



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

Distr.: General  
17 March 2024

Original: English

**Annual session 2024**

3-7 June 2024, New York

Item 15 of the provisional agenda

**UNFPA – Financial, budgetary and administrative matters**

## **UNITED NATIONS POPULATION FUND**

### **Midterm review of the UNFPA integrated budget, 2022-2025**

#### *Summary*

The present report contains the midterm review of the UNFPA integrated budget, 2022-2025. It reviews the strategic and financial context within the 2030 Agenda for Sustainable Development and its implications on resource estimates, allocations and results. It should be read in conjunction with the midterm review of the UNFPA strategic plan, 2022-2025 (DP/FPA/2024/4 [(Part I)] and its annexes.

The revised income estimates show income growth compared to the initial budget. The expected regular resources income for the cycle is estimated at \$1.7 billion (up from \$1.65 billion), while other resources are estimated at \$4.9 billion (up from \$4.1 billion). However, the proportion of regular resources in total income is expected to decline, signalling a growing imbalance in funding sources.

In light of these estimates, and in pursuit of its strategic priorities, UNFPA is proposing focused adjustments to the integrated budget. Development activities, which account for 88.3 per cent of total available resources, will increase by 20 per cent, from \$4.5 billion to \$5.4 billion. UNFPA is also proposing an increased appropriation for its institutional budget to an amount of \$872.3 million, an increase of 3.9 per cent. However, it is notable that the proportion of total resources utilized for the institutional budget decreases (from 16.2 per cent to 14.3 per cent) in the revised integrated budget, 2022-2025.

UNFPA will present the midterm review of the integrated budget to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), whose report will appear in document DP/FPA/2024/8.

Elements of a decision are contained in section IV.

*Note: The present document was processed in its entirety by UNFPA.*

24-09707X (E) 010724



Please recycle



## Contents

I.	Scope	3
II.	The revised integrated budget: strategic and financial context	3
A.	Strategic context	3
B.	Financial context	5
III.	Revised integrated budget, 2022-2025	6
A.	Integrated resource plan	6
B.	Integrated budget components	8
C.	Integrated results and resources framework	11
D.	Summary of increases and decreases in the institutional budget	17
E.	Cost recovery	19
IV.	Elements of a decision	20

## Tables

Table 1.	Integrated resource plan, 2022-2025, revised.....	7
Table 2.	Programme resources, by component, 2022-2025, revised.....	9
Table 3.	Institutional budget, 2022-2025, revised.....	11
Table 4.	Integrated results and resources framework, 2022-2025 (indicative), revised.....	14
Table 5.	Summary of institutional budget increases and decreases.....	18
Table 6.	Summary of post changes in the institutional budget .....	19

## Figures

Figure 1.	Contributions, by funding category, 2014-2025, revised.....	5
Figure 2.	Allocation of available resources, 2022-2025, revised.....	7

## Annexes

(Annexes to this document can be found on the [UNFPA Executive Board website](#))

Annex 1.	Additional information on financials and posts related to the midterm review of the UNFPA integrated budget, 2022-2025
Annex 2.	Cost recovery – detailed information based on the current cost recovery methodology
Annex 3.	Responses to ACABQ recommendations on the UNFPA integrated budget, 2022-2025

## I. Scope

1. This midterm review of the UNFPA integrated budget, 2022-2025 is submitted in conjunction with the midterm review of the UNFPA strategic plan (DP/FPA/2024/4 [Part 1]). The integrated budget encompasses all cost categories and results of the organization within an integrated overall framework. Accordingly, the scope of the review includes the entirety of UNFPA resources.
2. The midterm review of the integrated budget focuses on changes to the strategic, operational and financial context affecting UNFPA and relevant Executive Board mandates established after the approval of the integrated budget, 2022-2025. Such changes constitute the basis for this review and for proposals contained herein, and are aligned with the revised strategic plan, 2022-2025.
3. Changes proposed as part of this midterm review will take effect as of 1 January 2024, unless otherwise noted.

## II. The revised integrated budget: strategic and financial context

### A. Strategic context

4. The midterm review of the strategic plan, 2022-2025 reviewed the strategic direction and the overall progress and the challenges encountered in implementing the strategic plan. The midterm review tried to identify what was working well and what was working less well and to produce corrective actions to address the shortcomings and adapt to the changing emerging challenges and opportunities. The review took a light approach, focusing more on the implementation strategies than on the intervention's effectiveness and impact, which will be covered by the strategic plan evaluation that started in late 2023.
5. The review findings confirmed that the overall strategic direction remains relevant and critical to accelerating toward achieving the Sustainable Development Goals. UNFPA will continue pursuing the acceleration towards the three transformative results ("the three zeros") – the strategic plan outcomes: (a) end unmet need for family planning; (b) end preventable maternal deaths; and (c) end gender-based violence and all harmful practices, including child marriage and female genital mutilation. UNFPA will keep the theory of change and the results framework of the strategic plan intact, except for minor revisions to the results targets and a few additional indicators.
6. The midterm review found that, at the global and impact level, the current pace of acceleration falls well short of what is needed to achieve the three transformative results by 2030. At the organizational level, UNFPA performed well overall on the strategic plan outputs, designed to contribute to the acceleration, and it was on track to implementing most of the critical shifts to which it committed to change the way it does business so that it is fit for purpose to lead the acceleration. So, while the pace of acceleration is a concern, the contribution of UNFPA is undeniable. Without UNFPA-supported interventions, the situation could have been worse. Still, in line with the intention of the strategic plan to be a call to action, a lot more work is needed from all partners to move the needle at the global level.
7. Overall, the implementation of the strategic plan is progressing as planned. The plan was successfully launched and well received by all stakeholders, especially in the field, where it guides all UNFPA programmes, operations and activities. The midterm review found UNFPA country office staff have a good understanding and relatively strong capacity to implement the strategic plan. In the first two years of implementation (2022 to 2023), UNFPA recorded notable successes, including aligning the organizational focus on achieving the three transformative results, strengthening and improving programming and normative engagement, expanding the humanitarian response and preparedness capacity, invigorating and expanding partnerships, tailoring programmatic and technical assistance to respond effectively to diverse local contexts, and leveraging United Nations reform to improve the organization's performance.

8. However, the implementation also faced some challenges and gaps, mainly in the following areas: effectively addressing discriminative gender and social norms, availability and effective usage of quality population data, addressing emerging challenges as a result of changing population dynamics. There is also a need to strengthen even further the organization's normative role, especially in the context of pushback against some elements of the International Conference on Population and Development (ICPD) agenda or the perception that, in some circumstances, the three transformative results are of a lesser priority. Challenges were also encountered in leveraging financing for the ICPD agenda, optimizing knowledge management and integrating megatrends into sexual and reproductive health and reproductive rights interventions.

9. To address the challenges and gaps and to continue building on the progress made, UNFPA will prioritize the following six actions in the next two years (2024 and 2025).

- (a) Sharpen the UNFPA narrative on *the three transformative results* to position them better across the different social, economic and demographic contexts, including in low fertility, high or middle-income countries and in response to climate change, by building a solid evidence base about the three results, emphasizing the centrality of reproductive rights and choices to sustainable development, and echoing of the economic multiplier effects of investing in the three transformative results;
- (b) Enhance further its *normative role* to take the ICPD and three zeros forward by strengthening the advocacy and communications capacity of staff, stronger attention to UNFPA thought leadership informed by cutting-edge knowledge and evidence, defining metrics to track progress in normative work, and deepening strategic partnerships to increase synergies across stakeholders in upholding, implementing and monitoring normative work;
- (c) Design and deploy innovative and impactful interventions for *changing discriminatory gender and social norms* by focusing on the cultural, legal, economic and social root causes, engaging social movements and youth organizations, local organizations and think tanks, building organizational capacity in behavioural change communication, including through the recruitment of experts in behavioural change, and defining better metrics for assessing progress;
- (d) Develop further *capacity in data analytics and foresight* by investing in closing the data and evidence gaps in critical areas, harnessing new data sources, including generative artificial intelligence, institutionalize strategic intelligence and foresight, building staff capacity in collection, analysis and use of data, and expanding data partnerships beyond government institutions;
- (e) Step up efforts to *leverage development financing*, especially domestic financing, for the ICPD programme of action and the three transformative results. Continue strengthening the capacity of staff and partners in development financing, pursue and enhance linkages with financing institutions, especially international financing institutions, conduct advocacy and policy dialogues, including assisting local actors in budgeting and financing and mobilizing domestic public, private and international resources, and measure and recognize success. This also includes rolling out the investment cases in 30 countries, which provide compelling arguments to potential investors on the desired impact and returns of resources for the three transformative results;
- (f) Optimize and systematize *knowledge management* to improve capturing, documenting and sharing innovative and successful solutions by strengthening UNFPA institutional arrangements, building staff capacity in knowledge generation and dissemination, and leveraging the information technology revolution, including artificial intelligence, machine learning and big data.

10. In addition to the six priorities, UNFPA will continue building on successes to augment the organization's potential to accelerate the achievement of transformative results. The action will include expanding its humanitarian response capacity and preparedness, continuing to improve programming, including the integration of megatrends, continuing adapting the business model to remain relevant and effective in offering compelling value propositions, further strengthening operations and oversight functions and continuing, in line with the United Nations reforms, to better utilize existing United Nations inter-agency

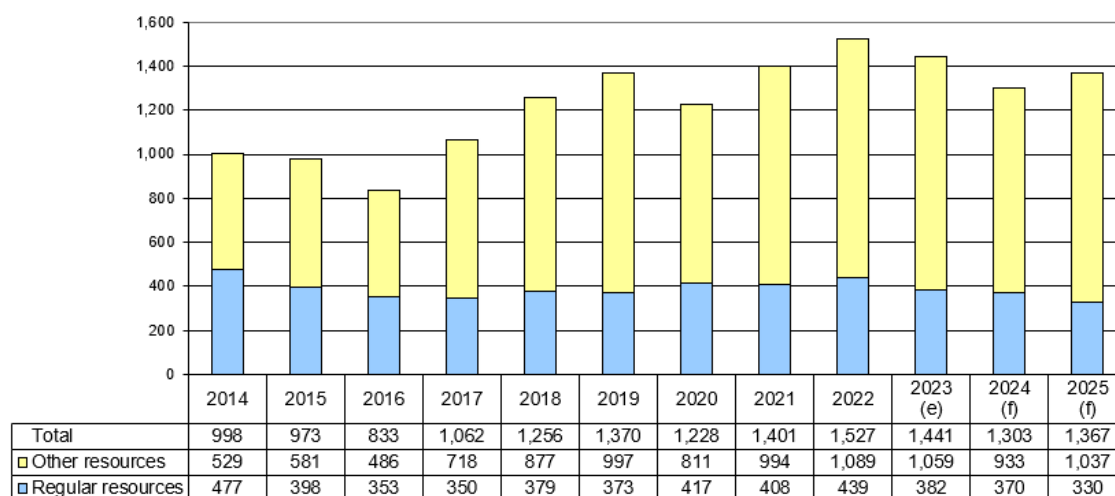
mechanisms and structures for the achievement of the ICPD Programme of Action and the three transformative results.

## B. Financial context

11. The midterm review of the integrated budget accounts for all resources that contribute to the achievement of the UNFPA integrated results framework and is an integral part of the strategic plan. For the first two years of the strategic plan, UNFPA surpassed the strategic plan contribution targets for both regular and other resources. While the estimates for regular resources (also called core resources) contributions for 2022 and 2023 were \$377 million and \$378 million, respectively, actual regular resources received was \$439 million in 2022 and \$382 million in 2023 (estimated). For other resources, estimates of \$729 million and \$831 million for the respective years were surpassed, reaching a total of \$1,089 million in 2022 and \$1,059 million estimated in 2023. In this document, the 2022 contribution figures are as per financial statements, 2023 figures represent pre-closure estimates and figures for 2024 and 2025 are forecasts.

**Figure 1. Contributions, by funding category, 2014-2025, revised**

*(in millions of dollars)*



Source: For 2014-2022, annual financial statements; for 2023, estimate (e); for 2024-2025, forecast (f).

Note: Figures for regular resources contributions exclude interest income

12. These figures reflect strong fundraising performance within UNFPA at all levels of the organization and have enabled UNFPA to bolster programme funding in a time of great need, as evidenced in the sections below. However, it is also important to highlight that the quality of funding continues to deteriorate. With other resources growing and regular resources broadly stagnant, the projected share of total income received in regular resources for the cycle is projected to drop from 28.7 per cent in the integrated budget to 25.7 per cent in the midterm review, below the funding compact target of 30 per cent.

13. In this context, UNFPA continues to emphasize the importance of unrestricted regular resources contributions as a bedrock of sustainability and effective delivery on the UNFPA mandate, the ICPD Programme of Action and the 2030 Agenda. Regular resources are the investments that empower UNFPA to have a global reach, with a focus on programmatic impact, to plan ahead, adapt to changing circumstances, and to leverage additional resources for greater results. They are critical for the achievement of the three transformative results and strengthening the normative role of UNFPA and are vital to maintaining its universal presence, particularly in fragile humanitarian contexts.

14. With regard to 2024 and 2025, the updated income estimate reflects a conservative and prudent approach. The escalation of wars and crises witnessed in the first two years of the cycle not only dramatically increases the needs within the UNFPA mandate area but also heightens the risk of reductions in funding for official development assistance (ODA), further hampering development.

15. For regular resources, UNFPA prudently plans the budget based on an income estimate of \$370 million in 2024 and \$330 million in 2025. This reflects several factors. First, budgetary pressures in some key donor countries are likely to be amplified in the coming years and could result in cuts to regular resources contributions both in the short and long term. Second, exchange rate volatility has increased significantly over the past year, and the relatively strong US dollar impacts the dollar-denominated income forecast. If additional regular resources become available during the remainder of the cycle, they can be invested in country programmes.

16. For other resources, UNFPA estimates income of \$933 million in 2024 and \$1,037 million in 2025. While fundraising has recently outperformed strategic plan targets, UNFPA maintains the initial estimate as a prudent baseline given risks, such as a flatlining of humanitarian assistance as several crises move from acute to protracted; and continued pressures on development funding.

17. In alignment with its corporate resource mobilization strategy, UNFPA continues to ensure an adequate level of financial resources to deliver expected results, increased flexibility, as well as predictability of funding flows. UNFPA continues to intensify its partnerships, particularly with international financial institutions to support programme countries. It will continue to explore and pursue all options to enhance the quality of contributions to finance development results.

18. Taking account of the estimated opening balances, interest and miscellaneous income, and after adjustments for tax reimbursement, UNFPA projects that total available resources for 2022-2025 will be \$6,649.3 million, an increase of \$895.3 million, or 15.6 per cent, compared to the approved integrated budget.

### **III. Revised integrated budget, 2022-2025**

#### **A. Integrated resource plan**

19. Table 1 below shows the midterm review of the integrated resource plan, 2022-2025 for all cost categories, for both regular resources and other resources. The current integrated budget, 2022-2025 is based on the integrated budget (contained in document DP/FPA/2021/9) approved by the Executive Board in decision 2021/9. The figures presented in table 1 and in all other tables are rounded to the closest decimal and thus may not add up to the decimal point.

Table 1. Integrated resource plan, 2022-2025, revised

(in millions of dollars)

	Integrated budget, 2022-2025 (DP/FPA/2021/9)				MTR Integrated budget, 2022-2025					
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
<b>I. Resources available</b>										
Opening balance <sup>a/</sup>	131.8	574.8	-	706.6		181.2	830.0	-	1,011.2	
Income										
Contribution-gross	1,516.4	3,529.2	-	5,045.6		1,520.5	4,117.7	-	5,638.2	
Other <sup>b/</sup>	25.6	-	-	25.6		29.9	(7.4)	-	22.5	
Total income	1,542.0	3,529.2	-	5,071.2		1,550.4	4,110.3	-	5,660.7	
Less tax reimbursement <sup>c/</sup>	(23.8)	-	-	(23.8)		(22.6)	-	-	(22.6)	
<b>Total available</b>	<b>1,650.0</b>	<b>4,104.0</b>	<b>-</b>	<b>5,754.0</b>		<b>1,709.0</b>	<b>4,940.3</b>	<b>-</b>	<b>6,649.3</b>	
<b>2. Use of resources</b>										
<b>A. Development activities</b>										
A.1 Programme <sup>d/</sup>	1,060.0	3,506.8	(235.5)	4,331.3	83.8%	1,176.5	4,307.8	(249.8)	5,234.6	85.7%
A.2 Development effectiveness	157.9	-	-	157.9	3.1%	159.0	-	-	159.0	2.6%
Total development	1,218.0	3,506.8	(235.5)	4,489.2	86.8%	1,335.6	4,307.8	(249.8)	5,393.6	88.3%
<b>B. United Nations development coordination</b>	17.1	-	-	17.1	0.3%	17.1	-	-	17.1	0.3%
<b>C. Management activities</b>	385.4	-	199.2	584.5	11.3%	379.5	-	214.5	594.1	9.7%
<b>D. Independent oversight and assurance activities</b>	33.6	-	26.9	60.5	1.2%	40.6	-	25.6	66.2	1.1%
<b>E. Special purpose</b>	10.4	-	9.4	19.8	0.4%	26.2	-	9.7	35.9	0.6%
<b>Total use of resources (A+B+C+D+E)</b>	<b>1,664.4</b>	<b>3,506.8</b>	<b>-</b>	<b>5,171.2</b>	<b>100.0%</b>	<b>1,799.0</b>	<b>4,307.8</b>	<b>0.0</b>	<b>6,106.8</b>	<b>100.0%</b>
<b>3. Net amounts from/(to) reserves <sup>e/</sup></b>	<b>14.4</b>	<b>-</b>	<b>-</b>	<b>14.4</b>		<b>101.5</b>	<b>-</b>	<b>0.0</b>	<b>101.5</b>	
<b>4. Balance of resources (1-2+3)</b>	<b>0.0</b>	<b>597.2</b>	<b>0.0</b>	<b>597.2</b>		<b>11.5</b>	<b>632.5</b>	<b>0.0</b>	<b>644.0</b>	

a/ Regular resources opening balance for 2022 has been revised as per 2021 financial statements; other resources have been revised based on funds received and available for programming.

b/ Includes interest and miscellaneous income.

c/ Adjustment for tax reimbursements to staff who are nationals of one Member State.

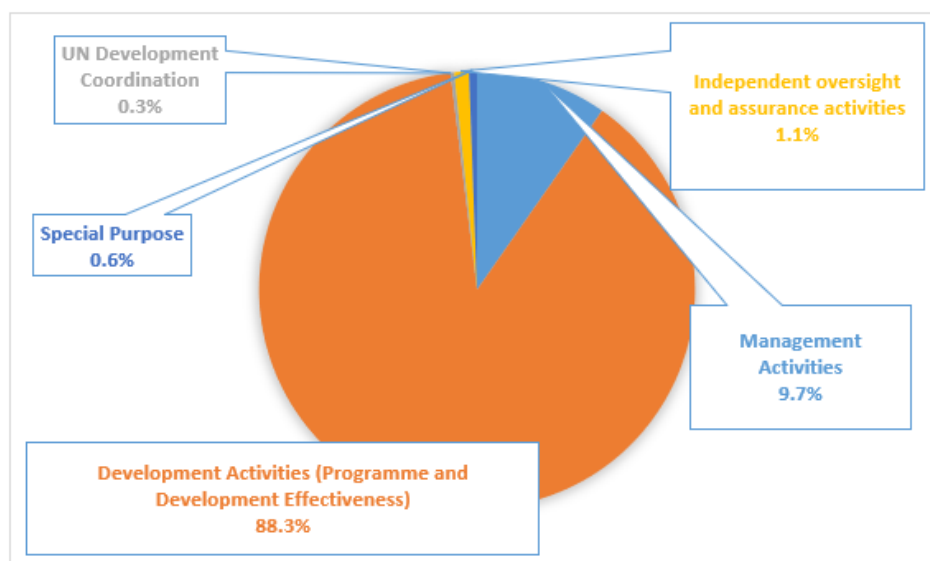
d/ 'Other resources - Programmes' reflects total programme expenses as per financial statements; the cost recovery is offset to enable a comparison with the estimates in the budget document.

e/ Includes adjustments to the operational reserve as per financial regulations and rules and transfers from previous periods.

Note: Figures in this table and in other tables in this document are rounded to the closest decimal; therefore, they may not add up.

20. The proposed use of resources is illustrated in figure 2, which shows the proportion of resources allocated to the cost classification categories approved by the Executive Board: (a) development activities; (b) management activities; (c) special purpose activities; and (d) United Nations development coordination activities.

Figure 2. Allocation of available resources, 2022-2025, revised



21. UNFPA continues to channel the majority of its resources into development activities. The midterm review projections for 2022-2025 show that UNFPA will allocate 88.3 per cent of total available resources to development activities; this is higher than the 86.8 per cent allocation projected in the original integrated budget for 2022-2025.
22. The United Nations development coordination activities are proposed to remain unchanged, at 0.3 per cent of total resources available, in the revised 2022-2025 budget.
23. Management activities will decrease as a share of total resources, from 11.3 per cent of total resources available to 9.7 per cent, in the revised integrated budget 2022-2025.
24. Special purpose activities increase from 0.4 per cent of total resources to 0.6 per cent of total resources. This increase is primarily attributable to one-time costs of the UNFPA headquarters optimization, including the relocation of functions to the field, and the one-time cost of moving into smaller premises in New York upon expiry of the current lease in 2025. These items are covered in more detail below, in paragraphs 67 and 70.
25. Procurement services are administered separately from regular resources. Income generated from procurement services is offset by direct costs and operating expenses related to procurement services. As a result, procurement services are excluded from the integrated budget presentation.
26. Total available resources for the midterm review of the integrated budget, 2022-2025 have been adjusted by \$22.6 million, based on the latest estimates for tax reimbursements to staff who are nationals of one Member State.
27. A midterm budget review necessarily combines approved figures for past years and projections for future years within one framework. However, as a result, this presentation does not fully display the resources of a rolling four-year budget since changes are proposed and costed with an effective date of 1 January 2024, halfway into the strategic plan cycle. In order to transparently illustrate the implication of this review on a four-year basis, a summary table with the restated figures for the integrated resource plan, 2022-2025, has been included in annex 1, which accompanies this document. That summary table presents the restated four-year budget and will serve as the basis for comparison when UNFPA submits its integrated budget for 2026-2029.

## **B. Integrated budget components**

28. The integrated budget comprises all planned resources for development outcomes and organizational effectiveness and efficiency outputs for 2022-2025. For all funding sources, the programme design is aligned with the strategic plan. However, allocation mechanisms differ; for other resources, allocation is usually done in close cooperation with the respective donors and stakeholders; for regular resources, allocation mechanisms vary; these are explained below.

### ***Programmes***

29. Programmatic interventions are delivered at the country level as well as global and regional levels. In addition, the UNFPA emergency fund supports the organization's rapid crisis response to humanitarian needs. Table 2 provides the financial summary of programme components, which increase by a total of \$903.3 million.



**Table 2. Programme resources, by component, 2022-2025, revised***(in millions of dollars)*

I. Resources available	Integrated budget, 2022-2025 (DP/FPA/2021/9)					MTR Integrated budget, 2022-2025				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
<b>Summary programme</b>										
Country programmes (Original)	815.5	3,247.3	(218.1)	3,844.7	74.3%	815.5	3,980.2	(231.3)	4,564.4	74.7%
Country programmes - add'l regular resources	107.4	-	-	107.4	1.8%	107.4	-	-	107.4	1.8%
Total Country Programme	815.5	3,247.3	(218.1)	3,844.7	74.3%	922.9	3,980.2	(231.3)	4,671.7	76.5%
Global and regional programme	204.5	259.5	(17.4)	446.6	8.6%	211.6	327.7	(18.4)	520.8	8.5%
Emergency fund	40.0	-	-	40.0	0.8%	42.0	-	-	42.0	0.7%
<b>Total programme</b>	<b>1,060.0</b>	<b>3,506.8</b>	<b>(235.5)</b>	<b>4,331.3</b>	<b>83.8%</b>	<b>1,176.5</b>	<b>4,307.8</b>	<b>(249.8)</b>	<b>5,234.6</b>	<b>85.7%</b>

*Country programmes*

30. The largest share of UNFPA resources will continue to be allocated to country programmes for the attainment of the three UNFPA transformative results under the strategic plan. Compared to the approved integrated budget, UNFPA envisages a funding increase of \$827 million for country programmes over the four-year cycle, which represents a substantial growth of 21.5 per cent. Of this increase, \$107.4 million is funded from additional regular resources, demonstrating that additional regular resources contributions bolster country-level programming. Any additional income raised above the targets set in the revised integrated budget will also be available for country programmes.

31. UNFPA continues to group its country programmes into three tiers, based on the proximity to achieving the three transformative results. Overall, 54 country programmes are below all three thresholds of the transformative results and are classified into tier I. The 35 country programmes that have reached the threshold of one of the three transformative results are in tier II. Finally, the 30 country programmes that have progressed to reach at least two thresholds of the three transformative results are in tier III. In addition, there are two multi-country programmes for the Caribbean and the Pacific subregions.

32. This country classification enables UNFPA to tailor its programme offerings through its five modes of engagement (advocacy and policy dialogue; capacity development; knowledge management; service delivery; and coordination, partnerships and South-South and triangular cooperation) to the local contexts. It also enables UNFPA to prioritize the least developed countries and fragile countries with humanitarian needs, align support to implement relevant frameworks (Istanbul Programme of Action, including outcomes of the fifth United Nations Conference on the Least Developed Countries, and the Vienna Programme of Action), in line with the quadrennial comprehensive policy review, and also to empower all UNFPA country offices to respond to requests for upstream, high-level expertise, technical assistance and policy implementation support, including from middle-income countries.

33. UNFPA will continue to provide targeted technical and programmatic support, guided by the country tiers, and the transformative results and population diversity, based on disaggregated geo-data and analysis, for cost-effective and scaled-up impacts. It will also continue strengthening support to the small island developing States, and responding effectively to the multi-country office reviews and the Antigua and Barbuda Accords. Country offices continue to be able to deploy the various modes of engagement flexibly to better respond to country-specific needs and the funding environment.

34. Given the voluntary nature of the organization's funding and the characteristics of the country programmes in terms of national ownership, the aggregate resources assigned to country programmes are indicative. A resource framework for country programmes will continue to be submitted to the Executive Board for approval separately.

*Global and regional programmes*

35. Global and regional programmes were reviewed concurrently with the integrated budget during the midterm review to ensure alignment and coherence of the specific contributions to the outcomes and outputs of the revised strategic plan, 2022-2025.

36. UNFPA proposes to revise the regular resources ceiling for global and regional programmes, from \$204.5 million to \$211.6 million, an increase of \$7.1 million (3.5 per cent). This increase includes investments in data and analytics, regional programming in high-needs locations, programming innovation, prevention of sexual exploitation, abuse and harassment, as well as in demographic resilience as an emerging priority in regions experiencing low fertility and ageing. These are described in more detail below.

37. A key organizational priority is to further advance programmatic innovations, as well as to ensure UNFPA remains a leader on protection against sexual exploitation, abuse and harassment (\$2.0 million). With programming needs rising amid unprecedented levels of conflict in some regions, UNFPA also proposes an additional investment in regional programmes of focus regions (\$1.5 million). A distinct investment will support the UNFPA population data portal, which enables access to vital population data for programme practitioners, researchers and the general public (\$1.4 million). The investment will support the portal's technical infrastructure and further development. UNFPA also facilitates the 30-year review of the ICPD, supporting programmatic review activities globally and in regions convening key stakeholders (\$0.9 million). Finally, a dedicated investment in demographic resilience will reinforce the agency's expertise around the demographics of aging societies, an increasingly important item on the agenda of Member States in many regions (\$0.5 million). Other net investments, totalling \$0.8 million, cover programming and programme coordination needs in regions and at global level.

38. The global and regional regular resources programme ceiling cannot be exceeded without the approval of the Executive Board.

*Emergency fund*

39. UNFPA proposes to allocate \$42 million to the emergency fund for 2022-2025, up from \$40 million. The baseline appropriation remains at \$10 million per year, as authorized in Executive Board decision 2015/3. In the same decision, as well as in decision 2021/9 approving the integrated budget, the Executive Director was granted authority "to increase the emergency fund by up to \$2 million in a given year, if the number and extent of the emergencies so warrant." In light of the unprecedented scale and scope of humanitarian emergencies in 2023, the UNFPA Executive Director made use of this authority, allocating an additional \$2 million to enable a nimble response to the multiple humanitarian challenges to which UNFPA responded.

40. The emergency fund is integral to UNFPA capability to quickly provide life-saving assistance in humanitarian crises, noting the sharp increase in humanitarian needs in recent years. However, its objective continues to be the provision of rapid catalytic funding that can generate additional funds and activities, not to become the primary funding vehicle for humanitarian programming.

*Institutional budget*

41. The elements contained in the institutional budget are development effectiveness, management, independent oversight and assurance, special purpose, and United Nations development coordination. These elements are approved by the Executive Board as a nominal appropriation and cannot be exceeded without the approval of the Executive Board.

42. The institutional budget is the foundation of the organization and reflects the commitment of UNFPA to maintain a universal presence. This ensures the agency can pursue its mandate and normative agenda, as well as its advocacy efforts at global, regional and country levels to leave no one behind. Over half of the institutional budget is allocated to UNFPA regional and country offices.

**Table 3. Institutional budget, 2022-2025, revised***(in millions of dollars)*

I. Resources available	Integrated budget, 2022-2025 (DP/FPA/2021/9)					MTR Integrated budget, 2022-2025				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources	Cost recovery	Total resources	Percentage of total
	<b>Summary institutional budget</b>									
A.2 Development effectiveness	157.9	-	-	157.9	3.1%	159.0	-	-	159.0	2.6%
B. United Nations development coordination	17.1	-	-	17.1	0.3%	17.1	-	-	17.1	0.3%
C. Management recurring costs	385.4	-	199.2	584.5	11.3%	379.5	-	214.5	594.1	9.7%
D1. Corporate evaluation	9.2	-	8.0	17.2	0.3%	11.5	-	7.4	18.9	0.3%
D2. Audit and investigation	24.4	-	19.0	43.3	0.8%	29.1	-	18.2	47.3	0.8%
E.1 Comparable Special Purpose	8.4	-	9.4	17.8	0.3%	8.2	-	9.7	17.8	0.3%
E.2 Non Comparable Special Purpose	2.0	-	-	2.0	0.0%	18.0	-	-	18.0	0.3%
<b>Total</b>	<b>604.4</b>	<b>-</b>	<b>235.5</b>	<b>839.9</b>	<b>16.2%</b>	<b>622.5</b>	<b>-</b>	<b>249.8</b>	<b>872.3</b>	<b>14.3%</b>

43. The revised institutional budget is now proposed at \$872.3 million; \$32.4 million, or only 3.9 per cent, higher than the approved budget for 2022-2025 (\$839.9 million). The increase is driven by staff cost increases (\$12.8 million), and proposed investments that cut across the organizational effectiveness and efficiency outputs and focus on several key priorities (net \$19.6 million).

44. The investments in the institutional budget reflect high-level corporate priorities, including \$9.7 million for one-time costs of the headquarters optimization and \$4.3 million for one-time costs of moving from New York headquarters into smaller premises upon expiry of the current lease (see paragraphs 67 and 70 for details). Consistent with the organization's goal of strengthened independent oversight and evaluation, a \$4.0 million investment will address needs in oversight and investigation as well as the independent evaluation function, with a focus on evaluation of humanitarian programming. Other priorities in the institutional budget include strengthening of innovation, partnerships, including financing, security, and fiduciary support for field offices, as well as buttressing field leadership in areas of heightened need and risk. These and other priorities are discussed below in sections C and D.

45. While the nominal appropriation for the institutional budget increases, its relative share of the total use of resources will decrease significantly, from 16.2 per cent to 14.3 per cent. Additionally, the share of the recurring management costs in the total use of resources will be 9.7 per cent, down from 11.3 per cent previously planned for 2022-2025.

### C. Integrated results and resources framework

46. The integrated results and resources framework for 2022-2025 reflects the six strategic outputs and the three operational effectiveness and efficiency outputs of the UNFPA strategic plan, 2022-2025. The integrated results and resources framework contained in the strategic plan continues to be the sole overarching results framework for UNFPA.

47. As in any conceptual framework, the link between results and resources is a simplified version of a complex reality. Accountability for the results in the integrated results and resources framework extends beyond the units or programmes directly linked to the associated resources. For example, for organizational effectiveness and efficiency outputs, the accountability for achieving the outputs is shared across organizational units or functional clusters, as outputs reflect corporate priorities to which multiple units must contribute. Similarly, the achievement of development outcomes is the effect of a concerted effort that involves various stakeholders.

48. The link between results and resources in the institutional budget was developed based on the harmonized results-based budgeting framework for the institutional budget (approved in Executive Board decision 2011/10). The link between the programmatic results and resources is based on an analysis of what is required to accelerate progress toward the three transformative results, as well as past expenditures for programme resources of both regular and other resources.

49. The actual amounts and proportions of resources by outputs and outcomes are determined cumulatively by all ongoing programmes over the years. Because of the bottom-up nature of country programme approvals (further elaborated in paragraph 60), there is no expectation that actual allocations by outputs or outcomes will converge to the indicative breakdown. Moreover, country programme cycles are not synchronized with the strategic plan cycle. Therefore, deviations from the indicative breakdown may persist and also change from year to year.

#### ***Breakdown of resources to development outcomes***

50. The indicative breakdown of resources to the three strategic plan outcomes, as well as six development outputs and three organizational efficiency and effectiveness outputs, is aligned with the priorities of the revised strategic plan for 2022-2025 and reflects the results that UNFPA seeks to achieve during the remainder of the cycle. The details are captured in the revised strategic plan, the theory of change, and the accompanying targets in the integrated results and resources framework; however, a few elements are important to highlight here.

51. The resource estimates by strategic plan outcome reflect UNFPA commitments to achieve the three transformative results by increasing the availability, accessibility and acceptability of services and interventions related to promoting gender equality and the empowerment of women, adolescents and girls, especially those furthest behind. UNFPA will prioritize ending the unmet need for family planning, which indirectly contributes to the reduction of maternal mortality. UNFPA will accelerate progress toward ending preventable maternal deaths by enhancing the quality of services and through the integration of sexual and reproductive health into universal health care. UNFPA will invest in meeting the increased demands for sexual and reproductive health services, and preventing and addressing all forms of gender-based violence, while fulfilling its vital role in the coordination of gender-based violence responses in humanitarian settings.

52. Based on the organization's strategic ambition, and in keeping with the original indicative breakdown of the approved strategic plan and integrated budget, the indicative breakdown of programmatic resources to three outcomes in the integrated results and resources framework is as follows:

- (a) Outcome 1 (reduction in unmet need for family planning accelerated): 40 per cent;
- (b) Outcome 2 (reduction of preventable maternal deaths accelerated): 35 per cent;
- (c) Outcome 3 (reduction in gender-based violence and harmful practices accelerated): 25 per cent;

53. However, an analysis of recent spending trends and patterns shows that the share of programme resources invested towards outcome 3 has recently grown, with attendant decreases in the relative share of the other outcomes. This is explained in large part by the important and growing humanitarian emphasis of UNFPA programming, in particular gender-based violence, given the increased prevalence of crises and conflict in the first two years of the strategic plan cycle.

54. As a result, UNFPA will endeavour to further strengthen its capacities in funding for accelerating the reduction of preventable maternal deaths, with a renewed focus on working with countries to accelerate progress towards improving maternal survival and well-being, including in humanitarian, conflict and post-conflict settings, which hinder or even reverse progress in reducing the burden of maternal mortality.

#### ***Breakdown of resources to development outputs***

55. The six programmatic outputs in the integrated results and resources framework shall maintain the following proportional share of the overall programme resources (without considering any minor adjustments for programme contributions to organizational effectiveness and efficiency outputs):

- (a) Output 1 (Policy and accountability): 9 per cent;
- (b) Output 2 (Quality of care and services): 35 per cent;
- (c) Output 3 (Gender and social norms): 9 per cent;
- (d) Output 4 (Population change and data): 12 per cent;

- (e) Output 5 (Humanitarian action): 30 per cent;
- (f) Output 6 (Adolescents and youth): 5 per cent.

56. The breakdown of resources by development output is indicative only. The actual breakdown is generated by the totality of UNFPA programming. In cases of heightened humanitarian needs, there is a high likelihood that the proportion of resources to output 5 (humanitarian action) will increase. Building on key lessons from the midterm review, UNFPA is dedicated to improving the quality of programming at all levels. This enhancement seeks to assist country offices in identifying and deploying the most practical and impactful pathways (programme outputs) to accelerate the three transformative results, to ensure that all country programmes align with strategic plan outputs, respond to local priorities, and maximize on-the-ground impact.

57. Table 4 below shows the high-level indicative breakdown of resources to results by the strategic plan outputs.

58. Several important considerations influence the interpretation of these figures. First, as in the original strategic plan and integrated budget for 2022-2025, the integrated results and resources framework has been designed to support an integrated approach to delivering the three transformative results. The outcomes and outputs of the strategic plan are interrelated ('many-to-many' relationships). This particularly affects outcome 2 (reduction of preventable maternal deaths accelerated), as resources directed to outcome 1 (reduction in unmet need for family planning accelerated) also indirectly contribute to outcome 2. In many cases, UNFPA will promote and provide integrated sexual and reproductive health and gender-based violence services and information; therefore, the breakdown of resources by strategic plan outcomes, in such situations, may not reveal the full extent of resources allocated overall towards a specific outcome. At the output level, for example, programming for adolescents and youth is contained in each of the six outputs, not solely in output 6 (adolescents and youth), which focuses on youth empowerment and participation.

59. Second, changes in the funding structure can materially alter the spending breakdown by outcomes and outputs. For example, other resources contributions have at times been particularly focused on the output 5: humanitarian action. Any cuts in those contributions would therefore have an impact on the relative proportions of resources allocated for each strategic plan outcome and output.

60. Third, these figures are global estimates, informed by the priorities set in the midterm review of the strategic plan, 2022-2025 and the breakdown of resources in ongoing country programmes, rather than precise amounts that each country is expected to spend on each outcome and output. The amounts that each country spends on each outcome will be determined in dialogue with the government partners at the national level and approved separately by the Executive Board through the country programmes. The resources to be spent on each of the strategic plan outputs just reflect an indirect contribution of the country programme outputs to the strategic plan outputs, given the 'many-to-many' relationships. Therefore, the breakdown of resources to strategic plan outcomes and outputs must be considered indicative only.

**Table 4. Integrated results and resources framework, 2022-2025 (indicative), revised***(in millions of dollars)*

Output	Cost classification	Functional cluster	Integrated budget MTR 2022-2025			
			Regular resources	Other resources	Cost recovery	Total
Output 1: Policy and accountability By 2025, improved integration of sexual and reproductive health and reproductive rights, as well as the prevention of and response to gender-based violence and harmful practices, into universal health coverage-related policies and plans, and other relevant laws, policies, plans, and accountability frameworks	Programme		104.2	363.4	-	467.7
Output 2: Quality of care and services By 2025, strengthened capacity of systems, institutions and communities to provide high-quality, comprehensive sexual and reproductive health information and services, including supplies, as well as essential services to address gender-based violence and	Programme		405.4	1,413.3	-	1,818.7
Output 3: Gender and social norms By 2025, strengthened mechanisms and capacities of actors and institutions to address discriminatory gender and social norms to advance gender equality and women's decision-making	Programme		104.2	363.4	-	467.7
Output 4: Population change and data By 2025, strengthened data systems and evidence that take into account population changes and other megatrends (including ageing and climate change), in development programmes and policies, especially those related to sexual and reproductive health and	Programme		139.0	484.6	-	623.6
Output 5: Humanitarian action By 2025, strengthened capacity of critical actors and systems in preparedness, early action and in the provision of life-saving interventions that are timely, integrated, conflict- and climate-sensitive, gender-transformative and peace-responsive	Programme		347.5	1,211.4	-	1,558.9
Output 6: Adolescents and youth By 2025, strengthened skills and opportunities for adolescents and youth, in particular adolescent girls, to ensure bodily autonomy, leadership and participation, and to build human capital	Programme		57.9	201.9	-	259.8
OEE1: Improved programming for results	Programme		8.7	7.9	-	16.6
	Development effectiveness	Technical expertise for effective response to development challenges	11.3	-	-	11.3
		Programme planning, policy and management	147.7	-	-	147.7
	Independent oversight and assurance	Corporate evaluation	9.6	-	9.3	18.9
		Non Comparable Special Purpose	9.7	-	-	9.7
<b>Total</b>			<b>187.1</b>	<b>7.9</b>	<b>9.3</b>	<b>204.3</b>
OEE2: Optimized management of resources	Programme		5.1	9.8	-	14.9
	Independent oversight and assurance	Corporate oversight and assurance (internal and external audit and investigations)	25.3	-	21.9	47.3
		Corporate financial, information and communication technology and administrative management	50.8	-	46.9	97.7
	Management (recurrent costs)	Field office oversight, management and operations support	220.4	-	83.1	303.4
		Staff and premises security	6.4	-	5.4	11.8
		Corporate human resources management	21.6	-	18.8	40.5
		Non Comparable Special Purpose	8.3	-	-	8.3
<b>Total</b>			<b>341.3</b>	<b>9.8</b>	<b>180.0</b>	<b>531.1</b>
OEE3: Expanded partnerships for impact	Programme		4.4	2.4	-	6.8
		United Nations development coordination	17.1	-	-	17.1
		Leadership and corporate direction	31.1	-	18.6	49.7
	Management (recurrent costs)	Corporate external relations and partnerships, communications and resource mobilization	54.9	-	36.1	91.0
		Comparable Special Purpose	4.8	-	5.9	10.7
<b>Total</b>			<b>112.3</b>	<b>2.4</b>	<b>60.5</b>	<b>175.2</b>
<b>Total</b>			<b>1,799.0</b>	<b>4,058.1</b>	<b>249.8</b>	<b>6,106.8</b>

61. Finally, the revised strategic plan renews the UNFPA call for action to all partners, particularly national governments, to scale up and accelerate progress, with coordination, partnership and South-South and triangular cooperation some of the modes of engagement. Furthermore, in line with the quadrennial comprehensive policy review and United Nations reform, UNFPA will actively participate and substantively contribute to the collaboration, collective action and joint programming for system-wide results. The figures in table 4 represent estimates of the UNFPA contribution towards the achievement of these results, based on the projected income available, rather than the total necessary to reach the targets. In other words, the indicative resources by outcome and output are not the totality of the resources needed to achieve the three transformative results but estimates based on the income projections.

62. Another way to look at the breakdown of resources involves the country tiers from the business model. Countries in tier I are furthest from achieving the three transformative results and, accordingly, will receive the largest share of UNFPA resources. At least 60 per cent of the regular resources available for country programmes will be allocated to the 54 programme countries in tier I. The remaining 40 per cent of the regular resources available for country programmes will be invested in tier II and tier III programme countries. Given the uncertain and volatile environment, UNFPA will remain nimble while ensuring that the resources will be deployed in the countries with the highest need, including in the least developed countries and the small island developing States.

### ***Breakdown of resources to organizational efficiency and effectiveness outputs***

63. The organizational effectiveness and efficiency (OEE) outputs are linked to resources for seven management functional clusters (harmonized with UNICEF and UN-Women) and UNFPA-specific development effectiveness clusters. The functional clusters are groupings of organizational units that conduct activities to deliver intended outputs; they constitute the conceptual link between results and resources in the results-based budgeting framework approved by the Executive Board. Certain costs classified as ‘programme’ are linked to OEE results, in support of development outcomes.

#### ***Output 1. Improved programming for results***

64. Resources allocated to this output amount to \$204.3 million (\$16.6 million in programme; \$159.0 million in development effectiveness; \$18.9 million in independent oversight and assurance and \$9.7 million in special purpose). The principal areas of investment under this output include the following:

#### ***Headquarters optimization (\$9.7 million)***

65. Following a rigorous organizational review, UNFPA decided to merge its Policy and Strategy Division and the Technical Division into a new Programme Division, which will be largely based in Nairobi, Kenya, by the end of 2025. The Independent Evaluation Office will also move to Nairobi. The Intergovernmental, Interagency and Policy Dialogue Branch, currently part of PSD, will move to and be integrated into the Division for Communications and Strategic Partnerships, which, in turn, will be reconfigured as the Division for External Relations.

66. These changes – collectively referred to as “headquarters optimization” – are driven by a strategic vision to reinvigorate, reimagine and transform UNFPA, to make sure that it is fit for the future and strategically positioned to deliver on its mandate, in alignment with the strategic plan, ICPD Programme of Action, the 2030 Agenda for Sustainable Development and the Secretary-General’s vision for a UN 2.0. The new organizational arrangement will ensure that more effective support is provided to country and regional offices through more seamless integration of policy advice into programmatic guidance, and by leveraging closer geographic and time-zone proximity to most country and regional offices. By strengthening its presence in Nairobi, UNFPA will also benefit from the opportunities offered by a vibrant hub in the Global South to build new partnerships and ensure stronger normative engagement at the regional and country levels.

67. The headquarters optimization process is expected to be completed by the end of 2025. For this reason, the envisaged position changes will be reflected in the upcoming integrated budget, 2026-2029. While savings were not the primary driver of this exercise, UNFPA expects annual savings of approximately \$3 million

resulting principally from lower staff-related costs, as well as reduced rental and other operating costs in Nairobi, starting in 2026, and thus these savings are not reflected in the midterm review. The one-time costs of these changes – which include relocation, separation and premises-related costs, as well as ICT and project management costs – are budgeted at \$9.7 million. Accordingly, the pay-back-period for this investment will be approximately three years.

*Strengthening independent oversight – evaluation (\$1.3 million)*

68. UNFPA remains committed to continuously strengthening its independent oversight and assurance functions. For the independent evaluation function, the proposed budget contains additional investments of \$1.3 million in the Independent Evaluation Office covering humanitarian evaluations and meta-synthesis, following the conclusions of a recently concluded independent peer review of the evaluation function, which informed the revision of the UNFPA Evaluation Policy approved by the Executive Board in decision 2024/8. The proposed budget is in line with the multi-year costed evaluation plan 2024-2027 approved by the Executive Board in the same decision.

*Output 2. Optimized management of resources*

69. Resources allocated to this output amount to \$531.1 million (\$15 million in programme; \$47.3 million in independent oversight and assurance; \$453.4 million in management recurring; and \$15.5 million in special purpose). The principal areas of investment under this output are listed below.

*New York Headquarters premises move (one-time cost) (\$4.3 million)*

70. As the lease on the UNFPA headquarters premises in New York runs out at the end of 2025, a budget of \$4.3 million is reserved for one-time costs of the office move foreseen at the end of the lease. This cost includes the move itself as well as one-time setup costs in new facilities. Given the shift of some divisions to a different duty station, and the planned open workspace setup, both resulting in significantly lower space needs, as well as given the advantageous current market conditions for commercial real estate in New York, UNFPA expects to realize substantial recurrent savings in office rent compared to the present lease from 2026 onward.

*Strengthening independent oversight - internal audit and investigation (\$2.7 million)*

71. The mandate of the OAIIS Investigation Branch extends to all types of wrongdoing involving internal and external persons or entities: from misconduct by staff members to proscribed practices by implementing partners, vendors, individual independent contractors or any other third parties in a contractual arrangement with UNFPA. OAIIS investigations can involve allegations of fraud, sexual exploitation and abuse, sexual harassment, abuse of authority and retaliation. As part of the continued commitment of UNFPA to continuously strengthen its independent oversight functions, a \$2.7 million investment will strengthen OAIIS capacity and bolster the investigations function with temporary appointment posts in the current integrated budget cycle, 2022-2025, to more expeditiously address the backlog of cases, tackle the increase in cases reported, and support the office's use of new technologies. UNFPA will continue to analyse investment needs in these areas going forward and for the formulation of the integrated budget for 2026-2029.

*Field strengthening (\$2.0 million)*

72. The ability of UNFPA offices in the field to effectively lead and spearhead programming efforts is paramount to ensuring that programmes achieve the desired results. With the midterm review, UNFPA proposes targeted investments in field leadership and management capacity, notably covering representative functions in crisis-affected locations.

*Information technology development (\$2.0 million)*

73. UNFPA continually seeks to leverage innovative technologies to improve key business processes, involving both management and programming. As part of this effort, investments in knowledge management supported by artificial intelligence (\$1.0 million), a global centre of excellence for digital technologies (\$0.5 million) as well as artificial intelligence tools and the use of strategic data for improved analytics (\$0.5 million) will be prioritized in 2024 and 2025.



*Security strengthening (\$1.4 million)*

74. As the scale and scope of security challenges to UNFPA staff and assets continues to increase around the world, the organization needs to strengthen its security function, comprising both the central and field-based security functions. In this exercise, the risk profile of locations and regions was duly taken into account.

*Fiduciary support (\$0.9 million)*

75. In order to ensure robust fiduciary support and financial management, with a view to providing effective support to all offices in financial management matters, UNFPA will invest \$0.9 million to bolster this function.

*Other*

76. In line with previous budget proposals, the UNFPA Executive Director requests the Executive Board to grant her exceptional authority – similar to that granted in decisions 2008/6, 2012/3, 2013/32, 2017/24 and 2021/18 – to access up to \$5.6 million in regular resources for security measures if unforeseen requirements arise in connection with United Nations-mandated security costs. UNFPA would limit the use of those funds to new and emerging security mandates, as defined through the United Nations Department of Safety and Security directives. The amount of \$5.6 million represents approximately 20 per cent of the three largest security cost components for 2022-2025, totalling \$28.0 million, as follows: \$14.1 million estimated UNFPA-apportioned share of United Nations Department of Safety and Security costs and funding for residential security measures; \$6.7 million recurring insurance and security costs fund-wide; and \$7.2 million for investments in fund-wide compliance with security risk management measures.

*Output 3. Expanded partnerships for impact*

77. Resources allocated to this output amount to \$175.2 million (\$6.8 million in programme; \$17.1 million in United Nations development coordination, \$140.7 million in management recurring, and \$10.7 million in special purpose). The principal areas of investment under this output are listed below.

*Innovation, partnership and financing (\$2.3 million)*

78. Leveraging partnerships and innovation is crucial for accelerating progress towards the three transformative results. UNFPA proposes to invest \$1.0 million in its innovation function and change management, with a view to harnessing innovation, research and investments in women's health as well as effectively supporting essential change projects within UNFPA. Investments in this area also include \$0.7 million in partnerships and communication, with a focus on modern audiovisual communications, and \$0.6 million in UNFPA capacity to engage in innovative financing modalities, while carefully monitoring legal and financial risks.

## **D. Summary of increases and decreases in the institutional budget**

79. Changes to the nominal amounts in the institutional budget component are a combination of cost increases (non-discretionary), volume changes (including corporate initiatives and investments), and efficiencies and savings. The impact of each of these elements is summarized in table 5 below.

80. Material volume increases have been linked to the strategic plan OEE outputs, as detailed in the previous section. Cost increases and volume decreases are discussed below.

*Cost increases*

81. The budget incorporates a total of \$12.8 million (1.5 per cent) cost increases for 2024 and 2025. These result from increases in post costs due to the salary-scale revisions, within-grade salary increments and other post entitlements, as determined by the International Civil Service Commission.

*Reductions, savings and efficiencies – volume decreases*

82. UNFPA has identified reductions in the amount of \$7.0 million in the institutional budget, which are reflected as volume decreases. The key areas are as follows:

83. As part of the midterm review of the integrated budget, UNFPA has identified some functions and activities previously funded from the institutional budget that primarily contribute to programme outputs, such as programmatic management and programme coordination functions in humanitarian contexts. These are not included in the revised institutional budget, resulting in a reclassification of \$3.9 million.

84. As part of ongoing efforts to identify savings and efficiencies, UNFPA has reviewed activities that can be reduced or curtailed (\$2.2 million). These notably include reduced costs of some ICT services, streamlining of some consulting and travel budgets, as well as reductions in office operating costs in some regional office locations.

85. As part of the regular review of office structures, UNFPA also identified functions that are no longer needed in the current context, and where the positions can be aligned to leverage efficiencies. This results in a reduction of approximately \$0.9 million.

**Table 5. Summary of institutional budget increases and decreases**

(in millions of dollars)

	Total	% increase / (decrease)
<b>I. Integrated budget, 2022-2025 DP/FPA/2021/9</b>	<b>839.9</b>	
<b>II. Increases and decreases due to costs</b>		
(i) Inflation, currency and staff costs	12.8	1.5%
<b>Net total increases due to costs</b>	<b>12.8</b>	<b>1.5%</b>
<b>III. a. Proposed investments</b>		
(i) HQ optimization	9.7	1.2%
(ii) HQ relocation	4.3	0.5%
(iii) Oversight and evaluation strengthening	4.0	0.5%
(iv) Investments in innovation, partnership, fiduciary support & financing	3.2	0.4%
(v) Field strengthening	2.0	0.2%
(vi) ICT initiatives	2.0	0.2%
(vii) Security strengthening	1.4	0.2%
<b>Total proposed investments</b>	<b>26.6</b>	<b>3.2%</b>
<b>b. Proposed reductions</b>		
(i) Cost classification alignment	(3.9)	-0.5%
(ii) General operating efficiencies	(2.2)	-0.3%
(iii) Position alignments	(0.9)	-0.1%
<b>Total proposed reductions</b>	<b>(7.0)</b>	<b>-0.8%</b>
<b>IV. Net volume increases/(decreases) (III.a + III.b.)</b>	<b>19.6</b>	<b>2.3%</b>
<b>V. Total 2022-2025 MTR institutional budget</b>	<b>872.3</b>	
<b>VI. Estimated income to the institutional budget</b>	<b>(249.8)</b>	
<b>VII. 2022-2025 net MTR institutional budget (V + VI)</b>	<b>622.5</b>	

### Summary of post changes

86. Table 6 below provides an overview of the proposed post changes in the institutional budget for 2022-2025.

**Table 6. Summary of post changes in the institutional budget**

	Integrated budget, 2022-2025 (DP/FPA/2021/9)							Changes: increase and (decrease)					Institutional Budget 2022-2025 MTR							
	USG / ASG	D2	D1	Other IP	All other	Total	% of total	USG / ASG	D2	D1	Other IP	All other	Total	USG / ASG	D2	D1	Other IP	All other	Total	% of total
Field		6.0	49.0	169.0	427.0	651.0	65.4%			3.0	(4.0)	(5.0)	(6.0)		6.0	52.0	165.0	422.0	645.0	64.4%
Headquarters - other locations		1.0	5.0	22.0	26.0	54.0	5.4%				12.0	(4.0)	8.0		1.0	5.0	34.0	22.0	62.0	6.2%
Headquarters - NYC	3.0	7.0	20.0	185.0	76.0	291.0	29.2%				3.0		3.0	3.0	7.0	20.0	188.0	76.0	294.0	29.4%
<b>Total</b>	<b>3.0</b>	<b>14.0</b>	<b>74.0</b>	<b>376.0</b>	<b>529.0</b>	<b>996.0</b>	<b>100.0%</b>			<b>3.0</b>	<b>11.0</b>	<b>(9.0)</b>	<b>5.0</b>	<b>3.0</b>	<b>14.0</b>	<b>77.0</b>	<b>387.0</b>	<b>520.0</b>	<b>1,001.0</b>	<b>100.0%</b>

Note: IP= international professional

87. UNFPA decided to upgrade three Representative positions in the field to the D1 level to reflect the complexity of conducting the UNFPA mandate under the present circumstances. These are located in Ukraine, the State of Palestine, and Bosnia and Herzegovina.

88. Other post changes are attributable to the organization-wide review of alignments with the revised strategic plan, as detailed in previous sections.

89. In the field, UNFPA proposes post changes as follows:

- three additional D1 positions, as described above;
- a net reduction by four posts of ‘other international professional’ staff;
- a net reduction by five posts of ‘all other’ staff.

90. UNFPA proposes the following post changes at its headquarters (NY and other locations):

- Net increase of 15 posts in the ‘other international professional’ category, in support of the investments highlighted above. Of these, 12 posts, or 80 per cent, are located in non-New York duty stations;
- Net reduction by four posts of ‘all other’ staff.

91. UNFPA continues to be a field-based organization, with 88 per cent of UNFPA staff serving in field duty stations. This ratio has been stable for several years, reflecting a strong commitment to field presence and field-focused investments as the organization evolves. Within the institutional budget, two-thirds of posts are stationed in the field and over 70 per cent are stationed outside of New York headquarters. Nevertheless, institutional budget posts inherently include central business functions and therefore skew towards headquarters locations. Please note that the above figures do not account for the effects of or savings from the headquarters optimization, including the move of units from New York to Nairobi, since it will only be effective by late 2025. Those changes will be reflected in the next integrated budget, for 2026-2029.

## E. Cost recovery

92. In decisions 2019/21 and 2020/12, the Executive Board approved the joint comprehensive cost recovery policy, effective 1 January 2022 (DP/FPA-ICEF-UNW/2020/1). The present document includes the estimated amounts of cost recovery for 2022-2025, based on this policy. On this basis, the notional cost recovery rate is 8.1 per cent. Annex 2 presents descriptions of the UNFPA costs under each cost classification category, the calculations and the resulting notional cost recovery rate.

93. UNFPA complied with the approved indirect costs recovery rates. All exceptions were reported to the Executive Board in the statistical and financial reviews for 2021, 2022 and 2023 [DP/FPA/2022/4 (Part I/Add.1); DP/FPA/2023/4 (annexes 1-3) and DP/FPA/2024/4 (Part I/Add.1)].

94. The Executive Board will decide on the review of the joint comprehensive cost recovery policy at the second regular session in 2024. UNFPA, UNDP, UNICEF and UN-Women have engaged the Executive Boards

of all four organizations in 2023 and provided information on the review. Following the decision of the Executive Board, UNFPA will then, on that basis, prepare the integrated budget for 2026-2029.

95. In the context of the continued growth in the proportion of other resources contributions, the recovery of indirect costs and charging of direct costs to programmes funded from other resources continues to be key to ensuring the financial sustainability of the organization. UNFPA relies on the partnership of stakeholders to ensure that agreements for programmes funded from other resources always embed the necessary direct costs. Internally, UNFPA has continued efforts to ensure compliance with cost recovery policy in all proposals funded from other resources.

#### **IV. Elements of a decision**

96. The Executive Board may wish to:

- (a) *Welcome* the midterm review of the UNFPA integrated budget, 2022-2025 (DP/FPA/2024/3), and its alignment with the midterm review of the UNFPA strategic plan, 2022-2025 (DP/FPA/2024/4 (Part 1));
  - (b) *Take note* of the results framework and resource requirements reflected in the revised estimates for the UNFPA integrated budget, 2022-2025, including linkages of results and resources, as contained in document DP/FPA/2024/3;
  - (c) *Approve* the presentation of activities and associated costs, as reflected in document DP/FPA/2024/3;
  - (d) *Approve* revised gross estimates for the institutional budget 2022-2025 in the amount of \$872.3 million, noting that these estimates include \$249.8 million for indirect cost recovery from other resources;
  - (e) *Approve* a revised ceiling for global and regional programmes during 2022-2025 in the amount of \$211.6 million in regular resources, noting that this amount cannot be exceeded without approval of the Executive Board;
  - (f) *Recall* Executive Board decision 2015/3, *approve* a revised amount of \$42 million of regular resources for the UNFPA emergency fund, and *reaffirm* the existing authorization for the UNFPA Executive Director to increase the emergency fund by up to \$2 million beyond the ceiling in any given year if the number and extent of the emergencies so warrant.
  - (g) *Endorse* the proposal of the Executive Director, similar to decisions 2008/6, 2012/13, 2013/32, 2017/24, and 2021/9 to grant her exceptional authority during 2024-2025 to access up to an additional \$5.6 million in regular resources for security measures, provided these are used for new and emerging security mandates, as defined by the directives of the United Nations Department of Safety and Security, and request UNFPA to report to the Executive Board annually on the use of those funds in its statistical and financial review.
-