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**UNFPA – Structured funding dialogue**

**UNITED NATIONS POPULATION FUND**

**Report on the structured funding dialogue, 2020-2021**

*Summary*

The present report is prepared in response to General Assembly resolution 75/233 to further improve the functioning and effectiveness of structured dialogues on how to fund the development results agreed in the strategic plans, including through the implementation of the Funding Compact commitments.

The UNFPA structured funding dialogues are informed by General Assembly resolution 72/279 on the repositioning of the United Nations development system and conducted under 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 at the operational activities for development segment of the United Nations Economic and Social Council in May 2019 (A/74/73/Add.1).

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

In line with the UNFPA strategic plan, 2018-2021, and the UNFPA corporate resource mobilization strategy (DP/FPA/2015/11), this report provides an overview of the resource trends, current situation and funding perspectives, taking into account both core and non-core resources, and the UNFPA trajectory from funding to financing. The report considers the additional challenges created by the COVID-19 pandemic – and the lessons learned in responding to it – and presents the 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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- Annex 1. Funding Compact – UNFPA agency-specific reporting 2020
- Annex 2. UNFPA funding architecture 2021

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

## I. Introduction

1. The present report is prepared in response to General Assembly resolution 75/233 to further improve the functioning and effectiveness of structured dialogues on how to fund the development results agreed in the strategic plans, including through the implementation of the United Nations Funding Compact commitments.
2. The UNFPA structured funding dialogues, informed by General Assembly resolution 72/279 on the repositioning of the United Nations development system, are conducted per 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 at the United Nations Economic and Social Council operational activities for development segment in May 2019 (A/74/73/Add.1).
3. In line with the UNFPA strategic plan, 2018-2021 and the UNFPA resource mobilization strategy, this report provides an overview and analysis of the resource trends, the current situation and funding and financing perspectives, taking into account both core and non-core resources.
4. The COVID-19 pandemic, with its global health and socio-economic implications, required 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 elaborates on the lessons learned through the crisis and insists on the criticality of flexible, high-quality and joint-up funding to overcome the additional challenges created by the pandemic.
5. Despite these headwinds, as the international community commemorates the 25th anniversary of the Beijing Platform for Action and forges ahead with the 2030 Agenda for Sustainable Development and the Decade of Action, UNFPA is resolute in accelerating progress towards achievement of the three UNFPA transformative results. The new strategic plan, 2022-2025 is being prepared in that spirit: UNFPA leads the way forward in addressing equity, gender equality and empowerment of women, girls and young people, the pursuit of sexual and reproductive health and reproductive rights, and acceleration of the implementation of the International Conference on Population and Development (ICPD) Programme of Action, building on the momentum generated by the 25th anniversary of the ICPD (ICPD25).
6. UNFPA will continue to adjust its funding, financing and resource mobilization approach within the overall framework of a reformed United Nations development system and the Funding Compact.
7. UNFPA will also continue to seek active engagement and advice in dialogue with Member States and all relevant partners, including through the structured funding dialogues, to leverage adequate resources and partnerships to support the transformative results, within the overall framework of a reformed United Nations development system, and ultimately fulfil the promise for women, girls and young people around the world.

## II. The United Nations Funding Compact

### A. Background

8. The United Nations Funding Compact was conceived in response to the recognition that a significant shift in funding behaviour was needed to achieve the 2030 Agenda; and that the United Nations must be at the heart of the response to the global challenges that the SDGs aim to address.<sup>1</sup>
9. 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 and other flexible 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.

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

### **The United Nations Funding Compact – key parameters**

#### **United Nations system**

- Improved presentation of funding requirements, at global and country levels;
- Strengthened agency-specific funding dialogues;
- A 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.

#### **Member States**

- Bringing core resources to a level of at least 30 per cent of total funding;
- Increasing the share of multi-year contributions;
- Doubling the levels of resources channelled through development-related inter-agency pooled funds and single-agency thematic funds

10. 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 and the 2020 quadrennial comprehensive policy review of operational activities for development of the United Nations system. UNFPA intends to continue to lead by example in the realization of United Nations reform; this includes contributing to the realization of these parameters and systematically reporting on progress.

## **B. Progress achieved on the Funding Compact in 2020-2021**

11. Two years into the Funding Compact implementation, the overall picture is mixed: there are positive signs of progress and some important challenges, as highlighted in the Secretary-General's report on funding of the United Nations development system (May 2021). Overall, the report underlines some progress on 50 per cent of Member States commitments and 73 per cent of United Nations Sustainable Development Group (UNSDG) commitments.

12. The Compact is as relevant as ever, even more in the context of the health and economic crisis that disproportionately hit those most in need of multilateral assistance. The Compact's impact at global and country levels is starting to show some results, especially in the number and efficacy of pooled-funding mechanisms at the country level. However, progress is slow on predictable funding for the strategic plans and the United Nations sustainable development cooperation frameworks; system-wide and joint instruments continue to be underfunded, including the Joint SDG Fund (currently at 15 per cent of the 2020 target), the United Nations Peacebuilding Fund, and special purpose funds such as the Special Purpose Trust Fund for the new resident coordinators. Slow progress is noticeable on broadening sources of funding for the United Nations development system and the overreliance on a small number of contributors.

13. From an agency-specific perspective, UNFPA is overall on track for all United Nations entity-specific commitments; in some cases, the Fund has exceeded the United Nations system-wide targets. UNFPA progress towards the Funding Compact commitments is presented in greater detail in annex 1. As per the requests of the Executive Boards, UNFPA collaborated with UNDP, UNICEF and UN-Women to harmonize annual reporting, including adding milestones, where appropriate, country-level examples, and a forward-looking narrative.

14. The trajectory of UNFPA performance after three years of implementation is very positive: all UNFPA-specific Funding Compact indicators are meeting the set targets, including on the core/non-core ratio, which fell under 30 per cent (27 per cent in 2019) but surpassed the threshold in 2020, with 33 per cent. The only exception relates to the number of core contributors, which has continued to decrease over the past years.

15. The COVID-19 pandemic is a reminder of how essential multilateralism is in our interconnected world – both as the best platform for 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. In the face of unprecedented economic and social challenges, this is more important than ever.

#### **COVID-19 Response and Recovery Fund**

As part of the United Nations global response to the COVID-19, inter-agency pooled funds have demonstrated their unique added value in supporting joint and rapid responses by the United Nations system on the ground. Given their inherent flexibility, existing global pooled funding instruments, such as the Joint SDG Fund and the Peacebuilding Fund, were able to quickly pivot their activities and reprogramme resources.

In addition to these, a specific instrument was launched to support low-income and middle-income programme countries in overcoming the health and development crises caused by the COVID-19 pandemic. The COVID-19 Response and Recovery Fund has provided the means to bring together the expertise and delivery capacities of United Nations entities, harness the resources of the public and private sectors, and offer ‘whole-of-government’ and ‘whole-of-society’ approaches to help close gaps in country preparedness and response plans and safeguard progress towards the SDGs. By the end of 2020, the COVID-19 Response and Recovery Fund had disbursed \$65 million to 75 projects spanning 61 countries.

16. It is important to note the lack of a commonly agreed definition for ‘joint activities’ that captures the full gamut of undertakings under this umbrella term, preventing the generation and sharing of coherent and comparable data across the United Nations system. In this regard, UNFPA joined the United Nations Development Cooperation Office (DCO), UNDP, UNICEF and UN-Women in initiating system-wide efforts to discuss and agree on a definition that captures joint activities more systematically – in part to strengthen United Nations system-wide coherence and coordination to achieve shared results.

#### **Country-level impact of the Funding Compact**

In several countries, resident coordinators have been key enablers in mobilizing resources for joint programming at the country level and have facilitated more effective use of programme resources through increased coordination.

For example, in Rwanda United Nations development system reforms have further enabled UNFPA contribution as a key development partner, bringing various entities together to contribute to multiple SDGs and access joint funding to deliver joint programmes. UNFPA led the development of a joint programme with UNDP, WHO and UNHCR that contributes to multiple SDGs under the Joint SDG Fund entitled “A Thousand Health Posts in the Land of a Thousand Hills: Promoting Universal Health Coverage by Catalysing Investments in Financially and Environmentally Sustainable Primary Health Care”.

Through active engagement in the development of the United Nations Sustainable Development Cooperation Framework in North Macedonia, UNFPA participates in three of four joint programmes funded by United Nations Multi-Partner Trust Funds (COVID-19; migration; United Nations partnership on the rights of persons with disabilities).

## **C. Perspective**

17. UNFPA expects the Funding Compact to continue to expand as a “virtuous circle” of trust and partnership, with its original purpose of generating more predictability and stability at its core. UNFPA is committed to doing 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.

18. The new strategic plan, 2022-2025 offers an opportunity to boost the Funding Compact, in particular regarding the enhancement of cooperation for results at the country level, the diversification of partnerships and funding sources.

#### **The Power of Partnership**

“UNFPA and academic partners estimate that it will take an investment of around \$26.4 billion per year through 2030 to achieve the ‘three zeros’. This is far in excess of current investment. Realistically, these resources may be even harder to come by as countries grapple with the economic fallout of COVID-19. Achieving our transformative results, therefore, will require accelerating a shift from funding to financing.

That is why getting the partnership's piece of the equation right is so essential. This includes building on our relationships with Governments and international financial institutions to help countries unlock and implement the financing needed.”

*Dr Natalia Kanem – First regular session 2021.*

### **III. UNFPA structured funding dialogues**

#### **A. UNFPA structured funding dialogues: goals, objectives and progress in 2020-2021**

19. 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 three cycles of the strategic plan towards 2030. 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, as a way to maintain a high level of ambition and engagement with Member States.<sup>2</sup>

#### **UNFPA 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;<sup>3</sup>
- 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;<sup>4</sup>
- Help to operationalize the UNFPA funding architecture.

##### **Focus**

- Funding needs, gaps and projections;
- Rigorous and updated financial information;
- Aligning resources with programmatic needs, using robust analysis;
- Demonstrating and giving visibility to results achieved and to donors and partners;
- Collaboration and cross-fertilization with the other United Nations funds and programmes.

<sup>2</sup> <https://www.unfpa.org/structured-funding-dialogues>

<sup>3</sup> The ultimate target is 150 donors. For 2021, the annual target has been set at 110.

<sup>4</sup> The objective is to increase from 1.5% up to 10%.

20. The structured funding dialogues provide a unique platform for Member States to gain a greater understanding of the funding situation of UNFPA at various points during the year, to exchange views on ways to better link results to resources and to discuss the progress of the instruments central to the UNFPA funding architecture within the broader framework of the United Nations Funding Compact.<sup>5</sup>

**Table 1.**  
**Structure funding dialogues: status and progress 2018-2021**

Structure funding dialogues objectives and targets	2018	2019	2020	2021
<b>Regularity and quality of structured funding dialogues</b>	3 informal sessions 1 formal session	3 informal sessions 1 formal session 1 joint session	2 informal sessions 1 joint session 1 formal session	1 joint session 1 informal session (planned for August 2021) 1 formal session (planned for September 2021)
<b>Minimum \$350 million in core resources</b>	\$379 million	\$373 million	\$ 417 million	\$ 406 million (estimate as of 1 May 2021)
<b>Increase in the number of core contributors</b> (Target: 150)	108 countries	106 countries	96 countries	47 countries Estimate as of 1 June 2021)
<b>Increase in the number of multi-year core contributions</b>	34 countries	35 countries	33 countries	N/A
<b>Proportion of core contributions from non-OECD/DAC and programme countries</b> (Target: 10%)	1.2%	1.10%	1.10 %	N/A
<i>Note: On-target objectives are marked in green, while below-target objectives are marked in red.</i>				

<sup>5</sup> All documents and materials on the UNFPA structured funding dialogues are available on a dedicated publicly available web page accessible at: <https://www.unfpa.org/structured-funding-dialogues>.



## B. Inter-agency collaboration on structured funding dialogues

21. Over the past years, UNDP, UNFPA, UNICEF, and UN-Women intensified their collaboration on structured funding dialogues. Under UNFPA leadership, an informal inter-agency working group on structured funding dialogues 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 funding 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.

22. Joint structured funding dialogues with the membership of the three Executive Boards took place in 2020 and 2021. 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 these dialogues. In May 2021, in line with the decisions of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women adopted in September 2020, a [joint analysis](#) was presented to all Executive Board members and observers on how agencies planned to mitigate the effects of potential decreases in global official development assistance. This paper also presented recommendations to Member States, including matching contribution levels to Executive Board endorsed budgets, to enable the United Nations funds and programmes to meet the added demands of the COVID-19 pandemic; indicating anticipated contribution amounts, particularly in the case of decreases or cuts to programmes; making payments of the financial commitments as early in the year as possible. This joint approach and the joint recommendations are expected to carry more impact, especially on critical areas such as the quality of income, core-resource funding gaps, thematic funding and multi-year funding commitments.

## IV. Overall funding situation

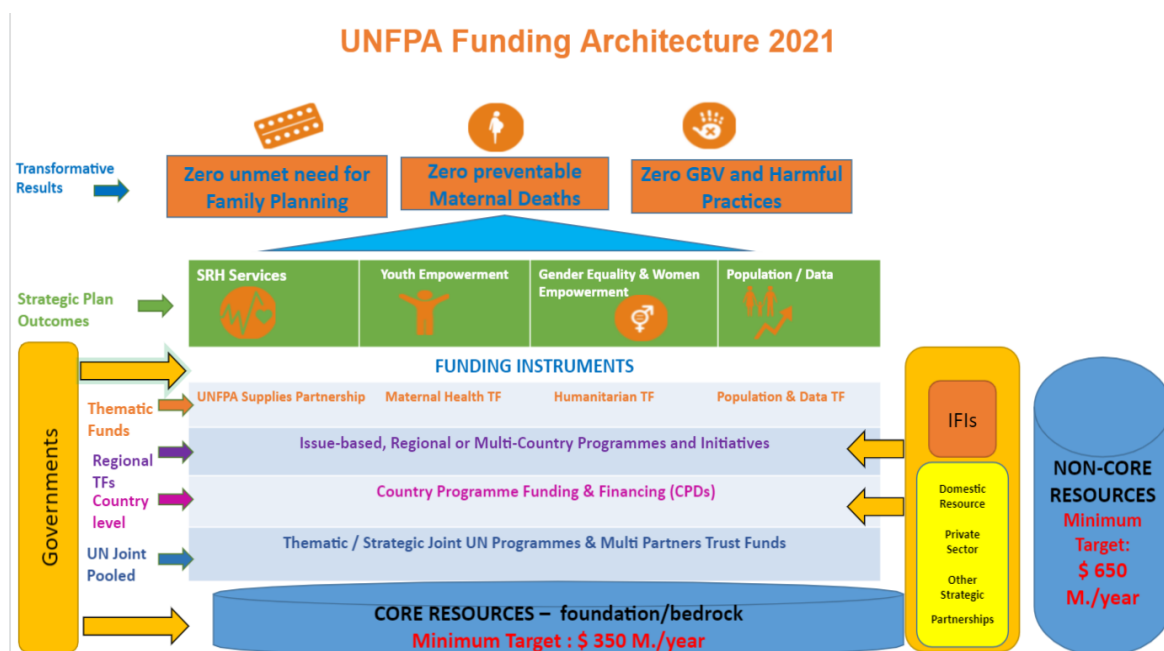
23. Despite the global economic downturn and uncertainty created by the pandemic, UNFPA maintained a healthy resource situation, with both core and non-core fund-raising above targets. This is a clear signal of international solidarity and donor trust in UNFPA ability to adapt and deliver under complex circumstances.

### A. UNFPA funding architecture

24. UNFPA is voluntarily funded through public donors (governments), private donors (private sector, foundations, individual giving, among others), and other international sources, such as international financial institutions (annex 2). The UNFPA funding architecture is structured around the following funding sources and instruments:

- (a) Core (or regular) resources. This refers to unearmarked funding used at the discretion of UNFPA under the guidance of its Executive Board: this type of high-quality funding constitutes the bedrock of UNFPA operations;
- (b) Non-core (or co-financing or other) resources. This includes the following:
  - (i) Thematic funds;
  - (ii) United Nations pooled funds and inter-agency transfers;
  - (iii) Other earmarked funds (at regional or country levels, or for projects).

Figure 1.



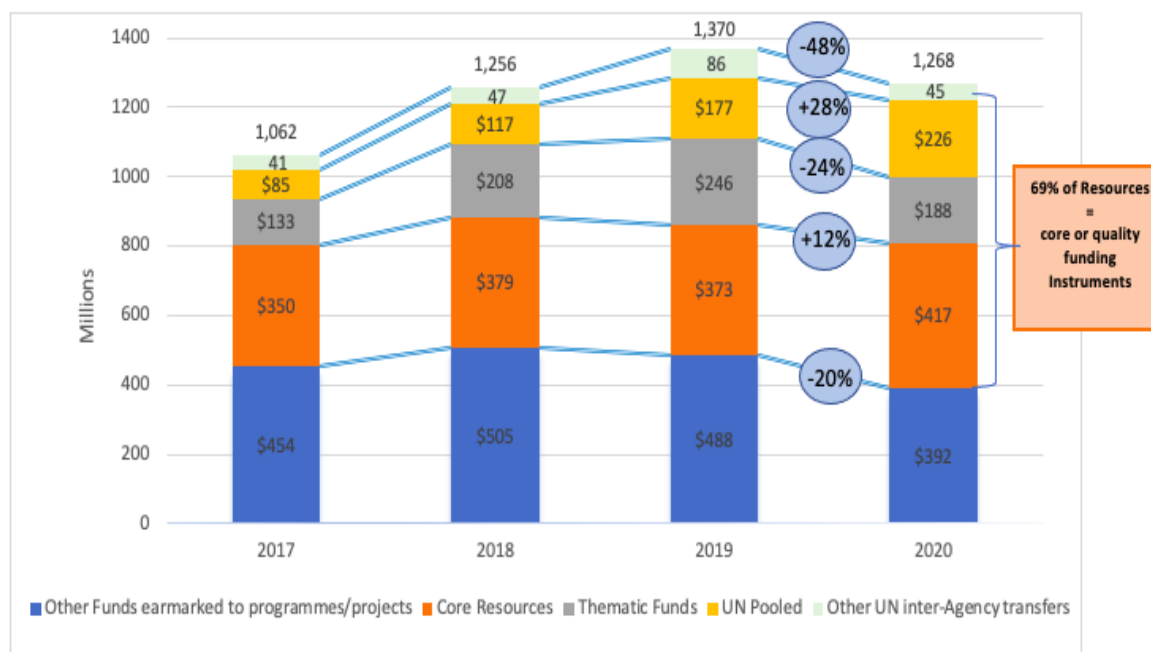
25. In response to the COVID-19 pandemic, UNFPA continues to leverage the full support of its existing funding architecture to ensure it maintains its ongoing response to evolving needs. This includes repurposing core resources, while also leveraging its thematic funds and other funding instruments in support of a ‘whole-of-agency’ response. Approximately 11 per cent (\$94.8m) of UNFPA co-financing revenue in 2020 was for the COVID-19 response, while approximately \$50 million in core resources was repurposed in response to modified needs in response to the COVID-19 pandemic.

**B. Funding situation per funding instrument**

26. The evolution and relative proportion of each funding instrument since 2017 is presented in detail in figure 2.

**Figure 2.**  
**Evolution and relative proportion of UNFPA funding instruments**

(in millions of \$)

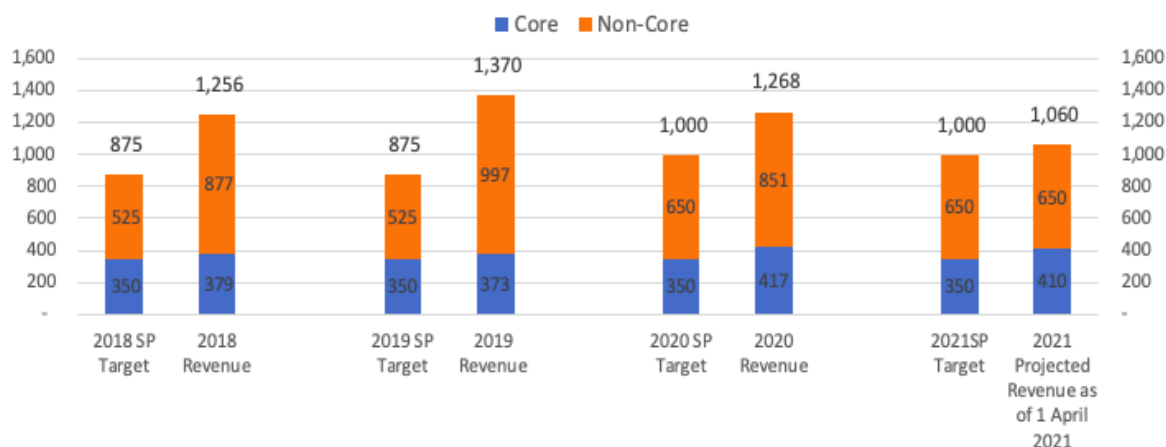


27. While growing non-core contributions have increased the imbalance between core funding and non-core funding in the long run, in 2020, UNFPA experienced some positive shifts towards less restrictive earmarking and modalities that helped support the organization's agility, coherence and joint action. As UNFPA continues to make the 'case for core' and high-quality funding, core funding gained 12 per cent, pooled funding gained 28 per cent in 2020, while highly earmarked funding continued to decrease for the second consecutive year. In 2020, UNFPA also continued to encourage direct funding to country programmes, as this brings multiple additional benefits at the country level.

28. As presented in figure 3, 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 over the four years. UNFPA continues to be on solid financial ground and adequately resourced to achieve or surpass most of its resourcing and output targets.<sup>6</sup> With a total of \$1.268 billion, the 2020 revenue remains robust despite the funding challenges created by the COVID-19 pandemic. This relatively positive situation should, nevertheless, be put into perspective. As a voluntarily funded institution, UNFPA revenue targets are set, based on resources estimated to be raised during the period; this necessitates a prudent budget and result planning approach. Consequently, unless a major shock occurs, revenue targets are expected to be met or surpassed, based on carefully conducted funding scenario analysis. It does not mean that the funding needs to achieve the 'three zeros' are met. As repeatedly pointed out, UNFPA and academic partners estimate that it will take an investment of around \$26.4 billion per year through 2030 to achieve the 'three zeros'.

<sup>6</sup> For details of results performance in 2020, please see the annual report of the Executive Director on the implementation of the strategic plan, 2018-2021 (DP/FPA/2021/4 (Part I)).

**Figure 3.**  
**Strategic Plan 2018-2021 targets, compared to actual revenue for 2020 and projections for 2021**  
 (in millions of \$)



29. The evolution of the UNFPA funding situation in 2020 can be qualified as cautiously positive, despite a globally deteriorating situation in almost every country worldwide. UNFPA overall funding core revenue increased during the year – in itself a great achievement considering the “power of core” in crises. High-quality non-core funding, as defined in the United Nations Funding Compact,<sup>7</sup> remained stable, although a slight decrease is to be noted in thematic fund revenues. Highly earmarked funding decreased; this overall enabled UNFPA to regain a more balanced funding situation concerning the proportionality of core and non-core funding.

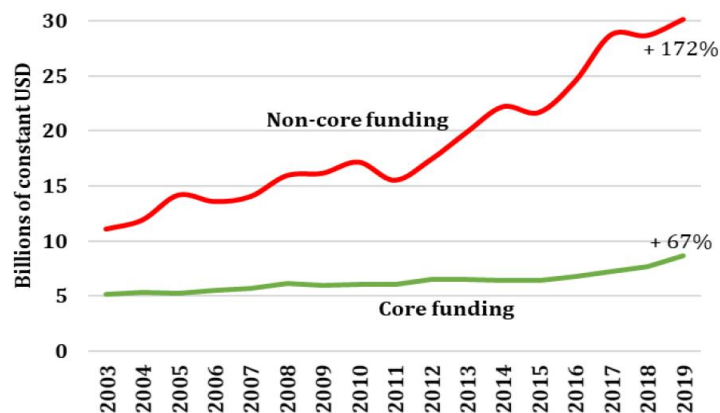
30. Nevertheless, the medium-term pattern of non-core funding continues to pose challenges.<sup>8</sup> For programme operations and financial sustainability reasons, it is thus essential that donors and partners continue to further adhere to the Funding Compact principles and transition towards more predictable and sustainable funding behaviours by contributing in greater proportion to the UNFPA funding instruments with lower transaction costs, such as core, thematic, pooled and joint funds.

31. Over the past years, UNFPA has experienced a pronounced change in the proportion of core and non-core funding, with a dramatic shift towards the latter. This trend is felt throughout the United Nations system, as demonstrated in figure 4. This shift has had an impact on the funding structure of all funds and programmes, including UNFPA, in terms of predictability and sustainability.

<sup>7</sup> A/74/73/Add.1 – E/2019/4/Add.1

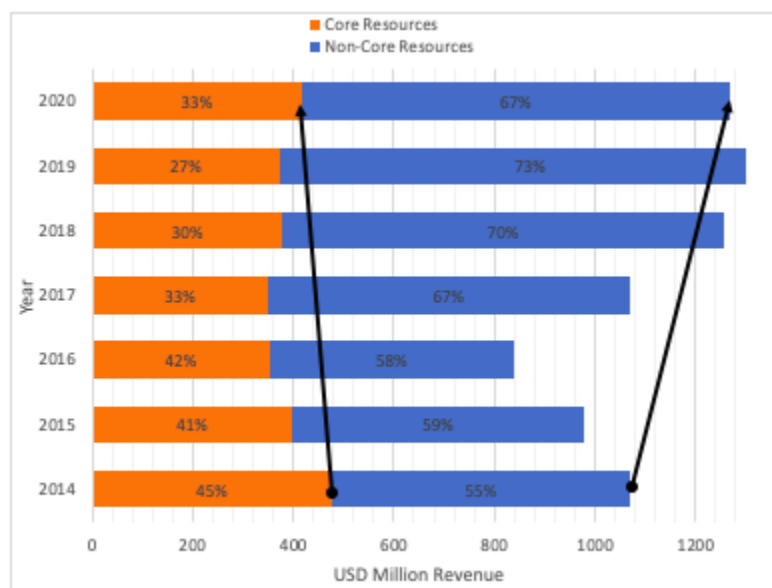
<sup>8</sup> Fragmentation of programme planning, difficulties in managing programme continuity, increased volume of donor reporting, which generates significant additional transaction costs and complexity in the overall management of the Fund’s programmes and operations.

**Figure 4.**  
Trends in core and non-core funding flows to the United Nations development system, 2003-2019<sup>9</sup>



32. In the case of UNFPA, core funding dropped from an approximately balanced 50 per cent proportion in 2014 to below the 30 per cent of the United Nations Funding Compact threshold. In 2020, the proportion again crossed the 30 per cent threshold of the Funding Compact (33 per cent), thanks to key donors having substantially increased their core contributions over their 2019 levels, and the increased contribution to United Nations pooled funds (see figure 5). UNFPA urges all donors to consider balancing their level of non-core resources with at least the agreed 30 per cent or more in core resources to meet their United Nations Funding Compact commitments and contribute to a healthy United Nations development system funding.

**Figure 5.**  
Proportion of core and non-core resources, 2014-2020

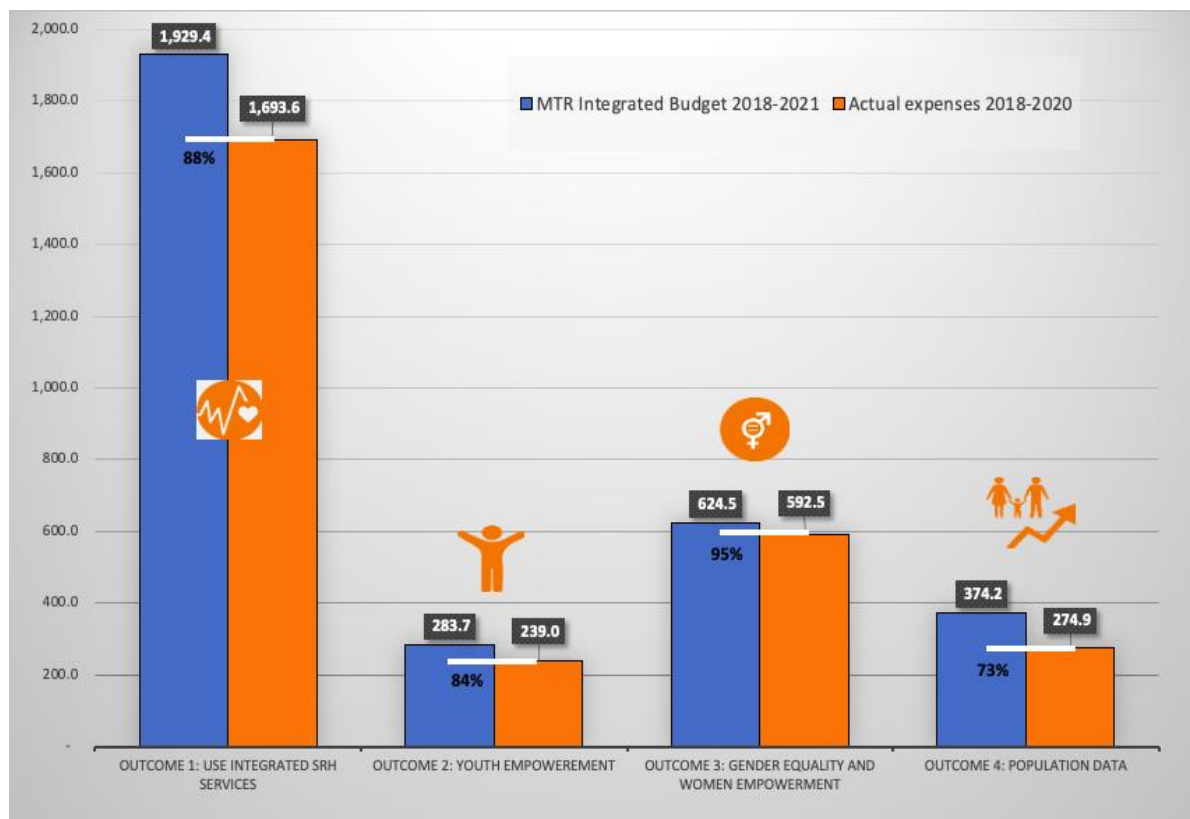


<sup>9</sup> Implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: Report of the Secretary-General, Addendum 1: Funding of the United Nations development system, 2021

## C. Allocation of resources

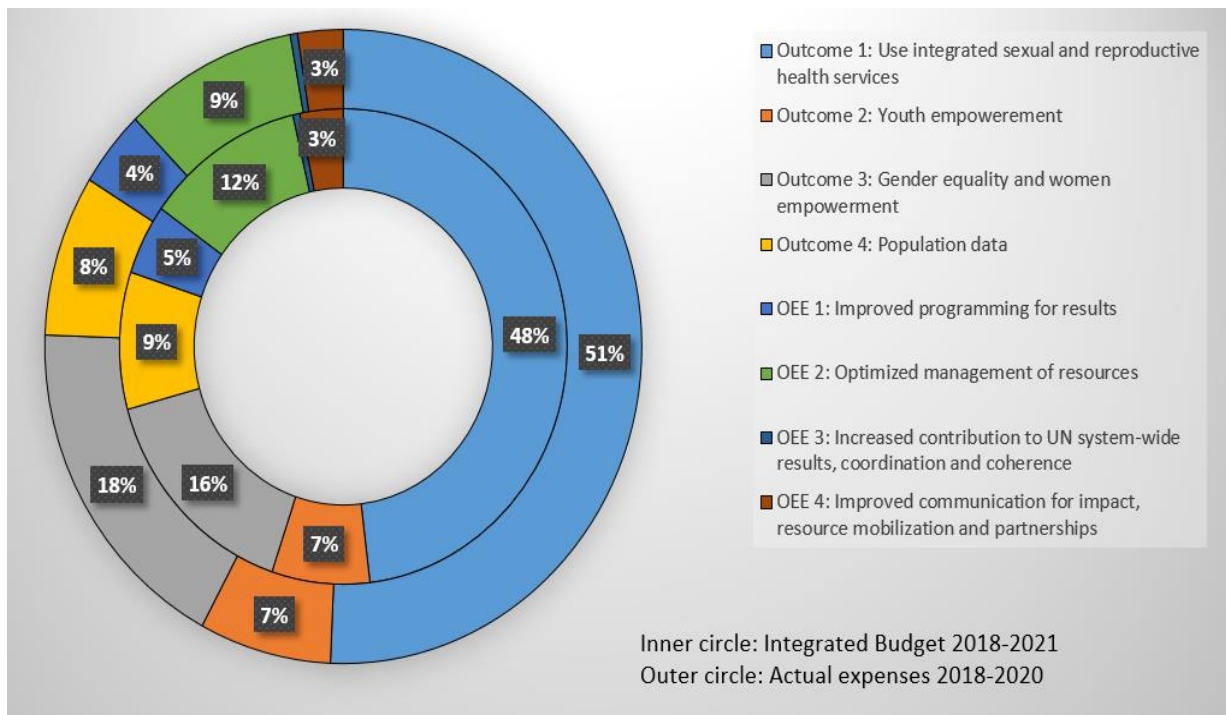
33. The allocation of resources per outcome since the beginning of the implementation of the strategic plan (2018-2020 cumulatively) is presented in figure 6. In its third year of implementation, UNFPA shows a robust implementation capacity, supported by an adequately funded resources framework, with resources allocated between 73 per cent (for outcome 4: population dynamics) to 95 per cent (for outcome 3: gender equality and women’s empowerment).

**Figure 6.**  
Indicative planned allocation of resources 2018-2021 and cumulative 2018-2020 expenses, per outcome area



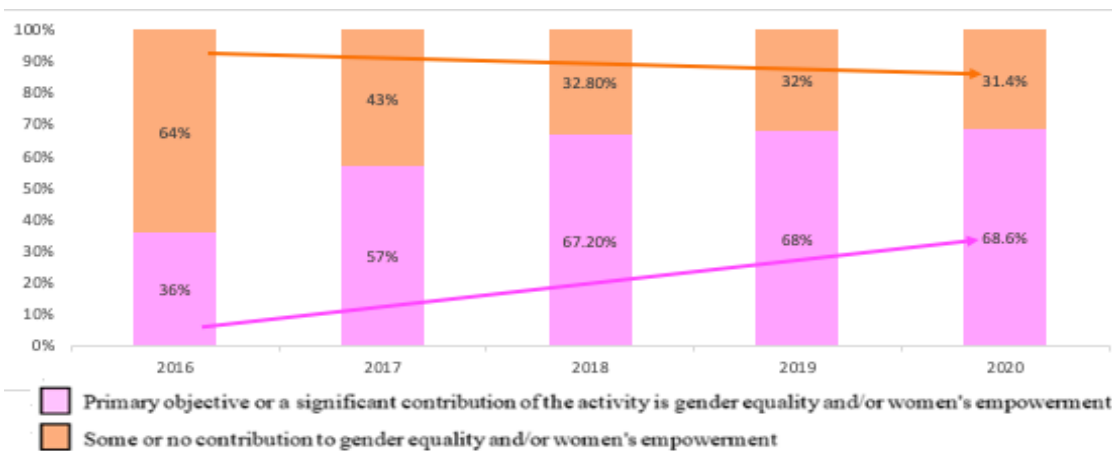
34. The distribution of actual 2020-2021 cumulative expenses is presented in figure 7. The proportion of cumulative expenses continues to show good alignment with the planned indicative allocation of resources per outcome and organizational efficiency and effectiveness output for the four years of the strategic plan, 2018-2021. In other words, resources continue to be disbursed as intended at a solid disbursement rate and as approved by the Executive Board. Of note, the high disbursement rate of expenses (95 per cent) for outcome 3 (gender equality and women’s empowerment) demonstrates a positive trend toward greater investments in women and girls and efforts to “leave no one behind”. Additionally, with almost 90 per cent of disbursement rate for outcome 1 (sexual and reproductive health), and 84 per cent for outcome 2 (adolescents and youth), UNFPA demonstrates its capacity to implement the strategic plan despite challenging contexts, while programme countries generally confirm their commitments to the ICPD Programme of Action and the 2030 Agenda.

**Figure 7.**  
**Indicative (2018-2021) vs actual cumulative proportion of resources allocated to outcomes and (OEE) outputs (2018-2020)**



35. The strong results in disbursement in outcome 3 (gender equality and women’s empowerment) is corroborated by the evolution of expenses by gender marker (figure 8), which shows an encouraging trend of UNFPA activities, with primary or significant objectives towards gender equality and women’s empowerment. This said, not all gender equality indicators were achieved in 2020, especially on laws and policies. It was indeed challenging for UNFPA and its partners to conduct advocacy dialogues for reproductive rights due to the lockdowns and other disruptions caused by the pandemic.

**Figure 8.**  
**UNFPA expenses, by gender marker, 2016-2020**



36. As presented in table 2, the relative percentage of resources allocated to each category of countries in 2018-2020 are within the ranges approved by the Executive Board in the business model of the strategic plan.<sup>10</sup> Accordingly, countries in the red quadrant, which have the greatest needs and the lowest abilities to finance their responses, continued to receive the largest share of resources.<sup>11</sup>

**Table 2.**  
**Resource allocation per quadrant – comparison between the approved Executive Board ranges and actuals (2018-2020)**

	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 cumulative expenses, 2018-2020	58%	14%	11%	17%

## V. Core funding

### A. The case for core resources

37. UNFPA core resources provide partner and donor countries with its unique expertise, a global reach and an extensive field-based development presence in over 150 countries and territories, including in crises. 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. Investing in UNFPA core funding has a powerful leveraging effect in the development of national capacities, health institutions, supply networks and competent human resources. UNFPA, in collaboration with 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 the country level.

#### **How have (unrestricted) core resources supported the UNFPA response to COVID-19?**

- Core resources, the bedrock of UNFPA operations, have been more important than ever as UNFPA responds to the COVID-19 pandemic. They have enabled immediate action, ensured a global reach and facilitated the leveraging of additional resources. Without the availability of core resources, UNFPA response time would have been longer, with grave consequences for those most in need.
- Due to their flexible nature, core resources are being repurposed or re-profiled to respond to the pandemic and to ensure that UNFPA activities are COVID-19 pandemic-sensitive. This allows UNFPA to respond early to the most pressing needs of the pandemic response – saving lives and protecting health workers.
- Early payments of core resources have further enabled UNFPA to plan ahead and be more agile on the ground.
- UNFPA is grateful to the many donors who, while facing the COVID-19 pandemic, were able to pay core resources in early 2020. With further uncertainties ahead, UNFPA counts on that level of predictability in 2021 and beyond. UNFPA is also grateful to the many programme countries that were able to use domestic resources for the COVID-19 response, complemented by the UNFPA COVID-19 pandemic response.

<sup>10</sup> See annex 4 of the strategic plan, 2018-2021, available [here](#). Data applies to core programmable funds only.

<sup>11</sup> Detailed information on country and regional allocations is available in the 2020 statistical and financial review, available [here](#).



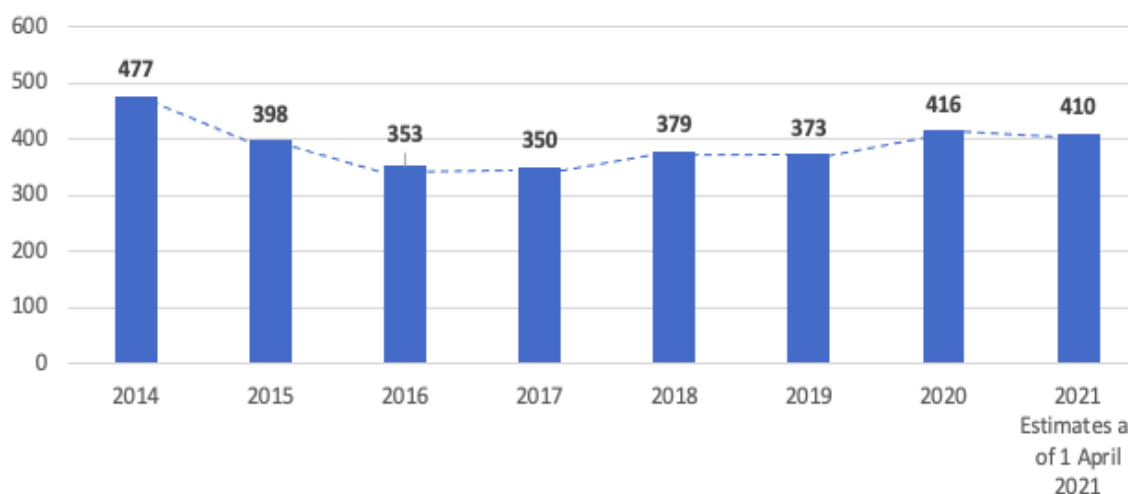
38. The UNFPA strategic plan, 2018-2021, calls for ‘leaving no one behind’, which requires mobilization of a minimum amount of regular resources (estimated at \$350 million per year) – the bedrock of the Fund’s operational activities – broadening strategic partnerships, increasing political support and maintaining flexibility in an evolving, challenging environment. In recent years, UNFPA has been able to stabilize the decline in funding for core resources, as presented in figure 9.

39. To maintain momentum, UNFPA launches an [annual core-resources mobilization campaign](#) early in 2020. Official communication to almost 200 Governments is followed by reminders via United Nations permanent missions, direct outreach to capitals via the UNFPA country and regional offices. UNFPA senior management is also directly involved in these efforts, regularly advocating for core resources when meeting with officials and delegations.

40. Raising awareness among Member States and potential donors through regular dialogue with the Executive Board and giving visibility to results achieved with core resources are also part of the core-resources mobilization efforts. Together with partner United Nations agencies, using social media to recognize core-contributors: #PartnersAtCore; #FundUNFPA.

**Figure 9.**  
**Recorded core resources, 2014-2019, and projections for 2021**

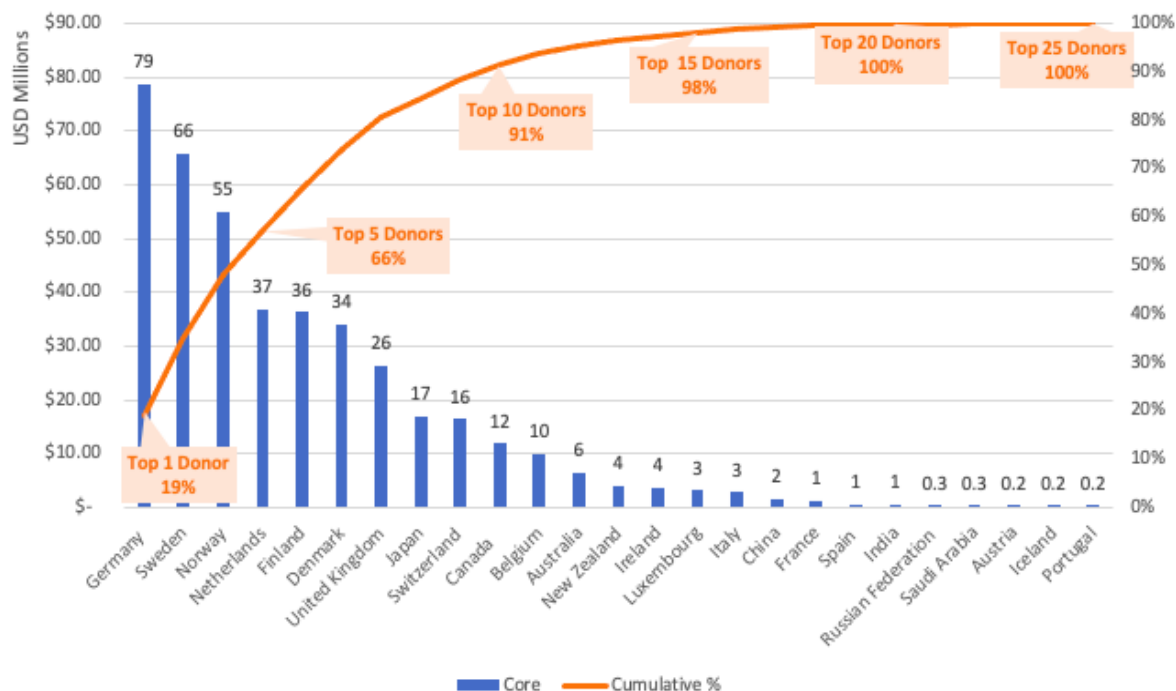
(in millions of \$)



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

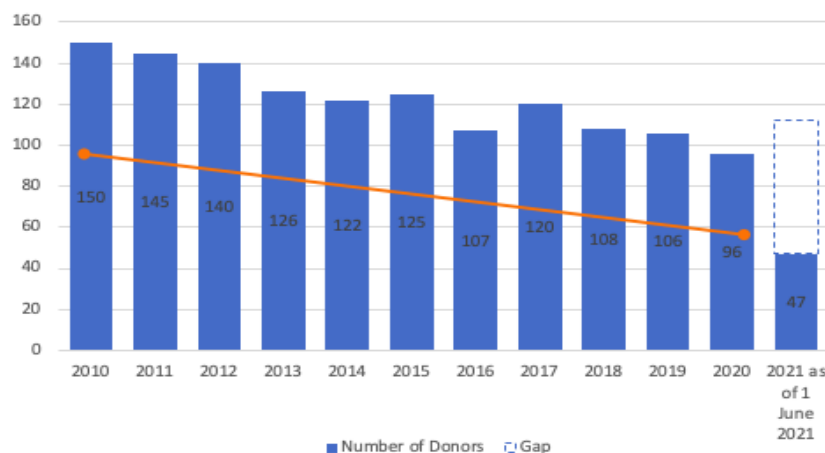
41. The UNFPA core funding structure is characterized by a reliance on voluntary contributors of a small number of Governments. As shown in figure 10, in 2020, 15 donors contributed 98 per cent of the total core resources, all from the Development Assistance Committee of the Organisation for Economic Co-operation and Development (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 the financial risk for UNFPA programmes.

**Figure 10.**  
**Top contributors to UNFPA core resources (2020), in volume and cumulative proportion**



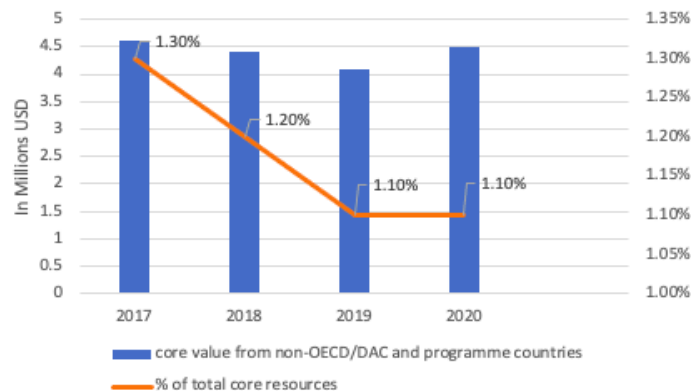
42. Despite intensive outreach and mobilization efforts at global, regional and country levels, the overall number of donors to core resources continued to decrease in 2020 (from 150 in 2010 to 96 in 2020). As of 1 June 2021, despite the early launch of the 2021 Core Campaign, and repeated calls through the Executive Board and the structured funding dialogues, only 47 countries have contributed so far to the UNFPA core budget, less than in 2020 at the same period (53 core contributors). Efforts in New York and all regions will continue to broaden the coalition of core contributors and rally more support around the UNFPA mandate, in particular, among emerging donors and programme countries.

**Figure 11.**  
**Number of core contributors, 2010-2020, and gap to reach the 110 donors target for 2021**



43. As shown in figure 12, core contributions from non-OECD/DAC and programme countries remain low, stagnating at just over 1 per cent for the past three years. As a fully voluntarily funded organization, UNFPA calls on every Member State to 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.

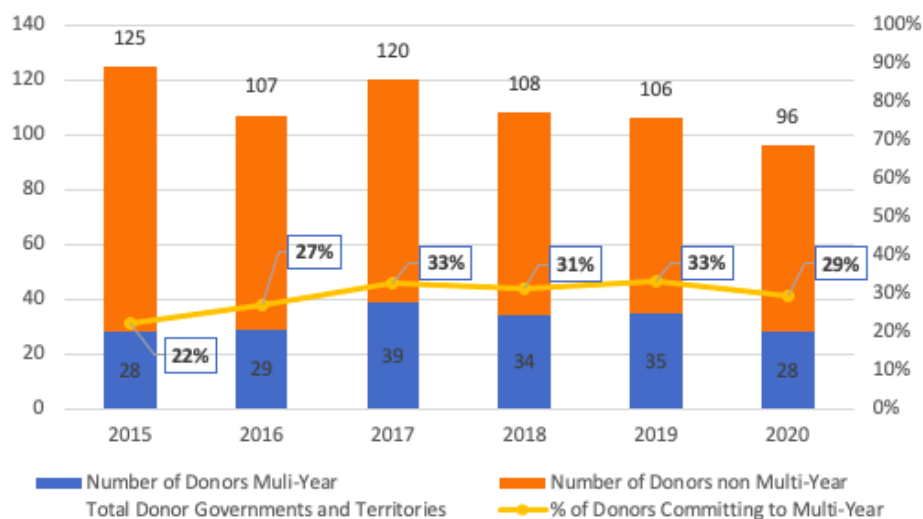
**Figure 12.**  
**Trend of core contributions from non-OECD/DAC and programme countries (2017-2020)**



**C. Multi-year contributions to core resources**

44. The number and proportion of donors providing multi-year core funding to UNFPA had modestly but consistently increased over the past few years, as shown in figure 13. However, it decreased in 2020, with only 28 multi-year contributors, as opposed to 35 in 2019.

**Figure 13.**  
**Number and percentage of multi-year core donors (2015-2020)**



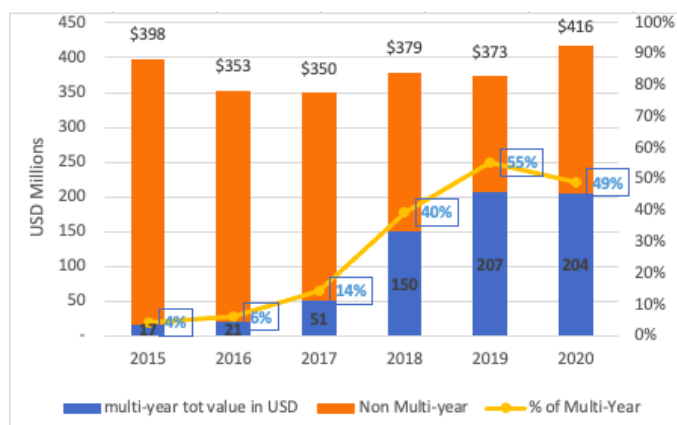
### The value-added of multi-year contributions

**When provided in a predictable manner, especially through multi-year contributions, core resources enable UNFPA to:**

- Better plan and form more strategic partnerships;
- Lower operational costs;
- Build longer-term local capacity;
- Respond early and at scale when needs are on the rise or a crisis hits;
- Strengthen coherence between development and humanitarian programmes by allowing better integration of resilience-building strategies within wider development programming;
- Deliver more impactful programming, adaptable to changes in circumstances, conditions and local needs.
- Reduce the workload of country offices and costs associated with managing steady operations.

45. As presented in figure 14, the overall value and percentage of multi-year contributions<sup>12</sup> had consistently increased over the same period, reaching a high value of \$207 million in 2019. However, in 2020, a slight decrease in volume and percentage was registered. With a shrinking fiscal space, conflicting priorities and emergency measures, countries might have found it difficult to commit to multi-year contributions.

**Figure 14.**  
Value and percentage of multi-year core contributions (2015-2020)

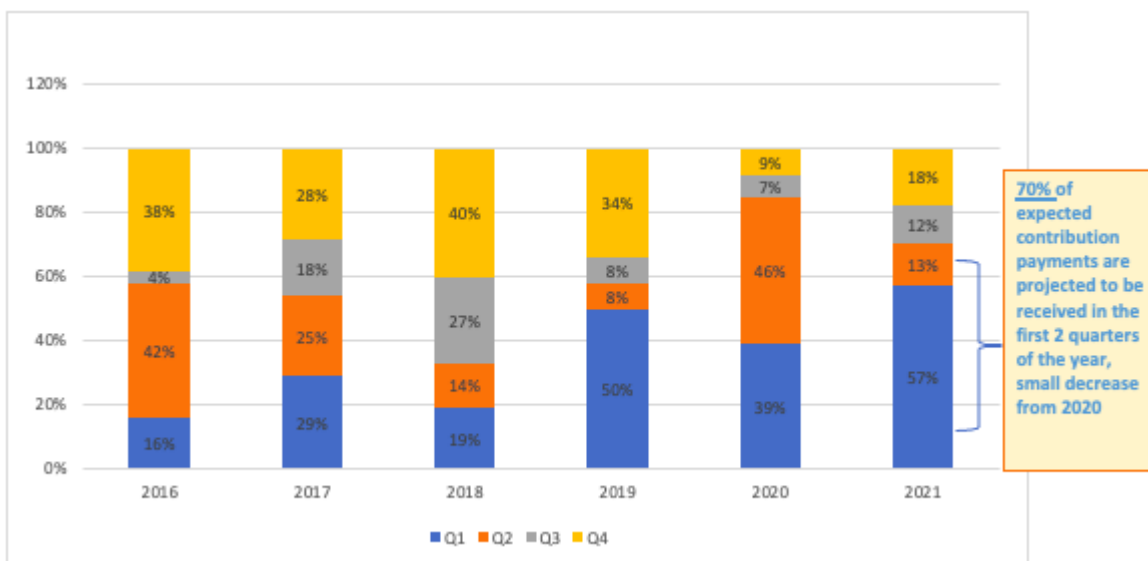


#### D. The criticality of early payment of contributions

46. Early and timely payment of funding commitments is critical to the 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 June 2021, 70 per cent of contribution payments were recorded, a slight decline, compared to the all-time high of 85 per cent registered in 2020 (figure 15). UNFPA appeals to all donors to expedite payments for 2021 and to continue to demonstrate solidarity and commitment to predictability.

<sup>12</sup> The average duration of a multi-year agreement is four years, which is deemed viable, considering the duration of the strategic plan cycle and country programming documents.

**Figure 15.**  
**Timing of revenue recorded 2016-2021 (as a percentage of total per quarter a year)**



## VI. Non-core funding and instruments

### A. Overall situation and top-contributors

47. As presented in section IV, the first three years of implementation of the strategic plan continue to show 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 United Nations pooled funds and inter-agency transfers; and other earmarked funds to programmes or projects.

48. UNFPA top contributors for 2019 and 2020 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 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 (2018-2020) – top contributors and volume of contributions**

*(in millions of \$)*

Donors	2019		2020
United Nations and Interorganizational transfers*	262	United Nations and Interorganizational transfers*	272
United Kingdom of Great Britain and Northern Ireland	189	United Kingdom of Great Britain and Northern Ireland**	112
Canada	96	European Commission	50
Sweden	81	Netherlands	52
Netherlands	52	Canada	40
Denmark	46	Sweden	40
European Commission	43	Denmark	37
Norway	23	Republic of Korea	26
Bangladesh	17	Norway	23
Switzerland	14	Australia	21
Others	174	Others	172
<b>Total</b>	<b>997</b>	<b>Total</b>	<b>845</b>

\* 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.

\*\* Provisional, pending confirmation of reductions to some programmes announced in 2021

## B. UNFPA thematic funds

49. Thematic funding is a clear demonstration of good multilateral donor commitment and is explicitly encouraged by the Funding Compact, requiring Member States to double their contributions to single-agency thematic funds by 2023.

50. UNFPA thematic funds are pooled donor funds aimed at supporting the achievement of results within 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.

### UNFPA thematic funds – key features

- Needs-based and fully aligned with UNFPA strategic outcome areas;
- Critical source of income for UNFPA programme delivery;
- The most efficient complement to core funding;
- Facilitate longer-term planning, generates savings in transaction and reporting costs;
- Much higher return on investment than highly earmarked contributions.

51. UNFPA has established four thematic funds in support of the strategic outcome areas designed to achieve the transformative results of the strategic plan. The thematic funds have also been strategically positioned to efficiently respond to the pandemic.<sup>13</sup>

52. The [UNFPA Supplies Partnership](#) is a key driver of UNFPA action towards ending the unmet need for family planning by 2030. As the only United Nations thematic programme dedicated to family

<sup>13</sup> UNFPA thematic funds in the context of the COVID-19 response, accessible [here](#).

planning, the UNFPA Supplies Partnership expands rights to and availability of quality-assured reproductive health commodity choices to promote prosperity. It does this by accelerating global and country commitments, systems capacity and financing. Launched in 2007, the Partnership has programmed over \$1.8 billion and is now the world's largest provider of donated contraceptives. It also provides technical expertise and capacity building to ensure appropriate utilization of commodities within sexual and reproductive health (SRH) programming. The Partnership is a platform for promoting reproductive health, including family planning, as a core element and driver of sustainable development. In 2020 and 2021, support from the UNFPA Supplies Partnership is estimated to have provided support to countries with the lowest incomes and highest levels of maternal mortality, preventing 17.4 million unintended pregnancies, and averting 373,000 maternal and child deaths, and 5 million unsafe abortions.

53. [The Maternal and Newborn Health Thematic Fund](#) (MHTF) is the catalytic maternal and newborn health flagship programme of UNFPA and aims to support SDG 3, focusing on 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. MHTF focuses on four critical areas of intervention: (a) midwifery care and human resource for health; (b) strengthening of emergency obstetric and newborn care networks; (c) maternal and perinatal death surveillance and response systems and; (d) prevention and treatment of obstetric fistula and other morbidities. MHTF supports 32 countries in implementing strong maternal and newborn health programmes for mortality reduction, tracking results, fostering a leveraged effect and coordination, and improving maternal and newborn health and well-being by taking an integrated approach towards universal health coverage, primary health care and quality of care. Throughout the COVID-19 pandemic, MHTF has been at the forefront of efforts galvanizing action to support frontline health workers. The fund will continue to ensure that maternal and newborn services continue to be prioritized while health workers are kept safe and midwives are not diverted from their core work. Alternative service delivery models for remote health care developed during the pandemic show potential for use beyond the pandemic.

54. [The Humanitarian Thematic Fund](#) provides flexible, 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 needed the most. Financed by government and private donations, the fund pools donor contributions to reduce transaction costs. Covering all aspects of UNFPA humanitarian response appeals, without geographical, thematic or time-frame earmarks, the fund allows UNFPA to act more quickly and more efficiently wherever disaster strikes. Since its launch in 2018, the fund has grown as the central flexible-funding mechanism supporting UNFPA humanitarian efforts. With \$5.8 million in contributions in 2019 (its first full year of operations), it has grown to \$30.8 million in 2020, providing \$20.3 million in support to 64 regional or country offices.

55. [The Population Data Thematic Fund](#) is the latest addition to the UNFPA funding architecture. Launched in early 2020, it is the organization's response to growing requests by Governments to address long-standing shortfalls in population data and related human capacity. The fund aims to increase the availability and accessibility of high-quality data on populations, locate those furthest behind, target investments, accordingly, and accelerate progress in achieving the SDGs during the Decade of Action to 2030. With 45 per cent of SDG indicators requiring reliable population data, geographically precise disaggregated 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 both national and subnational levels and for addressing the needs of those left behind. Yet UNFPA estimates that 7 per cent of the world population (the majority being from least developed countries) was not counted during the 2010 census round, and at least 31 per cent 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 the COVID-19 pandemic), and social and political instability.

### C. United Nations pooled funds and joint programmes

56. United Nations pooled funds and joint programmes continue to represent a significant and growing portion of UNFPA non-core resources, recognizing that the 2030 Agenda requires an integrated joint delivery and collaboration to bring added value at global and local levels. As shown in table 3, this modality continued to grow in 2020, peaking at \$272 million (from 20 different entities), a 3.5 per cent

increase from the year before, and now represents 32 per cent of UNFPA non-core resources. Consequently, contributions from the United Nations system remain one of the largest sources of funding to non-core in 2020. UNFPA continues to be one of the United Nations entities with the highest proportion of non-core resources originating from joint activities. These results demonstrate the Fund's investment and readiness to advance United Nations development system reform, as it continues to prioritize joint-up mechanisms to effectively implement the common chapter with United Nations partner organizations, and deliver on the SDGs and the 2030 Agenda. UNFPA will further invest in proactively identifying opportunities for high-impact partnerships and monitor the impact of the joint efforts.

57. UNFPA in 2020 has engaged in United Nations system structures for coordination, from the COVID-19 response to SDG financing and delivery of the Secretary General's Roadmap for Financing the 2030 Agenda. UNFPA participates in the governance of the Joint SDG Fund and has also benefited from its funding windows, including the ones on SDG financing. UNFPA co-leads the SDG Invest cluster on people and health (together with the International Labour Organization). Since the establishment of the United Nations COVID-19 Response and Recovery Fund in 2020, UNFPA serves as part of its advisory committee. The Gender and Youth Promotion Initiative of the Peacebuilding Fund has proven to be an important resource mobilization opportunity for UNFPA as well as a way to strategically demonstrate UNFPA programmatic contribution to the agendas of youth, peace and security as well as women, peace and security, and to the interlinkages between gender-based violence and peace.

58. 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. These modalities complement core contributions and agency-specific thematic funds within the UNFPA funding architecture.

59. Prominent examples of joint action and pooled funding mechanisms to facilitate scaled-up progress are the *2gether4SRHR* and *Breaking Barriers to Girls Education* programmes.

#### **A Joint United Nations regional programme – 2gether4SRHR**

The programme aims to accelerate action on SDGs 3 and 5 in Eastern and Southern Africa, by improving the sexual and reproductive health and rights of all people in the region, with a focus on adolescent girls, young people and key populations at risk of HIV.

Funded by the Swedish International Development Cooperation Agency, 2gether4SRHR combines the strengths of UNAIDS, UNFPA, UNICEF and WHO to support Governments, civil society and communities in the region in scaling up high-quality, integrated services, drawing on lessons learned from previous projects.

The 2gether4SRHR programme addresses inequalities and discrimination to reduce the vulnerabilities of the most marginalized people in the region and works to make national health systems more accountable in meeting commitments to leave no one behind. It aims to create an enabling legal and policy environment that empowers all people, especially adolescent girls, young people and key populations, to exercise their rights, access services and adopt protective behaviours. It facilitates South-South and triangular cooperation to share knowledge, promising practices and coordinates the four agencies' assistance at country and regional levels.

In response to the COVID-19 pandemic, the programme initiated regional monitoring of the continuity of sexual and reproductive health and reproductive rights (SRHR) services, to determine the extent to which SRHR, HIV and gender-based violence services were disrupted by restrictions placed on population movements as a result of the various lockdowns. The programme continued to support the efforts of the East African Community, the East African Legislative Assembly, and a consortium of civil society to develop an SRHR bill for the East African Community.

60. UNFPA continues to partner at scale with other agencies in five regions as one of the founding partners of the Spotlight Initiative to eliminate violence against women and girls and with UNICEF on the Joint Programme to End Female Genital Mutilation and also the Global Programme to End Child Marriage.

## **D. Programme country Governments and international finance institutions**



61. The contributions of programme countries to their own country programmes decreased by 56.8 per cent, compared to 2019 levels (table 4). In 2020, agreements totalling \$33.5 million were signed for 31 countries, compared to \$78 million in 2019. This decrease is due to several factors, particularly, from the postponement of several censuses planned for 2020 (due to the COVID-19 pandemic), which resulted in decreased investments from programme countries in population matters; and the postponed conclusion of several major partnerships (which were instead signed in the first quarter of 2021). This “slowdown” is, however, not too worrisome, as contributions from programme country Governments are expected to bounce back in 2021 and reach an all-time high. In the first quart of 2021 UNFPA has already signed agreements with programme countries for a total value of \$62 million.

62. UNFPA is making significant efforts to support Governments in accessing sustainable development financing and increasing domestic resource allocations for their own development goals. UNFPA is strongly increasing its role and competitiveness in SDG financing. Under this umbrella, UNFPA is developing tools for UNFPA country offices, United Nations country teams and Governments to raise the profile of population issues and sexual and reproductive health and reproductive rights issues in national financing strategies. This is done by supporting countries in costing national and subnational plans and developing several evidence-based economic analyses aiming to demonstrate the cost-effectiveness of interventions and to advocate for greater and better public allocation of resources towards sexual and reproductive health and reproductive rights and more broadly the SDGs.

**Table 4.**  
**Programme countries contributing to their own country programmes**

(in millions of \$)

Donors	2019	Donors	2020
Bangladesh*	17.0	Cote d'Ivoire	11.0
Guatemala	8.4	Ecuador	4.3
Burkina Faso*	8.0	India	3.3
Malawi	7.1	Angola	2.5
Benin*	6.9	Guinea, The Republic of	2.3
Niger*	6.6	Mexico	2.1
Democratic Republic of Congo*	6.1	Peoples Republic of China	2.0
Peoples Republic of China	4.3	Nigeria	1.5
Nigeria	3.8	Democratic Republic of the Congo	1.2
Others*	6.9	Others	3.3
<b>Total</b>	<b>75.1</b>	<b>Total</b>	<b>33.5</b>

63. In line with the Secretary-General’s Roadmap for Financing the 2030 Agenda, UNFPA focus in the past three years has also been on developing joint frameworks of collaboration with multilateral development banks to strengthen regional and country-level synergies. UNFPA has become a trusted partner for many international financial institutions. An example of this kind of collaboration is the UNFPA partnership with the World Bank and other regional and national entities in the Sahel Region under the Sahel Women’s Empowerment and Demographic Dividend (SWEDD) project, which aims to invest in people for greater equity and economic growth through demographic transition accelerators. This partnership is now expanding to 20 countries under the World Bank’s Human Capital Plan.

64. UNFPA is engaging with a growing number of international financial institutions (beyond the already well-established partnerships) through technical cooperation and implementation of programmes financed by the international financial institutions (about \$26.4 million).

#### **Pandemic Emergency Financing Facility (PEF)**

UNFPA is one of currently six accredited entities to help countries execute the Pandemic Emergency Financing Facility (PEF). The agency is housed at the World Bank and has successfully helped mobilize and implement funds under this insurance window in response to the

COVID-19 pandemic in Bangladesh, Cameroon, Chad, the Republic of the Congo, the Democratic Republic of the Congo, Ghana and Mozambique.

65. UNFPA continues to work with some Governments and financial institutions to set up blended finance mechanisms to invest in programmes on sexual and reproductive health and reproductive rights and cost-saving modalities for the effective procurement of sexual and reproductive health commodities, or to set up levies on specific products to finance youth programmes or the procurement of sexual and reproductive health commodities.

#### Kenya – The Outcome Fund

Together with the UNCT and the Government of Kenya, UNFPA is working on establishing an outcome fund to support the implementation of adolescent SRHR development impact bonds. The fund will host and facilitate the launch of bonds to address the problem of teenage pregnancy and HIV infections among adolescents by leveraging strategic private-public sector partnerships and unlocking resources from various sources towards the SDG targets.

### E. European Commission

66. In 2020 non-core contributions received from the European Commission totalled \$49.2 million, an increase of \$6.2 million over the \$43 million received in 2019. The partnership between UNFPA and the European Commission, evident also in the increasing cooperation in humanitarian settings, was further consolidated through the signing of 15 new agreements. These included 6 agreements signed with the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations. Among these humanitarian activities were sexual and reproductive health and gender-based violence interventions in Cameroon, Jordan, Sudan, Turkey and Yemen. Additional funding was committed for ongoing projects in Turkey, South Sudan, the Syrian Arab Republic and Yemen.

In 2020, UNFPA was able to reach over 1.1 million women and girls in the Syrian Arab Republic and provide them with essential sexual and reproductive health and gender-based violence services as a result of its partnership with the European Commission.

67. Six new agreements were signed with the Directorate-General for International Cooperation and Development, for projects in Djibouti, Iran, Nepal, Somalia, Yemen and Zimbabwe, as well as two new agreements with the Directorate-General for Neighbourhood and Enlargement Negotiations, for projects in Bosnia-Herzegovina and Georgia. Additional funding was also committed for an ongoing project in Bosnia-Herzegovina. In addition, one agreement was signed with the Directorate-General for Migration and Home Affairs, for a project in Sudan.

### F. Emergency preparedness and humanitarian response

68. Whether in response to the devastating effects of protracted crises, natural disasters or disease outbreaks, UNFPA response teams were on the ground throughout 2020, in addition to joining in the global COVID-19 response, saving lives and restoring dignity and hope in critical emergencies, including the Democratic Republic of the Congo, the Tigray region of Ethiopia, the Syrian Arab Republic, Venezuela and Yemen. In 2020, UNFPA humanitarian action reached an estimated 11.3 million women of reproductive age with sexual and reproductive health services in 64 countries, including assistance for 1.9 million safe deliveries in 39 countries. Over 5.3 million people were reached with family planning services, 4.9 million with gender-based violence services, and 73 million with essential information and awareness activities.

### **Humanitarian Thematic Fund**

The Humanitarian Thematic Fund played a critical role in supporting UNFPA humanitarian operations in 2020, as it grew in size from \$5.8 million in 2019 to more than \$30 million in 2020. As a flexible funding instrument, the fund strengthened UNFPA capacity to prepare for and respond to emerging threats, particularly as the COVID-19 pandemic continued to unfold. In many humanitarian settings, the fund provided vital seed funding to kick-start response operations while waiting for the receipt of bilateral donor contributions.

The Humanitarian Thematic Fund further supported UNFPA performance concerning localization, where close to 40 per cent of humanitarian funds go to local partners. In 2020, 63 per cent of the fund's contributions to partners went to local actors, four times the amount allocated to international non-governmental organizations. The fund also supported UNFPA work on cash and voucher assistance in the Philippines and the Syria Arab Republic.

69. UNFPA humanitarian co-financing revenue fell slightly in 2020, with total contributions of \$273 million, but this still represented 37 per cent of UNFPA co-financing revenue, the highest percentage of co-financing revenue to date. UNFPA received \$293 million in 2019 (30 per cent of co-financing revenue) and \$172.3 million in 2018.

70. The UNFPA surge mechanism also received in-kind support, valued at \$930,000, from its four standby partners (Danish Refugee Council; Norwegian Refugee Council; CANADEM; and RedR Australia). In-kind support supported the deployment of 20 personnel to 13 UNFPA country offices responding to humanitarian emergencies. In addition, NORCAP of the Norwegian Refugee Council provided funding for 15 posts supporting inter-agency gender-based violence needs in five regional offices and at UNFPA headquarters.

71. 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 2020, \$47.4 million was received from CERF to support UNFPA operations in 32 countries. Other donors to UNFPA humanitarian action in 2020 included Australia, Bulgaria, Canada, the People's Republic of China, Denmark, Estonia, the European Commission, Finland, France, Iceland, Ireland, Italy, Japan, the Republic of Korea, Luxembourg, Netherlands, Norway, Qatar, the Kingdom of Saudi Arabia, Spain, Sweden, Switzerland, and the United Kingdom.

72. Another funding source is the UNFPA Emergency Fund, which is an internal funding mechanism financed from core resources. It serves as a complementary mechanism to the co-financing supported by the Humanitarian Thematic Fund. It allows teams on the ground to kick-start the humanitarian response at the onset of an emergency and also to invest in preparedness activities and protracted crises, expanding the reach and scope of the life-saving humanitarian operations of UNFPA. In 2020, the Emergency Fund allocated about \$10 million to 29 UNFPA country and regional offices, reaching about 4 million people in humanitarian need.

## **G. Private sector and other strategic partnerships**

73. Private-sector contributions to UNFPA have steadily increased over the past decade. In 2020, UNFPA continued strengthening its partnerships with non-traditional partners, securing about \$41.6 million in private-sector contributions and collaborating with 100 partners. The above figures exclude 'services in-kind' contributions, valued at \$1.4 million, received from private-sector partners; these in-kind contributions are not recognized as revenue, in line with the UNFPA revenue recognition policy.

74. In 2020, UNFPA succeeded in securing substantial and rapid financial and technical support from strategic private partners to support its COVID-19 pandemic response. UNFPA benefitted from the large-scale financial support of (a) Takeda Pharmaceuticals (\$4.6 million) for maternal and newborn health services in Benin, Guinea and Togo; (b) Reckitt Benckiser to ensure continuity of life-saving maternal and newborn health services and access to contraception from vulnerable communities in Mexico

Thailand, and the Philippines; and (c) Johnson & Johnson to strengthen the quality of midwifery training and education.

75. In addition to funding and in-kind contributions, significant work has been achieved to engage partners in diverse partnership modalities (alliances, reach and brainpower partnerships). UNFPA partnered with Global Citizen on a campaign and related events that contributed to raise funds and augment the visibility of the Global COVID-19 Response Plan as well as the need to ensure the continuity of SRHR services in the crisis. UNFPA also collaborated with a range of innovation actors to expand the reach of health messages during the pandemic, with a focus on at-risk populations.

76. An integrated public-private partnership pilot initiative between UNFPA and Royal Philips was formalized and launched in the Republic of the Congo, which will expand access to high-quality, affordable health care, including maternal and reproductive health services, for 500,000 women and 50,000 newborns starting in 2021. The pilot will include an innovative financing model to mobilize non-traditional health investments.

#### **Partnership for reproductive health services**

UNFPA received the support of Takeda Pharmaceutical Company Limited to reach countries with under-resourced reproductive health services. In May 2020, Takeda announced a \$4.6 million contribution to support maternal and newborn health services in Benin, Guinea and Togo, reaching at least 350,000 women and newborns. The partnership also helped to provide essential supplies and personal protective equipment to front-line health workers in the three countries.

In Benin, the partnership with Takeda supported the country's COVID-19 screening capacity and the emergency transport of women with obstetric and newborn complications, among other efforts. In Togo, it focused on infection control measures and the procurement of maternal health medicine and equipment, as well as other health system support. In Guinea, the interventions supported mobile reproductive and maternal health care services, the training of midwives and nurses in infection control, and the improvement of data management to measure the impact of the pandemic on the use of health services.

77. In 2020, UNFPA further strengthened the relationship and enhanced the resources received from key private-sector partners in several ways. The UNFPA Supplies Partnership, the organization's flagship thematic fund, 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 \$12.7 million support on strengthening UNFPA organization-wide capability to reach zero unmet need for family planning by 2030.

78. UNFPA scaled its outreach to the general public to solicit donations to programmes and operations. 2020 marked the second year of the UNFPA Individual Giving Programme operations and raised \$2 million from 23,000 donors in over 180 countries worldwide. The level of income achieved was twice that of the forecast target for that year, further demonstrating the potential of individual giving as an important source of funding for UNFPA in the future.

79. A coordination committee composed of representatives from leading tertiary education institutions was established in 2020 to guide the vision and roadmap for a network of more than 120 participating universities. Through this mechanism, UNFPA will be able to define research priorities, in line with the three transformative results, and facilitate collaboration to translate knowledge into concrete action to advance the global agenda for women and girls.

80. UNFPA partnerships with parliamentarians are crucial to building political and financial support for the ICPD Programme of Action and the SDGs. Despite the challenges caused by the COVID-19 pandemic, many supportive parliamentarians and civil society organizations adapted to engaging in a virtual world and advocating for the health and rights of women and girls. The parliamentarians and civil society organizations advocated for increased resources for SRHR amid efforts to limit such services and also to push back on gender issues in various countries. UNFPA supported the Global Contraceptive Atlas for Africa, which looked at access to contraceptives in 53 Africa countries. The atlas is an excellent advocacy

tool for parliamentarians and civil society organizations to advocate for domestic resources in support of family planning and greater access to modern methods of contraception.

## **H. South-South and triangular cooperation**

81. Throughout 2020 and 2021, South-South and triangular cooperation (SSTC) continued to be applied as an effective and efficient programming strategy to support the achievement of the three transformative results. It continues to be utilized by country offices as an important mode of engagement in programming and also as an instrument for generating financial and in-kind resources and support for country programme activities. SSTC has demonstrated its huge potential, especially in responding to the COVID-19 pandemic, facilitating experience sharing and exchange among countries with similar health and medical challenges.

82. SSTC was leveraged to mobilize knowledge on government responses to maternal and child health challenges in the context of the COVID-19 pandemic through a series of webinars, involving the African Centers for Disease Control and Prevention, China, the Dominican Republic, Nigeria, Sudan, Suriname, Tajikistan, Thailand, Tunisia and Uruguay, in collaboration with UNICEF, Pan American Health Organization, Partners in Population and Development, and the United Nations Office for South-South Cooperation.

83. Partnerships using South-South funding mechanisms continued in 2020, generating \$2.8 million, notably for countries such as Botswana, Gambia, Lesotho and Sao Tome and Principe.

84. Under the new UNFPA strategic plan, 2022-2025, SSTC is being scaled up as an important programme accelerator. Strategically, SSTC is part of the tailored approach in working with middle-income countries; it will continue to be a crucial strategy towards achieving the three transformative results of UNFPA. UNFPA will strengthen its support to SSTC ‘centres of excellence’ in national partner agencies as a pathway to developing visible, reliable and committed SSTC partners. Taking advantage of the momentum gathered so far, the UNFPA Inter-Country Cooperation Office will continue to support SSTC by leveraging the partnerships established with countries from the global South.

## **VII. Strategic considerations and future directions**

### **A. Outlook for 2021 and beyond**

85. Despite the socio-economic and financial shocks triggered by the COVID-19 pandemic, the financial situation of UNFPA has remained stable in 2020, thanks to the previous years of prudent budgetary management and the swift introduction of adaptation measures. These measures will continue to be applied and adjusted to ensure the Fund’s financial and operational continuity in 2021 and beyond.

86. The total income projection as of 1 June 2021 (\$1,058 million consisting of \$408 million in core resources and \$851 million in non-core resources), is more or less 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 these funding targets can be met for 2021 despite the recently announced cuts by one of the top donors to UNFPA. Income projections are reviewed monthly to ensure financial sustainability and to 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, as well as other macro-economic and political parameters and various financial forecasts (including exchange rate fluctuations).

87. UNFPA will continuously monitor the impact of the COVID-19 pandemic on current and future funding to better plan for the new strategic plan, 2022-2025. UNFPA is also carefully monitoring overall official development assistance 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 these crises have on them, and demonstrating the unique role UNFPA plays in responding to such crises, as well as proactively communicating with donors and partners on needs, gaps and best channels of funding to minimize fragmentation and undue funding conditionalities.

## **B. Managing risk, volatility and uncertainty**

88. One year into the pandemic, the economies of many of the key traditional donors of UNFPA are strained. One top UNFPA resource partner has initiated significant reductions to official development assistance, which has translated into several funding cuts for UNFPA, including a 60 per cent cut to its contribution to UNFPA core resources, and an approximately 85 per cent cut to its contribution to the UNFPA Supplies Partnership.<sup>14</sup> These cuts will be felt acutely as they represent a retreat from commitments made to the programme in 2020, thus risking affecting the continuity of programmes in years to come. In response to these reductions, UNFPA is adapting its programmatic approach to maximize impact within a very different budget structure while also engaging with Governments, civil society, the private sector and parliamentarians to close the funding gap so that programme countries can be provided with a solid base of commodities, avoid stock-outs and sustain high-quality services for women and girls.

89. This funding retreat is a reminder of the vulnerability of voluntarily funded organizations; more than ever, it underscores the necessity to maintain a robust forecasting and prudent management approach, something that has been applied in the preparation of the integrated budget, 2022-2025. At this point, 2021 targets could be met but, in these unprecedented times, the Fund is also planning for various possible income reduction scenarios.

90. Mindful of the projected economic contraction and the tightening of fiscal space, UNFPA will continue to maintain prudent income projections, factoring in volatility and uncertainty. As in past years, UNFPA is also taking a long-term strategic approach when managing higher-than-projected income from previous years. Not all core resources carried forward from 2020 will be distributed, due to the uncertainty of donor commitment and continued exchange rate volatility. Those resources will be progressively used over the remaining period of the strategic plan (and beyond) to allow for adjustments if income projections do not materialize.

91. UNFPA again encourages all Member States to prioritize multi-year funding and early payment as critical for the achievement of strategic plan outcomes since they are vital to funding the organization's strategic responses to shifting global challenges and emerging crises. Member States are urged to match contribution levels to the endorsed budgets to enable UNFPA to respond to the added strain of the COVID-19 pandemic and to indicate anticipated contribution amounts promptly, particularly in cases of funding decreases or programme cuts.

92. UNFPA has adapted its management assurance, audit and investigations work in response to the challenges created by the COVID-19 pandemic on account of access restrictions to operations and programmatic activities. Due diligence modalities were generally kept in place. UNFPA management implemented remote assurance activities or engaged local service providers to undertake them. Audits and investigations requiring field missions or access to on-site documentation and in-person interactions with individuals continue to be reviewed, taking into consideration the latest developments. Management will also continue to assess the longer-term implications of these challenges on its management assurance, audit 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 and investment cases**

93. To realize the commitments of the transformative 2030 Agenda, UNFPA plays a leading role in implementing and mobilizing partnerships and investments around the three transformative results. This requires UNFPA to scale up its evidence, advocacy, programming and operations towards the 2030 vision. The costing and financing initiative will help to address the financing gaps in achieving the SDGs by using sound economic, rights-based and impact arguments and scaling up evidence-based advocacy and policy dialogue. It will also leverage the momentum generated by the ICPD25 commitments. 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 the SDG framework.

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<sup>14</sup> Despite these reductions, the UNFPA Supplies Partnership remains a multimillion-dollar, ground-breaking programme supporting over 50 of the lowest-income countries and a key driver of the three transformative results of UNFPA.

**Table 5.**  
**Achieving the three transformative results: Cost and funding gaps**

Transformative result	Total amount needed, 2020-2030	Projected amount available to spend, 2020-2030, as development assistance at the country level	New investment needed, 2020-2030
End preventable maternal death	\$115.5 billion	\$11.9 billion	\$103.6 billion
End the unmet need for family planning	\$68.5 billion	\$8.6 billion	\$59.9 billion
End female genital mutilation	\$2.4 billion	\$275 million	\$2.1 billion
End child marriage	\$35.0 billion	\$10.9 billion	\$24.1 billion
End gender-based violence	\$42.0 billion	\$9.5 billion	\$32.5 billion
<b>Total</b>	<b>\$264 billion</b>	<b>\$42 billion</b>	<b>\$222 billion</b>

94. The integrated budget, 2022-2025, while reflecting elevated ambitions for the three transformative results, will nevertheless be based on prudent income projections. The needs of the strategic plan and country programmes are much higher, as evinced by the \$222 billion investment gap revealed in the costing exercise (presented in table 5).

95. UNFPA is building its country programmes as investment cases to contribute to the achievement of the SDGs. In 2020 and 2021, UNFPA worked with Avenir Health and Victoria University to assess how the COVID-19 pandemic has impacted costs and outcomes. This research leveraged available real-world data and developed key assumptions that were used to inform the key decision-makers and the public about risks related to COVID-19. UNFPA will strengthen its advocacy to mobilize resources to fill resource gaps.

96. UNFPA has supported countries in developing ‘country investment cases’<sup>15</sup> to mobilize domestic financing for the three transformative results by leveraging costing and impact modelling tools. In 2020, UNFPA launched the Impact40 toolkit for family planning, maternal health, female genital mutilation, child marriage and gender-based violence. This online toolkit provides tools, documentation and reference materials that allow regional and country-level experts in statistics and health economics to develop estimates of costs and impacts for individual countries. Technical webinars involving UNFPA staff, external partners, including Johns Hopkins University, Victoria University and Avenir Health, introduced the tools and the guidance on how to adapt the tools to COVID-19 contexts.

97. Subregional investment cases were developed for small island developing States for both the Pacific Island and the Caribbean subregions, using a sample of countries in each region. This exercise was completed in partnership with the Burnet Institute by leveraging the Impact40 toolkit along with guidance from technical experts in these subregions; the manuscripts for guidelines will be completed in 2021.

#### **D. Improved income forecasting, reporting, and visibility**

98. The ICT transformation, scheduled to be rolled out by the end of 2021, is expected to link resources more systematically 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. The income forecast functionalities will include processes related to the management and monitoring of resource mobilization and partnership activities.

99. With regards to reporting, UNFPA pursued several key measures in 2020 to further enhance transparency, accountability and visibility for results. As instructed by the Executive Board, UNFPA has adjusted the format and content of the annual report on the UNFPA structured funding dialogue to improve the quality of the dialogues. In line with the Funding Compact, UNFPA is also strengthening its annual reporting on results against expenses. This is done through improved [digital instruments](#), such as the 2020 annual report and various country-level reports, available online. UNFPA is also multiplying visibility

<sup>15</sup> [https://www.unfpa.org/sites/default/files/pub-pdf/Developing\\_Investment\\_Cases\\_for\\_Transformative\\_Results\\_Toolkit.pdf](https://www.unfpa.org/sites/default/files/pub-pdf/Developing_Investment_Cases_for_Transformative_Results_Toolkit.pdf)

and recognition products, including individual donor pages and stories from the field, illustrating the impact of recent donor contributions and the concrete progress achieved with donor support.

## **E. Efficiency and Transparency**

100. UNFPA will continue to improve managerial and programmatic excellence, including through efficiency measures, as per the Funding Compact. UNFPA fully achieved its organizational effectiveness and efficiency targets in 2020 and will seek to maintain this high level of performance in 2021 and beyond. Despite the pandemic, UNFPA realized operational efficiency gains of \$8.3 million through spending avoidance and cost savings.

101. UNFPA is an active member of the International Aid Transparency Initiative (IATI), strengthening systems and visualization tools to enhance tractability and better report on core and non-core resources. This information (and related results) is being 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.

102. For improved transparency, visibility and monitoring of contributions by Member States 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 funding management, UNFPA is tracking and reporting on resources, in line with the harmonized financial reporting standards, known as the “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 the country level. Discussions are underway on the architecture and roll-out of the platform, with a single data entry and national ownership, to benefit from the multiple uses of the data captured in UN INFO. It will be integrated into the 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.

## **VIII. Conclusion**

103. Despite the challenges related to the COVID-19 pandemic, UNFPA ended 2020 with a good programmatic performance and in good financial health, owing to the continued support of its donors and sound financial management practices. The outlook for 2021 remains difficult to predict conclusively, with future revenue flows highly dependent on the global progress in fighting the COVID-19 pandemic and the extent of the related economic downturns. In this volatile environment, timely inflows of predictable contribution revenues, especially for core resources and flexible forms of non-core resources, are critical for sustaining UNFPA operations and the achievement of its strategic objectives.

104. UNFPA encourages all Governments to increase their contribution levels to core resources and other high-quality funding instruments, such as the organization’s thematic funds. UNFPA urges donors to maintain timely contribution commitments and payment schedules to ensure the Fund’s actions have the greatest possible impact.

105. Within a more difficult funding landscape, as countries emerge from the COVID-19 pandemic, the need for core resources and increased multi-year funding, in keeping with the Funding Compact, cannot be overstated, particularly, as UNFPA finalizes the strategic plan and integrated budget for 2022-2025. Getting resource mobilization – and the transition from funding to financing – right will be critical for the successful implementation of the new strategic plan and the realization of the transformative vision for women, girls and young people. UNFPA extends its deep appreciation to all donors for the revenue recorded in 2020 and the early months of 2021.

106. UNFPA will continue to seek guidance from the Executive Board in the finalization of the new strategic plan cycle and in increasing support from its allies to ensure a solid funding base. In light of the recent funding cuts of some donors, the Fund urges its government partners to refrain from cutting funding to the life-saving programmes of UNFPA and to honour their commitments and contractual obligations.



## **IX. Elements of a decision**

107. The Executive Board may wish to:

- (a) Take note of the report on the UNFPA structured funding dialogue, 2020-2021 (DP/FPA/2021/10);
  - (b) Note the importance of sufficient and predictable regular (core) resources linked to intended and demonstrated results, as these are critical for UNFPA to deliver on the strategic plan, 2018-2021, respond to the COVID-19 pandemic and help realize the 2030 Agenda for Sustainable Development;
  - (c) Recall the importance of broadening the contributor base, and encourage UNFPA to engage with Member States to consider prioritizing contributions to UNFPA regular resources in a timely and predictable manner, in line with the United Nations Funding Compact, and also encourage the Fund to continue to make efforts in terms of visibility and recognition of contributions, including for regular resources;
  - (d) Note the importance of flexible thematic funding, as critical for the Fund to be able to accelerate programming to meet the three UNFPA transformative results and the SDGs, particularly in those areas in which development gains have been eroded by the COVID-19 pandemic;
  - (e) Urge Member States to continue their dialogue with UNFPA, through the structured funding dialogues, on shifting from highly earmarked funds to more predictable and flexible funding, especially for core resources, and to adhere to the mutually reinforcing commitments of the Funding Compact.
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