35. As presented in table 2, the relative percentage of resources allocated to each category of countries in 2018-2019 are within the ranges approved by the Executive Board in the business model of the strategic plan.¹³ 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.¹⁴

Table 2. Resource allocation per quadrant
Comparison between the approved Executive Board ranges and actuals (2018-2019)

	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%
Actual expenses 2018-2019	59%	14%	11%	17%

V. Core funding

A. The case for core resources

36. UNFPA core resources provide partner and donor countries with unique expertise, global reach, and extensive field-based development presence 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. Core resources represent the most effective investment donors can make in UNFPA.

Core funding, because of its flexibility, has been instrumental in allowing for rapid programmatic adjustments to COVID-19

Caribbean region. UNFPA has been in a position to swiftly direct core resources for:

- Production and dissemination of empathic, transparent and consistent messaging in local languages aiming at minimizing the human consequences of the outbreak for adolescents, women, including pregnant women, disabled and vulnerable persons.
- Support to the Caribbean Regional Midwife association, which provides capacity building to midwives across the Caribbean.
- Provision of technical assistance to governments and civil society organizations to strengthen or adjust referral pathways for SRH services and gender-based violence survivors.

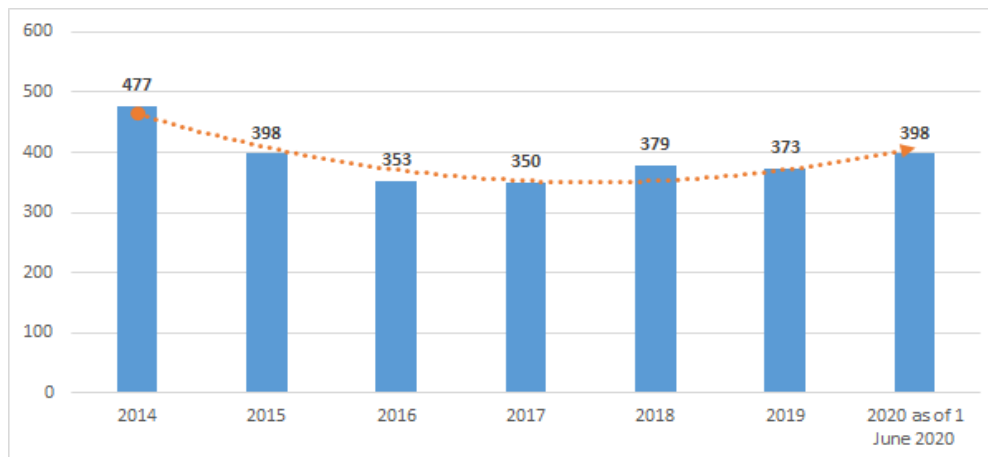
37. Investing in UNFPA core funds has a powerful leveraging effect in the development of national capacities, health institutions, supply networks and competent human resources. UNFPA, in collaboration with the United Nations country teams, also invests core resources in the coherence and effectiveness of the United Nations development system, enhancing the impact of United Nations collective action at country level.

38. The UNFPA Strategic Plan, 2018-2021, calls for leaving no one behind, which requires mobilization of a minimum amount of regular resources (estimated at \$ 350 million per year) – the bedrock of the Fund’s operational activities – broadening strategic partnerships, increasing political support and maintaining flexibility in a challenging and evolving environment. In recent years, UNFPA has been able to stabilize the decline in funding for core resources. For 2020, the contribution revenue projection (as of 1 June 2020) for core resources is \$398 million.

¹³ See Annex 4 of the Strategic Plan, 2018-2021, available [here](#). Data applies to core programmable funds only.

¹⁴ Detailed information on country and regional allocations is available in the 2019 Statistical and Financial Review, available [here](#).

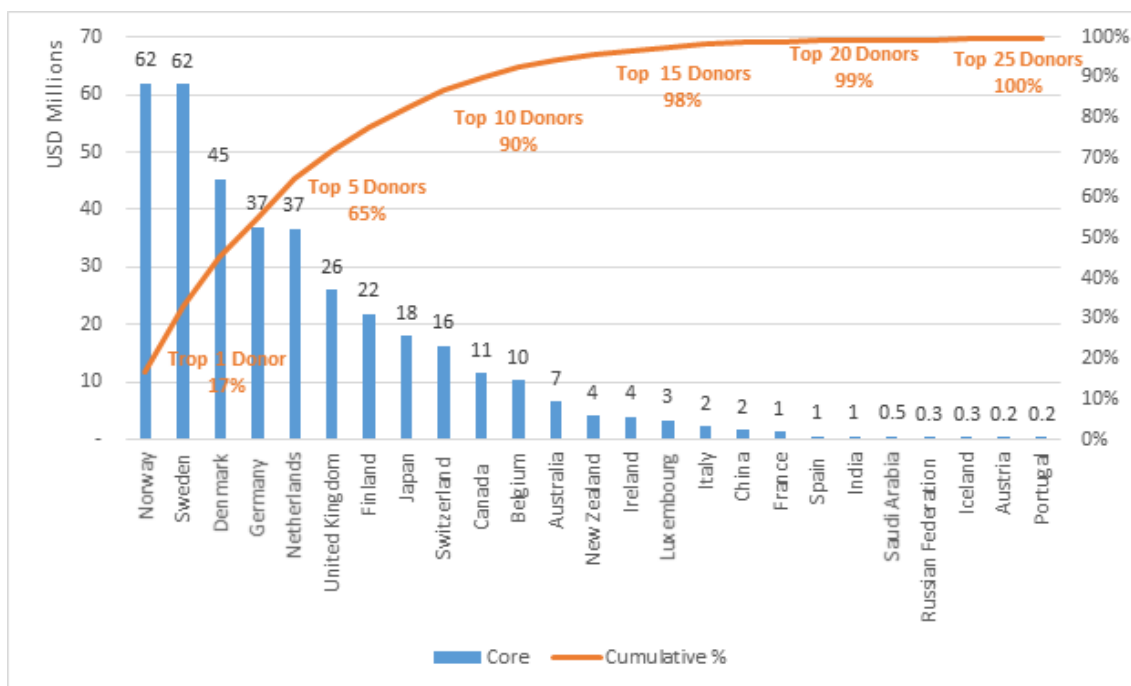
Figure 7. Recorded core resources, 2014-2019 and projections for 2020 (in millions of \$)



B. UNFPA core contributors and need to further expand the donor base

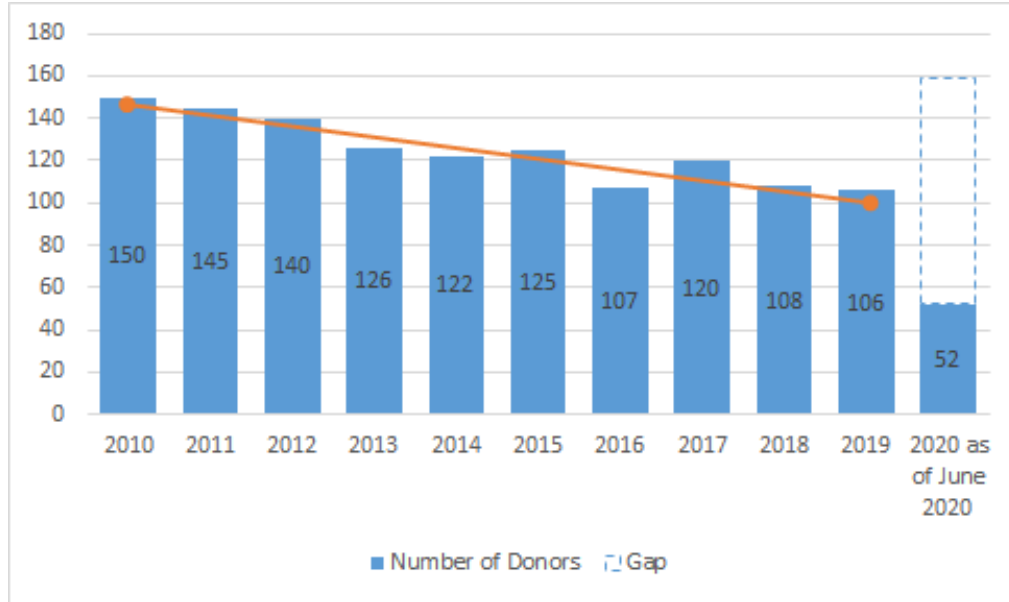
39. UNFPA core funding structure is characterized by its reliance on the voluntary contributors of a small number of governments. As shown in figure 8, in 2019, 15 donors contributed 98 per cent of the total core-resources, all from OECD/DAC countries. While UNFPA has been in a position to reliably count on the consistent generosity of those traditional donors, the UNFPA continuously seeks to broaden its donor base, especially among non-OECD/DAC and programme countries. Diversifying the donor base is also central to lowering financial risk for UNFPA programmes.

Figure 8. Top contributors to UNFPA core resources (2019), in volume and cumulative proportion



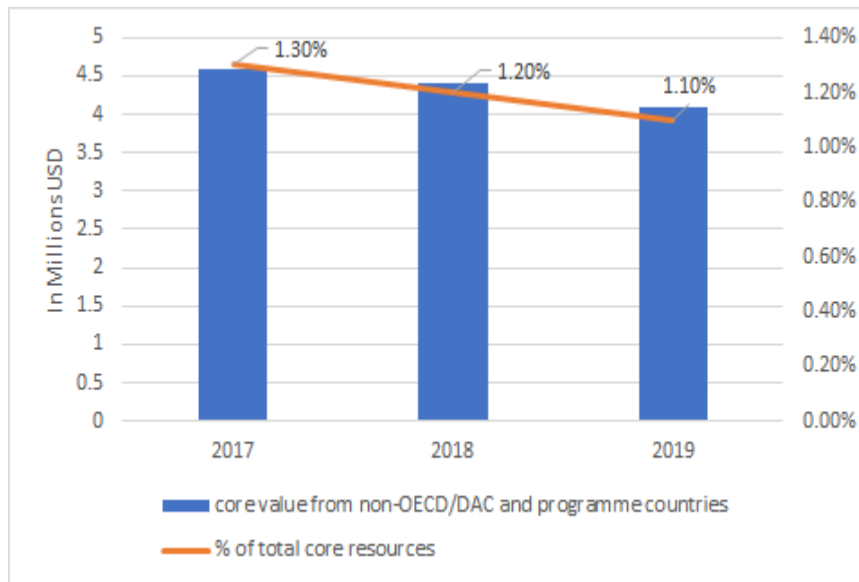
40. Despite intensive outreach and mobilization efforts at global, regional and country levels, the overall number of donors to core resources continued to decrease in 2019 (from 150 in 2010 to 106 in 2019). As of 1 June 2020, despite the early launch of the [2020 Core Mobilization Campaign](#) and repeated calls through the Executive Board and the structured funding dialogues, only 52 countries have so far contributed to the UNFPA core budget. These efforts will continue in order to broaden the coalition of core contributors, minimize risk of sharp decreases or defunding, and rally more support around the UNFPA mandate, in particular among emerging donors and programme countries.

Figure 9. Number of core contributors, 2010-2020, and gap to reach the 150 donors target



41. As shown in figure 10, core contributions from non-OECD/DAC and programme countries remain low, stagnating at just over 1% for the past three years. A more detailed list of core contributions from non-OECD/DAC and programme countries is available in annex 5.

Figure 10. Trend of core contributions from non-OECD/DAC and programme countries (2017-2019)



42. In line with the Executive Board decision 2016/18 and the funding compact, UNFPA will continue to invigorate its “case for core” through annual core-campaigns, concerted efforts at country, regional and headquarter levels aimed at engaging governments and counterparts, and communicating the critical importance of core resources, in particular in times of crisis.¹⁵ As a fully voluntarily funded organization, UNFPA calls on every Member State to

¹⁵ In 2020, UNFPA, in close coordination with UNDP, UNICEF and UN-Women, launched a [social media campaign](#), as well as a [video](#) ‘Why core funding matters’, promoting funding in core resources. Additionally, UNFPA organized a special session of Structured Funding Dialogue: “Before, During and After Crises”: A Dialogue on Quality and Flexible Funding, featuring examples of how high-quality and flexible funding makes a critical difference in emergency contexts, and encouraging good donor practices to be sustained beyond the crisis.

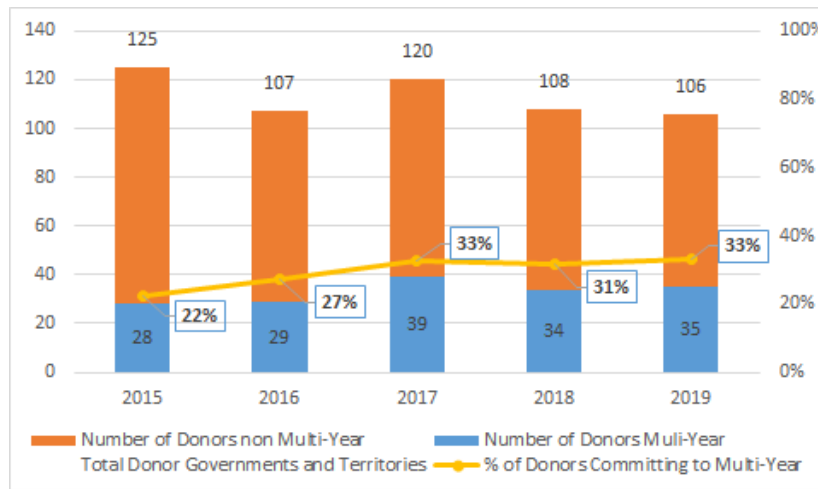
provide core contributions to UNFPA, even in modest terms. All contributions make a difference. Small and medium sized contributions have a meaningful cumulative impact on overall core resources, without adding transaction costs.

C. Multi-year contributions to core resources

43. 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. It significantly reduces the workload of country offices and costs associated with managing steady operations.

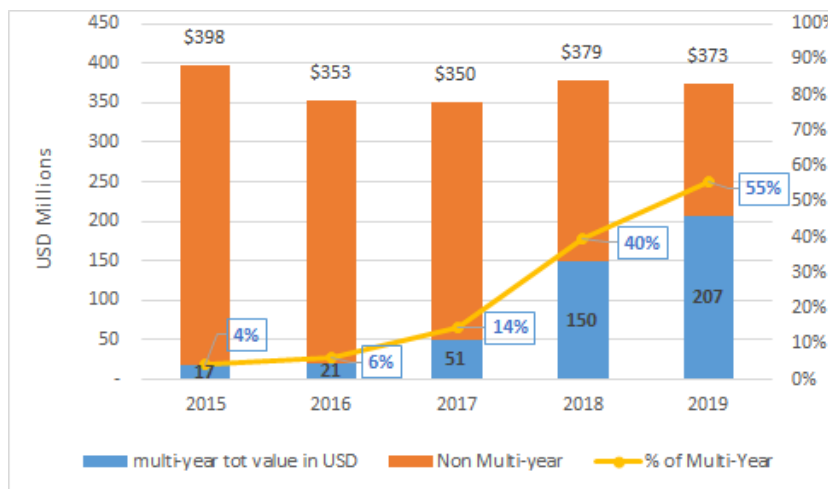
44. The number and proportion of donors providing multi-year core-funding to UNFPA have modestly but consistently increased over the past few years, as shown by the graph below. For 2019, there were 35 multi-year commitments recorded, a slight increase from the 2018 level.

Figure 11. Number and percentage of multi-year core donors (2015-2019)



45. As presented in figure 12, the overall value of multi-year contributions has consistently increased over the same period and quadrupled over the past three years, reaching a total value of \$207 million in 2019, a very positive development. The average duration of a multi-year agreement is four years; this is considered viable, considering the duration of the strategic plan cycle and other programming documents.

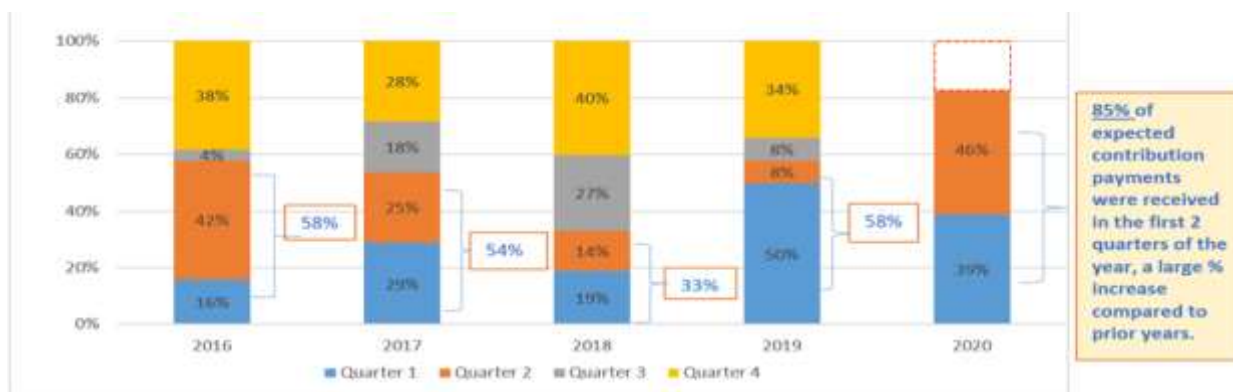
Figure 12. Value and percentage of multi-year core contributions (2015-2019)



D. The criticality of early payment of contributions

46. Early and timely payments of funding commitments are critical to effective and efficient planning and management of UNFPA programmes and operations. In anticipation of the economic impact on currency and market volatilities brought about by the COVID-19 pandemic, donors have stepped up and fast-tracked payment of their 2020 commitments. In May 2020, 85 per cent of contribution payments were already received, in line with revenue projections. This show of support from UNFPA donors to core resources is unprecedented yet demonstrates that enhanced predictability is possible. In this spirit, UNFPA appeals to all donors to expedite payments for 2020, and to continue to demonstrate solidarity in 2021 and future years.

Figure 13. Timing of revenue recorded 2016-2020 (as percentage of total per quarter a year)



Notes:

(1) 2016, 2017, 2018 and 2019 include payments intended for a prior year.

(2) 2020: First two quarters are actual cash payments received while the last two quarters are projections.

(2) 2020: Donors have ensured early payments to help mitigate risks due to the COVID19 global pandemic.

E. Managing volatility and uncertainty

47. Until the outbreak of the global pandemic, the positive financial momentum experienced in 2018 and 2019 was expected to continue into the following years. Mindful of the projected economic contraction and tightening of fiscal space, UNFPA will maintain prudent income targets, in order to allow for possible volatility. UNFPA is also taking a long-term strategic approach when dealing with higher than projected income from previous years. Not all core resources carried forward from 2019 will be distributed, due to uncertainty of donor commitment and exchange rate volatility¹⁶ They will be progressively used over the remaining period of the strategic plan and beyond to allow for adjustments if income projections do not materialize. Counting on the support of all partners, UNFPA remains cautiously optimistic that targets can be met for 2020. However, these are unprecedented times, and the Fund is planning for possible scenarios of income reductions. UNFPA encourages all Member States to again prioritize multi-year funding and early payment as critical for the achievement of strategic plan outcomes and vital to funding the organization's strategic responses to shifting global challenges and emerging crises.

VI. Non-core funding and instruments

A. Overall situation and top-contributors

48. As presented in section IV, the first two years of implementation of the strategic plan showed significant growth in non-core resources, both in absolute and relative terms. Growth in non-core resources has been mostly driven by increases in the following funding instruments: UNFPA thematic funds; United Nations pooled funds and inter-agency transfers; and other earmarked funds to programmes/projects. As high-quality funding constitutes a growing proportion of the UNFPA funding architecture, the imbalance between core and non-core funding continues to grow, with the corollary of increased fragmentation.

49. UNFPA top contributors for 2018 and 2019 are listed in table 3. United Nations pooled funds and inter-agency transfers remain the top source of non-core contributions to UNFPA. This demonstrates the Fund's strong

¹⁶ Geo-political developments and economic trends are causing major fluctuations in the currency market, which increases the volatility of contributions and has a negative impact on the predictability of resources.

positioning within United Nations joint-up programming, and the recognition that the UNFPA mandate plays a catalytic role for the achievement of United Nations system-wide operations, and the SDGs.

Table 3. UNFPA non-core resources (2018-2019): Top contributors and volume of contributions

(in millions of \$)

Donors	2018		2019
United Nations and Inter-organizational transfers*	164	United Nations and Interorganizational transfers*	262
United Kingdom of Great Britain and Northern Ireland	128	United Kingdom of Great Britain and Northern Ireland	189
Canada	117	Canada	96
Norway	64	Sweden	81
European Commission	64	Netherlands	52
Netherlands	55	Denmark	46
Australia	51	European Commission	43
Denmark	46	Norway	23
Sweden	23	Bangladesh	17
Cameroon	19	Switzerland	14
Others	146	Others	174
Total	877	Total	997

* United Nations and intergovernmental transfer contributions include all funds received from joint funding mechanisms: joint programmes and multi-donor trust funds as well as bilateral transfers from United Nations organizations. They exclude transfers to donors revenue for reimbursement of tax charges; refunds to donors; interest income; and indirect cost recovery.

B. UNFPA thematic funds

50. UNFPA thematic funds are pooled donor funds aimed at supporting the achievement of results in the framework of the UNFPA strategic plan. They support approved programmes in priority areas and 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.

51. Thematic funding constitutes a critical source of income for UNFPA programme delivery, the most efficient complement to core funding. Needs-based and fully aligned with UNFPA strategic outcome areas, thematic funding allows UNFPA to facilitate longer-term planning, generates savings in transaction, reporting costs, thus resulting in additional funds dedicated to programming, and higher return on investment than highly earmarked contributions. Thematic funding is a clear demonstration of good multilateral donorship, and is explicitly encouraged by the Funding Compact, requiring Member States to double their contributions to single agency thematic funds, by 2023.

52. UNFPA has established four thematic funds in support of the corresponding strategic outcome areas designed to achieve the transformative results of the strategic plan. Details about the funding situation of each thematic fund, measures to adapt and respond to COVID-19, as well as results achieved in 2019 are presented in annex 6.

53. [UNFPA Supplies](#) is the UNFPA thematic programme dedicated to family planning. UNFPA Supplies supports countries with the greatest needs, helping strengthen their supply chains so women and adolescent girls can access contraceptives. The programme has a particular focus on 46 countries, in addition to providing support in humanitarian crises. Because UNFPA can only procure family planning supplies with cash on hand, a bridge funding mechanism provides a revolving pool of financing that UNFPA Supplies can use to place commodity orders to meet country needs as they arise and ahead of donor funds being received. The bridge funding mechanism expedites the procurement process, lowers the cost of commodities, and reduces up to 50 per cent of UNFPA-related commodity stock-outs.

54. [The Maternal and Newborn Health Thematic Fund](#) aims to support SDG 3, focusing on targets reducing maternal and newborn deaths and improving universal access to sexual and reproductive health care services; and Goal 5 on gender equality and empowerment of women and girls. The thematic fund focuses on five critical areas of intervention: (a) emergency obstetric and newborn care; (b) human resource for health, particularly midwives; (c)

maternal and perinatal death surveillance and response systems; (d) prevention and treatment of obstetric fistula and social integration of survivors. It supports 32 countries in implementing strong maternal health programmes, tracking results, fostering a leveraged effect and coordination, and improving the identification of maternal deaths and the proactive response to avert future preventable deaths.

55. [The Humanitarian Action Thematic Fund](#) provides flexible and multi-year financing, enabling UNFPA to respond quickly at the beginning of a crisis, and to furnish assistance when humanitarian responses are underfunded. The fund aims to increase the total amount available to respond to emergencies and to channel that funding where it is needed the most. Financed by governmental and private donations, the fund pools donor contributions as a way of reducing transaction costs. Covering all aspects of UNFPA humanitarian response appeals, without geographical, thematic or time earmarks, the thematic fund allows UNFPA to act more quickly and more efficiently, wherever disaster strikes.

56. [The Population Data Thematic Fund](#) is the latest addition to the UNFPA funding architecture. Launched in early 2020, it is the Fund's response to growing requests by Governments to address long-standing shortfalls in population data and related human capacity. The Thematic Fund's goal is to increase availability and accessibility of high-quality data on populations, to locate those furthest behind, target investments accordingly and accelerate progress towards the SDGs during the Decade of Action to 2030. With 45 per cent of SDG indicators requiring reliable population data, disaggregated, geographically precise data are vital to leaving no one behind and serving those with the greatest need first. Accurate and reliable census data are at the core of SDG monitoring at national and subnational levels and for addressing the needs of those who are left behind. Yet UNFPA estimates that 7% of the world population (the majority being from least developed countries) was not counted during the 2010 census round, and 34% of the African population is at risk of not being counted in the 2020 census round due to challenges in technical and fiscal capacity, health (especially due to COVID-19), social and political instability.

C. United Nations pooled funds and joint programmes

57. United Nations pooled funds and joint programmes 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 collaboration to bring added value at global and local levels. As presented in table 3, this modality grew significantly in 2019, peaking at \$262 million (from 20 different entities), a 60 per cent increase from the year before, and now represents 18 per cent of UNFPA non-core resources. Consequently, contributions from the United Nations system is now one of the largest sources of funding to non-core in 2019, making UNFPA one of the entities with the highest proportion of non-core resources originating from joint activities. These results demonstrate the Fund's investment and readiness to take forward United Nations development system reform, as it continues to prioritize joint-up mechanisms in order to effectively implement the common chapter with United Nations partner organizations, and deliver on the SDG agenda. UNFPA will further invest in proactively identifying opportunities for high-impact partnerships and monitor the impact of the joint efforts.

58. In 2019, UNFPA continued to play an active role in inter-agency funding and related platforms through representation in the UNSDG Strategic Financing Results Group, co-chaired by the UNFPA Executive Director, 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. Since the establishment of the United Nations COVID-19 Response and Recovery Fund in 2020, UNFPA serves as part of its advisory committee, supporting the Secretary-General's Designate in establishing the Fund's priorities and addressing strategic issues to support UNCT responses at country level.

59. 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 core contributions and agency-specific thematic funds in the UNFPA funding architecture. 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.

60. Prominent examples of joint action and pooled funding mechanisms to facilitate scaled up progress are the UNFPA-UNICEF Joint Programme to End Female Genital Mutilation and the UNFPA-UNICEF Global Programme to End Child Marriage, UNFPA continues to partner at scale in five regions with other agencies as one of the founding partners in the Spotlight Initiative to eliminate violence against women and girls.

D. Programme country governments and international finance institutions

61. Programme countries contributions to their own country programmes registered an all-time record in 2019. This achievement was possible due to the continued and sustained investment of programme countries in population matters, including census, and to UNFPA efforts in developing tools that highlight the economic benefits of investing in sexual and reproductive health and reproductive rights and increase the effectiveness of government expenditure. UNFPA is calling on programme countries Governments to increase domestic resource allocation for their own development goals. In this regard, UNFPA is working at country level together with national Governments, and in particular ministries of finance, developing tools and research that support the identification and prioritization of SRHR interventions as focus areas of investments to be integrated into the broader national financing frameworks. UNFPA engagement in supporting these tools is key as it gives countries the opportunity to mobilize resources and strengthen policies in support of SRHR, by increasing spending effectiveness, and identifying the catalytic role of SRHR in the achievement of the broader 2030 Agenda.

62. In addition, UNFPA continues to intensify its partnerships, particularly with international financial institutions (IFIs) to support programme countries. Co-financing contributions from programme country Governments in support of their country programmes continue to form a sizable part of revenue, mainly originating from loans and grants originating from IFIs.¹⁷ In 2019, agreements totalling \$78 million were signed for 36 programme countries, an increase of almost \$8 million from \$70 million in 2018 (table 5). This increase has been made possible through intensified upstream engagement between UNFPA and various IFIs.

Table 4. Programme countries contributing to their own country programmes (in millions of \$)

Donors	2018	Donors	2019
Cameroon*	19.0	Bangladesh*	17.0
Guatemala	13.2	Guatemala	8.4
Haiti*	12.0	Burkina Faso*	8.0
Indonesia*	9.3	Malawi	7.1
Brazil	4.9	Benin*	6.9
Democratic Republic of Congo*	4.3	Niger*	6.6
Nigeria	2.7	Democratic Republic of Congo*	6.1
Cote d'Ivoire*	1.8	China	4.3
Uruguay	1.1	Nigeria	3.8
Panama	0.5	Honduras	2.4
Others*	1.2	Others*	6.9
Total	70.0	Total	77.5

*Includes funding from international financial institutions

63. Building on already established collaboration at country level, UNFPA is expanding its relations with a growing number of IFIs. Both technical cooperation and implementation of programmes under IFI financing has increased dramatically over the past three years, with revenue reaching an all-time high in 2019 (about \$46 million).

64. The UNFPA focus over the past two years, in line with the [Secretary-General's Roadmap for Financing the 2030 Agenda](#),¹⁸ has been on developing joint frameworks of collaboration with multilateral development banks to strengthen regional and country-level synergies. In doing so, UNFPA has become a trusted partner for many IFIs. An example of this is the partnership with the World Bank and other regional and national entities in the Sahel Region, [SWEDD](#),¹⁹ which aims at investing in human capital through demographic transition accelerators. This

¹⁷ 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.

¹⁸ <https://www.un.org/sustainabledevelopment/wp-content/uploads/2019/07/UN-SG-Roadmap-Financing-the-SDGs-July-2019.pdf>

¹⁹ https://wcaro.unfpa.org/sites/default/files/pub-pdf/SWEDD_ENG.pdf

partnership is now expanding to 20 countries under the [World Bank's Africa Human Capital Plan](#).²⁰ The value of ongoing programmes implemented by UNFPA under IFI financing almost doubled since 2017. Additionally, UNFPA is one of currently six accredited entities to help countries execute the Pandemic Emergency Financing Facility (PEF); initial grants were already received in 2020 in response to the COVID-19 pandemic.

65. UNFPA and the Islamic Development Bank are partnering on the design of a development impact bond to invest in adolescent girls' health and well-being to increase their ability to participate in and benefit from the socio-economic development of the Arab States region.

Cameroon. Together with the Government and the Islamic Development Bank, UNFPA is developing a "micro-takaful", an insurance scheme compliant with sharia law, to address maternal, neonatal and child mortality in the country.

66. UNFPA continues to work 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, and to work with partners towards extending credit lines and cost savings modalities to eligible Governments for effective procurement of reproductive health commodities.

E. Contributions to the Nairobi Summit

67. A broad spectrum of public and private partners contributed to the budget of the Nairobi Summit, which was co-convened by UNFPA, and the Governments of Denmark and Kenya in November 2019. Contributions from government partners for the Summit totalled about \$6.8 million from the following countries: Denmark; Norway; Sweden; Finland; Ireland; Australia Italy; Switzerland; Netherlands; Luxembourg; Germany; Iceland; the Republic of Korea; Kenya; and Canada. Private strategic partners also provided sponsorships to top up the Summit budget. Sponsors, who donated either financial or in-kind contributions, included: Bayer AG; Beifang International Education Group; the Ford Foundation; General Electrics (GE) Health Care; Global Citizen; Kenya Airways; Plan International; the Prada Group; Royal Philips; Special Olympics; the United Nations Office for Partnerships; Women Deliver; and YMCA. In addition, Flo and Special Olympics also supported elements of specific sessions through sponsorship.

F. European Commission

68. In 2019 non-core contributions received from the European Commission totalled \$43 million, a decrease of \$21 million, from \$64 million in 2018. However, the partnership between UNFPA and the European Commission was further consolidated, manifested in close collaboration in the context of the EU-UN Spotlight Initiative to Eliminate Violence Against Women and Girls and in the signing of 14 new contribution agreements. These included five agreements signed with the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations. These humanitarian activities included sexual and reproductive health and gender-based violence interventions in Iraq, Peru, South Sudan, Syria and Turkey. Additional funding was committed for ongoing projects in Iraq, Jordan and Yemen.

69. Three new agreements were signed with the Directorate-General for International Cooperation and Development, for projects in Djibouti, Ecuador and Myanmar, and four new agreements with the Directorate-General for Neighbourhood and Enlargement Negotiations, for projects in Armenia, Bosnia-Herzegovina and Libya and a regional project in Eastern Europe and Central Asia. Additional funding was committed for ongoing projects in Tunisia and Ukraine. In addition, one agreement was signed with the Directorate-General for Migration and Home Affairs, for a project in Sudan, and another under the Foreign Policy Instrument, for a project in Cameroon.

G. Emergency preparedness and humanitarian response

70. Whether in response to the devastating effects of protracted crises, natural disasters or disease outbreaks, UNFPA response teams were on ground throughout 2019, saving lives and restoring dignity and hope in places such as Bangladesh, Democratic Republic of the Congo, South Sudan, Syria and Yemen. In 2019, UNFPA humanitarian action reached an estimated 19 million women, girls and young people in 64 countries. Of the total people reached, around 7.3 million women were provided with sexual and reproductive health services, including antenatal and postnatal care, emergency obstetric and newborn care, and clinical management of rape. Over 2.4 million people obtained family planning services.

²⁰ <https://www.worldbank.org/en/region/afr/publication/africa-human-capital-plan>

Yemen. UNFPA reached more than 890,000 people with reproductive health services. This assistance included support to 116,000 safe deliveries, 28,000 survivors of violence, 260 health facilities, 40 safe spaces for women and girls, and 6 specialised mental health centres.

Democratic Republic of the Congo. 2.6 million women benefited from modern contraceptive methods, including new adherence; 735 midwives were trained; and more than 14,000 gender-based violence survivors received medical and psychosocial services.

71. UNFPA humanitarian revenue continued to grow in 2019, with total contributions of \$294 million, compared to \$172.3 million in 2018 and \$165.4 million in 2017. The 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). In-kind support supported the deployment of 31 personnel to 18 UNFPA country offices responding to humanitarian emergencies. In addition, NORCAP provided some \$883,600 for 8 regional emergency gender-based violence advisor posts supporting inter-agency gender-based violence needs in four regional offices.

72. United Nations joint humanitarian funding modalities, such as the Central Emergency Response Fund (CERF) and country-based pooled funds, continued to be critical for implementing UNFPA humanitarian action. In 2019, a total of \$37 million was received from the CERF to support UNFPA operations in 36 countries. Other humanitarian donors to UNFPA humanitarian action in 2019 included Australia, Canada, Denmark, the European Commission, Finland, Italy, Japan, Republic of Korea, Netherlands, New Zealand, Norway, Sweden, Switzerland, and the United Kingdom.

73. Another funding source is the UNFPA Emergency Fund, which is an internal funding mechanism primarily financed from core resources. It allows teams on the ground to kick-start humanitarian response at the onset of an emergency. In 2019, the Emergency Fund allocated about \$10 million to 33 UNFPA country and regional offices, reaching about 4 million people in humanitarian need. Of the total Emergency Fund financing in 2019, \$7 million came from UNFPA core resources and \$3 million was provided by Canada and Norway as co-financing.

H. Private sector and other strategic partnerships

74. Private-sector contributions to UNFPA have steadily increased over the past decade. In 2019, UNFPA continued strengthening its partnerships with non-traditional partners, securing about \$15 million in private-sector contributions and collaborating with 79 partners. The above figures exclude in-kind contributions of services (\$2.3 million) received from private-sector partners, which are not recognized as revenue, in line with the UNFPA revenue recognition policy. The value of contributions received in 2019 was revised down to \$9.4 million, following a decision to move two large grants to a cash recognition basis, in line with UNFPA revenue recognition policy.

75. In addition to funding and in-kind contributions, significant work has been achieved to engage partners in diverse partnership modalities (visibility, reach and brainpower partnerships). Overall, partnerships in 2019 helped strengthen the profile of UNFPA, fund its programmes more effectively and support innovative and creative solutions, or advocate for the rights and health of women and adolescents.

76. Resource mobilization efforts undertaken in 2019 secured two grants totalling \$11.4 million from the Bill and Melinda Gates Foundation and the Gates Foundation/Columbia University that will be recognized in the 2020 financial year, in line with UNFPA revenue recognition policy.

77. Building on the achievements of 2018, UNFPA expanded its collaboration with Johnson & Johnson in Pakistan, Haiti, Liberia, Mexico and South Africa as part of efforts to strengthen the capacity of midwives and improve reproductive health service delivery.

78. UNFPA also consolidated its partnership on women's health and empowerment in the workplace with MSD for Mothers and the United Nations Foundation, receiving an additional financial grant for workplace programmes in the Philippines, where UNFPA works with businesses to enhance access to family planning information and services for their workers.

79. The first pilot partnership programme of the global partnership with Royal Philips was developed in the Republic of Congo. Within the overall vision of the global partnership, the programme there aims to expand access to high-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 the health system, lower costs and transform maternal health services.

80. In 2019, UNFPA further strengthened the relationship and enhanced the resources received from key private-sector partners in a number of ways. The UNFPA flagship thematic fund, UNFPA Supplies, continued to attract new investments from the private sector, predominantly from foundations. The Bill and Melinda Gates Foundation and the Winslow Foundation, among others, focused their \$1.9 million support on strengthening UNFPA organization-wide capability to reach zero unmet need for family planning by 2030.

81. In addition, the Bill and Melinda Gates Foundation supported the UNFPA change management initiative by focusing their investments in two aspects: organizational culture change and three-tier alignment (HQ+RO+CO). The foundation agreed to support the Fund's immediate needs by providing both in-kind and grants support to UNFPA.

82. 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. The network also organized a side event during the Nairobi Summit to discuss the role of academic institutions in the achievement of the ICPD agenda. Through this network, UNFPA is able to create new innovative "reach" and "brain power" partnerships, including with Fordham University, the London School of Economics, University of Oslo, American University in Cairo, University of Chile, University of Ghana and Stanford University.

83. UNFPA partnerships with parliamentarians are crucial to build the political and financial support for the ICPD Programme of Action and the SDGs. In 2019, in the build-up activities and interventions commemorating the 25th anniversary of the ICPD Programme of Action, more than 500 parliamentarians from 130 countries reaffirmed their commitment to the ICPD agenda. UNFPA also engaged parliamentarians in six UNFPA Supplies priority countries on national consultations around domestic financing for family planning and contraceptives.

84. In 2019, UNFPA established its Individual Giving Programme, with the vision of mobilizing \$100 million per year in donations from individuals by 2030. In September 2019, the organization allocated a seed investment for the operationalization of the start-up and market-entry phase of the programme. Since then, the UNFPA Individual Giving Programme has consistently over-performed on its targets. In 2020 alone, it has surpassed its \$1 million target for the year in just six months, further showcasing the strong potential of this source of funding for UNFPA.

85. 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; 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.

I. South-South and triangular cooperation

86. Throughout 2019 and 2020, South-South and triangular cooperation (SSTC) 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 two regions on how to better integrate such cooperation into country programmes and leverage these initiatives for achieving national development results. Partnerships using southern funding mechanisms continued to expand in 2019, generating an additional \$3.5 million.

87. In 2019, a signature session was organized at the Nairobi Summit on ICPD25 to highlight the importance of South-South cooperation towards achievement of the ICPD Programme of Action. Over 45 countries made commitments to leverage South-South cooperation to advance the three transformative results as part of their national population and development agendas. The Fund's advocacy efforts continued, in conjunction with ministerial dialogues 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 International Youth Innovation Conference (Shenzhen, China) as well as with inter-agency coordination initiatives, including the development of the first United Nations system-wide strategy on South-South cooperation. The UNFPA Inter-Country Cooperation Office continues to maintain these relationships as well as explore opportunities for new ones.

VII. Strategic considerations and future directions

A. Outlook for 2020 and beyond

88. The total income projection as of 1 June 2020 (\$1,048 million, with \$398 million for core and \$650 million for non-core resources) is in line with the indicative expected total targets of \$1 billion for the year. Counting on the support of its partners, UNFPA remains cautiously optimistic that funding targets can be met for 2020. 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 various financial forecasts, such as exchange rates.

89. Despite the socio-economic and financial shocks generated by the COVID-19 pandemic, the financial situation of UNFPA has remained stable in 2020, thanks to previous years of prudent budgetary management, and the swift introduction of anticipation and adaptation measures. These measures will continue to be applied and adjusted to ensure financial and operational continuity in 2020 and beyond.

UNFPA measures to maintain financial stability and operational continuity in 2020 and beyond

- Immediate measures to securing UNFPA income:
 - Front loading of core resources as a matter of priority
 - Securing financial stability for business continuity
- Income Revenue scenarios reviewed: liquidity safeguarded and prudent resource management
- [Guidance to country offices and partners](#): technical, operational, resource mobilization, advocacy
- Analysis of the [impact of COVID-19 on the three transformative results](#), costs and operations
- Repurposing of activities at country level in line with UNFPA mandate
- Preparing for post-COVID-19 and recovery: early measures to maintaining longer-term financial viability for 2021

Maintain a high degree of coordination with the wider United Nations system

90. UNFPA will pursue continuous monitoring of the impact of COVID-19 on current and future funding, with due consideration to the midterm review of the Strategic Plan, 2018-2021, and the related costing exercise. UNFPA is also carefully monitoring overall official development assistance (ODA) trends and engaging with governments and partners to anticipate and mitigate funding risks for the remaining period of the strategic plan cycle. UNFPA will continue to emphasize the imperative for international solidarity to support the most vulnerable women and girls in times of crisis, documenting the impact, demonstrating the unique role UNFPA play in responding to crises, and proactively communicating with donors and partners on needs, gaps and best channels of funding to minimize fragmentation and undue conditionalities.

B. Risk management

91. The ongoing COVID-19 crisis has influenced the way UNFPA conducts risk management, safeguarding, audit and investigation work, at least for the time the pandemic restricts access to UNFPA operations and programmatic activities. Due diligence modalities are most often kept in place. Audits and investigations requiring field missions or access to on-site documentation and in-person interactions with individuals are being reviewed, taking into consideration the latest developments. UNFPA has made some adjustments in the short term, and is in the process of assessing the longer-term implications for its assurance, advisory and investigative functions, aiming to maintain the highest possible levels of integrity, efficiency and effectiveness in the use and monitoring of UNFPA resources.

C. UNFPA three transformative results costing exercise

92. With just ten years left to the 2030 deadline, the world must inject a sense of urgency to achieve the sustainable development goals. 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.

93. The 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 need to be mobilized, and along traditional actors such as governments, donors and civil society, a greater role must be reserved for the private sector, public-private partnerships, and individuals.

94. To realize the commitments of the transformative 2030 Agenda, UNFPA, as the 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 sound arguments and advocacy, programming and operations towards the 2030 vision. Bringing sound economic, rights-based and impact arguments is the timeliest investment to scale up evidence-based advocacy and policy dialogue. The costing and financing initiative will help to address the financing gaps in achieving the SDGs.

95. In 2019, UNFPA, in partnership with Johns Hopkins University, the University of Washington, Victoria University and Avenir Health, estimated the [global resource needs](#) required to achieve, by 2030, the three transformative results. The preliminary results were announced during the High-level Political Forum of the United Nations General Assembly in July 2019, and its results were widely disseminated at the Nairobi Summit on ICPD25

in November 2019. Further, UNFPA has worked with these partners to assess how the COVID-19 pandemic has impacted costs and outcomes. UNFPA will strengthen its advocacy in order to mobilize resources to fill resource gaps. UNFPA will also support countries in developing ‘country investment cases’ to mobilize domestic financing for the transformative results leveraging costing and impact modelling tools.

96. The costing exercise will also leverage the momentum generated by the Nairobi Summit on ICPD25. UNFPA will continue to help countries, at their request, to deliver on their voluntary national commitments, as part of the United Nations development system and SDGs framework.

D. Improved forecasting, reporting, visibility and recognition

97. UNFPA applies an overall prudent and realistic budget planning approach, based on income projections, in order to minimize the likelihood of funding gaps or austerity measures in case projections do not materialize. Although the 2020 resource mobilization forecasts appear reassuring, 2021 will remain difficult to predict, especially for non-core resources, as fund allocation is more complex, given the multiple non-core funding streams.

98. The ICT transformation, to be rolled-out by the end of 2021, is expected to more systematically link resources to results, improve the monitoring of income forecasts and better support the planning, allocation, management and reporting of resources, based on expected needs and results. Currently, the ICT transformation project is in its execution phase, and the systems components are being configured to start the test in the first half of 2021. The income forecast functionalities, including the processes related to the management and monitoring of the resource mobilization and partnership activities, would be available in early 2021.

99. Additionally, UNFPA pursued a number of key measures in 2019 and 2020 in order to further enhance transparency, accountability and visibility for results, while attempting to mitigate risks inherent to the voluntary and volatile nature of its funding. As instructed by the Executive Board, UNFPA has adjusted the format and content of its annual report on the structured funding dialogue in order to improve the quality of the dialogues. Further, 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 2019 [annual report](#), and [country-level reports](#), also available online. UNFPA is also multiplying visibility and recognition products, including individual [donor pages](#) and stories from the field illustrating recent donors’ contributions and concrete progress achieved with donors’ support.

100. 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.

101. 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 IATI. UNFPA supports UN INFO as the United Nations development system planning, monitoring and reporting platform at country level. Discussions are underway on the architecture and roll-out as a single data entry and national ownership to benefit from 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.

102. 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 engaging with and learning from United Nations partner organizations in order to further improve the structured funding dialogues and to effectively implement the United Nations Funding Compact.

E. Continued advocacy and dialogue for new and high-quality funding windows

103. UNFPA continues to systematically emphasize the centrality of high-quality funding for the effective delivery of its mandate, as underscored by the QCPR and the funding compact. With two consecutive years of good resources and results performance, UNFPA is well positioned to implement the bold vision set forth in the 2030 Agenda and its 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 core resources and other high-quality funding instruments

such as thematic funds. UNFPA urges donors to maintain timely contribution commitments and payment schedules to ensure the Fund's actions have the greatest impact.

104. UNFPA extends its deep appreciation to all donors for the revenue recorded in 2019, and in the early months of 2020. UNFPA will continue to seek guidance and support from its allies and partners in supporting its immediate and longer-term response to the COVID-19 pandemic, as well as in addressing the growing imbalance between core and non-core resources, the funding gaps identified in the costing exercise, and humanitarian programming. Strategies to optimize both are not mutually exclusive; rather they form the backbone of the UNFPA resource mobilization strategy. Development gains of the last decade are now at risk of being lost for millions of people, and UNFPA stands ready to continue to make the case for flexible funding to allow all women, girls and young people, everywhere, to realize their aspirations and rights.

105. UNFPA is facing an increasingly complex landscape of development finance to manage: domestic public and private resources increases; sources of external resources are diversifying, with official development assistance witnessing sectoral shifts in allocation, and with declining investments in the 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 prioritized. For this reason, UNFPA will continue to be active at the global level, while building a bottom-up, holistic country-level approach to financing the transformative goals. The need for additional and more predictable development financing demands UNFPA and partners to search for alternative, innovative sources. UNFPA will continue its engagement and collaboration 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 the UNFPA mandate, with a focus not only on mobilizing additional resources, but also increasing efficiency of spending and prioritization of national budgets towards the achievement of the "three zeros".

VIII. Elements of a decision

106. The Executive Board may wish to:

- (a) Take note of the report on the UNFPA structured funding dialogue 2019-2020 (DP/FPA/2020/9);
- (b) Note the importance of sufficient and predictable core (regular) resources, which are critical for UNFPA to be able to accelerate programming towards achieving its Strategic Plan, as approved by the Executive Board, and helping realize the 2030 Agenda.
- (c) Recall the importance of funding predictability, and urge Member States to prioritize core resources and multi-year pledges for 2020 and future years, given that reductions in core resources jeopardize the ability of UNFPA to achieve the results of the strategic plan;
- (d) Urge Member States to continue their dialogue with UNFPA, through structured funding dialogues, on shifting from highly earmarked to core and flexible resources, and to adhere to the mutually reinforcing commitments of the Funding Compact.
