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UNFPA – Structured funding dialogue

UNITED NATIONS POPULATION FUND

Report on the structured funding dialogue, 2021-2022

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 United Nations 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 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, 2022-2025, this report provides an overview of resource trends, the current situation and funding perspectives, considering both core and non-core resources, and the organization's trajectory from funding to financing. The report also presents forward-looking perspectives on UNFPA funding in 2022 within an increasingly complex geopolitical context. The report concludes with elements of a decision.



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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 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, 2022-2025, this report provides an overview and analysis of the resource trends, the current situation and funding and financing perspectives, considering both core and non-core resources.
4. With the impact of the COVID-19 pandemic continuing to be felt and the increasingly complex geopolitical contexts affecting peace and security, UNFPA needs to redouble its efforts to bridge the gap in the achievement of the three transformative results in support of Sustainable Development Goals (SDGs) and address growing global humanitarian needs.
5. As UNFPA 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 transformative results. 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 (ICPD+25).
6. UNFPA will continue to implement 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.¹
9. Improvements in the quantity and quality of funding lie at the centre of the Funding Compact. 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.

¹ <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 UNFPA strategic plan, 2022-2025, 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.

B. Progress achieved on the Funding Compact in 2021-2022

11. Three years into the Funding Compact implementation, the overall picture is mixed. As highlighted in the Secretary-General's report on funding of the United Nations development system (May 2022),² there has been solid progress on United Nations Sustainable Development Group (UNSDG) commitments, whereas there has been less progress – and even regression, in some cases – on Member States commitments. In 2021, there was a systemwide decline in the percentage of core resources provided for development initiatives, as well as a decline in the number of contributors to core. There has been growth in the percentage of non-core resources channelled through interagency pooled funds and single-agency thematic funds, though this funding continues to be concentrated around a small number of Member State contributors. There was growth in multi-year funding, though this is still significantly below target levels.

12. UNFPA is on track for all United Nations development system commitments, meeting or surpassing 95 per cent of those targets. However, regarding Member States commitments, there are several shortfalls (presented in greater detail in annex 1). Most notably, the overall ratio of core to non-core resources dropped in 2021 to 28 percent, below the Funding Compact threshold. Development funding provided through flexible instruments, such as agency-specific thematic funds, also declined, though these remained above threshold levels.

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.

In Namibia, UNFPA, in partnership with UNDP, UNICEF and the International Labour Organization (ILO), led the undertaking of an investment case on ending unmet need for family planning and ending gender-based violence, as well as an

² Report on implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding of the United Nations development system (A/77/69/Add.1-E/2022/47/Add.1).

ongoing multisectoral budget analysis as part of the Integrated National Financing Framework implementation plan. Concurrently, UNFPA and ILO are partnering on strengthening gender-responsive and employment-sensitive budgeting processes with parliamentarians and sector-line ministries.

In the Lao People's Democratic Republic, through the Joint SDG programme on financing, UNFPA provides technical assistance to the Government to develop a financing strategy to ensure that development finance is available and accessible for the achievement of the ninth National Socio-Economic Development Plan. The workstream led by UNFPA focuses on the development of an investment case for sexual, reproductive, maternal, newborn and child health that has two parallel objectives: identifying the most relevant and efficient interventions in the health sector and setting a precedent in terms of evidence-based policymaking.

C. Perspective

13. 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 contributing its part towards greater transparency, “jointness”, efficiency, and recognition, so that, in turn, governments and the public continue to significantly invest in the multilateral system.

14. Multilateralism is essential as the best platform for immediate response to global crises and the best defence against future global threats. 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.

III. UNFPA structured funding dialogues

A. UNFPA structured funding dialogues: goals, objectives and progress

15. The UNFPA structured funding dialogues provide an update on financing the results of the UNFPA Strategic Plan, 2018-2021, and on progress made on entity-specific commitments of the Funding Compact. UNFPA has made significant progress in harmonizing its structured funding dialogue report with those of UNDP, UNICEF and UN-Women, as well as improving the quality of the dialogues through joint informal sessions with Member States.

16. The UNFPA structured funding dialogues aim to build and maintain a more diverse coalition of donors and more predictable financing for the realization of universal access to sexual and reproductive health and reproductive rights towards 2030. In addition to system-wide agency-specific commitments spelled out in the Funding Compact, UNFPA is pursuing more specific targets, through its corporate resource mobilization strategy and the structured funding dialogues, to maintain a high level of ambition and engagement with Member States.³

17. The structured funding dialogues provide a unique platform for Member States to gain a greater understanding of the funding situation of UNFPA, exchange views on ways to better link results to resources and discuss progress on the United Nations Funding Compact.⁴ Over the past strategic plan cycle (2018-2021), at least one each of formal, informal and joint structured funding dialogues were held per year.

³ <https://www.unfpa.org/structured-funding-dialogues>.

⁴ 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

18. Over the past years, UNDP, UNFPA, UNICEF, and UN-Women intensified their collaboration on the structured funding dialogues through an informal inter-agency working group. Taking note of Executive Board requests to further improve their quality, format and reporting, the four agencies have implemented more granularity regarding results, improved linkages and analysis, and increased harmonization in structured funding dialogue reporting.

19. Joint structured funding dialogues with the membership of the three Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women have taken place annually since 2019. In January 2020, a [joint briefing](#) was held to discuss options to improve the format, content and frequency of structured funding dialogues. In May 2021, in line with the decisions of the three Executive Boards adopted in September 2020, a [joint analysis](#) was presented to Executive Board members and observers on how the agencies planned to mitigate the effects of potential decreases in global official development assistance. This joint approach, which also contained recommendations to Member States, are expected to increase the impact on the quality of income, core-resource funding gaps, thematic funding and multi-year funding commitments.

IV. Overall funding situation

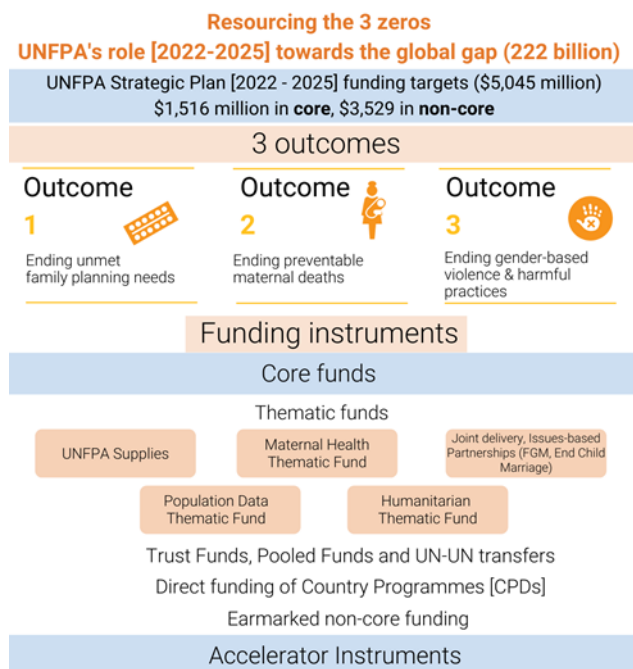
20. Despite the global economic downturn and an increasing uncertainty due to growing and cascading humanitarian crises, in 2021, UNFPA maintained a healthy resource situation, with both core and non-core funding above the strategic plan targets. This clearly signals the international solidarity and donor trust in the ability of UNFPA to adapt and deliver results, even under increasingly complex circumstances.

A. UNFPA funding architecture

21. UNFPA is voluntarily funded through public-sector donors (government, multilateral and inter-governmental partners), private donors (the private sector, foundations, individual giving, among others), and other international sources. 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 specific projects), whether softly and tightly earmarked.

Figure 1.



22. For its new Strategic Plan, 2022-2025, UNFPA is maintaining the existing funding architecture – with the four UNFPA thematic funds and two flagship joint programmes – but is also establishing new accelerator instruments to diversify the funding base and further expand the organization’s capacity to foster innovation, new strategic initiatives and various bridging instruments, as part of the evolution of its funding and financing mechanisms. UNFPA has launched several accelerator instruments, such as the Innovation Fund, the Reproductive Health Bridging Fund and the Strategic Investment Facility, and advanced the development of blended financing mechanisms. These instruments will be monitored for effectiveness.

**Bridge-financing mechanism for domestic resource mobilization:
Reproductive Health Bridging Fund**

Building on the successful bridge-financing mechanism in support of the UNFPA Supplies Trust Fund developed in 2017, UNFPA is now looking to receive initial investments in support of the creation of the Reproductive Health Bridging Fund.

With the establishment of this mechanism, the donor community will support UNFPA capacity to provide programme countries with timely and less expensive procurement services, and increase the quality of UNFPA technical assistance, at corporate and country office levels, making the Fund more than a mere credit line for programme countries.

The Reproductive Health Bridging Fund aims to leverage the full breadth of UNFPA sexual and reproductive health (SRH) commodity procurement capacity, and at attracting a broader range of contribution sources to:

- Create sustainable pathways for countries towards self-sufficiency in their SRH procurement needs;
- Bridge temporary funding gaps between domestic budget availability and procurement needs;
- Allow programme countries to make better use of their resources;
- Achieve greater economies of scale, resulting in lower prices;
- Reduce supply-chain lead times.

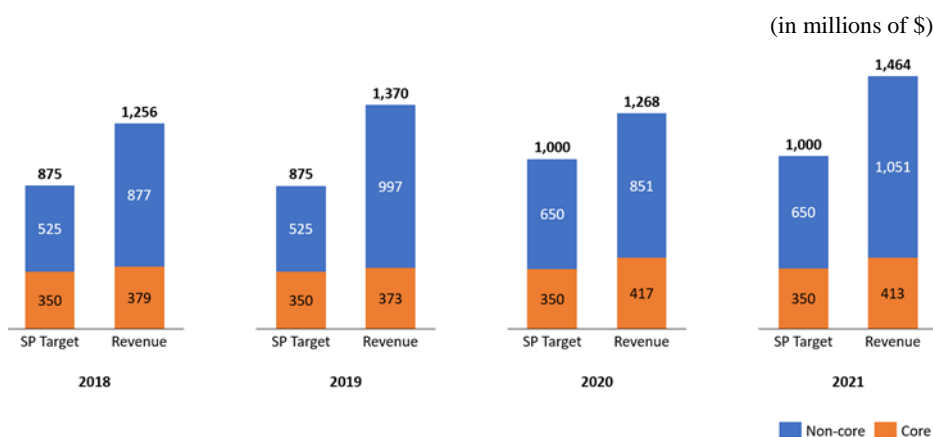
B. Funding situation per funding instrument

23. In 2021, UNFPA reached its highest revenue on record – \$1,464.1 million – demonstrating the commitment of contributors to achieve the three transformative results of UNFPA, or three zeros. UNFPA reached or surpassed most of its resourcing and output targets over the course of the Strategic Plan, 2018-2021.⁵

24. The overall UNFPA funding situation in 2021 can be qualified as positive, though mixed. While registering a record high revenue, this was achieved through an increase in earmarked funding, while core funding declined slightly. This has led to an increasingly imbalanced funding situation, with increasing overall funds but declining proportions of core and quality non-core funding.

25. While overall financial situation of UNFPA was robust in 2021, 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 results-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, however, that the funding needed to achieve the ‘three zeros’ is met. 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’.

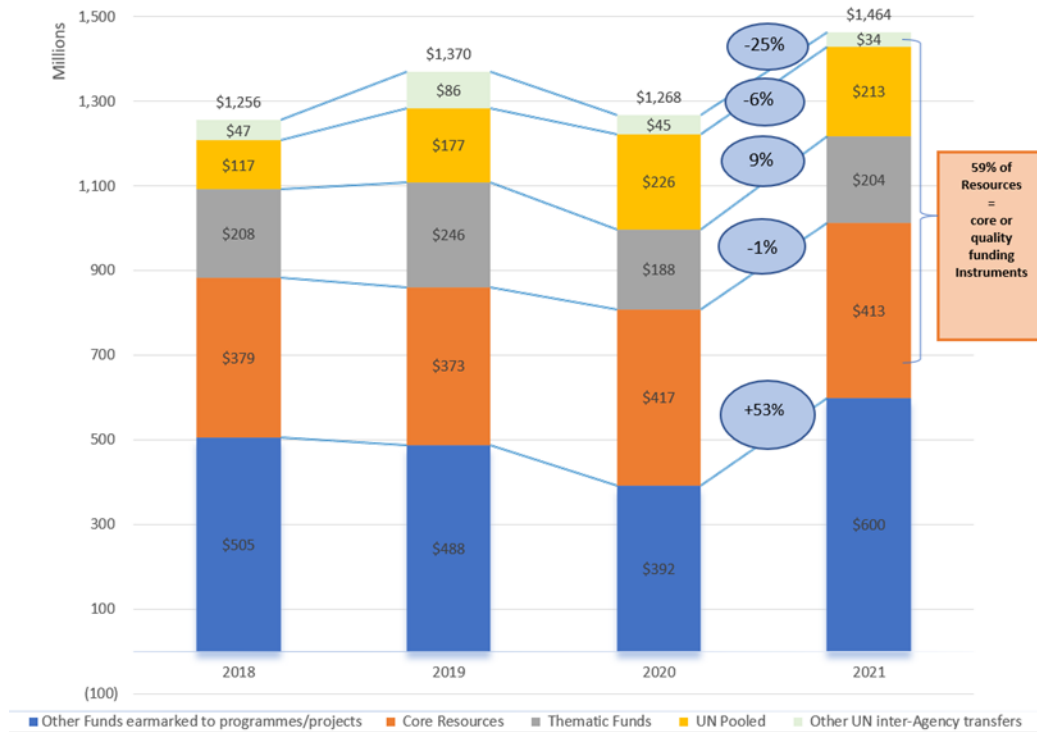
Figure 2.
Strategic Plan, 2018-2021, targets, compared to actual revenue in 2018-2021



26. Despite continuing to make the case for core and high-quality funding, in 2021, core resources declined by 1 per cent, as did funding for some flexible funding instruments, such as pooled funding (by 6 per cent). Thematic funds were stable and increased slightly (by 9 per cent) but this was largely due to an increase in funding to the UNFPA Supplies Partnership; other UNFPA thematic funds experienced a decline. However, there has been a 24 per cent increase in non-core funding since 2020, as outlined in figure 3 below. This growth stems predominantly from increases in humanitarian funding and growth in revenue from international financial institutions and private-sector foundations.

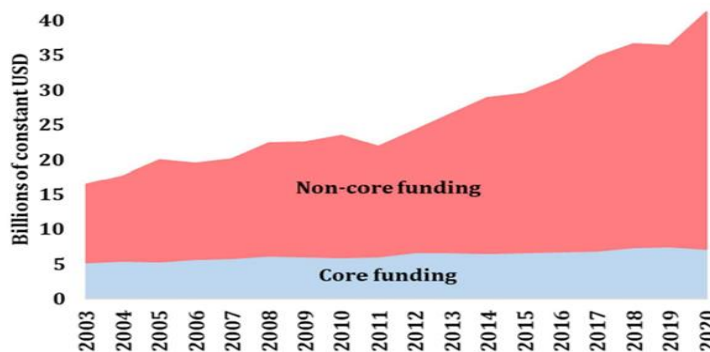
⁵ For details of the results performance in 2021, please see the annual report of the Executive Director on the implementation of the strategic plan, 2018-2021 (DP/FPA/2022/4 (Part I)).

Figure 3.
Evolution and relative proportion of UNFPA funding instruments (2018-2021)
 (in millions of \$)



27. Across the entire United Nations system, there has been a growth in co-financing combined with stagnant core funding, as demonstrated in figure 4 below. This pattern of declining flexibility poses challenges. It can lead to 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.

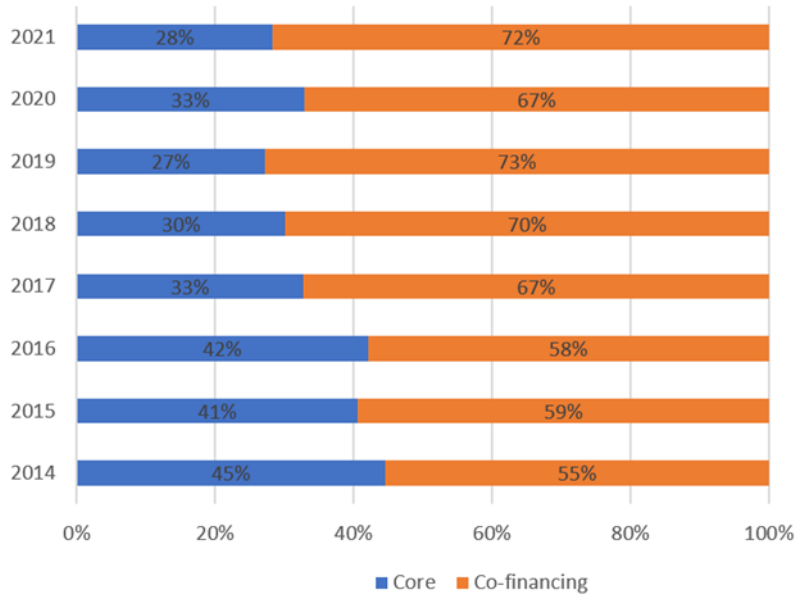
Figure 4.
Trends in core and non-core funding flows to the United Nations development system, 2003-2020⁶



⁶ 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

28. In the case of UNFPA, there has been a similar pronounced change in the proportion of core and non-core funding, with a dramatic shift towards non-core. The proportion of core funding versus non-core has dropped from a relatively balanced 45 per cent (to 55 per cent non-core) in 2014 to 28 per cent in 2021 (see figure 5). It is thus essential for UNFPA 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 core, thematic and pooled funds.

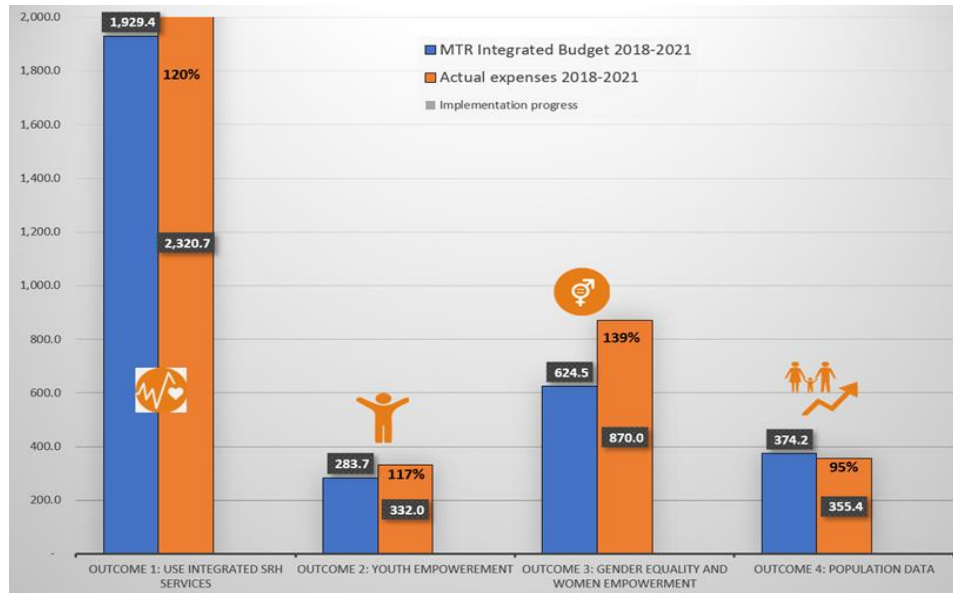
Figure 5.
Proportion of core and non-core resources, 2014-2021



C. Allocation of resources

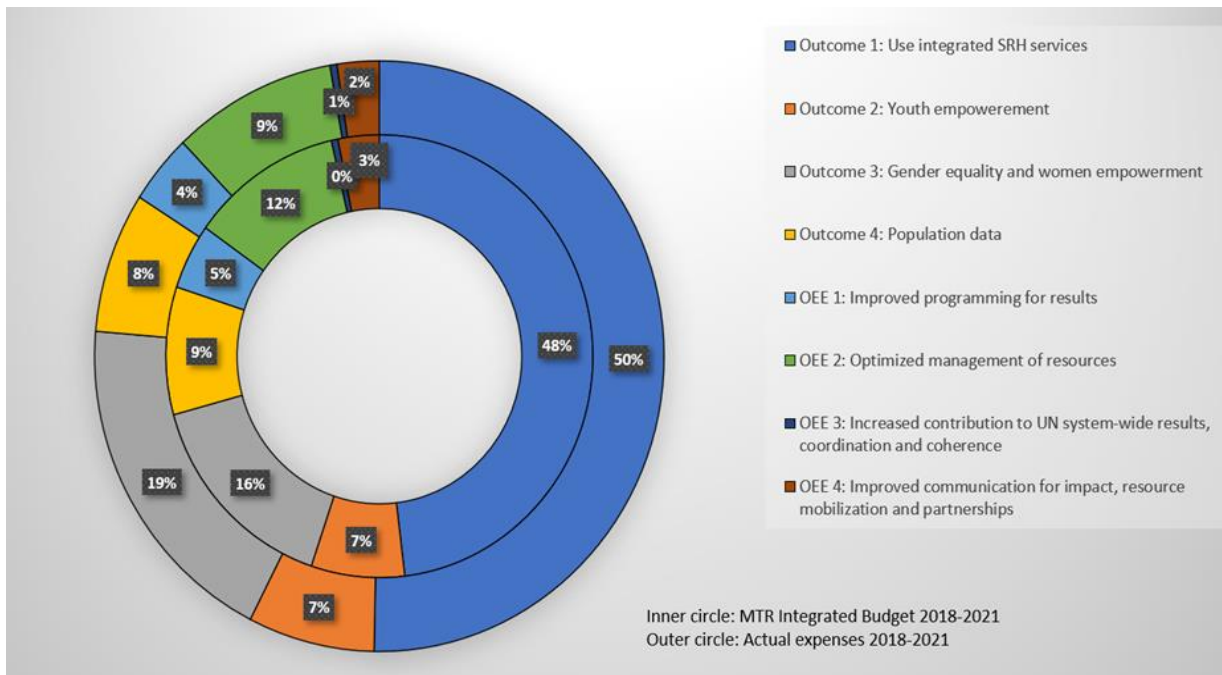
29. The cumulative allocation of resources per outcome during the Strategic Plan, 2018-2021, is presented in figure 6 below. UNFPA had robust implementation capacity, supported by an adequately funded resources framework. Of note is the high level of expenditure (139 per cent) for outcome 3 (gender equality and women’s empowerment), which demonstrates a positive trend toward greater investments in women and girls and efforts to ‘leave no one behind’. Additionally, with a 120 per cent of disbursement rate for outcome 1 (sexual and reproductive health), and 117 per cent for outcome 2 (adolescents and youth), UNFPA has demonstrated its capacity to implement its strategic plan despite the increasingly challenging contexts.

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



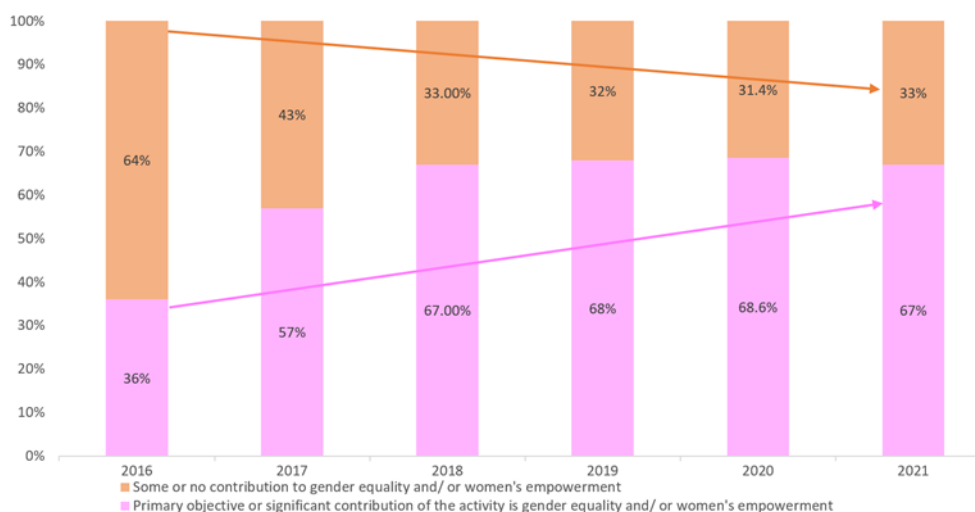
30. In figure 7, the distribution of actual cumulative expenses for 2020-2021 show good alignment with the planned indicative allocation of resources per outcome and organizational efficiency and effectiveness output for the four years of the strategic plan, 2018-2021. In other words, resources continue to be disbursed as intended at a solid disbursement rate and as approved by the Executive Board.

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



31. There is a positive trend in investment in gender equality and women’s empowerment. Gender marker data shows an increase of expense activities identified as primary or significant objectives towards gender equality and women’s empowerment (figure 8). However, not all gender equality indicators were achieved in 2021, 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 COVID-19 pandemic.

Figure 8.
UNFPA expenses, by gender marker, 2016-2021



32. As presented in table 2 below, the relative percentages of resources allocated to each category of countries in 2018-2021 are within the ranges approved by the Executive Board.⁷ 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.⁸

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, 2018-2021	58%	14%	11%	17%

* The quadrant allocation system applied to the previous strategic plan, 2018-2021. The new Strategic Plan, 2022-2025, has classified programme countries into three tiers, based on whether they reach or exceed thresholds relating to the three transformative results.

⁷ See annex 4 of the strategic plan, 2018-2021. Data applies to core programmable funds only.

⁸ Detailed information on country and regional allocations is available in the 2020 statistical and financial review, available [here](#).

V. Core funding

A. The case for core resources

33. UNFPA core resources provide partner and donor countries with its unique expertise, 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, particularly those most in need, with high-quality support and standardized approaches. Core resources represent the most effective investment donors can make in UNFPA, and their value in supporting flexible interventions was visibly demonstrated, for instance, through the Fund's rapid response to the pandemic. 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.

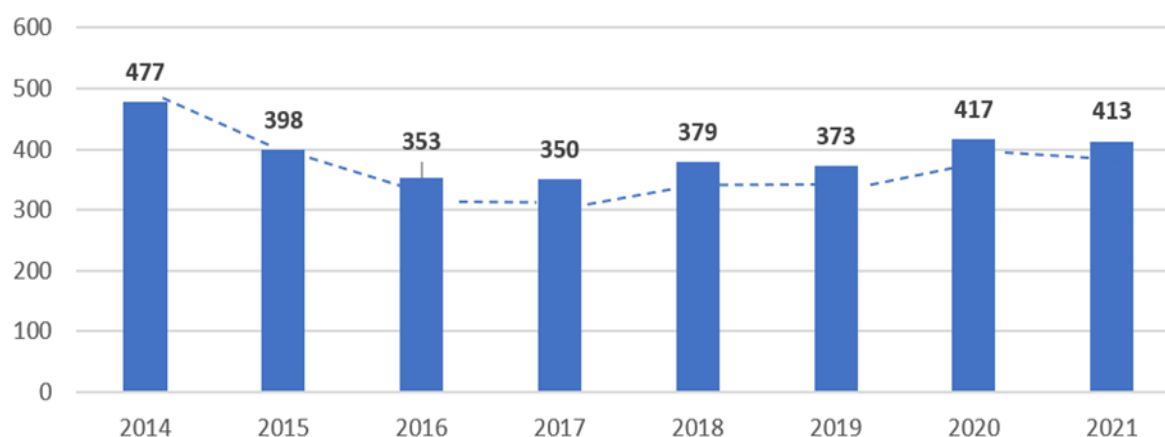
34. The UNFPA Strategic Plan, 2022-2025, calls for 'leaving no one behind', which requires mobilization of a minimum of regular resources (estimated at \$376 million in 2022 and growing incrementally over the strategic plan period). In recent years, UNFPA has been able to stabilize the decline in funding for core resources, as presented in figure 9 below.

35. To maintain this momentum, UNFPA launches an [annual core-resources mobilization campaign](#), which began early in 2021. Official communication to almost 200 governments is followed by reminders via United Nations permanent missions and direct outreach to capitals via the UNFPA country and regional offices. UNFPA senior management (notably with the two UNFPA Deputy Executive Directors as 'champions') is also directly involved in these efforts, regularly advocating for core resources with officials and delegations.

36. Raising awareness among Member States and potential donors through regular dialogues with the Executive Board and giving visibility to results achieved with core resources are an important part of the mobilization efforts for core resources. This is also done together with partner United Nations agencies, using social media to recognize core-contributors: #PartnersAtCore; #FundUNFPA.

Figure 9.
Recorded core resources, 2014-2021

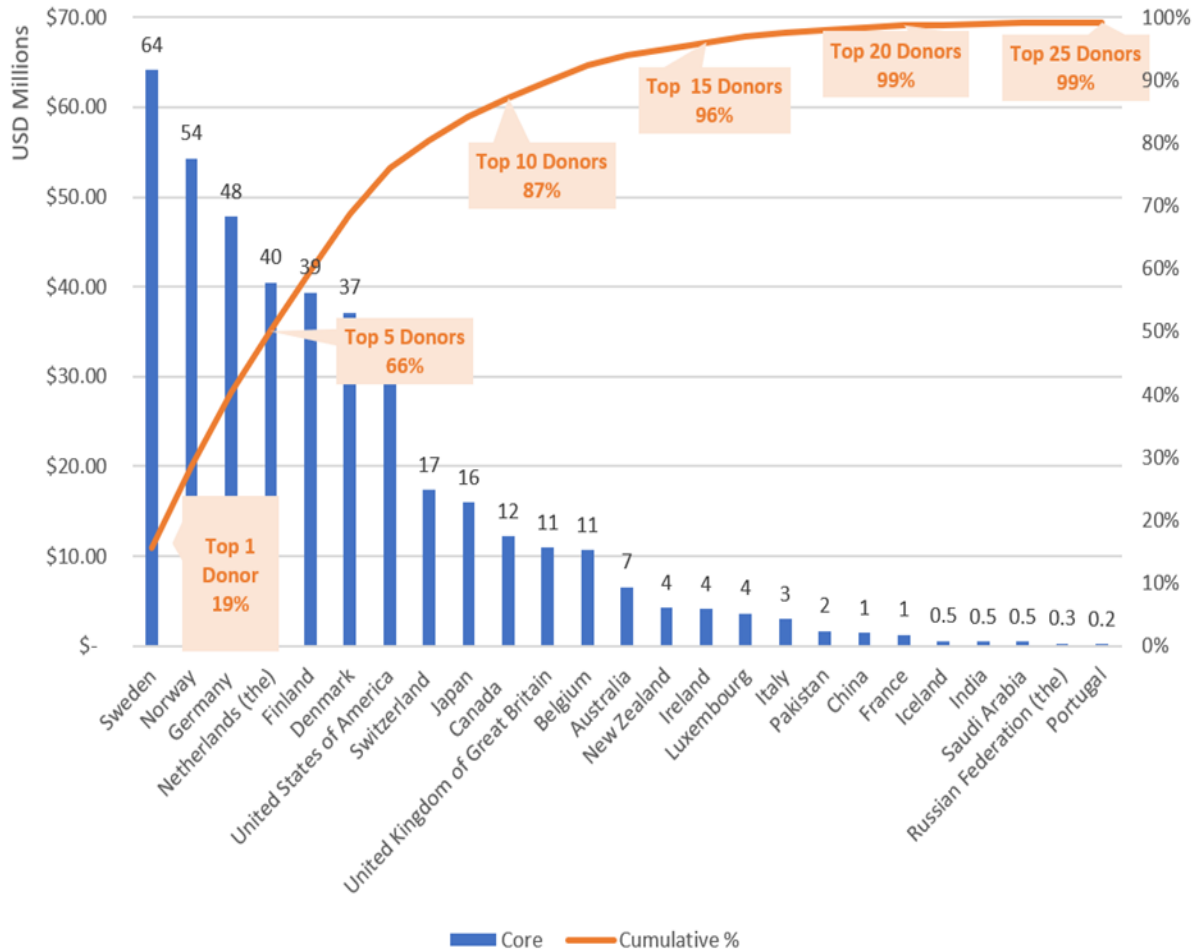
(in millions of \$)



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

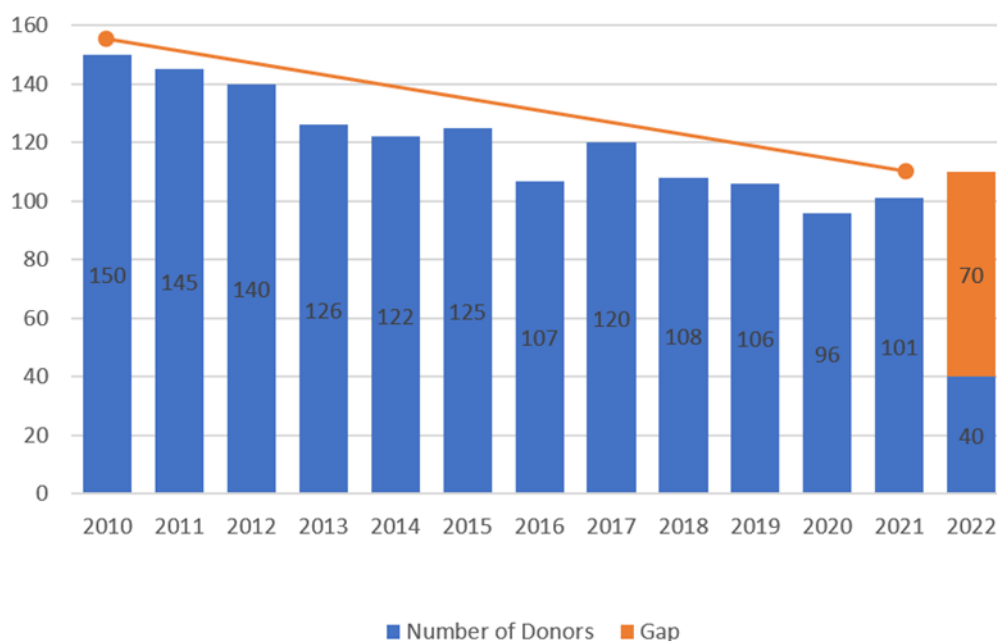
37. The UNFPA core funding structure is characterized by a reliance on voluntary contributors of a small number of governments. As shown in figure 10, in 2021, 15 donors contributed 96 per cent of the total core resources, all from the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) countries. While UNFPA has been able to reliably count on the consistent generosity of these traditional donors, the Fund continuously seeks to broaden its donor base to lower the financial risk for UNFPA programmes.

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



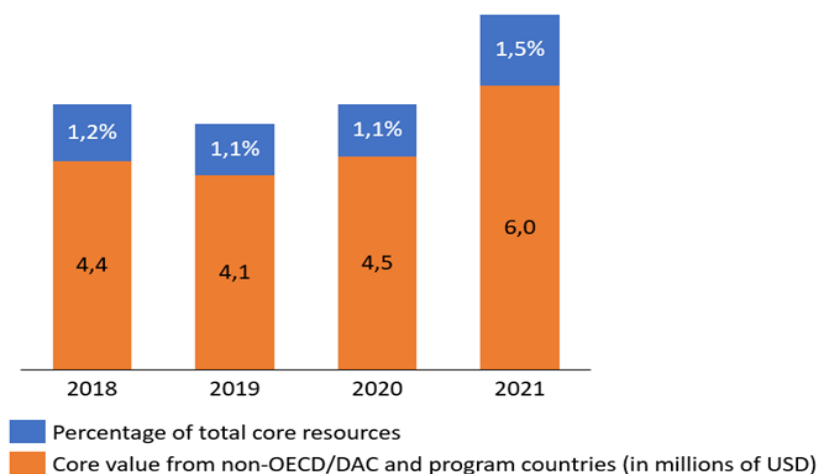
38. Through strategic outreach and mobilization efforts at global, regional and country levels, the overall number of donors to core resources rose from 96 in 2020 to 101 in 2021. As of 1 May 2022, despite the launch of the 2022 Core Campaign and repeated calls through the Executive Board and the structured funding dialogues, only 40 countries have thus far pledged support to the UNFPA core budget, the same as last year at that time. Efforts in New York, and indeed in all regions, will continue to seek to broaden the coalition of core contributors and rally more support around the UNFPA mandate, particularly among emerging donors and programme countries.

Figure 11.
Number of core contributors, 2010-2021, and gap to reach the 110 donors target for 2022



39. As shown in figure 12, core contributions from non-OECD/DAC and programme countries remain low but grew in 2021 to 1.5 per cent of total core revenue. 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 available core resources, without adding transaction costs.

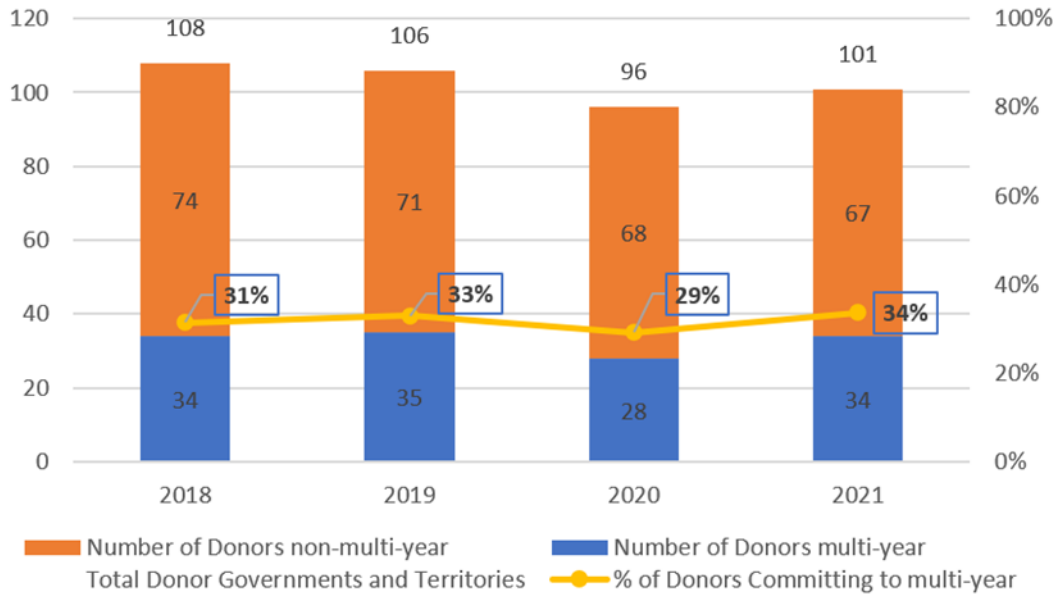
Figure 12.
Trend of core contributions from non-OECD/DAC and programme countries (2018-2021)



C. Multi-year contributions to core resources

40. The number and proportion of donors providing multi-year core funding to UNFPA has been stable, though not increasing over the past few years, as shown in figure 13. In 2021, 34 donors committed to multi-year core funding, six more than in 2020.

Figure 13.
Number and percentage of multi-year core donors (2018-2021)

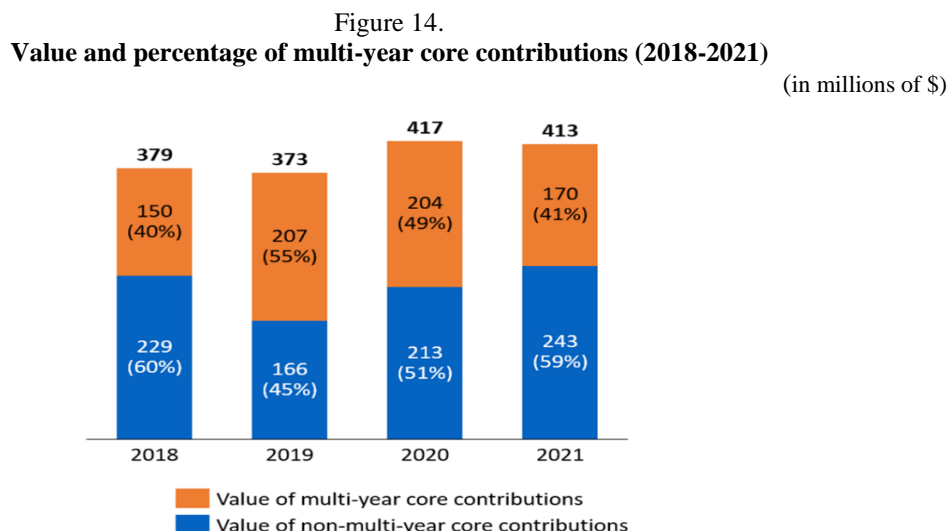


THE VALUE-ADDED OF MULTI-YEAR CONTRIBUTIONS

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

- Deliver on the UNFPA mandate to assist in realizing the ICPD Programme of Action and to support global policy change related to sexual and reproductive health and reproductive rights for women, girls and young people;
- Plan better 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 in crisis situations;
- Strengthen coherence between development and humanitarian programmes by allowing better integration of resilience-building strategies within the wider development programming;
- Deliver more impactful programming, adaptable to changes in circumstances, conditions and local needs;
- Reduce the workload of country offices and lower costs associated with managing steady operations.

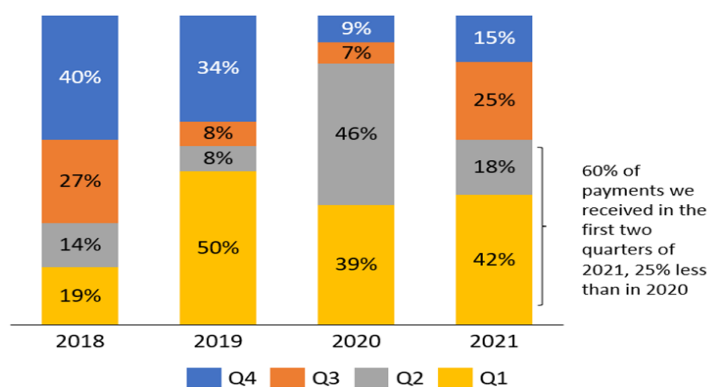
41. As presented in figure 14, the overall value and percentage of multi-year core contributions⁹ has consistently increased over the same period, reaching a peak in 2019. However, in 2021, slight declines in volume and percentage were registered. With a shrinking fiscal space, conflicting priorities and emergency measures, countries may have found it more difficult to commit to multi-year contributions.



D. The criticality of early payment of contributions

42. Early and timely payment of funding commitments is critical to the effective and efficient planning and management of UNFPA programmes and operations. With uncertainty around the economic impact on currency and market volatilities caused by the long-term impacts of the global COVID-19 pandemic, increasing humanitarian needs and current global peace and security complexities, early payment of core resources is more critical than ever. In 2021 and 2022, UNFPA called on partners to expedite core payments. As of May 2021, only 60 percent of contribution payments had been received, a 25 per cent decline compared to 2020 (figure 15). UNFPA appeals to all donors to expedite payments for 2022 and to continue to demonstrate solidarity and commitment to predictability.

Figure 15.
Timing of revenue recorded 2018-2021 (as a percentage of total per quarter a year)



⁹ 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.

VI. Non-core funding and instruments

A. Overall situation and key-contributors

43. As presented in section IV above, over the past strategic plan, 2018-2021, there was continuous and significant growth in non-core resources, both in absolute and relative terms. UNFPA top contributors for 2020 and 2021 are listed in table 3 below. United Nations pooled funds and inter-agency transfers remain the top source of non-core contributions. This demonstrates the Fund's strong positioning within joint-up programming and its ongoing commitment to implementing United Nations development system reform, and the recognition that the UNFPA mandate plays a catalytic role for United Nations system-wide operations and the achievement of the SDGs.

Table 3.
UNFPA non-core resources – top contributors and volume of contributions (2020-2021)
(in millions of \$)

	2020		2021
United Nations and Interorganizational transfers*	272	United Nations and Interorganizational transfers*	247
United Kingdom of Great Britain and Northern Ireland	112	Canada	73
European Commission	50	United States of America	63
Netherlands	52	Sweden	62
Canada	40	European Commission	59
Sweden	40	Norway	54
Denmark	37	Netherlands (the)	52
Republic of Korea	26	Denmark	50
Norway	23	Bangladesh**	39
Australia	21	Republic of Korea	37
Others	172	Others	316
Total	845	Total	1,051.5

* 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.

** Bangladesh is a key partner to UNFPA with funding support provided by the World Bank

B. UNFPA thematic funds

44. Thematic funding is a clear demonstration of good multilateral donor commitment. The Funding Compact requires Member States to double their contributions to single-agency thematic funds by 2023. In 2021, contributions to the four UNFPA thematic funds grew to \$205 million, an increase of 9 per cent from 2020. Growth was predominantly from increased funding to the UNFPA Supplies Partnership, while the other three thematic funds showed mixed results, with either declining or stable funding patterns.

45. The four UNFPA thematic funds were established to support 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 effects of the pandemic.¹⁰

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, generate savings in transaction and reporting costs;
- Much higher return on investment than highly earmarked contributions.

¹⁰ UNFPA thematic funds in the context of the COVID-19 pandemic response, accessible [here](#).

46. Launched in 2007, 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 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. UNFPA Supplies 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 and family planning programming. The Supplies Partnership is a platform for promoting reproductive health, including family planning, as a core element and driver of sustainable development. In 2020 and 2021, the Partnership is estimated to have provided support to countries with the lowest incomes and highest levels of maternal mortality in preventing 17.4 million unsafe abortions, averting 373,000 maternal and child deaths.

47. 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. The thematic fund 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. It 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, the thematic fund 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.

48. 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 earmarking, 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, including in the challenging humanitarian crisis in Afghanistan. The humanitarian thematic fund disbursed close to \$20 million in 2021 to nearly 50 country and regional offices. In many humanitarian settings, the fund provided vital seed funding to kick-start response operations while waiting for the receipt of bilateral donor contributions. It further supported UNFPA performance concerning localization, where 26 per cent of funds were provided to implementing partners. Some 63 per cent of the fund's contributions to implementing partners went to local actors. The biggest expense category for the fund in 2021 was supplies, commodities and materials, accounting for about 50 per cent (\$7.7 million) of total expenses.

49. 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 support for strengthening population data systems at the country level through four pillars: (a) population and housing census; (b) civil registration and vital statistics; (c) geospatial data; and (d) the UNFPA Population Data Portal. With 45 per cent of SDG indicators requiring reliable population data, geographically precise disaggregated data are vital to locating and identifying those left behind in all dimensions of gender equality, sexual and reproductive health and related vulnerabilities, and serving those with the greatest need first. Population data are also essential for guiding humanitarian response efforts, as they constitute the Common Operational Datasets on Population Statistics, used by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) for estimating the numbers and locations of populations at risk. The COVID-19 pandemic has led to widespread delays across the world

in the implementation of the 2020 round of population and housing census, with more than 80 UNFPA programme countries now urgently aiming to implement the census in 2022 or 2023.

C. United Nations pooled funds and joint programmes

50. Contributions from the United Nations system remain one of the largest sources of funding to non-core in 2021. United Nations pooled funds and joint programmes require integrated joint delivery and collaboration to bring added value at the global and local levels. As shown in figure 3, funding via this modality declined from \$272 million to \$247 million in 2021, a decline of 9 per cent. 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.

51. In 2021, UNFPA has engaged in United Nations system structures for coordination, from the COVID-19 pandemic 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. UNFPA co-leads the SDG Invest cluster on people and health (together with the International Labour Organization). The Gender and Youth Promotion Initiative of the Peacebuilding Fund has proven to be an important resource mobilization opportunity for UNFPA, as well 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.

52. UNFPA continues to partner at scale with other United Nations 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 as well as the Global Programme to End Child Marriage.

A Joint United Nations regional programme – 2gether4SRHR

The [UNFPA-UNICEF Joint Programme on the Elimination of Female Genital Mutilation](#) and the [UNFPA-UNICEF Global Programme to End Child Marriage](#) are the largest global programmes addressing female genital mutilation (FGM) and child marriage. The Joint Programme (launched 2008) and the Global Programme (launched 2016) support holistic and integrated approaches and interventions at global, regional and national levels with the aim of establishing enabling policy and legal frameworks, galvanizing communities to abandon the harmful practices, empowering adolescent girls, and providing preventive and protective services. The programmes have succeeded in fostering a global movement to end these practices and giving them prominence in international, regional and national-level political processes and forums. The Joint Programme provides direct financial and technical assistance to 17 countries and the Global Programme to 12 countries to support their national initiatives addressing female genital mutilation and child marriage, respectively. In addition, the programmes have a global influence through technical support and the sharing of knowledge and experiences with partner organizations and in other countries where UNFPA operates.

In 2021, the Joint Programme supported 4,475 communities, involving more than 3.46 million people to make public declarations to abandon FGM, and provide health, social and legal services related to FGM to over 515,000 girls and women. The Global Programme has empowered nearly 8 million girls and more than 5 million community members in its first phase, improving the quality of services at 50,000 schools and health facilities, as well as gender-based violence and child protection units.

D. Programme country Governments and international finance institutions

53. The contributions of programme countries to their own country programmes increased to \$76.6 million in 2021, with \$19.8 million coming directly from programme countries and an additional \$56.8 million through financing support from international financial institutions.

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

Donors	2020	Donors	2021
Cote d'Ivoire	11.0	Bangladesh	38.8
Ecuador	4.3	Democratic Republic of Congo	17.6
India	3.3	Malawi	4
Angola	2.5	Uruguay	4
Guinea, The Republic of	2.3	Haiti	3.7
Mexico	2.1	Peoples Republic of China	2
Peoples Republic of China	2.0	Panama	1.2
Nigeria	1.5	Colombia	1
Democratic Republic of the Congo	1.2	Nigeria	0.8
Others*	3.3	Others*	3.5
Total	33.5	Total	76.6

54. UNFPA is making significant efforts to support Governments in accessing sustainable development financing and increasing domestic resource allocations for their own development goals. The Fund is greatly 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 evidence-based economic analyses to demonstrate the cost-effectiveness of interventions and advocate for greater and better public allocation of resources towards sexual and reproductive health and reproductive rights and, more broadly, the SDGs.

55. In line with the Secretary-General's Roadmap for Financing the 2030 Agenda, UNFPA has focused on developing joint frameworks of collaboration with multilateral development banks to strengthen regional and country-level synergies. UNFPA has become a trusted partner for international financial institutions. This kind of collaboration is exemplified by 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. This partnership has been scaled up, with activities currently underway in Chad, Côte d'Ivoire, Mali and Mauritania, and expansion into Cameroon and the Republic of Guinea planned.

Bangladesh and World Bank partnership

In January of 2021, UNFPA signed an agreement for \$38.8 million with the Government of Bangladesh, to implement the World Bank-funded Health and Gender Support Project to strengthen integrated sexual and reproductive health and rights (SRHR) and gender-based violence (GBV) prevention and response services across the entire Cox's Bazar district. Through this timely investment, UNFPA will upgrade health facilities and strengthen the provision of sexual and reproductive health services, as well as strengthen the Government's capacity to deliver integrated and enhanced SRHR and GBV services in the Cox's Bazar district, including in the Rohingya camps. This contribution is the result of a long-standing collaboration between the World Bank, UNFPA, and the Government of Bangladesh in several areas, from COVID-19 pandemic response to health system strengthening.

56. Beyond the already well-established partnerships, UNFPA is engaging with a growing number of international financial institutions through technical cooperation and implementation of programmes financed by the international financial institutions.

57. UNFPA also continues to work with 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.

E. European Commission

58. In 2021, non-core contributions received from the European Commission totalled \$59 million, an increase of \$9 million over the \$50 million received in 2020. The partnership between UNFPA and the European Commission continues to grow, evident in 18 new agreements and two top-ups to existing agreements. UNFPA support from the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations included humanitarian activities in Belarus, Iraq, Jordan, Lebanon, South Sudan, Sudan, Syrian Arab Republic, Türkiye and Yemen.

In Iraq, because of its partnership with the European Commission, UNFPA provided 135,275 primary health care consultations at reproductive health clinics (static and mobile) including: antenatal and postnatal care, family planning, management of sexually transmitted diseases, menstruation hygiene and gynaecological consultations. UNFPA also supported 7,711 vulnerable women in providing safe deliveries (6,159 cases of normal vaginal delivery and 1,552 caesarean sections).

59. New funding was provided by the European Commission Directorate-General for Neighbourhood and Enlargement Negotiation for projects in Albania, Armenia, Belarus, Georgia, Palestine, Serbia, Tunisia and Ukraine, as well as from the European Commission Directorate-General for International Cooperation and Development for the global project in the South Caucasus to address gender-biased sex selection and related harmful practices. Additional funding was also committed for new projects in Bosnia-Herzegovina and Türkiye.

60. Another important dimension of the partnership between the European Union and UNFPA is under the Spotlight Initiative. Its aim is to eliminate all forms of violence against women and girls and to contribute towards the achievement of the SDGs, specifically SDG 5 on gender equality and SDG 16 on inclusive societies. Together with UN-Women and UNDP, UNFPA is one of the three core Spotlight Initiative agencies. To date, UNFPA has received \$93 million from the Spotlight Initiative, with currently 26 country programmes and four regional programmes being implemented under the Spotlight Initiative.

F. Emergency preparedness and humanitarian response

61. UNFPA response teams were on the ground throughout 2021, in response to the devastating effects of protracted crises, natural disasters and disease outbreaks, saving lives and restoring dignity and hope to affected populations in critical emergencies, including in Afghanistan, northern Ethiopia, the Syrian Arab Republic, Venezuela and Yemen. In 2021, UNFPA and its partners delivered humanitarian aid to millions of women and young people in more than 60 countries. More than 29 million women of reproductive age received sexual and reproductive health services, including contraceptives, supplies for safe deliveries and personal protective equipment. Approximately 2 million survivors of gender-based violence accessed services through 12,000 safe spaces supported by UNFPA. Innovation and new ways of working during the COVID-19 pandemic helped UNFPA to reach over 75 million people, both

remotely and in person, with information about sexual and reproductive health and gender-based violence.

62. UNFPA humanitarian co-financing revenue grew in 2021, with total contributions of \$349 million. This represented 33 per cent of UNFPA co-financing revenue. That is a 25 per cent increase from 2020 levels and almost double the amount received in 2018.

63. The UNFPA surge mechanism also received in-kind support, valued at \$1,487,331 from its six standby partners (Danish Refugee Council; Norwegian Refugee Council; CANADEM; iMMAP; Swedish Civil Contingencies Agency and RedR Australia). In-kind support supported the deployment of 29 personnel to 15 UNFPA country offices responding to humanitarian emergencies. In addition, via a strategic partnership between UNFPA and NORCAP of the Norwegian Refugee Council (based on an equal cost-sharing arrangement), the regional Gender-Based Violence Area of Responsibility technical support structure was strengthened. As a result, UNFPA regional offices across five regions received the support of 14 minimum standards for prevention and response to GBV in emergencies (GBViE) advisors and GBV information management specialists.

64. 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 2021, CERF and country-based pooled funds contributed \$62 million to support UNFPA operations in 53 countries. Other donors to UNFPA humanitarian action in 2021 included Australia, Austria, Bulgaria, Canada, Cyprus, Denmark, Estonia, the European Commission, Finland, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, the Republic of Korea, Saudi Arabia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

65. Another funding source is the UNFPA Emergency Fund, 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 to invest in preparedness activities and respond to protracted crises, expanding the reach and scope of the life-saving humanitarian operations of UNFPA. In 2021, the Emergency Fund allocated \$10 million to 36 UNFPA country and regional offices, reaching 3.5 million people in humanitarian need.

G. Private-sector and other strategic partnerships

66. Private-sector contributions to UNFPA have steadily increased over the past decade. In 2021, UNFPA continued to strengthen its partnerships with non-traditional partners, securing about \$67 million in contributions from the private sector and foundations, involving some 100 partners. The above figures include support for the UNFPA Supplies Partnership and exclude other '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.

67. UNFPA further strengthened its relationship with key private-sector partners and enhanced the resources received from them 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. This included \$56 million in emergency support from three foundations, including the Bill & Melinda Gates Foundation and the Children's Investment Fund Foundation. Private corporations such as Bayer AG also contributed emergency support to the UNFPA Supplies Partnership through the donation of cash and in-kind goods.

68. In addition to funding and in-kind contributions, significant work has been achieved to engage partners in diverse partnership modalities (alliances, reach partnerships and brainpower partnerships). UNFPA partnered with Global Citizen to mobilize private and public partners to provide emergency financial support to the UNFPA Supplies Partnership. This allowed UNFPA to showcase the contributions by the three foundations and corporations and create communication content highlighting the urgent need to support family planning during a global event followed by millions of viewers.

69. UNFPA continued to work with a range of brainpower partners to implement innovative models. For example, an 18-month demonstration phase of the public-private partnership initiative between UNFPA and Royal Philips was initiated in the Republic of the Congo in 2021. The initiative will expand access to high-quality, affordable health care, including maternal and reproductive health services, for

500,000 women and 50,000 newborns. The pilot will include an innovative financing model to mobilize non-traditional health investments.

70. UNFPA scaled up outreach to the public to solicit donations to programmes and operations. In 2021, the final year of the start-up phase of the UNFPA Individual Giving Programme operations, UNFPA raised \$2 million from 23,000 donors in over 180 countries worldwide. Over 60 per cent of all donations raised were in support of UNFPA core resources. Overall, the Individual Giving Programme exceeded its 2019-2021 target by 23 per cent, further demonstrating the potential for this important source of funding for the organization.

71. UNFPA continued to engage universities and research institutions around the three transformative results through the global UNFPA academic network, including during the consultation process for the development of the new strategic plan, 2022-2025.

72. 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 continued to adapt to engaging in a virtual world and advocating for the health and rights of women and girls. Parliamentarians and civil society organizations advocated for upholding official development assistance (ODA) commitments and increasing resources for SRHR amid funding cuts and efforts to push back on gender issues in various countries.

H. South-South and triangular cooperation

73. 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 as an instrument for generating financial and in-kind resources and support for country programme activities. It has demonstrated its huge potential, especially in responding to the COVID-19 pandemic, by facilitating experience sharing and exchange among countries with similar health and medical challenges.

74. South-South and triangular cooperation was leveraged to mobilize knowledge on government responses to public health challenges, including those in response to the COVID-19 pandemic, through the launch of a 2021 joint publication by UNFPA, UNICEF, the Pan American Health Organization (PAHO/WHO) and the United Nations Office for South-South Cooperation (UNOSSC) on health and well-being (SDG 3), which showcased SSTC good practices from 36 countries.

75. To better align South-South and triangular cooperation with the UNFPA strategic plan, 2022-2025, a SSTC strategy has been developed to scale it up as an important programme accelerator. One of the thrusts of the strategy is to strengthen the ability of UNFPA regional and country offices in mobilizing resources, especially from the global South. UNFPA will strengthen its support to ‘centres of excellence’ in national partner agencies as pathways to developing visible, reliable and committed SSTC partners to accelerate progress towards the ICPD Programme of Action. Taking advantage of the momentum gathered so far, the UNFPA Inter-Country Cooperation Office will continue to support South-South and triangular cooperation by leveraging the partnerships established with countries from the global South.

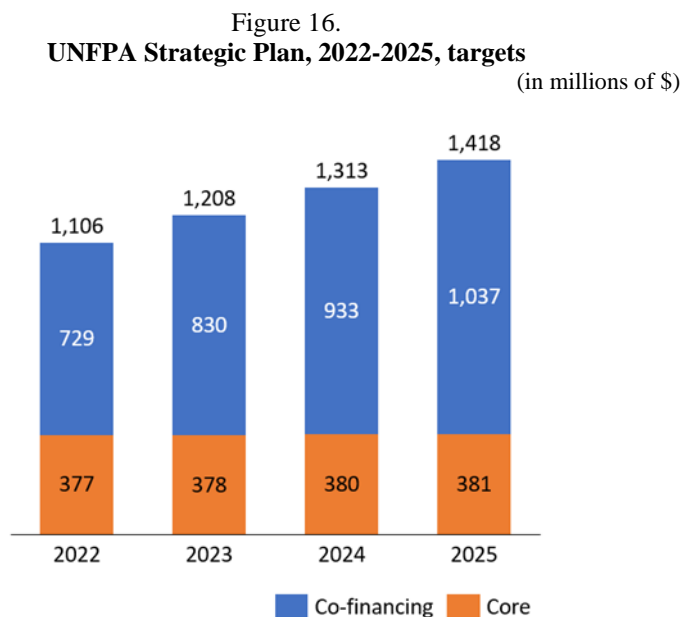
VII. Strategic considerations and future directions

A. 2022 and beyond

76. The UNFPA integrated budget, 2022-2025, provides the estimated resources needed to achieve the results outlined in the UNFPA Strategic Plan, 2022-2025. The budget, totalling \$5,045 million for the four years of the strategic plan, comprises \$1,516 million in core resources and \$3,529 million in non-core resources. The 2022 revenue target is \$1,106 million. Both the strategic plan and the integrated budget were developed in 2020 during the strain and uncertainty of the COVID-19 pandemic. Mindful of the unique challenge, UNFPA endeavoured to set a strategic course for four years while staying nimble and realizing that course corrections might be necessary. In practice, this implies ambitious but

prudent planning principles for income and revenue as well as a budget, business model and results and resources framework sufficiently flexible to accommodate unforeseen developments. Based on careful review of historical trends, donor intelligence and income scenario analysis, the fiscal forecast for UNFPA was deliberately conservative.

77. Figure 16 below presents the annual targets for core and non-core resources over the course of the UNFPA Strategic Plan, 2022-2025.



78. Despite the stresses on the global economy because of the COVID-19 pandemic, the financial situation of UNFPA remained stable in 2021, thanks to previous years of prudent budgetary management. These measures will continue to be applied and adjusted to safeguard the Fund's financial and operational continuity in 2022 and beyond.

79. Counting on the support of its partners, UNFPA remains cautiously optimistic that the 2022 funding targets of \$1,105 million can be met – even though revenue may not be as high as the record set in 2021, due to a potentially constrained ODA environment. Income projections are reviewed monthly, to ensure financial sustainability and assess the need for austerity measures if projections fall short of targets. Income projections are based on fundraising estimates, based on analysis of national strategies and budgets, commitments by donors and partners, expected contributions to thematic and other funding instruments, as well as other macro-economic and political parameters as well as various financial forecasts (including foreign currencies exchange rates fluctuations).

80. Of particular concern is the potential impact of exchange rate fluctuations of foreign currencies on existing and expected pledges to UNFPA core resources and future tranche payments (as part of existing agreements). UNFPA requests all contributors to make early payment in 2022 and subsequent years to lessen the potential negative impact of currency volatility.

B. Managing risk, volatility and uncertainty

81. With the impact of the COVID-19 pandemic still being felt and facing an increasingly complex humanitarian environment, the economies of many key traditional donors of UNFPA have come under strain. In 2021, one of the top donors of UNFPA initiated significant ODA reductions, which translated into significant funding cuts for UNFPA. These cuts were felt acutely by UNFPA as they represented a retreat from the donor's commitments made in 2021. UNFPA Supplies was particularly affected by these cuts. In response, UNFPA adapted its programmatic approach to maximize impact and maintain

operations with a reduced UNFPA Supplies programme budget, while also engaging with other Governments, civil society, the private sector and parliamentarians to reduce the funding gap.

82. This funding retreat was 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 UNFPA integrated budget, 2022-2025.

83. In recent months, several governments have announced planned adjustments, possible reductions or delayed payments to their 2022 and 2023 ODA budgets. It is still unclear what impact this may have on UNFPA revenue targets. To address this uncertainty, UNFPA is consulting with partners and advocating for a maintenance of current ODA levels and not to cut core or non-core resources to SRHR or UNFPA.

84. Mindful of the projected economic contraction and the tightening of fiscal space, UNFPA will continue to make prudent income projections, factoring in volatility and uncertainty. As in past years, UNFPA is taking a long-term strategic approach when managing higher-than-projected income from previous years. Not all core resources carried forward from 2021 will be distributed, due to the uncertainty of donor commitment and the continued volatility in foreign currency exchange rates. These resources will be progressively used over the current strategic plan to allow for necessary adjustments if projected income does not materialize.

85. UNFPA again encourages all Member States to prioritize multi-year funding and early payment as these are critical for the achievement of strategic plan outcomes; 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 and to indicate anticipated contribution amounts promptly, particularly in cases of funding decreases or programme cuts.

C. UNFPA three transformative results costing exercise and investment cases

86. To realize the commitments of the 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 evidence, advocacy, programming and operations towards the 2030 Agenda 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 by scaling up evidence-based advocacy and policy dialogue. It will also leverage the momentum generated by the ICPD+25 voluntary 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.

87. The integrated budget, 2022-2025, while reflecting elevated ambitions for the three transformative results, is nevertheless based on prudent income projections. The needs of the strategic plan and country programmes are much higher, as evidenced by the \$222 billion investment gap revealed in the costing exercise prepared for the 2019 Nairobi Summit (see table 5).¹¹

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

Transformative results	Total amount needed, 2022-2023	Projected amount available to spend, 2020-2030 as development assistance at the country level	New investment needed, 2020-2030
1. End preventable maternal death	\$115.5 billion	\$11.9 billion	\$103.6 billion
2. End the unmet need for family planning	\$68.5 billion	\$8.6 billion	\$59.9 billion
3a. Female genital mutilation	\$2.4 billion	\$275 million	\$2.1 billion

¹¹ UNFPA, Costing the Three Transformative Results, January 2020.

3b. Child marriage	\$35.0 billion	\$10.9 billion	\$24.1 billion
3c. Gender-based violence	\$42.0 billion	\$9.5 billion	\$32.5 billion
Total	\$264 billion	\$42 billion	\$222 billion

88. In 2021, UNFPA and its academic partners began analysing the cost-benefit ratios of investing in the three transformative results. Some of the findings were as follows:

- (a) Every dollar invested in ending preventable maternal deaths and the unmet need for family planning by 2030 will bring economic benefits of \$8.78 by 2050.
- (b) Every dollar invested in ending female genital mutilation by 2030 will bring economic benefits of \$10.13 by 2050.
- (c) Every dollar invested in ending child marriage by 2030 will bring economic benefits of \$33.60 by 2050.

89. UNFPA has also supported countries in developing ‘country investment cases’, to mobilize domestic financing for the three transformative results by leveraging costing and impact modelling tools to contribute towards the achievement of the SDGs. As a similar holistic option, UNFPA has used these models to make the case for flexible funding towards the entirety or multiple outcomes of country programmes. For example, the country programmes for Ethiopia, Somalia and South Sudan have received this form of flexible funding from donors.

D. Improved income forecasting, reporting, and visibility

90. Regarding reporting, UNFPA has pursued the continued use of key measures 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 2021 annual report and various country-level reports, available online. UNFPA is also creating a range of visibility 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

91. UNFPA will continue to improve managerial and programmatic excellence, including through efficiency measures, as per the Funding Compact. UNFPA made good progress in achieving its organizational effectiveness and efficiency targets in 2021 and will seek to maintain this high level of performance in 2022 and beyond. Despite the disruptions of the COVID-19 pandemic, UNFPA was able to realize operational efficiency gains of \$24.2 million during 2019-2021.

92. 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 for visualization of results and expenses by geographic location, donor and other dimensions.

93. For improved transparency, visibility and monitoring of contributions by Member States to core and non-core funds, UNFPA continues to strengthen its resource planning and tracking systems. 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.

94. UNFPA has recently issued a new enterprise risk management policy that will serve as an “enabler” in achieving the organization’s strategic plan goals and outcomes; it will improve strategic planning, decision-making and implementation by ensuring a comprehensive and structured

understanding of organizational objectives, practices and related risks. It will help to identify common and cross-cutting risks and opportunities, improve organization-wide communication and collaboration, and institute a consistent and collaborative process to managing risks. The policy also aims to reinforce accountability by integrating internal controls.

VIII. Conclusion

95. Despite the challenges related to the COVID-19 pandemic, UNFPA achieved good programmatic performance and is in solid financial health, owing to the continued support of its donors and sound financial management practices. The outlook for 2022 remains difficult to predict conclusively, with future revenue flows highly dependent on the state of geopolitical affairs, coupled with the ongoing COVID-19 pandemic, and the extent to which these will impact government commitments to ODA and to domestic resource allocation in programme countries. 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.

96. 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 early and timely contribution commitments and payment schedules to ensure the Fund's actions have the greatest possible impact.

97. Within an increasingly difficult funding landscape, the need for core resources and increased multi-year funding, in keeping with the Funding Compact, cannot be overstated, particularly, as UNFPA set out to implement the new strategic plan and integrated budget for 2022-2025. Getting resource mobilization right and effectively catalysing a broader financing of the SRHR agenda will be critical for the successful implementation of its 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 2021 and the early months of 2022.

IX. Elements of a decision

98. The Executive Board may wish to:

- (a) Take note of the report on the UNFPA structured funding dialogue, 2021-2022 (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, 2022-2025, respond to the effects of the COVID-19 pandemic and various humanitarian crises and to 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) Encourage UNFPA to continue its dialogue with Member States, 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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