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UNFPA – Financial, budgetary and administrative matters

United Nations Population Fund

**Report of the Advisory Committee on Administrative and Budgetary Questions
on the UNFPA integrated budget, 2026-2029**

Summary

The enclosed report of the Advisory Committee on Administrative and Budgetary Questions on the integrated budget of UNFPA for 2026-2029 is being presented before the Executive Board at its second regular session 2025.

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



I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the United Nations Population Fund (UNFPA) integrated budget for 2026-2029 (DP/FPA/2025/10). During its consideration of the report, the Advisory Committee met with representatives of the Fund and was provided with additional information and clarification, concluding with written responses received on 29 July 2025.

II. Proposed integrated budget for 2026-2029

2. The report of the Executive Director indicates that the proposed UNFPA integrated budget for 2026-2029 presents the resources that will contribute to the achievement of results outlined in the UNFPA strategic plan for 2026-2029. The report indicates that the integrated budget should be considered in conjunction with the UNFPA strategic plan for 2026-2029 (DP/FPA/2025/9) and its annexes.

3. For 2026-2029, UNFPA proposes total contributions estimated at \$4,829.0 million for 2026-2029, compared to \$6,031.2 million for 2022-2025. **The Advisory Committee recalls its recommendation that financial performance should be tracked throughout each year of budget implementation and provided as supplementary information to budget submissions (see also AC/2294, para. 5 and AC/2172, para. 3). The Committee notes that actual expenditures for 2023 and 2024 are now contained in the statistical and financial review for 2024, provided as supplementary information to this budget report. The Committee trusts that the information on actual expenditures for the two previous years will be provided as supplementary information to future budget submissions as a matter of routine.**

4. Upon enquiry, the Advisory Committee was informed that UNFPA, being entirely funded through voluntary contributions with no assessed contributions, must continuously mobilize resources from governments and other partners. UNFPA is actively pursuing strategies to prioritize regular or unearmarked resources as the primary form of funding, as well as secure a more balanced funding portfolio. The Committee was also informed that the current distribution of 26 per cent regular resources to 74 per cent earmarked resources falls short of the United Nations funding compact target of 30 per cent for regular resources. Moreover, UNFPA projections for 2026-2029 indicate a further decline of overall funding, with donors' continued preference for earmarked contributions. **The Advisory Committee notes with concern the steadily declining level of overall funding and, in particular, of the share of core resources. While commending the strong fundraising efforts undertaken, the Committee encourages UNFPA to continue its efforts to diversify its donor base and engage with the private sector with the aim of increasing the level of available unearmarked contributions. The Committee trusts that further clarifications regarding the impact of this trend on the delivery of mandates will be provided to the Executive Board at the time of its consideration of the present report.**

5. The report indicates the proposed use of resources by cost classification categories as follows: (a) \$4,741.1 million (or 90.5 per cent of the total available resources) to development and humanitarian activities in 2026-2029, compared with \$5,551.7 million (or 90.8 per cent), during 2022-2025; (b) \$17.6 million (0.3 per cent of total resources) for the United Nations development coordination activities in 2026-2029, compared with \$17.1 million during 2022-2025; and (c) \$482.8 million (9.2 per cent of total resources available) towards enabling functions in 2026-2029, compared with \$546.4 million during 2022-2025 (DP/FPA/2025/10, paras. 21-27 and table 1).

6. Under the cost classification category of development and humanitarian activities, UNFPA estimates that \$4,685.1 million will be available for programmes during 2026-2029, compared to \$5,475.2 million during 2022-2025, representing a decrease of \$790.1 million (14.4 per cent). The resources under 'Programmes' are allocated as follows: (a) country programmes – \$4,219.5 million

(80.5 per cent); (b) global and regional programmes – \$425.6 million (8.1 per cent); and (c) emergency fund – \$40 million (0.8 per cent) (ibid., table 2). Upon enquiry, the Advisory Committee was informed that UNFPA envisages a funding decrease of \$692.8 million for country programmes, of which \$247.6 million would be regular resources and \$445.2 million other resources. The funding decrease is driven by the projected reduction in income. However, UNFPA aims to slightly increase the share of total resources allocated to country programmes from 80.3 per cent to 80.5 per cent, to prioritize and safeguard the country programmes as much as possible. **The Advisory Committee trusts that further clarifications regarding the impact of the decrease in funding on the delivery of mandates for country programmes will be provided to the Executive Board at the time of its consideration of the present report. The Committee also trusts that UNFPA will continue to strengthen the link between resources and results and enable a holistic real-time overview of resource utilization, also through the use of enterprise resource planning solutions.**

7. Under the cost classification category of United Nations development coordination, UNFPA proposes to allocate \$17.6 million (0.3 per cent of total resources) in 2026-2029, compared with \$17.1 million during 2022-2025. The report indicates that the projection reflects the most recent cost estimate of the UNFPA share of the resident coordinator system (ibid., para 24). Upon enquiry, the Advisory Committee was informed that UNFPA actively supports the Resident Coordinator system and United Nations country teams (UNCT) coordination through strong alignment with the United Nations Sustainable Development Cooperation Framework (UNSDCF) and active participation in joint programming. By leveraging the Cooperation Framework for planning, advocacy and resource mobilization, UNFPA contributes to reduction of fragmentation, enhanced collaboration and maximization of impact (see also para. 32 below).

8. Under the cost classification category of enabling functions, UNFPA proposes to allocate \$482.8 million (or 9.2 per cent of total resources) in 2026-2029, compared with \$546.4 million in 2022-2025. The report indicates that the decrease of \$63.6 million is a net result of: (a) the implementation of cost-saving measures to align with reduced projected contributions for 2026-2029; (b) the exclusion of costs previously classified under special purpose, such as one-time costs for UNFPA headquarters optimization and headquarters relocation (see also paras. 13-17 below); (c) the individual giving programme and investments in information technology developments now funded through alternative sources and no longer included in the institutional budget 2026-2029 (ibid., para. 25).

III. Proposed institutional budget for 2026-2029

9. The proposed institutional budget for 2026-2029 amounts to \$556.5 million, representing a decrease of \$83.5 million (13.0 per cent) compared with the allocation of \$640 million in 2022-2025. The report indicates that while the nominal appropriation for the institutional budget has decreased, its relative share of the total use of resources has increased from 10.5 per cent of total resources in 2022-2025 to 10.6 per cent of total resources in 2026-2029 (ibid., para. 23). Upon enquiry, the Advisory Committee was informed that the marginal increase in the share of the institutional budget against total resources was because the essential corporate functions were less elastic and scalable than programme funds, thereby taking up a slightly larger share of the institutional budget despite cost reductions.

Table 1
Institutional budget variances, by expense type

(in millions of United States dollars)

	MTR Integrated budget, 2022-2025 DP/FPA/2024/10 (restated)					Integrated budget, 2026-2029				
	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total	Regular resources	Other resources Programme	Cost recovery	Total resources	Percentage of total
I. Resources available										
Summary institutional budget										
A.2 Development effectiveness	37.9	-	38.6	76.5	1.3%	22.8	-	33.2	56.0	1.1%
B. United Nations development coordination	17.1	-	-	17.1	0.3%	17.6	-	-	17.6	0.3%
C. Enabling functions										
C.1 Management activities	278.4	-	171.7	450.1	7.4%	236.2	-	187.0	423.2	8.1%
C.2.1. Corporate evaluation	10.1	-	10.3	20.3	0.3%	6.5	-	9.5	16.0	0.3%
C.2.2 Audit and investigation	23.4	-	23.8	47.3	0.8%	17.8	-	25.9	43.7	0.8%
C.3.1 Comparable special purpose	5.3	-	5.4	10.7	0.2%	-	-	-	-	0.0%
C.3.2 Non comparable special purpose	18.0	-	-	18.0	0.3%	-	-	-	-	0.0%
Total enabling functions	335.2	-	211.2	546.4	8.9%	260.5	-	222.3	482.8	9.2%
Total	390.3	-	249.8	640.0	10.5%	301.0	-	255.5	556.5	10.6%

10. The report indicates that the overall decrease of \$83.5 million in the institutional budget proposal for 2026-2029 incorporates a gross cost reduction of \$92.0 million (see also para. 11 below), offset in part by net cost increases of \$8.5 million (ibid., paras. 75 and 77).

Table 2
Institutional budget variances, by expense type

(in millions of United States dollars)

Expense category	MTR 2022-2025 Institutional budget (restated)	2026-2029 Institutional Budget	MTR 2022-2025 vs 2026-2029	
			\$	%
Staff and Other Personnel Costs	523.1	500.6	(22.6)	-4.3%
General Operating and Other Direct Costs	51.4	49.2	(2.2)	-4.3%
Contractual Services	44.2	31.2	(13.1)	-29.5%
Travel	12.7	9.4	(3.2)	-25.5%
Equipment, Vehicles and Furniture Including Depreciation	8.3	2.0	(6.3)	-75.8%
Supplies, Commodities, Materials	0.2	0.1	(0.1)	-49.9%
Cost reduction targets to be achieved through strategic review of UNFPA's business model		(36.0)	(36.0)	
Total	640	556.5	(83.5)	-13.0%

11. With regard to the gross cost reduction of \$92.0 million indicated above, the report indicates that the reduction was achieved through savings and efficiencies, including: (a) projected net savings of \$7.5 million through the headquarters optimization initiative; (b) anticipated savings of \$5.1 million in office rent starting in 2026; (c) savings of \$8.2 million through harmonizing roles and clustering functions; (d) a reduction of \$28.7 million in special purpose costs; (e) savings of \$17.6 million by reducing discretionary costs; and (f) an additional \$36.0 million in reductions across all levels and cost categories during 2026-2029 (ibid., paras. 77-83).

Reduction in after-service health insurance liabilities

12. The report indicates that the institutional budget proposal incorporates a \$17.7 million reduction in after-service health insurance (ASHI) liabilities. UNFPA will adjust its ASHI contribution rate from 10 per cent in 2022-2025 down to 4 per cent for 2026-2029, following the success of its multi-year funding strategy, alongside a sound contribution balance and long-term investment portfolio to support its ASHI obligations (ibid., para. 75). **The Advisory Committee notes the adjustment of the contribution rate for ASHI liabilities and trusts that more detailed information on the ASHI funding levels and change in cost assumptions will be provided to the Executive Board. The Committee considers that a clear methodology should be established for the determination of ASHI liabilities funding to avoid ad-hoc decisions and to ensure transparency in cost assumptions.**

Headquarters optimization initiative

13. It is indicated in the report that the UNFPA headquarters optimization initiative includes the merger of technical and policy functions into a new programme division and the relocation of certain headquarters units, primarily the Programme Division and the Independent Evaluation Office, from New York to Nairobi. The initiative is scheduled for completion by the end of 2025, with projected net savings in the institutional budget amounting to \$7.5 million during 2026-2029, primarily owing to reduced staff-related costs, reduced rental costs associated with the new location and lower operating costs (ibid., para. 78). Upon enquiry, the Advisory Committee was informed that, of the projected total savings of \$7.5 million in the institutional budget owing to the relocation from New York to Nairobi, \$6.3 million (83 per cent) is attributed to lower staff-related costs based on standard post costs of the two locations, while \$1.3 million (17 per cent) results from reduced rental expenses as a result of relocating to a lower-cost location.

14. Upon enquiry, the Advisory Committee was informed that UNFPA began its headquarters optimization initiative in 2023, as part of wider decentralization efforts across the United Nations system. The primary driver of these changes was to make UNFPA future-fit, in line with key frameworks like the Programme of Action of the International Conference on Population Development (ICPD), the 2030 Agenda for Sustainable Development and the Secretary-General's UN 2.0 vision. The optimization initiative aims to boost the UNFPA footprint toward field operations; to strengthen support to country and regional offices, including through time-zone alignment and geographic proximity; to bridge gaps between programme and technical functions; and, to foster Global South partnerships. The Committee was also informed that, throughout the design and implementation of the initiative, UNFPA collaborated with other United Nations entities to exchange best practices and lessons learned from similar efforts.

15. The Advisory Committee was informed that, as part of the UNFPA headquarters optimization initiative, 118 posts were being relocated to Nairobi – 108 from New York and 10 from other locations. The relocation process began in March 2025, with most moves expected June through August 2025. As of May 2025, 106 posts had confirmed dates for 'entry on duty in Nairobi', while 9 were under recruitment. Five posts in the Strategic Planning Branch will be relocated by the end of September 2025, after finalization of the new Strategic Plan and endorsement by the Executive Board. Upon completion of the relocation, a total 177 posts will be based in Nairobi, including 59 posts in the Kenya, Somalia and Sudan country offices already based in Nairobi. The Committee was also informed that Nairobi was selected as the relocation duty station following a comprehensive location analysis, conducted with the support of external consultants. The criteria of duty station assessment included: existing United Nations presence, safety and security of staff, time zone centrality, geographical proximity to the field locations, geographic accessibility (i.e. flight connections), infrastructure, talent availability and the cost of living.

16. With regard to the merger of the Technical Division and the Policy and Strategy Division into the Programme Division, the Advisory Committee was informed, upon enquiry, that the merger, which has been operational for almost one year, has enhanced coordination across regional, country and headquarter offices. It was also indicated that a new operations unit was being established to

provide centralized services to the Programme Division and the Independent Evaluation Office in Nairobi.

17. The Advisory Committee was informed, upon enquiry, that, in accordance with the request from the Executive Board, UNFPA will monitor the impact of the headquarter optimization initiative on the performance and effectiveness of the Fund annually through the end of 2028 (i.e. three complete years of full implementation) and report thereon. The 2028 performance would be reported in the Executive Director's annual report presented to the UNDP/UNFPA/UNOPS Executive Board in 2029.

18. The Advisory Committee notes that the headquarters optimization initiative was launched in 2023. As a frontrunner in this effort, the Committee trusts that UNFPA will share its best practices and lessons learned with other United Nations entities. The Committee also trusts that UNFPA will measure and track the impact of the initiative on the Fund's operations and resources, and that an update will be provided in future budget reports.

Rental costs for headquarters premises in New York

19. The report indicates that UNFPA projects savings of \$5.1 million in office rent, beginning in 2026, after the relocation of its headquarters to new premises in New York. These rental savings are separate from and in addition to, those projected under the broader headquarters optimization initiative (ibid., para. 79). Upon enquiry, the Advisory Committee was informed that UNFPA plans to move to a smaller headquarters office in New York by the end of 2025, as the reduced headquarters staff allows for a significant reduction in office footprint. The new premises will incorporate an open workspace design with a lower desk-to-staff ratio, directly contributing to reduced rental costs. **The Advisory Committee notes that the savings of \$5.1 million in rental costs are separate and in addition to the broader headquarters optimization initiative.**

Clustering of functions

20. The report indicates that UNFPA reviewed field office and headquarters structures and identified savings totalling \$8.2 million by harmonizing roles and clustering functions (ibid., para. 80). Upon enquiry, the Advisory Committee was informed that, as part of this strategy, several country offices were undergoing a re-evaluation of their delivery of programmes and operations, with the overarching goal of realigning the UNFPA country presence to better meet programme countries' evolving needs, using diverse models and restructured offices to stay agile and responsive in a changing global environment. This strategy includes grouping previously independently managed offices or country coverages under unified leadership, thereby consolidating functions and responsibilities. For instance, it is proposed to group several formerly independent offices in the Asia-Pacific region into a cluster led from Viet Nam, prompting an upgrade of the Representative role. A similar approach is proposed for East and Southern Africa, with Namibia serving as the cluster lead and its Representative position also upgraded accordingly. The Committee was also informed that this clustering strategy is a key component of a broader review of the UNFPA business model (see also para. 23 below). **The Advisory Committee trusts that more detailed information on the clustering of functions including the criteria used and selection of location will be provided to the Executive Board at the time of consideration of this report.**

Special purpose costs

21. The report indicates that UNFPA will reduce \$28.7 million in special purpose costs, comprised of \$14 million in one-time costs for the UNFPA headquarters optimization and relocation; and \$14.6 million from individual giving and IT development, which will be reclassified as direct costs and funded through alternative sources for 2026-2029 (ibid., para. 81). Upon enquiry, the Advisory Committee was informed that the alternative funding sources comprised of surplus indirect cost recovery revenues from prior institutional budgets, as well as a dedicated trust fund available to UNFPA. For 2026-2029 UNFPA is not proposing any activities to be financed under special purpose costs, thereby reducing pressure on its regular resources, while ensuring country programmes remain unaffected. **The Advisory Committee notes the UNFPA decision to exclude**

special purpose costs allocations from regular resources for 2026-2029. The Committee also notes that the indicated savings of \$14.6 million reflect a change in the apportionment of the costs from regular resources to other resources instead of real savings. The Committee acknowledges the efforts of UNFPA to reduce pressure on its regular resources and trusts that best practices in that regard will be shared with other entities of the United Nations system.

General operating and discretionary costs

22. The report indicates that UNFPA will realize additional savings of \$17.6 million by reducing discretionary costs through various cost curtailment measures. These measures are designed to ensure alignment of the budget proposal with projected contributions (ibid., para. 82). Upon enquiry, the Advisory Committee was informed that the savings were realized from reduced travel, the strategic use of consultants and contractual services, and general cost tightening, with efficiencies implemented across business units.

Strategic review of UNFPA business model

23. The report indicates that UNFPA proposes to further reduce \$36.0 million across all levels and cost categories during 2026-2029, alongside a review of its business model to recalibrate the UNFPA presence, structure and resource allocation in order to target accelerated progress on its strategic plan and sustain high-impact programming across diverse country contexts (ibid., para. 83). Upon enquiry, the Advisory Committee was informed that the review aims to optimize the global presence of UNFPA across all levels to meet programmatic needs, tackle funding challenges and support women and girls; while identifying cost-reduction strategies aligned with the 2026–2029 budget targets. The allocation systems for regular resources of country programmes (i.e. the Resource Allocation System and Resource Distribution System as defined in the previous Strategic Plan) will also be reassessed and updated, and thereafter, the resources allocated based on the revised/updated systems. **The Advisory Committee trusts that more detailed and updated information on the review of the business model, including its impact on the allocation of regular resources to country programmes, will be provided to the Executive Board at the time of its consideration of this report and in the next report.**

Staffing resources within the institutional budget

24. The report indicates that UNFPA continues to be a field-based organization, with 87.9 per cent of its total personnel serving in field duty stations, as of 1 May 2025. The report further indicates that, within the institutional budget, two-thirds of posts are stationed in the field and over 75 per cent stationed outside of New York headquarters (ibid., para. 85). Upon enquiry, the Advisory Committee was informed that, as of 1 May 2025, excluding positions in the Nairobi country office and headquarters posts relocated to Nairobi, the overall percentage of UNFPA posts in the field was 89.7 per cent, as detailed in table 3 below.

Table 3
Total posts by category of all funding sources (as of 1 May 2025)

	Staff	Local Service Contract	United Nations Volunteer	Total	Total in percentage	Less posts in Kenya Country Office	Headquarters posts moved to Nairobi (Programme Division & Independent Evaluation Office)	Adjusted Total	Adjusted Total in percentage
	a	b	c	d = a+b+c	e	f	g	h = d-f-g	i = h/ total h
Field	3,656	906	349	4,911	87.9%	59		4,852	89.7%
Headquarters - NYC	283			283	5.1%			283	5.2%
Headquarters - other locations	389		3	392	7.0%		118	274	5.1%
Total	4,328	906	352	5,586	100.0%	59	118	5,409	100.0%

25. The Advisory Committee notes that as of 1 May 2025, the overall percentage of UNFPA posts in the field was 89.7 per cent. The Committee encourages UNFPA to continue efforts to enhance its field presence and activities (see also AC/2172, para. 20).

Staffing changes

26. The report indicates that the proposed institutional budget includes a net increase of two senior positions at the D-1 grade and above, reflecting the abolishment of 10 posts (2 D-2 and 8 D-1), the establishment of 11 posts (1 D-2 and 10 D-1) and the upward reclassification of one post (1 D-1). A summary of these post changes is presented in Annex I of the report. **The Advisory Committee reiterates its view that all staffing changes should be clearly presented with details regarding the level, nationality, function, organizational placement and incumbency status of posts, so as to enhance transparency in human resources management and enable a more meaningful analysis (see also AC/2294, para. 15).**

Equitable geographical representation and gender balance

27. The report does not include information on the geographical representation and gender balance of UNFPA staff. **The Advisory Committee trusts once again that updated statistics on geographical representation and gender balance will be provided in future budget reports.**

28. With regard to gender balance, the Advisory Committee was provided upon enquiry, with website links to the UN System-wide Dashboard on Gender Parity. The information shows that of the total UNFPA staff, 52.7 per cent were women and 47.3 per cent were men.

29. With regard to geographical representation, the Advisory Committee was informed, upon enquiry, that of the 1,002 staff in the 'Professional and higher' category, the geographical representation was, as at 29 July 2025: 308 staff (30.7 per cent) from African States; 216 staff (21.6 per cent) from Asia-Pacific States; 37 staff (3.7 per cent) from Eastern European States; 64 staff (6.4 per cent) from Latin American and the Caribbean States; 286 staff (28.5 per cent) from Western European and other States; 83 staff (8.3 per cent) from the United States of America; and 8 staff (0.8 per cent) from Others. The Committee recalls that it was previously informed that while UNFPA does not have specific targets for achieving geographical representation, the Fund recruited staff on as wide a geographical basis as possible, in line with article 101, paragraph 3, of the UN Charter (see AC/2294, para. 18). **While acknowledging that UNFPA posts are not subject to geographic distribution, the Advisory Committee encourages UNFPA to recruit all categories of its personnel on as wide a geographical basis as possible. The Committee trusts that UNFPA will report thereon as a matter of routine in future budget reports.**

IV. Other matters

Cost recovery

30. For 2026-2029, UNFPA proposes resources in the amount of \$255.5 million to fund the portion of the institutional budget financed through cost recovery. Upon enquiry, the Advisory Committee was provided with information on the three types of cost recovery rates, as follows: (a) the approved rate, applied on agreements signed with the donors (currently 8 per cent, with some differentiated rates); (b) the effective/actual rate, calculated retroactively to reflect the actual cost recovery charged to other resources (excluding cost recovery) implemented over a given timeframe; and (c) notional rate, a forward looking estimate of the rate UNFPA would have to charge other resources agreements in order to recover the fair share of the institutional budget, based on the assumptions and parameters planned for the integrated budget period. The Committee was further informed that the UNFPA cost recovery net effective rate for 2024 was 7.14 per cent, reflecting the approved 8 per cent standard rate and adjustments for differentiated rates. The proposed notional rate for 2026–2029 is 9.1 per cent. **The Advisory Committee trusts that UNFPA will continue to strive to minimize divergence between the three cost-recovery rates (see also AC/2294, para. 22).**

31. The report indicates that, through decision 2024/24, the Executive Board adopted the revised Comprehensive Review of the Joint Cost Recovery Policy for UNDP, UNFPA, UNICEF and UN-Women, effective 1 January 2026. The report further indicates that UNFPA, alongside UNDP, UNICEF and UN-Women will jointly present initial findings on the cost-recovery policy in 2027 and a timeline for full policy review to their Executive Boards, with decisions on the revised policy expected during the Boards' second regular session in 2028. Upon enquiry, the Advisory Committee was informed that a harmonized cost recovery rate aims to prevent inter-agency competition, recognizing that due to economies of scale, larger organizations typically operate below this rate, while smaller ones like UNFPA operate above it. **The Advisory Committee looks forward to receiving an update on the review of the cost recovery policy in future budget reports.**

United Nations system-wide efficiency agenda

32. Upon enquiry, the Advisory Committee was informed that UNFPA is actively engaged across all the components of the efficiency agenda of the United Nations system. These include:

- (a) *Business Innovations Group.* UNFPA currently leads the Business Innovations Group (BIG) as co-chair, in which components of the United Nations reform agenda are discussed. Additionally, as a major service recipient, UNFPA acts as an anchor client by outsourcing substantial service provision to other entities of the United Nations.
- (b) *Global shared services.* UNFPA currently outsources four of the five priority global shared services (i.e. UN Fleet, HR Services (Benefits and Entitlements), UN Web Buy Plus and the UN Booking Hub). UNFPA also procures additional services, such as Treasury and Payroll, from UNDP. However, efforts to expand outsourcing with existing providers of the global shared services have so far been unsuccessful due to a lack of new offerings. The Committee was also informed that UNFPA is actively assessing further bilateral procurement opportunities from UNDP and other service-providing entities. As new services become available, UNFPA will proactively evaluate the feasibility of outsourcing more services.
- (c) *Business operations strategies.* UNFPA participates in 127 business operations strategy (BOS) initiatives globally and currently serves as co-chair of the BOS Task Team, the inter-agency advisory body overseeing BOS assessments. The Committee was also informed that in 2024, the UNFPA utilization of common premises reached 79 per cent, positioning the Fund among the most engaged UN entities in advancing interagency operational solutions.
- (d) *Common back offices.* UNFPA is engaged in implementation of the prioritized six common back offices (CBOs) in high-volume locations (Brazil, Jordan, Kenya, Senegal, Tanzania and Vietnam). UNFPA participates in four CBOs (Brazil, Kenya, Tanzania and Vietnam)

implemented in 2024. To further leverage the benefits of the CBO model, UNFPA has designated Nairobi as the headquarters duty station for both its Programme Division and Independent Evaluation Office.

33. Upon enquiry, the Advisory Committee was informed that UNFPA realized efficiencies of \$77.8 million during 2019-2024. On the Efficiency Reporting stream, UNFPA realized \$52.5 million in efficiencies from UNFPA internal (\$44.3 million) and bilateral (\$8.2 million) efforts (the latter includes global shared services efficiencies (\$0.47 million); and, on the business operations strategy stream, UNFPA realized \$25.3 million. In 2024, UNFPA generated \$14.7 million in operational efficiencies – \$7.6 million from internal initiatives; \$1.8 million through bilateral collaborations; and \$5.3 million through business operations strategies.

34. The Advisory Committee notes the progress made by UNFPA to seek efficiencies, and trusts that further efforts will be made and an update provided to the Executive Board, including on the impact of the efficiency gains on the overall resource requirements of the Fund. The Committee trusts that UNFPA will continue to seek cost-sharing arrangements and efficiency gains, including with other United Nations entities, to further ensure coordination and efficiency and avoid duplication.

United Nations development system coordination

35. Upon enquiry, the Advisory Committee was informed that the UNFPA strategic plan for 2026-2029 is fully aligned with the reform of the United Nations development system (UNDS) and the priorities of the 2024 Quadrennial Comprehensive Policy Review (QCPR), positioning UNFPA to drive system-wide coherence, scale up joint programming and deepen strategic partnerships across the United Nations system. The Committee was also informed that UNFPA actively supports the Resident Coordinator system and United Nations country teams (UNCT) coordination through active participation in joint programming and the alignment of its work with the UNSDCF. Furthermore, UNFPA has played a key role in refining the Management and Accountability Framework (MAF), championing clearer responsibilities, fair funding access and incentives for agency collaboration which are critical to inclusive joint programming and enhanced UNCT coordination. In 2024, UNFPA received \$197 million through United Nations system funding – its largest source of non-core resources, underscoring the trust placed in its mandate and its central role in the United Nations development system.

36. Upon enquiry, the Advisory Committee was informed that as custodian of the ICPD Programme of Action, UNFPA collaborates with United Nations partner entities on sexual and reproductive health, gender equality, youth and population dynamics. These collaborations are grounded in comparative advantages, promoting integrated, coherent action while avoiding duplication—especially at the country level. The Committee was also informed that at the regional level, UNFPA co-leads strategic issue-based coalitions within the five regional collaborative platforms, advancing priorities on gender, youth, human rights and data. This leadership role strengthens alignment between regional agendas and country-level UNCT coordination and programming.

37. The Advisory Committee notes the progress made by UNFPA to strengthen its coordination with the United Nations development system, including with the Resident Coordinator system. The Committee reiterates the importance of inter-agency cooperation and coordination in leveraging synergies and avoiding duplications of effort (see also AC/2294, para. 27).

Oversight and accountability

38. Upon enquiry, the Advisory Committee was informed that, with regard to the recommendations contained in the report of the Joint Inspection Unit on the review of the use of non-staff personnel and related contractual modalities in the United Nations system organizations (JIU/REP/2023/8), as of 1 July 2025, UNFPA has implemented one recommendation, five are in progress and one has not been started. With regard to the recommendations contained in the report

of the Joint Inspection Unit on the review of budgeting in organizations of the United Nations system (JIU/REP/2024/3), the Committee was informed that, of the four main recommendations, one was considered to be not applicable to UNFPA. One recommendation, concerning the standard classification of objects of expenditure, was considered implemented by UNFPA through the Joint Cost Recovery Policy, while two remaining recommendations, one concerning the update of the glossary of financial and budgetary terms and the other regarding adequate level of detail in budget reporting, will be addressed in the inter-agency format. **The Advisory Committee trusts that the recommendations of the Joint Inspection Unit will be implemented in a timely manner.**

39. Upon enquiry, the Advisory Committee was also informed that, as regards the recommendations contained in the report of the Board of Auditors, while UNFPA acknowledges that the selection of implementing partners continues to be a critical challenge, the Fund has strengthened its controls and oversight mechanisms. Key steps undertaken by UNFPA include: (a) the adoption of a risk-based, efficient partnership management approach to reduce oversight for low-risk, low-value partnerships (under \$100,000) and intensifying scrutiny for high-risk, high-value partnerships to better allocate assurance efforts and resources in 2024; (b) a new partnership policy will be issued in 2025 that mandates the use of the UN Partner Portal for selection; (c) expanded audit procedures for implementing partners were piloted for 2024 and will be applied in certain high-risk operations going forward; (d) adjusting the timing of spot checks to align with strengthened activity monitoring and plans to improve due diligence measures, particularly in high-risk settings; (e) strengthen the continued implementation of the HACT framework; (f) using monitoring tools and compliance dashboards to detect missed assurance activities; and (g) embedding sustainable oversight improvements through strengthened policy guidance and ongoing enhancements to QuantumPlus, such as the new partner risk profile launched in January 2025. **The Advisory Committee trusts that UNFPA will intensify its efforts to implement the recommendations of the Board of Auditors fully and in a timely manner.**
