

What Do Core (Regular) Resources Pay For?

This paper has been prepared with a view to provide information on core resources, which are the bedrock of UNFPA. In addition to further clarifying key components of the Integrated Budget 2018-21, the paper responds to a simple yet fundamental question asked by member states on several occasions: What do core resources pay for? In providing a systematic answer to this question, UNFPA hopes to fully explain the unique value of core resources, to encourage member states to further engage in UNFPA's Structured Financing Dialogues, and ultimately to contribute to UNFPA's objective of securing adequate levels of predictable funding for the duration of the new Strategic Plan 2018-21.

The unique value of core resources

The 3 transformative results set out in UNFPA's Strategic Plan 2018-21 in support of the realization of the 2030 Agenda for Sustainable Development cannot be achieved without securing adequate level of core resources, intensifying programmatic approaches, maintaining a global presence, and mobilizing additional resources to scale up results.

UNFPA's annual target for core resources income for the Strategic Plan 2018-2021 has been determined at a realistic level of **\$350 million annually, or 1.4 billion over 4 years**. At this level of core funding, under the current structure, UNFPA will be functioning with a minimum level of resources to maintain its scope of engagement in programme countries, to perform the global and regional functions necessary to support the mandate, and to maintain the integrity and resource mobilization platform of the Fund, i.e. to raise additional core and non-core funds.

Without reaching the minimum floor of \$350 million annually, UNFPA's mandate and capacity to deliver will be further compromised. Any additional core funding received from donors beyond the \$ 350 million will be allocated to improve country programme delivery, in line with UNFPA's Resource Allocation System approved by the Executive Board.

Core resources are the DNA of everything UNFPA does. They enable UNFPA to exist as an international organization and to deliver our mandate in support of the *ICPD Programme of Action*. Every success, every result, even those reported as achieved with non-core funding, would not have been achieved without core resources underpinning the work of the organization. The large majority of UNFPA core resources is allocated to Least Developed Countries, Low Income Countries and countries in fragile or emergency situations. In 2017 alone, UNFPA allocated 77% of its core programme resources to countries most in need.

Core resources are the most effective investment one can make in UNFPA. UNFPAs core resources provide partner and donor countries with unique expertise, and extensive field-based development presence to deliver on the SDGs with a global reach in over 150 countries and

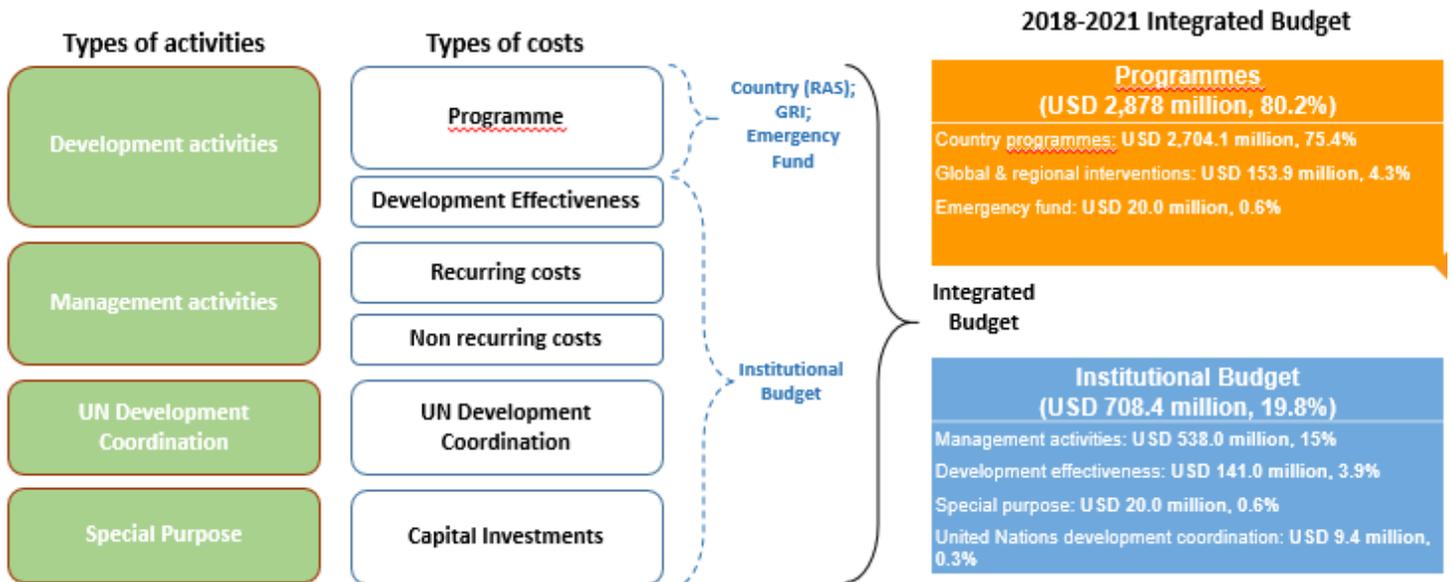
territories, including in crisis situations. Core resources allow UNFPA to effectively carry out its normative role and provide essential services to countries, communities and individuals, in particular those most in needs, with high quality support and standardized approaches. Investing in UNFPA's core funds (as opposed to stand-alone projects) has a powerful leveraging effect in the development of national capacities, health institutions, supply networks, and competent human resources. UNFPA, in collaboration with the UN country teams, also invests core resources in the coherence and effectiveness of the UN development system, enhancing the impact of UN collective action at country level.

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

- ✓ **Better plan and form more strategic partnerships** ➡ Predictable funding facilitates early procurement and pre-positioning of stocks, as well as savings from making long-term investments. It also facilitates the choosing of the most appropriate interventions. For instance, when UNFPA has several years of funding, the Fund can plan work with local health authorities rather than for example having to create stand-alone health facilities.
- ✓ **Lower operational costs** ➡ Multi-year core funding results in decreased costs of programme delivery and operations, for instance through reduced procurement and transport costs, streamlined reporting, and reduced fragmentation of resources managed. It significantly reduces the workload of country offices and costs associated with managing steady operations. Timely payments of funding commitments also reduces currency fluctuation associated risks.
- ✓ **Build local capacity** ➡ When multi-year core funding is provided directly to UNFPA and local partners, they can invest in staff, training, and equipment, thus building local capacity. It also allows UNFPA to be better prepared to respond efficiently and at scale when needs are on rise or a crisis hits.
- ✓ **Strengthen resilience and coherence between development and humanitarian programmes** ➡ Multi-year core funding enables agencies like UNFPA with a dual development and humanitarian mandate to integrate resilience building strategies within wider development programming, and in case of sudden-onset humanitarian situations, to provide early response, react quickly to changing conditions, and saving more lives.
- ✓ **Deliver more effective programming** ➡ Projects funded over several years can evolve with changes in circumstances or conditions, making them more adapted to local needs. UNFPA and its partners have more time to study the local context and develop longer term

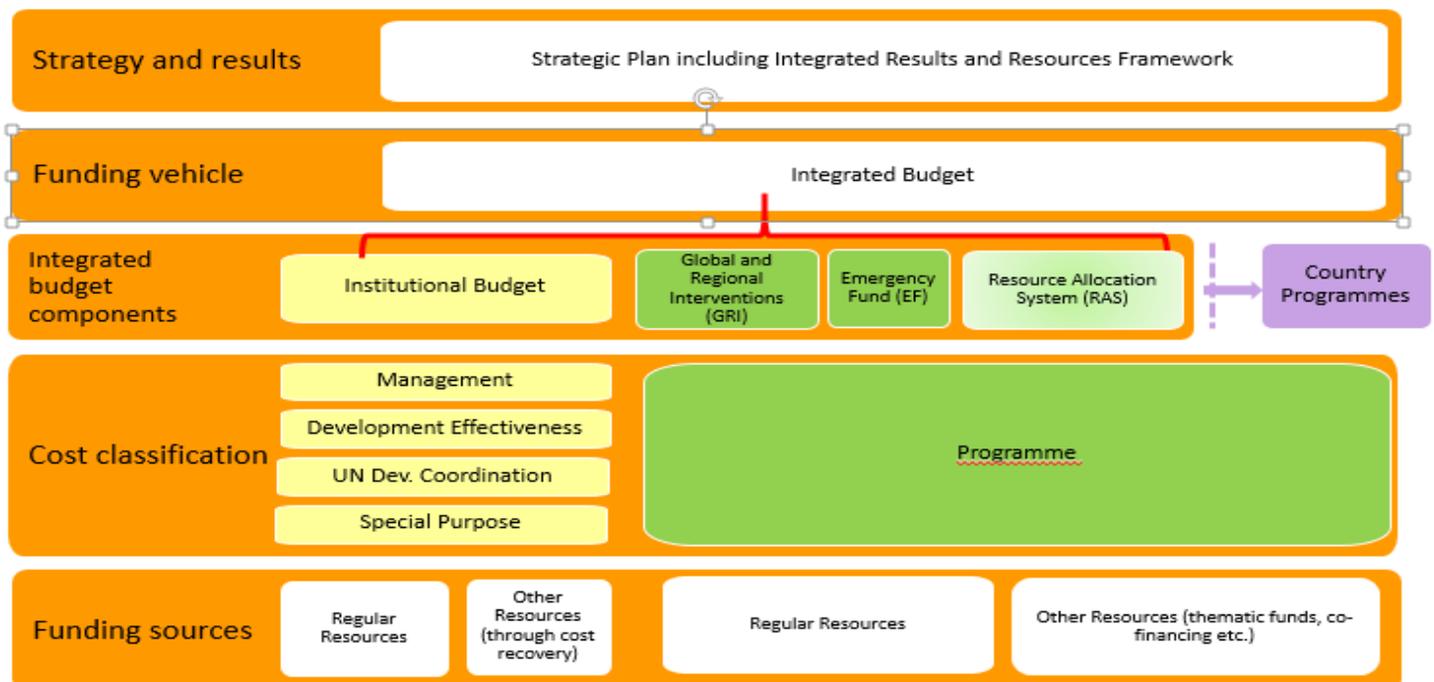
relationships with beneficiaries and local partners, leading to more participatory approaches and community-driven design and implementation.

Classification of activities by cost categories, and link to the Integrated Budget



Figures based on UNFPA integrated budget 2018-21 (DP/FPA/2017/10/Corr.1)

Links between Strategic Plan, Integrated Budget, cost classification and funding sources



What do core (regular) resources pay for?

The table below has been developed to provide more clarity to the integrated budget components by providing detailed explanation of each cost category paid by USD 1392.3 million of core resources, which contribute to the achievement of the Strategic Plan's results over the 4 year period (2018-2021). It details each function performed at country, regional and headquarters levels, and provides the associated amounts and percentage of core resources.

What Do Core Resources Pay For?

USD 1,392.3 Million (2018-2021)

	Cost Categories	Country	Regional	Headquarters	
Programmes : 830.7 M. (59.7 %)	Country Programmes: 656.9 million Activities and resources that contribute to the outcomes and outputs specified in respective country programme documents developed in cooperation with programme governments and approved by the Executive Board. Regular resources are allocated to UNFPA country offices in line with the Executive Board approved Resource Allocation System (RAS)	<ul style="list-style-type: none"> Direct programme planning, oversight, management, security and operations support Programme policy and advocacy in all areas of UNFPA work Technical expertise and support in all areas of UNFPA work Direct humanitarian response Programme monitoring and evaluation Procurement and logistics Communications and partnerships 			DEVELOPMENT ACTIVITIES
	Global and Regional Interventions: 153.9 million UNFPA global and regional interventions complement country interventions, ensuring cohesion to promote the ICPD beyond 2014 agenda and Agenda 2030 among global and regional development partners, expand use of innovation and knowledge upon which better maternal and reproductive health and reproductive rights can be built, inform and promote international norms and standards, provide policy and technical guidance, and help in facilitating cross-border solutions, for instance in humanitarian settings.		<ul style="list-style-type: none"> Advocacy and policy dialogue with regional and sub-regional entities and in multi-country settings Regional inter-agency collaboration and coordination, through inter-agency task forces, working groups and joint programmes Provision of technical advisory support to country programmes and intergovernmental regional processes Cross-country capacity-building and knowledge-sharing, including brokering national, regional and interregional resources Programmatic support and oversight of country offices and programmes 	<ul style="list-style-type: none"> Generation, promotion, utilization of state-of-the-art technical knowledge Promotion of international norms and standards Global intergovernmental policy dialogue for ICPD beyond 2014 and SDGs follow-up and review Global outreach with parliamentarians and civil society Building global technical partnerships Global monitoring of implementation of the Sendai Framework on Disaster Risk Reduction Coordination & management of prevention/response to sexual and gender-based violence in humanitarian settings Strengthen/expand surge capacity to implement humanitarian interventions Complementary field support in areas not available at regional level 	
	Emergency Fund/Humanitarian Response Reserve: 20 million The emergency fund is the key source of initial funding that allows country offices to implement timely humanitarian response. The humanitarian response reserve is designed to enable UNFPA offices to initiate or sustain activities and commitments against a signed co-financing agreement in advance of the receipt of the committed funds, thus enabling to kick start support in crisis affected countries before other sources of funding become available	<ul style="list-style-type: none"> Emergency Fund main purpose is to provide immediate funding for country offices to enhance timely, life-saving humanitarian assistance & preparedness measures with a focus on sexual and reproductive health, gender-based violence and population-related data. 			
Institutional Budget: 561.5 M. (40.3 %)	Development Effectiveness: 141 million. Policy-advisory, technical and implementation related activities that are needed for achievement of the objectives of UNFPA's programmes and projects	<ul style="list-style-type: none"> Deputy representatives (or national equivalents, assistant representatives) performing an overall programme development, oversight and guidance role 	<ul style="list-style-type: none"> Deputy regional directors performing an overall programme development, oversight and guidance role Programme posts dealing with overall programme support to country offices, including monitoring and evaluation 	<ul style="list-style-type: none"> Programme Division – (except Humanitarian and Fragile Context Branch personnel whose work contributes directly to strategic plan development outcomes) Technical Division – (leadership and operations support of the Directorate and each branch) Procurement Services Branch – (leadership and operations support) Division for Management Services-Quality Management Unit – (primarily dealing with the harmonized approach to cash transfers & national execution) 	MANAGEMENT
	Management: 391.1 million Activities related to the promotion of the identity, direction and well-being of UNFPA: executive direction, representation, external relations and partnerships, corporate communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human resources. Essential structures and functions of any organization.	Critical cross-cutting management functions fully paid by core: 174.8 m.			
		<ul style="list-style-type: none"> Representatives 	<ul style="list-style-type: none"> Regional Directors 	<ul style="list-style-type: none"> Executive Director and Deputy Executive Directors Directors of Divisions Chiefs of Offices and Chiefs of Branches 	
		Management functions paid proportionally by core and non-core (through cost recovery): 216.3 m.			
	<ul style="list-style-type: none"> Office operations support functions 	<ul style="list-style-type: none"> Resource mobilization, communications, security and human resources functions Office operations support functions: Operational managers, finance/administrative Assistant 	<ul style="list-style-type: none"> Executive Office Oversight: Office of Internal Audit and Investigations, Evaluation Office, Ethics Office, Legal Office Division for Communications and Strategic Partnerships, including liaison offices Division for Governance and Multilateral Affairs, including liaison offices Office of the Security Coordinator Division for Management Services Division of Human Resources Management Information Services Branch (except cross-cutting posts above) 		
	Corporate: 29.4 million <ul style="list-style-type: none"> UN Dev. Coordination Special Purpose 	UN Dev. Coordination - UNFPA share of the resident coordinator system costs: 9.4 m. Activities supporting the coordination of development activities of the United Nations system			
		Special purpose (corporate): ICT transformation (non-comparable): 20 m. Activities of a cross-cutting nature that involve material capital investments; or do not represent a cost related to the management activities of UNFPA			
TOTAL: 1392.3 million (100%)		Corporate: 29.4 m. (2.1 %)			
		Country: 911.4 million (65.5%)	Regional: 154.6 million (11.1%)	HQ: 297.0 million (21.3%)	