

# UNFPA Supplies Partnership 2021-2030 Phase III Programme Document





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## Executive summary

The UNFPA Supplies Partnership is the third phase of the UNFPA Supplies programme for 2021-2030. Established in 2007, this multilateral, multi-donor, UNFPA-managed thematic trust fund is one of the world's largest providers of donated contraceptives and supports countries to strengthen health systems to deliver a wide choice of them to clients. The new phase of the programme (2021-2030) includes 45 countries with low use of modern contraceptives and high rates of maternal mortality. It builds on years of experience and innovation to create a more strategic approach to meet the needs of even the hardest-to-reach women and girls for modern contraceptives and life-saving maternal health medicines, while also building more sustainable systems and visibility around the availability of these supplies to the last mile. It also builds on and strengthens the emphasis on gender equality and human rights.

The UNFPA Supplies Partnership is guided by people-centred results, in line with the UNFPA Strategic Plan and the United Nations Decade of Action. The Partnership is focused on reproductive health commodities, but the point of these products is to meet the needs of people, as expressed in the new vision:

*Vision:* A world where everyone can access quality reproductive health supplies whenever they want or need them

The focus is on women and girls, yet the framing of the vision to promote prosperity for *everyone* highlights the idea of gender equality and meeting the reproductive health needs of men and boys.

### Programme priorities

The new phase includes a several changes from the previous phase:

- Prioritizing a stronger focus on sustainable financing including domestic resources, following the principle that national capacity development is the overarching strategy of the UNFPA programme approach.
- Structuring the programme as a partnership with governments and other implementing partners, taking on more defined responsibilities and commitments through a country-level Compact.
- Implementing tailored and targeted approaches for Partnership countries, maximizing the impact of resources based on need and opportunity.
- Strengthening performance, accountability and assurance during last mile delivery by using processes to ensure visibility of commodities to the last mile.

- Using the programme as a platform to help prioritize reproductive health, including family planning, as a core element and driver of sustainable development, building on UNFPA partnerships at global and country level.
- Implementing a new participatory governance model that fosters co-creation and shared decision-making with mutual accountability among Partnership stakeholders for programme results.

The new programme design will enable the UNFPA Supplies Partnership to catalyse more sustainable change for countries and women around the world.

## Strategic framework

Figure A: Strategic framework summary

Goal: All women and girls are able to access and use a choice of quality reproductive health commodities whenever they want or need them			
<u>Strategic objective 1</u>	<u>Strategic objective 2</u>	<u>Strategic objective 3</u>	<u>Strategic objective 4</u>
Availability and choice	Strengthened supply chains	Increased government commitment	Operational effectiveness and efficiency
Increase availability of quality-assured reproductive health commodities	Ensure supplies for reproductive health commodities reach the last mile and promote harmonization and integration of supply systems in countries	Countries to increase and diversify financial and programmatic contributions and prioritize reproductive health as a core element of sustainable development	Improved programme management with shared accountability for results
Efficient and timely procurement of a choice of quality-assured reproductive health commodities	Improved supply chain management	Increased and diversified allocations and use of domestic resources for reproductive health commodities and services	Enhanced programme governance and stakeholder engagement
Increased range and availability of reproductive health commodities for marginalized groups in line with reproductive rights	Improved commodity and data visibility for last mile assurance	Reproductive health, including family planning, is explicitly included and funded in development strategies and plans in the context of primary health care (PHC) and universal health coverage (UHC)	Programme resources and risks are managed effectively and efficiently

## **UNFPA Supplies Partnership 2021-2030**

The strategic framework of the UNFPA Supplies Partnership focuses on four pillars: (1) availability and choice; (2) strengthened supply chains; (3) increased government commitment; and (4) operational effectiveness and efficiency, which measures *how* the Partnership is working in addition to *what results* it is achieving. The overall objective is to implement the Programme of Action of the International Conference on Population and Development (ICPD) in order to accelerate progress towards the 2030 Agenda for Sustainable Development particularly through contributing to the UNFPA transformative results: end the unmet need for family planning, end preventable maternal deaths, and end gender-based violence and harmful practices.

### **Operational framework**

Funding streams: The Partnership will achieve its strategic objectives by providing support to countries through three funding streams:

- 1) Supplies: This funding stream supports reproductive health commodities and related costs (freight, packaging and labelling, sampling and testing), with a substream for new and lesser-used products and for humanitarian needs and priorities;
- 2) Transformative Action (TA): This funding stream supports assistance to strengthen supply chains and the enabling environment for reproductive health/family planning policy, with an additional short-term seed fund to help bridge availability and access; and
- 3) Performance: This funding stream covers the costs of programme delivery, coordination and managing accountability and visibility (MAV), including the costs of personnel, supplies management and the Last Mile Assurance (LMA) process.

The LMA process focuses attention on UNFPA's responsibility to go beyond initial delivery of commodities in-country to reach areas most at need. The LMA process also builds the capacity of UNFPA country programmes to better manage the planning, quantification and distribution of commodities and ensure the compliance of implementing partners when delivering these commodities to targeted populations.

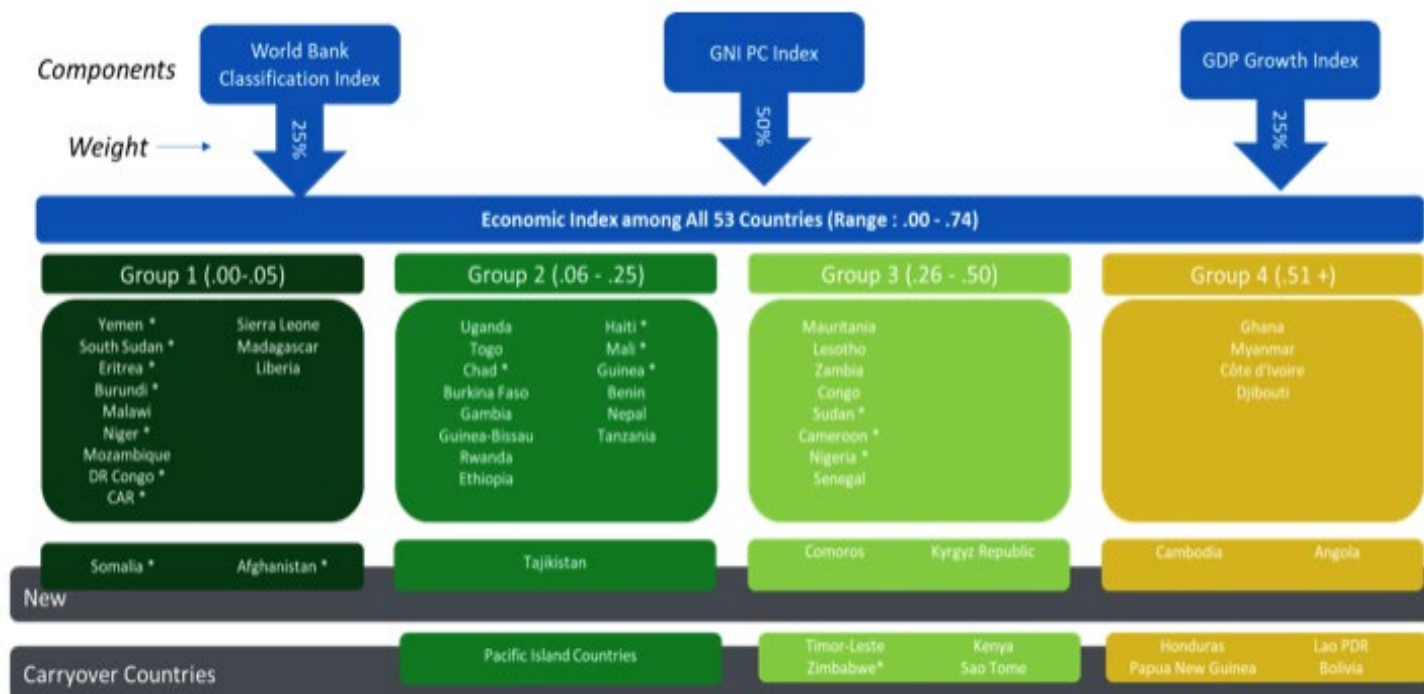
Each funding stream works independently of each other to better meet country needs. This differs from the Phase II country allocations' fixed split between commodities support and technical assistance at the country level. Funding for commodities will be released only if a validated National Supply Plan is provided. The aim is to move towards multi-year funding throughout the programme, in terms of support from donors, in multi-year supply planning and commodities budget allocation, and in the duration of Transformative Action interventions.

Country eligibility: To determine which countries are eligible for inclusion in the programme, the Partnership applies three widely used criteria: gross national income (GNI)/per capita (Atlas method), modern contraceptive prevalence rate (mCPR) and maternal mortality ratio (MMR). Using transparent and objectively verifiable criteria helps provide clarity about why a country is eligible to be part of the Partnership. These criteria were applied to all 160 UNFPA countries with available data, leading to the inclusion of 45 countries. This methodology excluded nine of the current 46 countries supported by Phase II and it was decided to carry-over these countries to avoid an abrupt end of support that would be disruptive to programming and detrimental to women's access to services. This includes the group of Pacific Island Countries supported as a single unit through the UNFPA Pacific Sub-Regional Office, located in Fiji. The new countries all have low mCPR and high MMR and bring an additional 30 million women of reproductive age into the Partnership compared with Phase II, contributing to the UNFPA commitment to leave no one behind.

Resource allocation: The programme tailors support to country contexts, ensuring that resources complement core and other non-core resources available to country programmes. Funds are first allocated to funding streams at the global level and then allocated to countries based on need and opportunities; resources are directed where they are needed most. A composite index incorporating measures of a country's economy and contributions to health was created and then applied to divide countries into groups and help identify a country's ability to contribute resources towards commodity procurement (Figure B). This categorization informs appropriate allocations and ways to increase domestic resource mobilization using various co-financing arrangements and incentives. All Partnership countries will be expected to increase their co-financing of routine commodities over time with specific co-financing requirements to be determined based on country context and characteristics.

## UNFPA Supplies Partnership 2021-2030

Figure B: Country grouping based on economic index score



Note countries organized in order of Economic Index Score – low to high; Fragile States (\*) determined by score of 95 or higher on Fragile States Index; Carryover countries are those that didn't meet inclusion criteria but were "carried over" as existing partnership countries. PICS couldn't be scored on the index – but included in Group 2 as carryover based on regional context

### Ensuring optimum use of resources

The UNFPA Supplies Partnership works with governments and other partners to ensure the optimum use of resources; like the effort to increase the use of domestic resources for commodities, this is a critical element of sustainability. One way of doing this is to make use of UNFPA Procurement Services, which offers competitive negotiated prices on quality-assured commodities and low overhead rates and also helps to build capacity in procurement. Another way is to take advantage of the UNFPA Supplies Bridge Funding Mechanism, which offers pre-financing for commodity procurement in Phase III.<sup>1</sup>

**Awarding TA funds:** The Transformative Action Funding Stream awards funds based on an application process to ensure alignment with strategic objectives and country needs, identified partly through the Last Mile Assurance process. A Sustainability Readiness Assessment Tool also informs decisions around the types of activity supported through the TA funding stream and assesses each country's needs for systems strengthening and supports their transition to greater sustainability.

**Humanitarian support:** Guided by the UNFPA Humanitarian Supplies Strategy (2020-2025), the UNFPA Supplies Partnership is changing its humanitarian support from an

<sup>1</sup> The expanded application of the Bridge Funding Mechanism will be approved in early 2021.



approach of contribution to one of integration. The Partnership will use its resources to promote resilience and preparedness in countries most likely to be affected by an emergency, integrating humanitarian capacity-building components into its broader efforts to strengthen procurement and supply chain systems for routine commodities. UNFPA Supplies Partnership countries that are at higher risk of rapid onset emergencies will be encouraged to adopt a humanitarian lens in their systems strengthening activities to support preparedness and resilience. In addition, the Partnership will contribute resources to the Humanitarian Emergency Fund to support the rapid deployment of essential supplies at the outset of an emergency wherever it occurs. This is an important value-add to the organizational response as it ensures commodities are dispatched rapidly where and when needed.

**Partnership Pathway:** Countries move through stages along a pathway towards sustainable transition in order to further inform both programmatic and financial needs and ensure that Partnership resource allocation decisions favour countries with the greatest needs. There are four country stages: full support, modified support, technical support and transition. This approach allows the UNFPA Supplies Partnership to focus the majority of its resources on countries receiving full support, while also providing support to additional countries on their transition to greater sustainability. Countries move from one stage to another and at a certain point, as both capacity and systems strengthen, become candidates for transition away from the Partnership. Given the focus on reaching the hardest-to-reach, decisions about country transition are supported by an equity assessment to identify whether and how the Partnership is leaving out highly marginalized people.

### **Structure in Phase III**

**Governance and management:** The UNFPA Supplies Partnership is governed through a tiered committee structure made up of key stakeholders from donors, programme governments, civil society and strategic partner organizations that provides strategic direction and management oversight. In this new phase, the Steering Committee is a smaller body optimized for decision-making and is managed by an Independent Chair. Steering Committee members are grouped into constituencies and represented by focal points that rotate every two-three years. The Steering Committee will approve programme strategy, key documents and budget based on recommendations from three subcommittees: 1) Finance and Risk; 2) Strategy and Planning; and 3) Leadership. Broader stakeholder input and engagement will be achieved through an annual meeting of the Partners Assembly.

**Implementation and phasing-in:** UNFPA Country Offices, especially country representatives and their team members, are the critical focal points for achieving success in UNFPA Supplies Partnership countries. Important roles are also played by Regional Offices, providing strategic guidance and technical support, such as reviewing TA funding applications, sharing lessons and identifying and facilitating opportunities for South-South

## **UNFPA Supplies Partnership 2021-2030**

cooperation. This phase calls for changes within the organization to ensure that appropriate staffing and skills are in place and are strengthened as needed. Success also requires alignment and integration with broader UNFPA efforts to achieve its three transformative results by 2030. Change requires time and it will be important to introduce these changes carefully through a detailed phasing-in strategy so as not to be disruptive to programming, which could result in less access for women and girls.

The new phase of the programme has an incremental roll out in 2021 to ensure adequate country-level consultation, realistic planning with the timing of government budgets, implementation of human resources changes and coaching and support to UNFPA Country Offices. This is a transition year with phasing-in arrangements for individual funding streams that are feasible and create the foundation for full implementation of the new design.

## **Conclusion**

The launch of Phase III coincides with the COVID-19 pandemic, which is likely to have a significant impact on sexual and reproductive health and global supply chains and cause economic disruptions for donors and partner countries. Recent estimates suggest that with a 10 per cent decline in use of short-acting and long-acting reversible contraceptives (LARCs) across 132 low and middle income countries, unmet need for contraception would increase by 48.6 million women and lead to 15 million additional unintended pregnancies (Riley, 2020). In addition, estimates based on three scenarios suggest there may be an 8.3 to 38.6 per cent increase in maternal deaths per month, across 118 countries.<sup>2</sup> This situation highlights the importance of UNFPA's work and the need to ensure continued and increased access to quality contraceptives and life-saving maternal health commodities.

This programme document describes the UNFPA Supplies Partnership in detail, including: what is new about this phase; how it interacts with and influences the broader UNFPA structures and global and national initiatives in reproductive health, including family planning; the strategic framework; the operational framework; the results framework; and the management and governance structures. This document is complemented by an Implementation Guidance Manual, which details each aspect of the operational and results framework, and a range of communications materials, including a shorter summary document and an investment case.

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<sup>2</sup> Robertson T, et al. (2020). Early estimates of the indirect effects of the COVID-19 pandemic on maternal and child mortality in low-income and middle-income countries: a modeling study. May 2020. Available at: DOI: [https://doi.org/10.1016/S2214-109X\(20\)30229-1](https://doi.org/10.1016/S2214-109X(20)30229-1).

## Acronyms

CO	Country Office
CPR	Contraceptive prevalence rate
CSB	Commodity Security Branch
CSO	Civil society organization
EML	Essential Medicines List
FCAS	Fragile and conflict-affected states
FCDO	Foreign, Commonwealth & Development Office
GAP	Global Action Plan for Healthy Lives and Well-being
GFF	Global Financing Facility
GHI	Global Health Initiatives
Global FP VAN	Global Family Planning Visibility and Analytics Network
GNI	Gross national income
GPRHCS	Global Programme to Enhance Reproductive Health Commodity Security
HRBA	Human rights-based approaches
ICPD	International Conference on Population and Development
IDWG	Interdivisional Working Group
ILO	International Labour Organization
IP	Implementing partner
LARC	Long-acting reversible contraception
LMA	Last mile assurance
MAV	Managing Accountability and Visibility
MH	Maternal health
MMR	Maternal mortality ratio
NCFMU	Non-Core Funds Management Unit
NGO	Non-governmental organization
NSP	National Supply Plan
PHC	Primary health care
PSB	Procurement Services Branch
RHCS	Reproductive health commodity security
RH	Reproductive health
RHSC	Reproductive Health Supplies Coalition
RMNCAH	Reproductive, maternal, newborn, child and adolescent health
RO	Regional Office
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SRH	Sexual and reproductive health
SRHR	Sexual and reproductive health and rights
TA	Transformative Action
TMT	Transition Management Team
TPP	Third party procurement
UHC	Universal health coverage
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNOPS	United Nations Office for Project Services
UNSDCF	United Nations Sustainable Development Cooperation Framework
WHO	World Health Organization

## Definitions

*This list will be expanded to include additional definitions from the implementation guidance notes.*

**Bridge Funding Mechanism:** An element of the UNFPA Supplies Phase II that addresses stock-outs caused by a misalignment of donor funding disbursement and procurement cycles that will be carried forward and expanded in Phase III to offer pre-financing.

**Carry-over country:** A country that was part of the UNFPA Supplies programme in Phase II but which has not met the eligibility criteria for Phase III.

**Contribution-in-kind:** Resources such as goods, services or property received at minimal cost to the organization.

**Compact:** An arrangement among the signatories that sets out the obligations, roles and undertakings of each of the signatories, and is contemplated as such between the signatories, in their distinct and independent characters.

**Country:** The state over which the government has jurisdiction, and which is forming a partnership with UNFPA for the purposes laid out in this Compact.

**Co-financing:** Countries contribute a proportion of the value of UNFPA commodities according to their group and situation. The country grouping and specific context determine the proportion. The country contribution may be through a payment direct to the UNFPA Supplies Partnership or through the Third Party Procurement mechanism.

**Country Office (CO):** Refers to the specific UNFPA Country Office, e.g. UNFPA Kenya.

**Direct payment to UNFPA:** This is one payment modality a country can use to fulfil its co-financing requirement. Under this modality, the country makes a cash payment to UNFPA for an amount equivalent to its co-financing requirement.

**Distribution plan:** Targeted geographical regions where the commodities will be distributed (Provinces, Districts, etc.).

**Double earmarking/ Special Reserved Funds:** Funds that are earmarked for the UNFPA Supplies Partnership AND have additional restrictions attached to their utilization. For example, funds could be designated for a specific purpose or geography within the Partnership.

**Emergency fund:** The Partnership will contribute to the overall humanitarian corporate efforts with support for the procurement of Inter-Agency Reproductive Health Kits for Crisis Situations (IARH kits) and reproductive health commodities in bulk needed to kick-start the humanitarian response at the onset of a crisis. The contingency fund will consist of a dedicated/approved amount that will be managed by the UNFPA Humanitarian Office and is available to all UNFPA countries that officially request support through the established online platform.

**GNI per capita (Atlas method):** Gross national income (GNI) is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. GNI per capita is GNI divided by mid-year population. GNI per capita in US dollars is

converted using the World Bank Atlas method which smooths exchange rate fluctuations by using a three-year rolling average, price-adjusted conversion factor.

Government:<sup>3</sup> The national government represented by the Ministry of Health or Ministry of Finance or both as applicable.

Health systems resilience: Integration of the humanitarian preparedness actions into regular development programming, building resilient health systems and facilitating a quicker transition to normal settings, hence bridging the humanitarian development nexus. Countries will be selected among the UNFPA Supplies Partnership-eligible countries, based on the global humanitarian risk index.

Implementation Guidance Manual: The implementation of the UNFPA Supplies Partnership will be guided by a set of notes that will form the annexes of the programme document. These guidance notes will collectively be called the Implementation Guidance Manual.

Implementing partner: Also referred to as “implementing agency”, an implementing partner (IP) is the entity to which the Executive Director has entrusted the implementation of UNFPA programme activities specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of UNFPA resources and the delivery of outputs as set forth in such programme documentation.<sup>4</sup> For the UNFPA Supplies Partnership, implementing partner means any partner in the country that has a mandate to provide services to people using the commodities that are provided under the Compact.

Indirect costs: The expenses incurred by UNFPA as a function of and in support of its activities and programmes, but which cannot be unequivocally traced to those activities and programmes.

Last mile assurance: The processes within UNFPA to improve the visibility of where commodities go and how well they are truly reaching the hardest-to-reach. It refers to the management of programme supplies as described in the *UNFPA Policy and Procedures on Management of Programme Supplies* for effective and efficient use of resources and accountability and evidence that supplies are reaching the service delivery points where girls and women can access them.

Monetization: A process through which countries will develop the capacity and take on the responsibilities associated with full quantification, budgeting, procurement, clearance, storage, distribution and accountability for commodities by reflecting UNFPA commodities in their national and subnational supplies systems

National Supply Plan: The final output of quantification, that details the commodities quantities required to fill the supply pipeline, costs, lead times and arrival dates of shipments to ensure optimal procurement and delivery schedules. This reflects commodity needs for the whole public sector based on needs assessment and national quantification exercises conducted with the involvement of all partners, including government tenders, other sources of funding and most importantly any commodity gaps, i.e. any commodities and quantities that have no secured or committed funding.

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<sup>3</sup> “Programme country government” shall mean the Government of a country or territory which, as a result of an Executive Board decision, is eligible to benefit from UNFPA programme activities. UNFPA Financial Regulations and Rules - UNFPA/FIN/REG/Rev.10, Effective 01 July 2014.

<sup>4</sup> UNFPA Financial Regulations and Rules - UNFPA/FIN/REG/Rev.10, Effective 01 July 2014.

## **UNFPA Supplies Partnership 2021-2030**

Partnership budget: The estimated income and expenses for the UNFPA Supplies Partnership based on workplans and expected results. The Partnership budget consists of a detailed estimate for the current fiscal year which is being updated quarterly, or more frequently if needed. Typically it will also include a (less detailed) projection of the expected budget for the coming one to five years.

Pooling of funds: Pooling of funds means that many donors contribute to the same goal of the Partnership to advance the “theme” of reproductive health and family planning. All the contributions that the Partnership receives from various donors are being put into the same budget – into the same shared fund code. Once the funds have been pooled together they are treated as one common source of funding without differentiating them as per their original donor contribution. They are simply considered to be UNFPA Supplies Partnership funds.

Procurement request: This is a “commodity wish list” from programme countries. Procurement requests are based on National Supply Plans and list quantities, specifications and preferred time of arrival. The request is submitted to the UNFPA Commodity Security Branch via the online Procurement Planning Tool on myUNFPA. If the request is approved by the UNFPA Supplies Partnership, it will be followed by the creation of a requisition and purchase order in Atlas.

Programme supplies: Supplies provided through the UNFPA Supplies Partnership, including reproductive health supplies. This includes reproductive health-related pharmaceuticals and medical devices such as hormonal contraceptives, male and female condoms, life-saving maternal health medicines, their medical equipment and supplies, emergency health and medical kits (which may include RH supplies as part of the kits), dignity and hygiene kits, other well-being items, supplies for humanitarian response activities and census materials.

Programme Supplies Report Form: This is a standard UNFPA form available at [https://drive.google.com/open?id=1bOCZArGH9Z\\_P-uRrmFk7JFgV3o\\_ogR5](https://drive.google.com/open?id=1bOCZArGH9Z_P-uRrmFk7JFgV3o_ogR5).

Risk: Degree of danger associated with a given operation, course of action or failure to act in crisis situation. For conflict forecasting, it makes sense to distinguish between levels of risks, for example: i) high risk; ii) high moderate risk; iii) moderate risk; iv) low moderate risk; v) low risk.

Risk assessment: Calculation and/or simulation of degree of danger attached to a course of action for the purpose of uncertainty reduction. Risk assessment and early warning are distinct but complementary activities. Risk assessments are based on the systematic analysis of remote and intermediate conditions. Early warning requires near real-time assessment of events that, in a high-risk environment, are likely to accelerate or trigger the rapid escalation of conflict.

RH commodities: Reproductive health commodities or supplies. The UNFPA Supplies Partnership works with national governments and implementing partners to contribute to National Supply Plan needs for modern contraceptives and essential maternal health medicines with the aim to end the unmet need for family planning and preventable maternal deaths.

Special Reserved Funds/ Double earmarking: Funds that are earmarked for the UNFPA Supplies Partnership AND have additional restrictions attached to their utilization. For example, funds could be designated for a specific purpose or geography within the Partnership.

UNFPA Supplies Partnership: Name of Phase III of the programme from 2021 to 2030, with an enhanced strategic approach to meet the reproductive health needs of the hardest-to-reach women and girls, including for quality-assured modern contraceptives, while also building more sustainable systems.

Steering Committee: The main governance body of the UNFPA Supplies Partnership. It is the decision-making body that guides programme policy and implementation.

Sustainability Readiness Assessment Tool (SRAT). A tool that measures the sustainability of a reproductive health/family planning programme in a country using a set of indicators commonly used to build the reproductive health commodity security (RHCS) index. Using some of the most critical indicators, the SRAT identifies in a simplified way the gaps and bottlenecks in the different programmatic areas and provides a baseline to measure progress against predetermined milestones.

Transformative Action (TA): This funding stream supports assistance to strengthen supply chains and the enabling environment for reproductive health/family planning policy, with an additional short-term seed fund to help bridge availability and access. Funds are awarded on application.

Transition: The multi-year period that UNFPA Supplies Partnership countries are supported to gradually assume full responsibility for the financing and procurement of reproductive and maternal health commodities.

Transition plan: Government-led plan to address key bottlenecks and leverage opportunities towards successful transition to be developed as transition begins.

UNFPA: The United Nations Population Fund, a subsidiary organ of the United Nations established by the General Assembly in resolution 3019 (XXVII) and as amended by General Assembly decision 42/430.

UNFPA Supplies Partnership “eligible country”: A country that has met the eligibility criteria or is a carry-over country from Phase II to Phase III.

UNFPA Supplies Partnership “partner country”: All countries including eligible and carry-over that are partners in Phase III of the programme.





# Part 1: Evolution of UNFPA programming for reproductive health commodity security

## 1.1 Introduction

“We are trying to get commodities to women and girls.” This is what we do, as articulated repeatedly by UNFPA personnel during the process of developing this programme document. It is an effective and simplified summary of the primary focus of the UNFPA Supplies Partnership: ensuring availability and choice for even the hardest-to-reach women and girls and supporting and strengthening the systems to make this happen. This document lays out how this work has evolved over time at UNFPA, summarizes key lessons, and describes a new phase of the programme that learns from and evolves from this history.

The UNFPA Supplies Partnership is a multilateral, multi-donor, UNFPA-managed thematic trust fund. It is the world’s largest provider of donated contraceptives and supports countries to strengthen health systems to deliver them to clients. The programme also provides technical expertise and capacity-building to ensure appropriate utilization of these commodities. Since its inception in 2007, the programme has mobilized over US\$ 1.8 billion to support national action to expand access to family planning and maternal health commodities for millions of the world’s poorest women and girls. The UNFPA Supplies Partnership is uniquely positioned to support countries in their efforts to ensure universal health coverage (UHC), helping to build stronger health systems that will ensure access to and use of rights-based family planning services, contraceptives, safe abortion supplies and maternal health medicines.

As UNFPA’s flagship thematic fund, the programme drives UNFPA’s key agendas, supports implementation of the ICPD Programme of Action and Nairobi Summit commitments, and advances progress on the UNFPA transformative results by 2030: 1) end the unmet need for family planning; 2) end preventable maternal deaths; and 3) end gender-based violence and harmful practices – all in the context of the 2030 Agenda for Sustainable Development.

Box 1: UNFPA Supplies Partnership contributes directly to the Sustainable Development Goals

Target 3.7: By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education and the integration of reproductive health into national strategies and programmes.

Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Target 5.6: Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.

UNFPA launched the programme in 2007 as the UNFPA Global Programme to Enhance Reproductive Health Commodity Security (GPRHCS) (2007–2012). It was re-named during the second phase as UNFPA Supplies for the period (2013–2020). The addressing shortages in programme funding and contraceptive commodities to a more systematic approach in development and humanitarian settings.



Lessons from many years of experience, implementation and innovation during Phase I and Phase II inform the planning and design of Phase III (see Annex 1 for details on the process for developing the new programme).

Contraceptives provided through the programme from launch to date (2008 through 2019) had potential to avert:

- 89 million unintended pregnancies
- 26.8 million unsafe abortions
- 227,000 maternal deaths
- 1.4 million child deaths
- With estimated savings of \$4.1 billion in health-care costs of unintended pregnancies and unsafe abortions.

Despite significant progress in expanding access to family planning services, more than 218 million women who want to plan their families do not have access to modern family

planning.<sup>5</sup> In addition, method skew – defined as a method mix in which a single method accounts for more than 50 per cent of all use – persists in 30 per cent of countries, indicating the need for continued efforts to increase contraceptive method choice.<sup>6</sup> While maternal death has declined by 44 per cent since 1990, 830 women and adolescent girls die every day from preventable causes related to complications of pregnancy and childbirth, with almost all (99 per cent) occurring in developing countries.<sup>7</sup> Meeting these health needs requires making quality-assured reproductive health commodities available and strengthening supply chain management and systems so that products actually reach the people who need them.<sup>8</sup> Meeting these needs is also a powerful way to drive sustainable development. The UNFPA Supplies Partnership is a critical global- and country-level partner in making this happen.

The design of Phase III coincides with the COVID-19 pandemic which is likely to have a significant impact on sexual and reproductive health and global supply chains and cause economic disruptions for donors and partner countries. Recent estimates suggest that with even just a 10 per cent decline in use of short-acting and long-acting reversible contraceptives (LARC) across 132 low and middle income countries, unmet need for contraception would increase by 48.6 million women and lead to 15 million additional unintended pregnancies.<sup>9</sup> In addition, estimates based on three scenarios suggest there may be an 8.3 to 38.6 per cent increase in maternal deaths per month, across 118 countries.<sup>10</sup> This highlights the importance now more than ever of UNFPA's work and the need to ensure continued and increased access to contraceptives and life-saving maternal health commodities. There has been a call to action for uninterrupted access to reproductive health supplies during and after the COVID-19 crisis, calling attention both to the immediate and long-term needs.<sup>11</sup>

This programme document describes the details of the UNFPA Supplies Partnership, including: what is new about this phase, how it fits in the broader UNFPA structures and global and national reproductive health approaches; the strategic framework; the

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<sup>5</sup> UN Population Division. Available at: [https://www.un.org/en/development/desa/population/theme/family-planning/cp\\_model.asp](https://www.un.org/en/development/desa/population/theme/family-planning/cp_model.asp). Accessed August 2020.

<sup>6</sup> Bertrand JT, Ross J, Sullivan T, Hardee K, Shelton JD (2020). Contraceptive method mix: updates and implications. *Glob Health Sci Pract.* 2020;8(4).

<sup>7</sup> UNFPA Strategic Plan. Available at: <https://www.unfpa.org/strategic-plan>.

<sup>8</sup> High Impact Practices in Family Planning (2020). Supply chain management: investing in contraceptive security and strengthening health systems. Washington, DC: HIPs Partnership; April 2020.

<sup>9</sup> Riley T, Sully E, Ahmed Z, Biddlecom A. (2020). Estimates of the potential impact of the COVID-19 pandemic on sexual and reproductive health in low- and middle-income countries. *Int Perspect Sex Reprod Health.* 2020;46:73–76. [17] [17] SEP

<sup>10</sup> Robertson T, et al. (2020). Early estimates of the indirect effects of the COVID-19 pandemic on maternal and child mortality in low-income and middle-income countries: a modeling study. May 2020. Available at: DOI: [https://doi.org/10.1016/S2214-109X\(20\)30229-1](https://doi.org/10.1016/S2214-109X(20)30229-1).

<sup>11</sup> Reproductive Health Supplies Coalition (2020). Call to Action, 18 June 2020. Available at: [www.rhsupplies.org/news-events/news/call-to-action-for-uninterrupted-access-to-reproductive-health-supplies-during-and-after-the-covid-19-crisis-1706/](http://www.rhsupplies.org/news-events/news/call-to-action-for-uninterrupted-access-to-reproductive-health-supplies-during-and-after-the-covid-19-crisis-1706/).

operational framework; the results framework; and the management and governance structures. This document is complemented by an Implementation Guidance Manual that details each aspect of the operational and results framework, along with a range of communications materials, including a shorter summary document and an investment case.

### 1.2 Lessons from Phase II inform changes in Phase III

The changes in Phase III are underpinned by critical lesson learning. The mid-term evaluation of Phase II conducted in 2018 found that the programme, then named UNFPA Supplies, had made a significant contribution to expanding access to family planning products and services in programme partner countries and served as an effective vehicle to promote family planning as a priority intervention. The evaluation noted that the UNFPA Supplies programme had been a key player in reproductive health at the global and country levels, and that it had enabled UNFPA to become the world's leading multilateral procurer of family planning commodities – shaping global markets, streamlining processes and improving quality assurance. The programme supported reproductive health commodity security in 46 countries, and in nearly all these countries UNFPA Supplies had been the dominant source of family planning products channelled through the public sector. UNFPA Supplies provided support to fill gaps and address weaknesses in national and local supply chains for reproductive health commodities.

The mid-term evaluation also identified important areas for change.<sup>12</sup> The evaluation recommended that UNFPA can make better use of the programme to:

- Assert stronger policy leadership in family planning at global and national level
- More systematically support a human rights-based approach to contraceptive service delivery
- More effectively encourage increased sustainable national investments in reproductive health commodity security
- Assist countries to develop national strategies for strengthening supply chain management
- Respond more flexibly to national needs and priorities
- Engage more fully in the programming of life-saving maternal health commodities and medical abortion products
- Develop a robust, evidence-based process for defining technical assistance needs in priority countries.

The programme is evolving to place even greater emphasis on ensuring that countries and implementing partners focus on building sustainable financing for critical

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<sup>12</sup> UNFPA Evaluation Office (2018). *Mid-Term Evaluation of the UNFPA Supplies Programme (2013-2020)*. Available at: <http://www.unfpa.org/evaluation>.

reproductive health services and position family planning at the heart of development – alongside the continued focus on expanding availability of a choice of quality family planning and life-saving maternal health commodities. Phase III of the programme features a number of key changes:

- The programme is framed as a partnership that fosters more government engagement and commitment to reproductive health, including family planning expressed through policies, programme delivery and the allocation and use of domestic resources. This means moving from a donor-recipient relationship to a partnership with responsibilities and accountability on all sides. Key partners include Ministries of Health *and* Ministries of Finance, implementing partners including public health service providers, NGO/CSO partners and private sector providers. In Phase III, all partners, including UNFPA Country Offices, take on more defined responsibilities and commitments. This approach is evident in many programme elements, including a country-level Compact among partners, co-financing approaches and regular planning and review meetings.
- The new Operational Framework favours effectiveness, is results-oriented and is strategically aligned with country programmes and ultimately contributes to the Sustainable Development Goals, including through these measures:
  - An active focus on sustainable financing, helping countries transition towards increased use of domestic resources for commodity funding and a more strategic use of Partnership resources to support that trajectory. Some UNFPA personnel described the main difference in this phase as being “more focused on helping countries transition.” This is in line with the principle that “national capacity development is the overarching strategy of the UNFPA programme approach”.
  - Optimizing UNFPA Supplies Partnership’s platform to promote reproductive health as a core element and driver of sustainable development, building on UNFPA’s partnerships at the global and country level to ensure that reproductive health, including family planning, is embedded in national development strategies and linked to economic development and women’s empowerment.
  - Implementing tailored and targeted approaches for Partnership countries, maximizing the impact of resources based on need and opportunity.
  - Strengthened performance, accountability and assurance during last mile delivery by using processes to ensure visibility of commodities to the last mile;

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- A new participatory governance model to help the UNFPA Supplies Partnership realize the key transformations needed to more effectively deliver the programme, increase trust and support deeper engagement by all stakeholders, positioning the programme as a global vehicle for advancing reproductive health commodity security.

These changes and the resulting new programme design enable the UNFPA Supplies Partnership to catalyse more sustainable change for countries and women around the world.

### Box 2: Gender considerations and human rights are at the heart of the UNFPA Supplies Partnership

The UNFPA Supplies Partnership has an increased focus on gender considerations and human rights-based approaches (HRBA) in Phase III. The virtuous circle, as described in the UNFPA Strategic Plan 2018–2021, highlights the strong connection between gender equality and universal access to sexual and reproductive health and rights as it “affirms that gender equality and women’s and girls’ empowerment are needed to achieve universal access to sexual and reproductive health and rights; at the same time, universal access is needed to advance gender equality and women’s and girls’ empowerment.”

WHO (2014) highlighted nine human rights principles for contraceptive information and services: Non-discrimination, Availability, Accessibility, Acceptability, Quality in contraceptive information and services, Informed decision-making, Privacy and confidentiality, Participation and Accountability. The focus of the UNFPA Supplies Partnership is most directly linked to concepts of availability, accessibility, non-discrimination, quality of commodities and accountability. The UNFPA Supplies Partnership emphasizes incorporating and measuring these concepts explicitly, as well as advocating for inclusion of human rights-based approaches in national family planning programmes to ensure that the overarching goal of reaching the hardest-to-reach is achieved. The Performance Monitoring Framework highlights the linkages between objectives, interventions and rights principles.

## Part 2: Strategic framework

This section outlines the strategic basis for the UNFPA Supplies Partnership in Phase III. It sets out the proposed vision, goal and strategic objectives. The fundamental principles underlying the programme and developed through consensus building among Partnership stakeholders are described. The section concludes with a round-up of the implications of the new programme for alignment and interaction with and influence on other partners including internally across UNFPA and externally at global, regional and country levels.

### 2.1 Vision for the future

UNFPA Supplies is the world's largest multilateral provider of donated contraceptives, and with a continuing and growing gap in funding to meet the increasing needs for reproductive health commodities, it is essential that UNFPA continues this critical work. Phase III is guided by people-centred results, in line with the UNFPA Strategic Plan 2018–2021. While the UNFPA Supplies Partnership is focused on commodities, the point of these products is about people and meeting their needs, as articulated in the vision for the Partnership. The vision statement is a modification of one developed during the UNFPA Global Consultation on Ending Unmet Need for Family Planning held in Antalya, Turkey in June 2019, incorporating the idea of building sustainable change that is central to the UNFPA Supplies Partnership:

*Vision:* A world where everyone can access quality reproductive health supplies whenever they want or need them

While there is a focus on women and girls, the framing of the vision to promote benefits for *everyone* highlights the idea of gender equality and also meeting the reproductive health needs of men and boys, including increasing availability of condoms and vasectomy and new methods for men that might be developed.

Table 1 shows initial estimates of the impact of the UNFPA Supplies Partnership in terms of health outcomes, deaths averted and direct health care savings. Additional impact estimates will be further developed as implementation advances.

Quantitative impact is complemented by important systems changes. The longer-term aim is that countries will procure and pay for commodities as part of establishing sustainable systems that ensure all women have access to a choice of quality commodities. This would mean that over time the role of the UNFPA Supplies Partnership would focus on: (a) supplying commodities to only the poorest countries in the world and in humanitarian settings; and (b) playing a key global convening and market shaping role

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in the reproductive health ecosystem. Specifically, in the 10-year Phase III time frame the Partnership will:

- Ensure that there is a greater capacity to quantify, procure and manage reproductive health commodities in all Partnership countries;
- Move as many eligible countries as possible towards a transition pathway in ways that are sound and sustainable; and
- Transition at least 10 countries out of the programme by 2030.

Table 1: Impact estimates for the UNFPA Supplies Partnership

	Unintended pregnancies averted	Unsafe abortions prevented	Maternal and child deaths averted	Direct health care savings (savings on maternal health)
Annual budget \$165 million (current implementation rate)				
Cumulative impact 2021-2025	37 million	10.3 million	797,000	\$2.2 billion
Cumulative impact 2021-2030	74 million	20.7 million	1.6 million	\$4.4 billion
Annual budget \$220 million				
Cumulative impact 2021-2025	53 million	14.9 million	1.1 million	\$3.2 billion
Cumulative impact 2021-2030	106 million	30 million	2.3 million	\$6.4 billion
Each additional \$1 million invested in UNFPA Supplies Partnership	48,000	13,500	1,000	\$2.9 million

Note: Estimates developed using the MSI Impact Tool. More refined estimates will be developed for the investment case and other communications documents.

## 2.2 Goal and strategic objectives

Figure 1 sets out the UNFPA Supplies Partnership strategic framework, including the goal, partnership outcome, strategic objectives and key outputs under each objective. The strategic framework sits under two UNFPA transformative results: ending unmet need for family planning and ending preventable maternal mortality. This calls attention to the importance of both family planning and maternal health commodities as well as their inter-relationship. The Partnership outcome focuses on women and girls being able to access and use a choice of quality reproductive health commodities as well as increasing the availability of safe abortion supplies in contexts where it is legal to do so (see Box 3 for list of commodities).

The Partnership's strategic approach, building on UNFPA's comparative advantage, is based on four pillars for the following strategic objectives: availability and choice; strengthened supply chains; increased government commitment; and operational



effectiveness and efficiency. The fourth strategic objective ensures measurement of how the Partnership is working in addition to what results it is achieving.

Figure 1: Strategic framework summary

**Goal:** All women and girls are able to access and use a choice of quality reproductive health commodities whenever they want or need them

Strategic objective 1	Strategic objective 2	Strategic objective 3	Strategic objective 4
Availability and choice	Strengthened supply chains	Increased government commitment	Operational effectiveness and efficiency
Increase availability of quality-assured reproductive health commodities, including modern contraceptives for family planning	Ensure supplies for reproductive health commodities reach the last mile and promote harmonization and integration of supply systems in countries	Countries to increase and diversify financial and programmatic contributions and prioritize reproductive health as a core element of sustainable development	Improved programme management with shared accountability for results
Efficient and timely procurement of a choice of quality-assured reproductive health commodities	Improved supply chain management	Increased and diversified allocations and use of domestic resources for reproductive health commodities and services	Enhanced programme governance and stakeholder engagement
Increased range and availability of reproductive health commodities for marginalized groups in line with reproductive rights	Improved commodity and data visibility for last mile assurance	Family planning is explicitly included and funded in development strategies and plans in the context of primary health care (PHC) and universal health coverage (UHC)	Programme resources and risks are managed effectively and efficiently

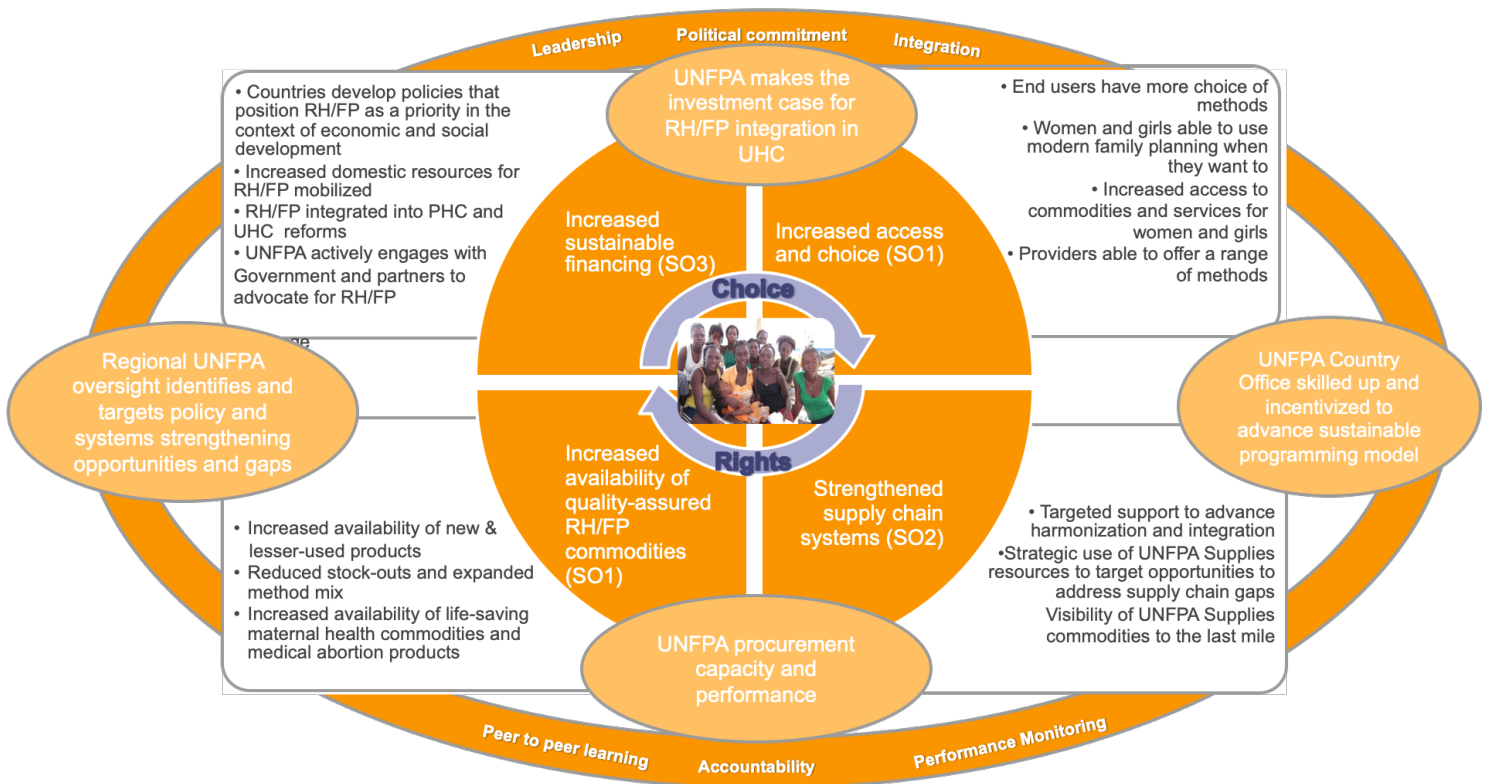
### 2.3 Conceptual framework and theory of change

The conceptual framework diagram is a way to visualize the processes and results of the UNFPA Supplies Partnership, while also placing the programme within the context it operates (Figure 2). The strategic objectives (SO) are described in the inner orange circle

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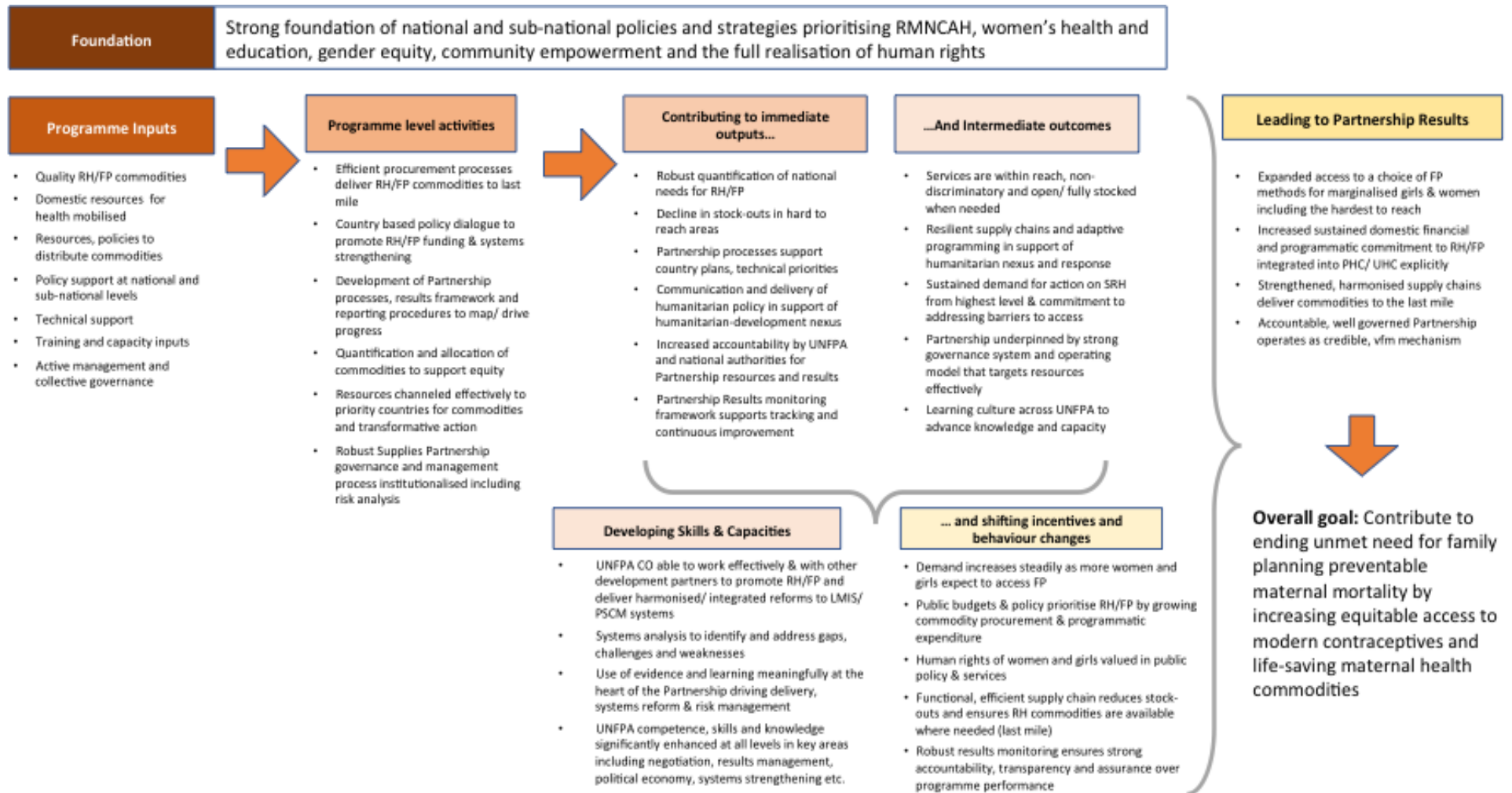
(issues of access and availability have been separated) while the boxes around each section show the key processes and results connected with each objective in more detail. The strategic outcome on operational effectiveness and efficiency and the roles of UNFPA offices are highlighted in the four ovals around the figure to show the importance of the skills and capacities needed to fully implement the UNFPA Supplies Partnership. Most importantly, women and girls are at the centre of the framework, emphasizing the focus on choice and rights and the recognition of the links between family planning and women's rights and empowerment.

Figure 2: Conceptual framework



The Theory of Change (Figure 3) outlines how the UNFPA Supplies Partnership will achieve its results. In addition to showing how inputs and activities lead to results and outcomes, the figure emphasizes how developing skills and capacities and shifting of incentives and behaviours are essential to achieving results and ultimately the transformative changes that guide UNFPA. The Partnership will expand engagement, skills, knowledge and action among partners including national and local decision makers, implementing partners and UNFPA country, regional and global personnel, enabling better policies, targeted reforms and strategic use of resources to accelerate systems strengthening in response to opportunity and commitment.

Figure 3: Theory of change



**Box 3: UNFPA Procurement Services: Saving lives, saving money, ensuring quality**

By partnering with UNFPA Procurement Services, organizations gain access to a wide range of quality-assured supplies. UNFPA helps partners make the best use of limited resources by delivering the right mix of supplies in a cost-effective way.

Since 2011, more than 300 organizations in over 135 countries have partnered with UNFPA to procure supplies through UNFPA Procurement Services. The goal is for countries to eventually use their own financial resources to access quality reproductive health supplies.

Contraceptives and life-saving maternal health commodities are provided through the UNFPA Supplies Partnership, including the following products:

Short-acting contraceptives	Maternal health supplies
Combined oral contraceptive pills	Oxytocin
Progestin only pills	Carbetocin
Emergency contraceptive pills	Tranexamic acid
Injectable contraceptives	Misoprostol
Female condoms	Mifepristone
Male condoms	Misoprostol-Mifepristone combined pack
	MVA kits
Long-acting reversible contraceptives	Magnesium sulfate
Contraceptive Implants	Calcium gluconate
Copper intrauterine devices	
Hormonal intrauterine devices	
Permanent contraceptive methods	Pre-packaged kits
No-scalpel vasectomy kits	Emergency Reproductive Health kits
Supplies for tubal ligation	HIV test kits

## 2.4 Guiding principles

The following principles were identified during the process of designing the new programme through best practices research and were agreed upon in discussions with the UNFPA Supplies Partnership Steering Committee to anchor the future state of the programme.

- 1) Human rights-based family planning - Family planning programmes include systematic and explicit attention to human rights principles including a focus on those with the greatest need.<sup>13</sup>

<sup>13</sup> UNFPA's commitment to the rights of all was recently articulated in a statement by the Executive Director: "UNFPA is committed to addressing the specific needs of LGBTQI people. Around the world, we support health, comprehensive sexuality education and advocacy initiatives that help marginalized communities and lift up young people, including the LGBTQI youth often left behind. In the workplace, we support the Office of the High Commissioner for Human Rights' Free & Equal campaign, including the Standards of Conduct for Business on Tackling Discrimination against LGBTI People, and work to foster an environment of respect for

- 2) Country-driven, government-led processes – Planning, implementation and oversight of the programme is country-driven, government-led and validated, inclusive of multiple stakeholders (including UNFPA's implementing partners) including the private sector and based on agreed upon evidence-based tools and best practices.
- 3) Clear and measurable goals – The programme provides and monitors its country-level performance against clear, measurable, time-limited goals related to improved equity in accessing a broad mix of modern contraceptives, quality family planning services and information; goals align with broader reproductive health community goals (e.g. FP2020 goals).
- 4) Strengthening health systems – Programme activities foster capacity-building within government to improve performance, quality and accountability at all levels, clearly positioning the programme within the wider procurement and supply chain systems at country levels; the aim for all programme activities is to become sustainable domestically independent of external support.
- 5) Shift to sustainable financing – Programme financing must incentivize domestic, private and public resources; the aim for the programme is to become sustainable financially, independent of external support; the transition process from external support is transparent and mutually agreed upon.
- 6) Effective use of programme resources – Programme resources are targeted towards activities that ensure strong value for money, equity and introduction of innovative, cost-effective, quality-assured products.
- 7) Accountable use and assurance of programme resources – The programme provides assurances and demonstrates accountability in the use of programme resources (i.e. donor resources) through transparent processes and participatory decision-making.
- 8) Multi-sector and partner coordination – The programme leverages the convening power of its UN-host as a neutral broker to foster partnerships, collaboration and coordination between government, private sector, technical partners, family planning adopters, donors and others and integration across sectors through cross-sectoral initiatives, particularly UHC and integrated supply chains. This ensures building sustainable systems rather than creating parallel systems.
- 9) Responsive to urgent needs – The programme is nimble and flexible in responding to needs and priorities across the humanitarian development nexus while considering integration into regular programme needs.

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all." <https://www.unfpa.org/press/statement-unfpa-executive-director-dr-natalia-kanem-international-day-against-homophobia>

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- 10) Strong performance focus – The programme consistently performs well on its stated core competencies across all COs, ROs and HQ against agreed upon performance metrics.

### **2.5 Strategic role of the Partnership: Alignment, interaction and influence**

Within UNFPA

The UNFPA Supplies Partnership is an important part of UNFPA's overall mandate, with synergies between the Partnership and the expertise and comparative advantage of UNFPA's other thematic funds, family planning and maternal health programmes, its focus on adolescents and the most marginalized, as well as its support in fragile and conflict-affected settings. This strengthens the ability of the UNFPA Supplies Partnership to maximize its impact by being part of broader UNFPA efforts to address comprehensive reproductive health, including family planning; in other words, the Partnership's contributions to commodities and health systems are complemented by other programme areas to ensure the needs of women and girls are effectively met. Importantly, UNFPA includes the Procurement Services Branch (PSB), with its global procurement processes, skills, structures and systems, which are all key to enhancing value for money and assuring quality commodities are procured and distributed to the last mile. It is essential in Phase III to look for more opportunities to take advantage of all of these synergies and to better use UNFPA Supplies Partnership resources to leverage UNFPA Country Office core funds to address comprehensive reproductive health.

In addition to leveraging resources, an important way to create synergies is to leverage knowledge by sharing learning. Since UNFPA supports works in more than 150 countries, even countries that are not explicitly part of the UNFPA Supplies Partnership benefit from the experience and lessons learned around strengthening supply chain systems, catalysing domestic resource mobilization and increasing visibility through the Last Mile Assurance process. Similarly, Partnership countries learn from activities in other UNFPA countries. Much of this learning will be facilitated by Regional Offices through a series of webinars on specific topics as well as through other forms of communication.

The goal of the UNFPA Strategic Plan 2018–2021 is to “achieve universal access to sexual and reproductive health, realize reproductive rights, and reduce maternal mortality to accelerate progress on the agenda of the Programme of Action of the International Conference on Population and Development, to improve the lives of women, adolescents and youth, enabled by population dynamics, human rights and gender equality.”<sup>14</sup> The Strategic Plan has adopted the key principles of the 2030 Agenda for Sustainable Development, including: (a) the protection and promotion of human rights; (b) the prioritization of leaving no one behind and reaching the furthest behind first; (c) strengthening cooperation and complementarity among development, humanitarian

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<sup>14</sup> UNFPA Strategic Plan 2018–2021. Available at: [www.unfpa.org/strategic-plan-2018-2021](http://www.unfpa.org/strategic-plan-2018-2021).

action and sustaining peace; (d) reducing risks and vulnerabilities and building resilience; (e) ensuring gender-responsive approaches at all levels of programming; and (f) a commitment to improving accountability, transparency and efficiency.

UNFPA organizes its work around three transformative and people-centred results in the period leading up to 2030: (a) an end to preventable maternal deaths; (b) an end to the unmet need for family planning; and (c) an end to gender-based violence and all harmful practices, including child marriage and female genital mutilation. The UNFPA Supplies Partnership primarily contributes to the first two results, and throughout all elements of the programme focuses on contraceptives, comprehensive abortion care commodities and life-saving maternal health commodities. The programme also contributes to the third transformative result, for example through its advocacy efforts and its contribution to gender equality and empowerment of women and girls. National capacity development is the overarching strategy of the UNFPA programme approach, and also informs all aspects of the UNFPA Supplies Partnership.

The UNFPA Supplies Partnership makes a critical but well-defined contribution to country efforts. The work of the Partnership will be integrated into that of broader UNFPA country priorities. In this regard, the Partnership is expected to contribute to a broader and more far-reaching ambition in each of its partner countries where resources and commitments are made across the programme of work undertaken by the country office. The UNFPA Supplies Partnership is an important but not exclusive source of UNFPA commitment and support to countries. Country Offices will draw on all available expertise and leverage a range of opportunities in related areas such as maternal health, adolescent services and demographic analysis to advance results at policy, systems and financing levels while at the same time, advocating for and helping coordinate partners to accelerate both supply-side and demand-side achievements.

Within the UN system in-country

The role of the UNFPA Country Office and, within this, the role of the UNFPA Country Representative, is vital to the ability of the UNFPA Supplies Partnership to achieve impact. As laid out in the results framework, it is clear that the UNFPA Country Offices requires new skills and capacities as well as incentives to meet this ambitious agenda. UNFPA integrates its objectives and workplan into the United Nations Sustainable Development Cooperation Framework (Cooperation Framework) and the United Nations Management Accountability Framework while mutual performance appraisals of Resident Coordinators and United Nations Country Team (UNCT) entity representatives are regularly undertaken. One line of exploration as the transition to the Partnership advances is to link the inclusion of the UNFPA Supplies Partnership more clearly into these instruments, such as the Cooperation Framework of the UNCT and also the performance appraisal of the Country Representative.

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Reproductive health is a core component of the One Health approach that links human, animal and environmental health in a coordinated and interlocking way. Ultimately, the Partnership reinforces the UNFPA commitment to reposition reproductive health, including family planning, as a central plank of economic and social development in all or most contexts. Cooperation and engagement thus gradually extend to other United Nations entities and partners beyond the UNHCR, UNDP, UNOCHA, UNOPS as well as the International Labour Organization (ILO) and other adjacent organizations; the aim is to maximize influence, access to additional resources and ensure that reproductive health, including family planning, is relevant and valued across all development priorities.

With global and national reproductive health initiatives

A number of contextual factors influence the UNFPA Supplies Partnership and in particular, shape the design of Phase III and its greater focus on sustainability. Domestic resource mobilization is a growing area of policy focus as countries move along the economic development continuum and because development assistance for health has levelled off. Global health initiatives (GHIs) are seeking ways to enhance value for money and particularly to increase efficiency while promoting equity. It is vital to move both the normative and operational aspects of reproductive health forward within this context and to ensure that countries begin to associate the commodities they access through the UNFPA Supplies Partnership as transitional support to enable a boost towards greater sustainable domestic funding.

In addition, 2020 is a year of transition for many in the global family planning community, and the start of a United Nations Decade of Action centred on accelerating sustainable solutions to some of the world's biggest challenges. As the community organized around FP2020 comes together to define new family planning goals and strategies for the next decade, there is a growing focus on fostering sufficient and resilient financing, including increasing domestic resource mobilization and a more holistic approach to financing that includes the role of the private sector, as articulated for example by the global family planning community's shared vision to 2030.<sup>15</sup> The UNFPA Supplies Partnership creates a dynamic means to realizing greater sustainability and commitment in the countries that are most in need of support, not only for commodities but for policy analysis, budget, procurement and systems strengthening and for processes that lead to greater long-term domestic commitment to reproductive health, including family planning.

Partnering to support universal health coverage

Many countries are advancing a commitment to realizing universal health coverage (UHC), although they are following very different paths. This effort is in line with commitments to achieve the Sustainable Development Goals, specifically Target 3.8. Most global health partners have adapted their approach to ensure they can support UHC

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<sup>15</sup> <http://www.familyplanning2020.org/Beyond2020>



given its cross-cutting nature. In concert with this significant long-term global effort, the UNFPA Supplies Partnership's work on sustainable financing, health systems strengthening (HSS) and increasing commodity security will be undertaken from the perspective of contributing to its partner countries' UHC plans and efforts. In this sense, reproductive health, including family planning, is fully integrated into UHC and should be positioned everywhere as a core health service at the heart of primary health care.

As the risk of duplication increases, health partners are investing more in strengthening coordination and alignment in individual countries. They are building their own capacity in negotiation and strengthening collaboration beyond the Cooperation Framework of the UNCT process to include broader, more active engagement around relevant areas of work. From UNFPA's perspective, the UNFPA Supplies Partnership facilitates and catalyses an interdependent engagement with other GHIs and development partners working in or adjacent to the same space. For example, the Global Financing Facility (GFF), hosted by the World Bank to promote sustainable commitment to reproductive, maternal, newborn, child and adolescent health (RMNCAH), is developing investment cases in 36 countries and yet, family planning may often be missing from these discussions and – crucially – from the operationalization of plans and budgets.

UNFPA as an organization is developing a more structured policy in relation to supply chain strengthening, working towards integrated and harmonized supply chains that support UHC. The UNFPA Supplies Partnership supports national supply chain strengthening processes in varying degrees depending on need and on collaboration with others in-country. This is a good example of how the Partnership provides an operational approach to take forward an organization-wide policy in particular contexts (in this case, in Partnership countries). Another example of this dynamic is the humanitarian approach (discussed further in section 3.5) where the UNFPA Supplies Partnership steps in to support the operationalization of elements of a wider organizational policy.

UNFPA has always been an active partner in multi-stakeholder engagement platforms, especially those that increase attention, focus and country efforts on reproductive and maternal health, including, for example, the H6, a joint effort among United Nations health agencies (UNFPA, WHO, UNICEF, UNAIDS, UN Women and the World Bank) to build a common approach to health programming and results in partner countries.

The Global Action Plan for Healthy Lives and Well-being (the GAP) provides another opportunity for UNFPA Country Offices to engage in more coordination and ensure that reproductive health, including family planning, is integrated with other core health services especially with regard to alignment among health development partners around health priorities and is integrated into primary health care (PHC) platforms and absorption into UHC arrangements. While the GAP focuses on alignment and accountability, it has so far been most active around its accelerators, the most prominent of which is arguably the Health Financing Accelerator. Linked to UHC, domestic resource mobilization and public expenditure for health, the group of partners working with countries on financing

## UNFPA Supplies Partnership 2021-2030

issues is of critical influence and concern for UNFPA generally and the UNFPA Supplies Partnership in particular. In many of its partner countries, UNFPA Country Offices need the skills, capacity and scope to engage on health financing at this level (e.g. budget policy, UHC discussions and public expenditure processes) in order to maximize the impact of the Partnership and build sustainable country commitment to expanded reproductive health, including family planning.

This is an opportune moment for the UNFPA Supplies Partnership to redesign its programme to both work with and influence this broader community. This includes working to ensure inclusion of reproductive health in global and national health financing, such as the Global Financing Facility, as well as in UHC and PHC at global and national levels. Meeting the needs of women and girls and men and boys around the world requires a wide range of partners, and UNFPA is well-placed to contribute to and catalyse action.

### Market shaping

The UNFPA Supplies Partnership contributes to UNFPA's global efforts to support market shaping for reproductive health commodities.<sup>16</sup> Commodity availability is more than a financing issue, not only in developing countries but globally, and market forces are an important factor. Product markets for these supplies can be complex and do not always function efficiently, like other health commodity markets such as vaccines. A common problem is uncertain demand from countries (buyers) resulting in infrequent, small or last-minute orders to manufacturers who struggle to meet needs in a cost-effective, timely way. Weak incentives to undertake product development may exacerbate lack of choice and limited options. Among the most limiting factors that hinder commitment and capacity of Partnership countries to procure needed supplies are affordability, quality and a positive cycle of sustained, routine procurement.

The UNFPA Supplies Partnership contributes to market shaping by supporting countries: (a) to build quantification and procurement capacity, (b) to increase their demand for quality-assured commodities, (c) to incentivize countries to increase their absorption of new and innovative products; and (d) to support a virtuous cycle of end-to-end supply chain strengthening. As countries transition out of the programme and towards sustainability, the Partnership draws on tool and instruments to strengthen their procurement and management practices. For example, access to the Bridge Fund Mechanism will help eligible countries manage their own domestic financing patterns by enabling them to place bulk orders to achieve maximum value. Some countries may be eligible for additional incentives that encourage growth in annual orders and help manufacturers respond to a more vibrant market.

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<sup>16</sup> USAID defines market shaping as the ability of *all* actors in the market (producers, distributors, host governments, donors, providers) to use their purchasing power, competencies, influence, and technical know-how to address where the market is failing and make it work better to maximize public health impact (PSI 2017).

As a major global buyer of reproductive health commodities, the UNFPA Supplies Partnership is stepping-up its role in building demand especially for new and lesser-used commodities (such as DMPA-SC injectable contraception) and expects to interact with other major global and country partners around broader processes aimed at supporting market entry and improving market management, increasing choice of products and reducing costs. The UNFPA Supplies Partnership will play a leading role in shaping markets, strengthening coherence and action among partners to maximize opportunities and outcomes.

## Part 3: Operational framework

This section lays out the operational framework of the UNFPA Supplies Partnership 2021-2030. This is the basic approach adopted by the programme for engaging partner countries and delivering results in Phase III.

### 3.1 Overview of what the Partnership will do

The UNFPA Supplies Partnership helps expand reproductive health choices and individuals' reproductive rights in partner countries particularly through increasing availability of quality-assured commodities, encouraging domestic resource mobilization for family planning and deepening sustainability through strengthening national ownership, commitment and accountability. The Partnership uses its resources to identify opportunities to accelerate transformative action to realize programme results.

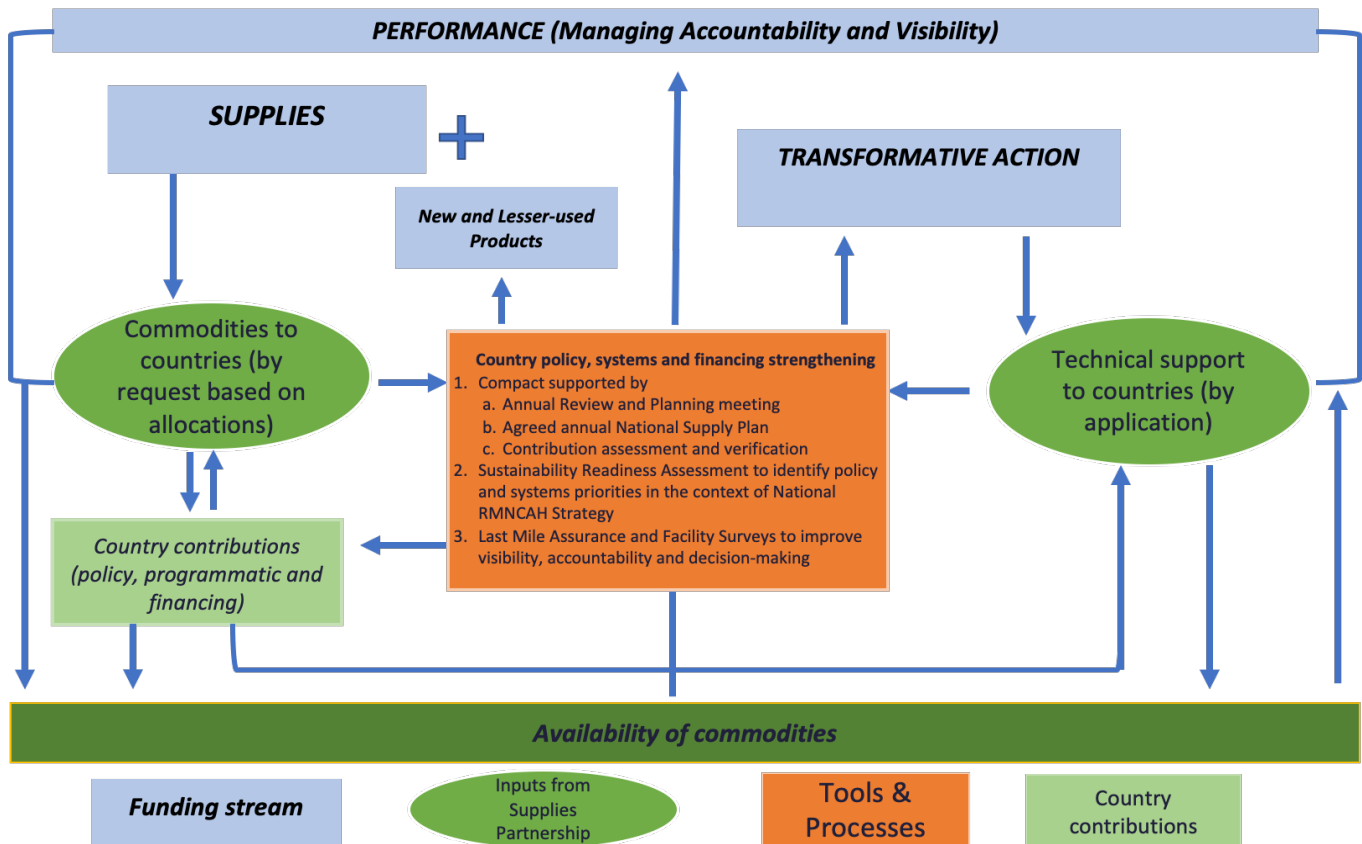
The UNFPA Supplies Partnership provides support through two programmatic funding channels and a third channel covering the costs of programme delivery, coordination, management and accountability. Separating management costs into a third stream allows for clearer linking to results and more efficient management of the programme across UNFPA. These different funding channels support activities that interact with and reinforce each other to achieve programme results with a strong focus on a systems strengthening approach to improving commodity availability.

- 1) Supplies: This funding stream supports reproductive health commodities and related costs (freight, packaging and labelling, sampling and testing), with a substream for new and lesser-used products and for humanitarian needs and priorities;
- 2) Transformative Action (TA): This funding stream supports assistance to strengthen supply chains and the enabling environment for reproductive health/family planning policy, with an additional short-term seed fund to help bridge availability and access; and
- 3) Performance: This funding stream covers the costs of programme delivery, coordination and managing accountability and visibility (MAV), including the costs of personnel, supplies management and the Last Mile Assurance (LMA) process.

Figure 4 shows the operational framework, showing how the different funding streams, inputs, tools and processes and country contributions work together to lead to greater

availability of commodities. The figure illustrates how the Performance (MAV) funding stream supports the implementation of the tools and activities that lead to results by leveraging the Partnership’s focus on commodities, systems strengthening and technical support.

Figure 4: Operational framework



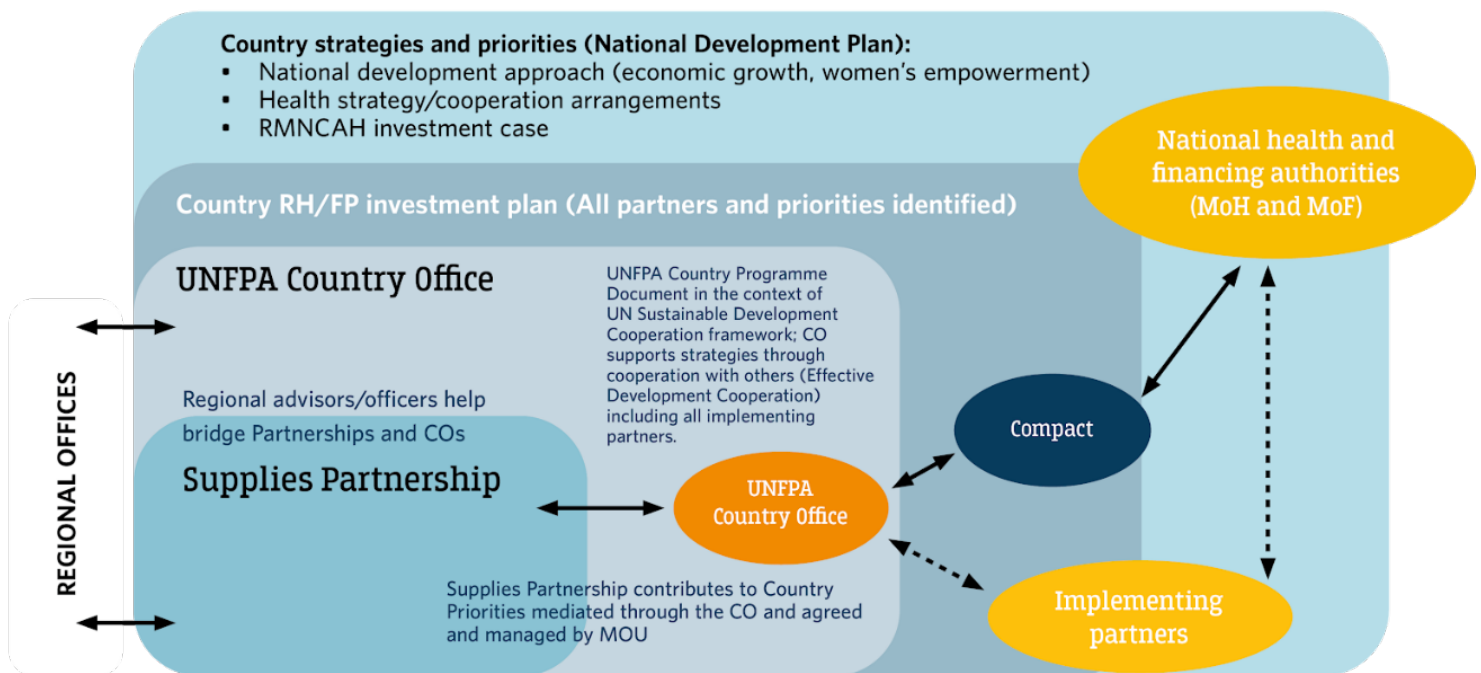
### 3.2 Engagement approach

A key development in Phase III is the structuring of the programme as a Partnership, to articulate a commitment to working collaboratively to achieve goals and to progressively increasing domestic financing for commodity procurement and service delivery. Through its contribution to significant increases in the contraceptive prevalence rate (mCPR) and other improvements to reproductive health indicators, the UNFPA Supplies Partnership is poised to increase its catalytic role - enhancing coordination with other partners, embracing effective development cooperation approaches, supporting national capacity beyond the health sector and advancing the UNFPA contribution to universal health coverage and primary health care.

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Figure 5 shows the relationship between the Partnership and its country partners. The contribution of the Partnership to country programmes is elaborated through a Compact agreed upon between the UNFPA Supplies Partnership, the UNFPA country office and the national government (the Ministry of Health *and* the Ministry of Finance). The Compact is centred around an operating framework that reflects the country's priorities and the roles and responsibilities of all implementing partners, including national and international NGO implementing partners and regional partners (such as support from UNFPA Regional Offices). While NGO implementing partners are not signatories to the Compact, as critical partners they are included in discussions and details of the Compact to ensure that their commodity needs and contributions are included.

Figure 5: Country-centred operating framework



Support delivered through UNFPA COs will be delivered in the context of the UNFPA engagement in the United Nations Sustainable Development Cooperation Framework (Cooperation Framework) in line with the reform of the United Nations development that align with the principles of the UNFPA Supplies Partnership: *reaching the most vulnerable and marginalized people, realizing human rights, advancing gender equality and women's empowerment, deepening resilience, ensuring sustainability and upholding accountability.*

### 3.2.1 The Compact defines country commitments and roles

The Compact, signed by the UNFPA Supplies Partnership, UNFPA Country Offices and national governments, clearly defines commitments by partners and their roles and responsibilities in the Partnership. It is essential for both the Ministry of Health and Ministry of Finance to sign the Compact, as it includes, among other elements, the elaboration of the country's financial contributions. As noted above, while NGO implementing partners will not be signatories to the Compact, as critical partners in reproductive health, they take part in its development to ensure meaningful inclusion of their needs in agreements.

The Compact serves a number of critical purposes to realize the goals of the Partnership, creating greater transparency and accountability and clarifying the following:

- Objectives of the Partnership
- Terms and how the Partnership will work
- Roles and responsibilities
- Basic/ general commitments of partners (for example, to gender equality and human rights and shift to sustainable financing)
- Specific contributions of each partner, such as responsibility for clearance, storage and distribution to the last mile
- Identification of arrangements for cooperation
- Relevant timetable for programme delivery and contributions
- Definition of what it means to be “a partner in good standing” and the associated benefits
- What happens when partners do not meet responsibilities

While the Compact may look different in each country context, a template for the Compact outlines the basic requirements and sets out a suggested text. The Compact is valid for three to five years and can be extended for an additional three to five years by agreement. The Compact includes an Annex (Annex A) with the specific details regarding funding, commodity and technical contributions and allocations by and to all partners for each year. Annex A is renewed annually.<sup>17</sup> It also includes specific decisions or arrangements about the planning, quantification and distribution of commodities to implementing partners and targeted geographies. Although the Compact is reviewed and renewed annually, the Partnership advocates for multi-year funding to boost efforts to

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<sup>17</sup> While text and timings will be suggested as optimal, ultimately it is crucial that each country contextualize this approach, making adaptations necessary to ensure that objectives can be achieved in a given context or environment. The Compact and accompanying Annex works in the service of delivering a set of programme (and national) objectives. In a multi-country setting (for example in relation to the Pacific Island Countries-PICs), one Compact may cover all relevant countries and the Annex may cover a two-year (biennial) operational period to ensure that the administrative processes do not defeat the programmatic effort. Details around implementation with the PICs will be developed in 2021- as the 14 PICs are at different levels of development their individual circumstances will be carefully assessed in determining their support and UNFPA Supplies' engagement strategy.

## **UNFPA Supplies Partnership 2021-2030**

improve strategic impact, and this multi-year funding will be factored into planning. Annex A may thus include confirmed annual contributions (by the Partnership and countries) for the year ahead and indicative funding for one or more years beyond that time.

The Compact aims to incentivize success rather than penalize failure. Terms are set out to make it worthwhile for countries to stay in good standing within the Partnership. This could include access to additional support, or non-monetary incentives such as eligibility to participate in the Partners Assembly and be nominated to participate in the Steering Committee. Countries that persistently fail to meet their agreed commitments will be supported through a series of steps to ensure they have maximum opportunity and assistance to take remedial action. As per the new governance arrangements, underperforming countries will be discussed in the Finance and Risk Subcommittee, with decision points brought to the Steering Committee as necessary. Underperforming is defined in a number of ways of not fulfilling commitments, including not meeting financing agreements or not fulfilling obligations to implementing partners. These arrangements are communicated clearly among all partners to ensure transparency and shared understanding of procedures. The operational detail and consequences of underperformance, including the point at which a country may be considered “in default” are spelled out in the Implementation Guidance Manual and reviewed regularly based on evolving experience.

The Partnership’s approach to country default will evolve as it gains experience in the early years, drawing on lessons from other organizations. Some global health initiatives (Gavi and the Global Fund in particular) have recently reviewed their sustainability and co-financing arrangements and found that most countries have been compliant and have avoided defaulting.<sup>18</sup> Where countries are at risk of default, additional engagement can help to get things back on track. Political commitment at the level of the Head of State or government, and in both the Ministry of Health and Ministry of Finance is important for maintaining compliance. Explicit letters of allocation and transparent statements about expectations and country commitments can also help keep countries on track. The UNFPA Supplies Partnership will carefully review evaluations of other GHIs experiences to ensure that it takes constructive steps to support countries to remain compliant.

### **3.2.2 Annual country review and planning process**

An annual review and planning process is an essential aspect of both developing the Compact and assessing progress towards meeting commitments on all sides of the Partnership. The signatories to the Compact, as well as all other relevant partners, are scheduled to meet at least once a year to review progress, plan the year ahead and revise Annex A based on planning for the following year. The meeting will be convened by the

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<sup>18</sup> Gavi and Global Fund evaluations: <https://www.gavi.org/our-impact/evaluation-studies/co-financing-eligibility-and-transition-policies>.  
[www.theglobalfund.org/media/9269/terg\\_sustainabilitytransitioncofinancing\\_report\\_en.pdf?u=637319005929900000](http://www.theglobalfund.org/media/9269/terg_sustainabilitytransitioncofinancing_report_en.pdf?u=637319005929900000)



Ministry of Health supported by UNFPA. If a similar type of meeting is already held in a country, such as quantification exercises, the Partnership meeting should, if possible, be integrated with it to reduce duplication. The Partnership will also attempt to align with the country government's financial year.

The objectives of the annual progress review meeting are to:

- Conduct a common assessment of progress to date, and build consensus around priority gaps and challenges as well as reprogramming as needed;
- Discuss the National Supply Plan and suggest modifications as needed (if there is a national contraceptive security working group that develops this plan, the UNFPA Supplies Partnership meeting should be scheduled to follow this meeting in order to streamline efforts) and discuss integration into broader supply plans for essential health products;
- Review distribution plans to ensure that commodities are reaching hard-to-reach and underserved areas;
- Identify priorities for transformative action and systems strengthening in the coming year as well as roles and responsibilities for this based on which (among other things) the activities funded through the Transformative Action stream may be discussed and applications agreed;
- Review actual expenditures against planned commitments, and where relevant, revise agreed targets and work on developing a common advocacy strategy or support where needed.

### **3.3 Country eligibility to join the Partnership**

To maximize its impact, the UNFPA Supplies Partnership works with a defined, limited set of partner countries defined as eligible through an objective and transparent process. Three widely used and understood criteria were adopted: gross national income (GNI)/per capita (Atlas method), modern method contraceptive prevalence rate (mCPR) for all women of reproductive age, and maternal mortality ratio (MMR). Despite limitations, GNI is considered a good indicator of countries most in need, mCPR indicates the strength and coverage of a family planning programme, and MMR serves as a proxy for the strength of a health system as well as highlighting the role of the Partnership in supporting life-saving maternal health commodities and the role of family planning in maternal health. Country selection is described in the Country Eligibility Annex and briefly summarized here.

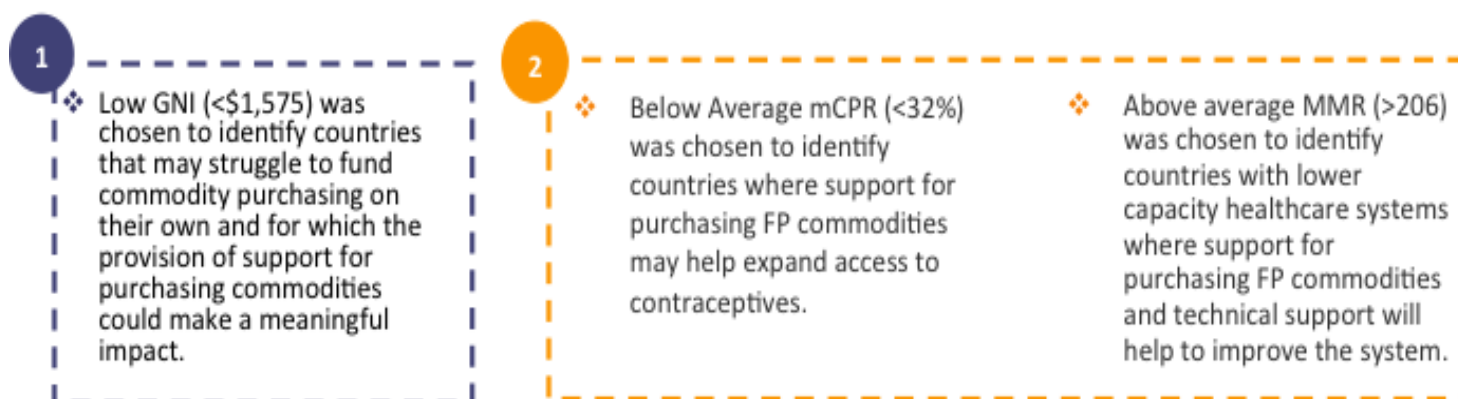
Countries that met the threshold for GNI (below \$1,575) and/or both mCPR (less than 32 per cent) and MMR (more than 206 per 100,000 live births) were considered eligible to be part of the programme. Figure 6 shows the ranges for the indicators in all UNFPA countries and the cut-off points that were used, namely below the first quartile for GNI and below the average for mCPR and higher than the average MMR. Either low GNI or a

## UNFPA Supplies Partnership 2021-2030

combination of low mCPR and high MMR were eligible to ensure that countries with high need would not be excluded solely based on higher GNI.

Given the programme's focus on countries most in need, an upper threshold was also added that limited eligibility to low-income countries (LICs) and lower middle income countries (LMICs) so that countries with a GNI in the upper middle income classification (UMICs) would not be included.

Figure 6: Eligibility criteria: Low GNI or low mCPR and high MMR



The tables below represent the ranges for each indicator based on all 160 UNFPA countries

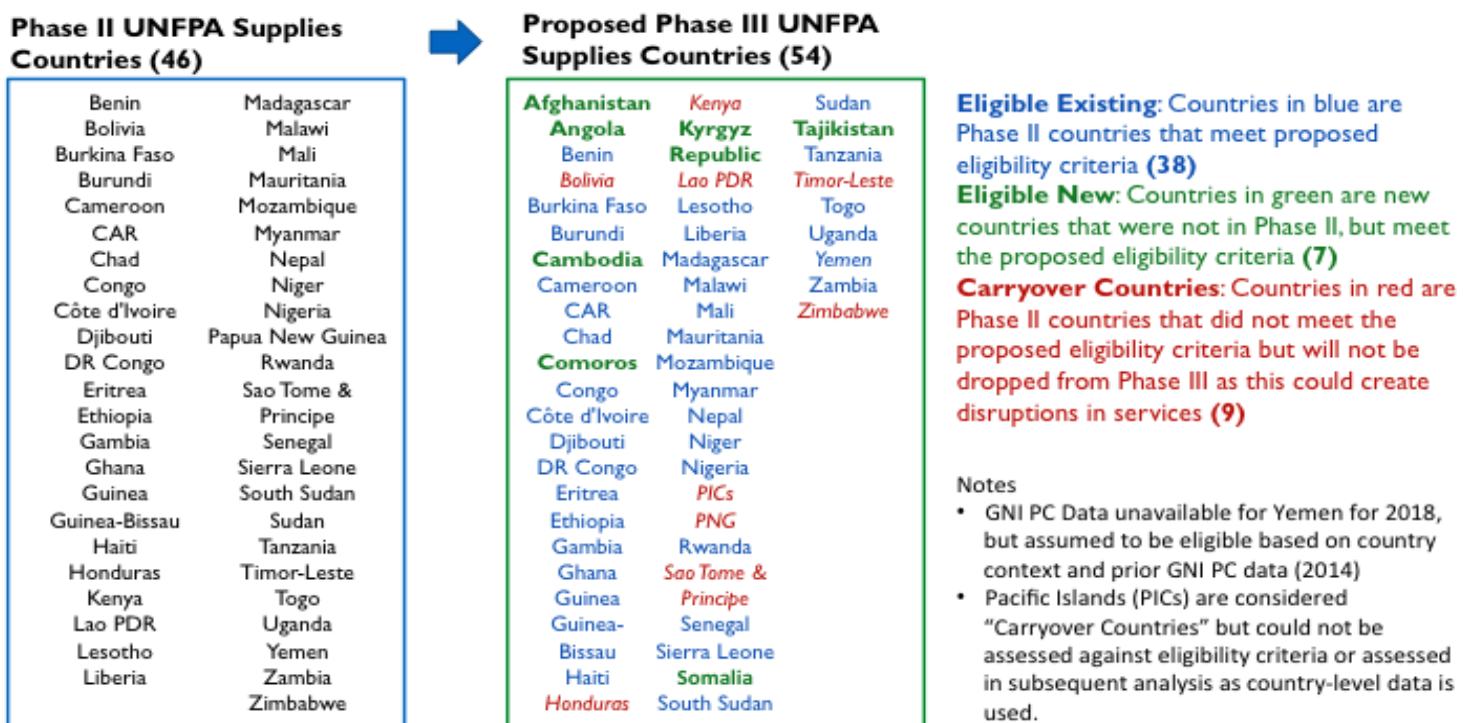
	GNI Per Capita (Atlas)
MIN	\$ 280
<b>1st Quartile</b>	<b>\$ 1,575</b>
Median	\$ 3,830
3rd Quartile	\$ 6,835
MAX	\$ 61,150
Average	\$ 6,185

	mCPR (AW)
MIN	3.9
1st Quartile	20.5
MEDIAN	30.9
3rd Quartile	44.6
MAX	69.0
<b>Average</b>	<b>32.1</b>

	MMR
MIN	2
1st Quartile	36
MEDIAN	95
3rd Quartile	301
MAX	1150
<b>Average</b>	<b>206</b>

These criteria were applied to all 160 UNFPA countries with available data. This led to the inclusion of 45 countries, including 38 countries that were part of Phase II and seven new countries. This methodology excluded nine of the current 46 countries supported by UNFPA Supplies Phase II and it was decided that those countries should be carried over and included in Phase III to avoid an abrupt end of support that would be disruptive to programming and detrimental to women's access to services. This includes the group of Pacific Island Countries supported as a single unit through the UNFPA Pacific Sub-Regional Office, located in Fiji (Figure 7). The new countries all have low mCPR and high MMR and bring an additional 30 million women of reproductive age into the Partnership, reaffirming the aim of leaving no one behind.

Figure 7: Impact of new eligibility criteria (low GNI OR low mCPR & high MMR)



Using transparent and objectively verifiable criteria helps provide clarity about why a country is eligible to be part of the Partnership as well as why it might transition away from the Partnership as its situation evolves. In addition to being used to determine which countries are eligible, these criteria also contribute to:

- Identifying what types of funding countries are eligible to receive and expected levels of government contribution;
- Determining countries to be prioritized for transition;
- Providing transparency during discussions around country-specific Compacts.

### 3.4 Tailoring support to country contexts: funding streams and allocations

As mentioned earlier, countries receive support through the Partnership through three funding streams: 1) Supplies, to cover reproductive health commodities and related costs, including a substream for new and lesser-used products; 2) Transformative Action, to strengthen supply chains, create an enabling policy environment for reproductive health, including family planning, to build sustainability and a seed fund for bridging availability and access; and 3) Performance, to cover the costs of programme delivery, coordination and managing accountability and visibility, including the costs of personnel, supplies management and the Last Mile Assurance process.

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Partnership resources are allocated to funding streams at the global level and then allocated to countries based on need. This approach is aimed at ensuring resources are directed where they are needed most and where they can make the biggest difference to accelerating the achievement of Partnership goals. Table 2 outlines the three levels of allocations: 1) global allocation from the central pooled fund to the three funding streams; 2) allocation within each stream to different budget lines; and 3) allocation from within each budget line to countries and activities. Allocation of funds across streams at each level is determined by a range of programmatic and operational factors. For example, Level 1 allocation across the three funding streams reflects strategic priorities and the evolving shape of Partnership focus. The significant majority of resources are allocated to commodities. Level 2 allocations – especially for commodities – reflect preliminary demand forecasts, for example between routine and new and lesser-used commodities. Level 3 allocations reflect the trajectory of countries along the pathway to sustainable transition, described in the next section.

Table 2: Three levels of resource allocation in the UNFPA Supplies Partnership

Level of allocation	Detail	Process
Level one: Global allocation across UNFPA Supplies Partnership to funding streams	Allocations from the central pooled fund to the three funding streams (Supplies, Transformative Action and Performance (MAV)) taking account of additional earmarking as necessary	Budget planning and approval process: <ul style="list-style-type: none"> <li>• UNFPA proposal</li> <li>• Finance and Risk Subcommittee discussion/recommendation</li> <li>• Steering Committee approval</li> </ul>
Level two: Allocation within each funding stream to budget lines	Allocations to individual budget lines For example: Commodities budget allocated to individual budget lines including: <ul style="list-style-type: none"> <li>• Routine commodities</li> <li>• New and lesser-used products</li> <li>• Humanitarian needs</li> </ul>	Annual budget planning and in-year programme optimization: <ul style="list-style-type: none"> <li>• UNFPA proposal</li> <li>• Strategy and Planning + Finance and Risk Subcommittees (discussion/recommendation )</li> <li>• Steering Committee approval</li> </ul>
Level three: Allocation within each budget line to countries, activities and spending priorities	Within each budget line, processes support the allocation of resources to countries (national processes, COs, ROs, implementing partners and others)	<ul style="list-style-type: none"> <li>• National Supply Plan required for commodities</li> <li>• Transformative Action funds by application</li> <li>• Performance funds cover personnel costs as well as other supplies management costs</li> </ul>

In Phase II, countries received funding that was then split by the UNFPA Country Office between commodities and technical assistance at a fixed 75/25 split (or 30/70 for countries in a higher category on the spectrum). In Phase III, there is more flexibility to better respond to country needs. Once funds have been allocated to the three streams at the global level, funds are then allocated to countries based on a formula for the commodities and based on an application process for the Transformative Action funding. Because the Partnership allocates commodity and Transformative Action resources to countries through separate, globally-managed funding channels, actual country resource streams will have variable proportions of commodities to Transformative Action funds. This tailored approach allows for a more needs-driven commodity allocation process rather than ceiling setting without reference to National Supply Plans. In addition, this approach of tailored support to countries allows a similar level of resources to cover the inclusion of new countries to reach up to 30 million more women of reproductive age with quality reproductive health commodities.

It is important to determine a way to categorize countries to ensure that resources are used efficiently and effectively to maximize programme impact. Allocation from each budget line to countries (level three in the table) requires a way to determine how best to allocate resources in a way that takes into account where countries are in terms of several factors:

- Policies, systems and capacity
- Commitment to health generally and reproductive health in particular
- Capability to deliver services and reach the last mile
- Current financing level and approach.

To distinguish their different levels of need and capacity, countries were organized into groups using an economic index. This index was created using GNI per capita to reflect the size of the economy and the World Bank Income Classification to ensure the poorest countries were prioritized. In addition, among all countries other than low-income countries (LICs), average GDP growth was added to reflect the broad direction of economic growth.<sup>19</sup>

The economic index was calculated as the weighted average of indices for each of the three components, with the largest weight given to the GNI per capita component (50 per cent) and equal weight given to the World Bank Group component (25 per cent) and the average GDP growth component (25 per cent). Countries were then sorted based on the weighted economic index. Based on the general distribution of countries and the desire for clear, logical divisions between countries to establish generally equally-sized

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<sup>19</sup> This indicator was not applied to low income countries (as defined by the World Bank income classification) as it created skewed results where a country with very low GNI but a relatively high growth rate might be ranked higher than appropriate given its economic status. It was applied to lower middle income countries given their significant range of contexts.

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groups that could be used for programming, four groups were identified based on the range of economic index scores:

Group 1 -Lowest (.00 to.05)

Group 2 -Lower (.05 -.25)

Group 3 -Low (.25 -.50)

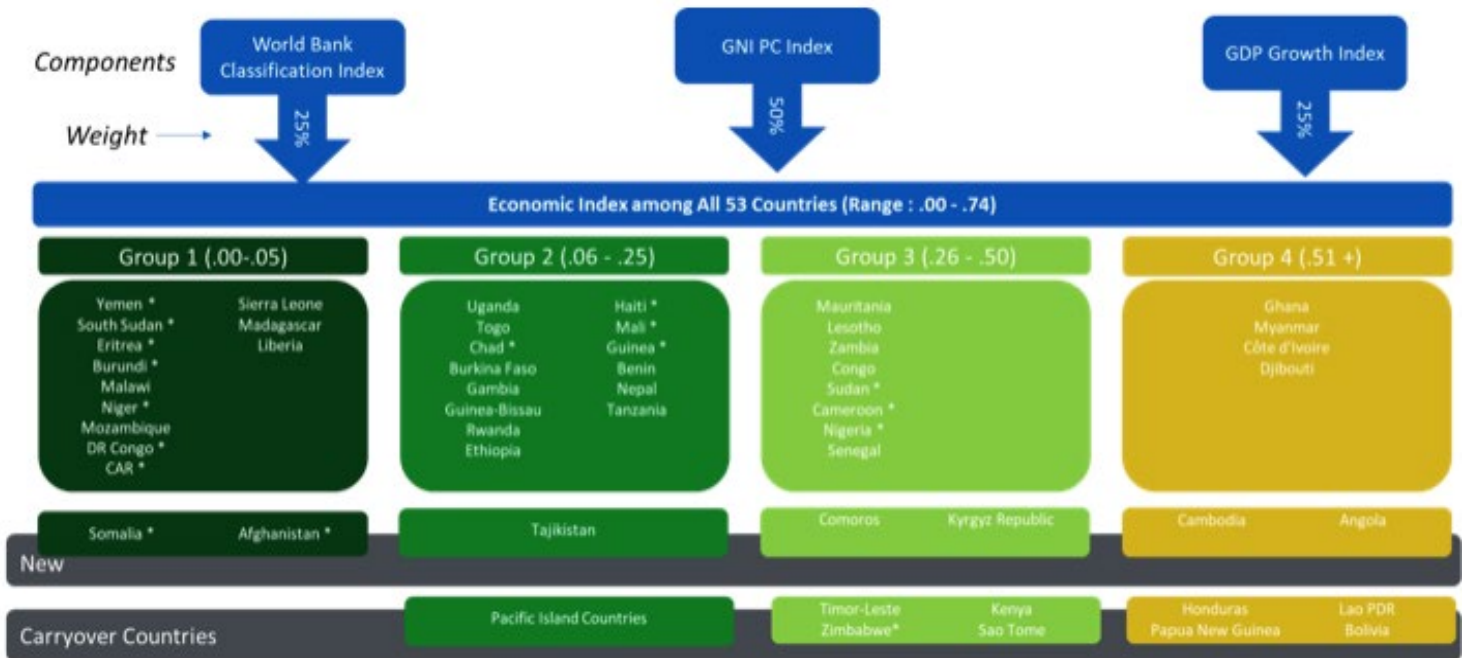
Group 4 -Top Range (over.50)

Figure 8 shows the groups created by applying the economic index to the eligible countries. In addition, application of the fragile state categorization (indicated with an asterisk) further delineates the groups to help determine appropriate support and expectations for government contributions for commodities (additional information on the methodology is provided in the Guidance Note: *Guidance and Procedures for Country Eligibility and Transition*).

Application of the index to all eligible countries resulted in four country groups. To support operational decisions within these country groups, an additional analysis was undertaken to help reveal the significant variation among countries within the groups, which helped set reasonable expectations for contributions. This analysis was done by arranging countries according to a Government Contribution to Health index to help create a rough ranking of countries within groups in terms of their financing of health. This includes two indicators:

- General Government Health Expenditure (domestic sources) as a percentage of Total Government Expenditure (GGHE-D/%TGE) to reflect government prioritization of health in relation to the country budget as a whole.
- General Government Health Expenditure (domestic sources) as a percentage of Total Health Expenditure (GGHE-D/%THE) to reflect the proportion of internal versus external sources of financing for health.

Figure 8: Country grouping after applying indices to eligible countries



Note countries organized in order of Economic Index Score – low to high; Fragile States (\*) determined by score of 95 or higher on Fragile States Index; Carryover countries are those that didn't meet inclusion criteria but were "carried over" as existing partnership countries. PICS couldn't be scored on the index – but included in Group 2 as carryover based on regional context

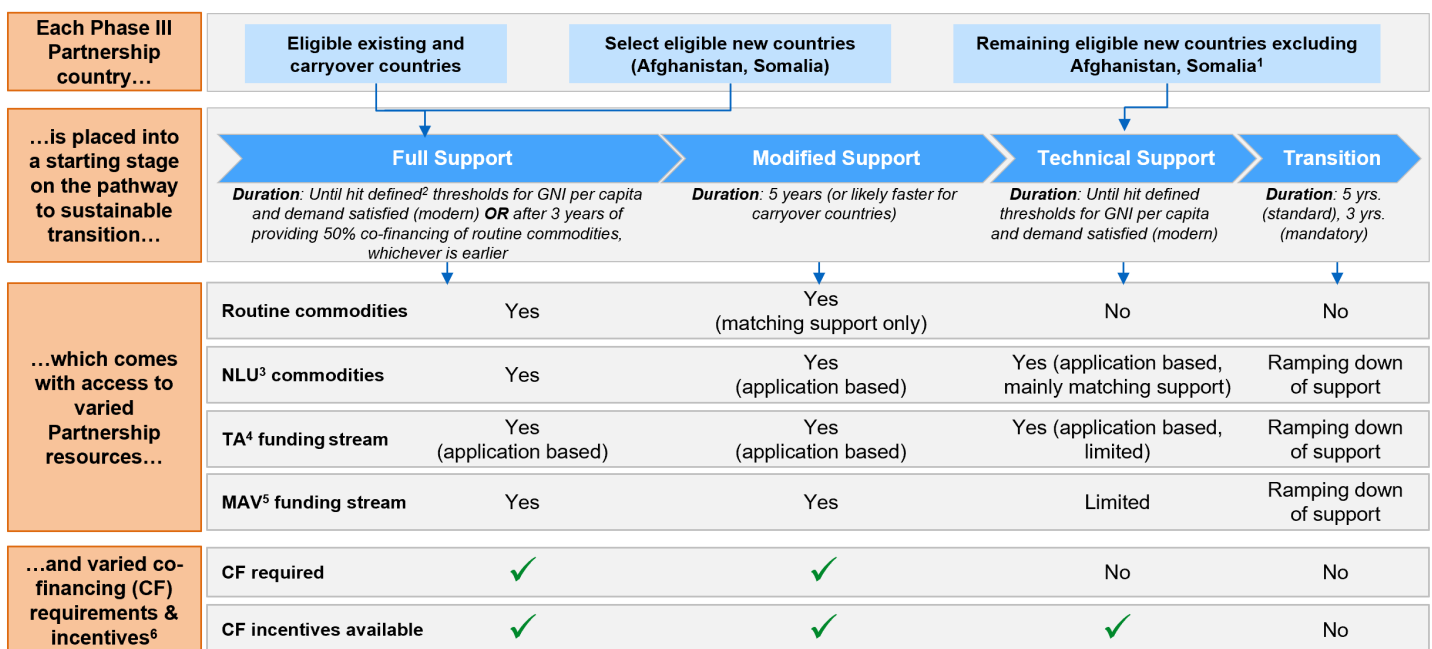
Combining the economic index and the government contribution index allows for a more nuanced determination of expected government contribution (Figure 9), showing the variation among countries within a group and enabling more realistic expectations for individual countries. All countries are expected to increase their contribution to financing commodities, with variable estimated expectations by group at year 5 (and variations within group).





during which matching support for routine commodities is gradually reduced, countries shift to being technical support countries and are not eligible for routine commodities in any form. Technical support countries are encouraged to apply for access to new and lesser-used commodities for a limited period of time (up to two years) to support product introduction. In other respects, technical support countries are incentivized to procure quality products through UNFPA Procurement Services and are eligible for additional technical support from Regional Offices. Finally, transition countries will move fully away from Partnership support over a defined time period (5 years for standard transition, 3 years for mandatory transition). Consequently, countries in the transition stage will experience a gradual ramp down over time of the support they had been receiving from the Partnership. The Partnership will work strategically to ensure any final support provided to these transition countries is focused on areas most critical for enabling a successful transition away from the Partnership.

Figure 10: Pathway to sustainable transition: Partnership country access to resources at different stages on pathway



1. Will join Partnership in 2023 pending resource availability; other countries will participate from 2021; 2. Thresholds to be finalized in 2021; 3. New & Lesser-Used; 4. Transformative Action; 5. Managing Accountability and Visibility; 6. Size of co-financing incentives will be dependent on resource availability

### 3.4.1 The Supplies Funding Stream

The heart of the UNFPA Supplies Partnership is ensuring the availability of quality-assured family planning and life-saving maternal health commodities. The bulk of the funding is channelled to the Supplies Funding Stream. A significant change in the third phase of the programme is the emphasis on domestic resource mobilization and sustainability for quality-assured reproductive health commodities. As noted earlier, the UNFPA Supplies

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Partnership aims to broaden the contraceptive method mix, including both ensuring availability of a range of methods as well as options within each method, such as different forms of oral contraceptives and injectables.

A routine commodity allocation formula yields a score for each country:

Four country indicators are updated to the most recent data and used to score countries:

- mCPR among married women (source: UNDP 2020)
- Demand satisfied (modern) among married women (source: UNDP 2020)
- National income per capita (GNI PC PPP) (current international US\$) (source: World Bank 2018)
- State Fragility Index (source: Fund for Peace 2017)

1. Scores are weighted based on the population of women of reproductive age – UNDP 2020.
2. Based on the population weighted score, countries are allocated a proportion of the total routine commodity budget available for country allocation.

The above approach has been modified from the approach taken in Phase II and uses four rather than five country indicators (the UNFPA Supplies Implementation score has been omitted in Phase III).

Support from the Supplies Funding Stream is released only if a validated National Supply Plan (NSP) is provided, as will be spelled out in the Compact.<sup>20</sup> These national plans include relevant implementing partners and so help to ensure that the commodity needs of implementing partners are included. While the NSP was mandatory in Phase II from January 2018, there was limited buy-in and a lack of systems in place to incentivize or ensure the plans were provided or implemented. There have also been issues with the quality of National Supply Plans, an important area for intervention with funding through the Transformative Action stream.<sup>21</sup> In addition, in many cases countries indicate in their NSP that they plan to procure certain products or quantities, but there has been little follow-up from UNFPA to make sure that the commitment is fulfilled. The UNFPA Supplies Partnership includes various incentives to encourage and help governments to increase and fulfil their commitments, as discussed in more detail in the section on domestic resource mobilization.

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<sup>20</sup> It should be noted that while Pacific Island Countries are supported as a single unit through the UNFPA Pacific Sub-Regional Office, located in Fiji, each country typically does its own quantification and preparation of a national supply plan. The details of implementation for the PICs will be developed in 2021.

<sup>21</sup> The UNFPA Supplies Partnership aims to collaborate and coordinate with Global FP VAN around their efforts with strengthening and standardizing national supply plans.

### Substream on new and lesser-used products

The Supplies Funding Stream supports new and lesser-used products through a substream. The aim of this funding is to support a rights-based approach that ensures women and girls have access to new and lesser-used products while supporting the broad programmatic goals of increasing sustainable availability of reproductive health commodities. In particular, this funding aims to:

- Provide countries with an efficient mechanism to access additional funding for new product introduction while protecting routine commodity funding.
- Ensure commodity funding is not a barrier for the introduction of new and lesser-used products in a country. Further, the fund is not intended to address other barriers to product introduction (e.g. demand generation, training, the sustainable supply of products, and issues of quality).
- Encourage new product innovation and reduce the risk of market entry, thereby resulting in lower prices and stimulating more sustainable demand for new products.

To access funding through this substream, a country must provide justification for a) the introduction of the commodity or expansion of access, and its inclusion in National Supply Plans and b) a plan for partnership and/or co-funding to ensure that availability of the commodity is linked to necessary programming that leads to increased access and use. Countries can submit an application to the Transformative Action Seed Fund. Unspent funds from this budget line (and from other budget lines in the Supplies Funding Stream) will be re-allocated to shore up routine commodity procurement. A product will be considered “new or lesser-used” for a period of two years, before becoming a “routine commodity” for the country.

For the purpose of this mechanism, any product which has not yet been introduced by governments in the public sector should be eligible for this substream funding. This may include new products such as DMPA-SC and mature lesser-used products such as the hormonal IUS or the copper IUD. It may also include innovative commodities needed for the management of comprehensive abortion care such as combination therapies for the management of medication abortion. UNFPA will develop a preliminary list of approved products or results for this funding, and UNFPA in consultation with the programme’s Strategy and Planning Subcommittee (SPC) will re-assess the list each year to determine whether changes are needed. The Steering Committee will approve the budget allocation for this stream on an annual basis following the recommendation from the SPC. It is estimated that roughly 10 per cent of the total commodities stream will be allocated to new and lesser-used products each year but this might vary depending on demand from countries.

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### Domestic resource mobilization and building sustainability

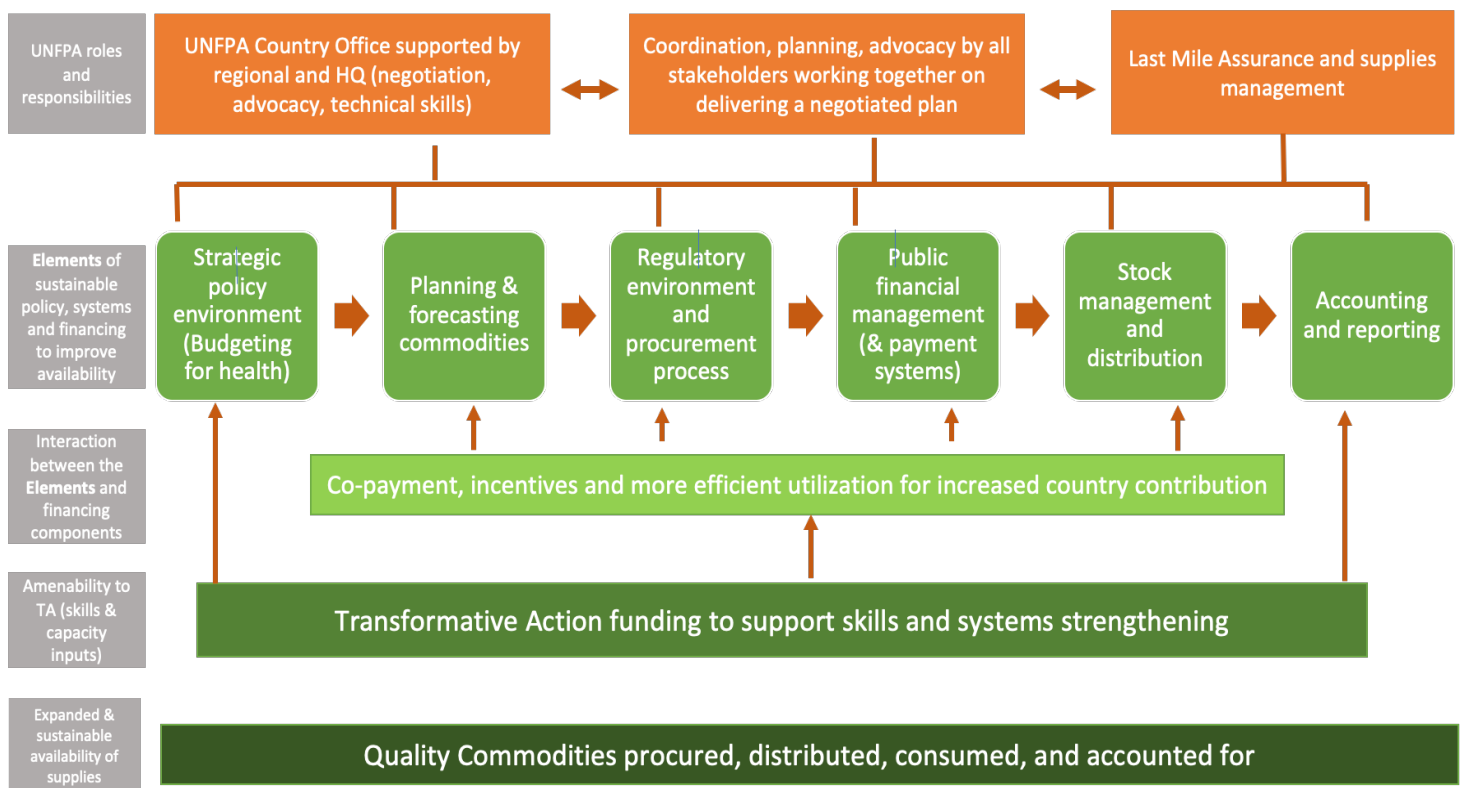
UNFPA-supported efforts in Phase III focus on diversifying funding for family planning and reproductive health in ways that significantly increase country contributions to and funding of a range of high-quality commodities, while also supporting policies and systems to make these available for all women and girls who want them. Equity, quality and choice in modern contraceptive methods and services are at the programme's core.

A central objective is to increase financial, programmatic and institutional sustainability in partner countries to ensure that family planning and maternal health commodities are available and used. Sustainability is equally relevant to policy, systems/programmes and funding. The features of success include:

- Increased public expenditure on commodities procurement
- Institutionalization of the end-to-end supply chain management processes needed to support reproductive health commodity security
- Strengthened forecasting and procurement processes to enable effective domestic budget allocation and expenditure
- Strengthened supply planning, delivery and management
- Mechanisms established to facilitate government commodity investment with defined milestones including by:
  - Ministry of Finance in support of budget allocation and the release of funds to authorized spending agencies (national or subnational)
  - Ministry of Health or other authorized authority for budget expenditure.

Policy, programming and financing are the three key components of efforts to strengthen domestic resource mobilization and sustainability. Figure 11 shows how the entire UNFPA Supplies Partnership is engaged in supporting the shift to strengthening and advocating for sustainable domestic resource mobilization by countries. It highlights the programme's objectives, anticipated programme approach and funding modalities.

Figure 11: How we contribute to sustainable domestic resource mobilization in countries



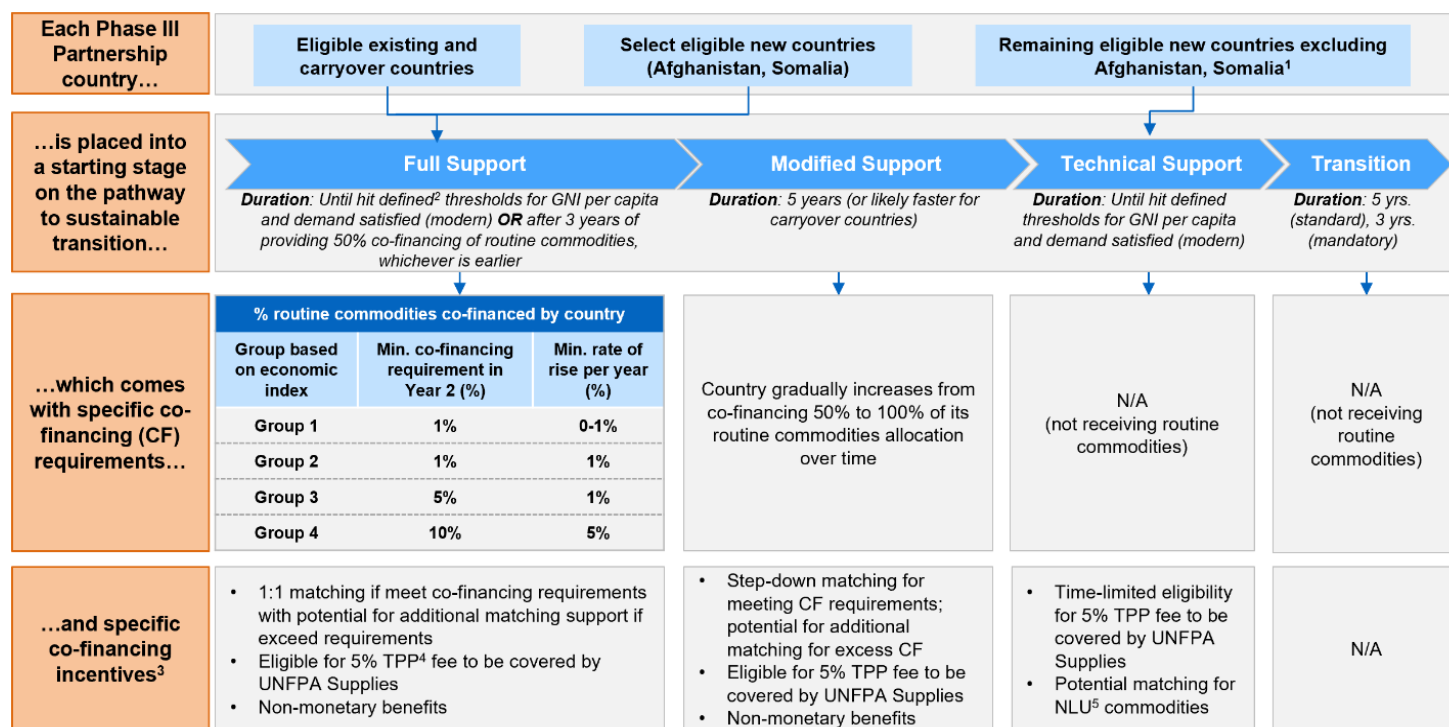
As part of the emphasis on domestic resource use, Phase III encourages *all* programme countries to shift to a monetization approach. This is a foundational shift. It moves the Partnership from a pure donation approach to an approach that explicitly builds country capacity and accountability. Co-monetizing means that countries need to ensure that all systems are in place to quantify, budget, pay for, procure, clear and transport commodities. Initially, countries receive a subsidy of up to 100 per cent that is gradually reduced over time (faster in some countries than in others) in line with expectations identified by the application of the Contribution Index described above. Countries then develop the capacity and take on the responsibilities associated with full quantification, budgeting, procurement, clearance, storage, distribution and accountability for commodities by reflecting UNFPA commodities in their national and subnational supplies systems. Countries work towards this ambition as part of their technical and systems-strengthening engagement with the Partnership. It should be noted that monetization is not a prerequisite for co-payment or any other aspect of Phase III, but it is an important complement to other systems changes designed to build capacity and institutionalize changes. Such systems changes include RH commodity budget lines, strengthened forecasting skills and inclusion of commodities on Essential Medicines Lists. The pace and extent of the systems reforms may be linked to incentives, the category of the country

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and other factors. The main point is that these are systems strengthening processes that underpin the expansion of domestic resource mobilization, use and execution.

Co-financing is the most straightforward route to moving towards increasing country contribution to the costs of commodities. Countries are required to gradually absorb routine commodity costs into their national budget, and reduce the corresponding subsidy received from UNFPA. In this system, countries are required to co-finance a portion of the costs of routine commodities and will receive monetary and/or non-monetary incentives if they meet or exceed their co-financing requirements, pending resource availability (see Figure 12). As shows in Figure 12, as countries progress along the pathway, the details, requirements and incentives around co-financing will change to better align with a country's situation in terms of its economy and its systems.

Figure 12: Co-financing and incentives along the pathway to sustainable transition



1. Will join Partnership in 2023 pending resource availability; other countries will participate from 2021; 2. Thresholds to be finalized in 2021; 3. Pending resource availability; 4. Third Party Procurement; 5. New & Lesser Used

As shown in Figure 12, the Partnership includes a range of incentives to support country efforts, pending resource availability. Incentives can be monetary (value), commodities-in-kind or non-monetary incentives. Incentives will be used across the UNFPA Supplies Partnership to help shift stakeholders into different perspectives and help make the journey towards the new ways of working a little easier. Incentives can be used to support countries to spend and/or spend more on routine reproductive health commodities; to expand method mix or introduce new/increase access to lesser-used commodities; to help build conditions to support availability and access to commodities (such as life-saving maternal health commodities).

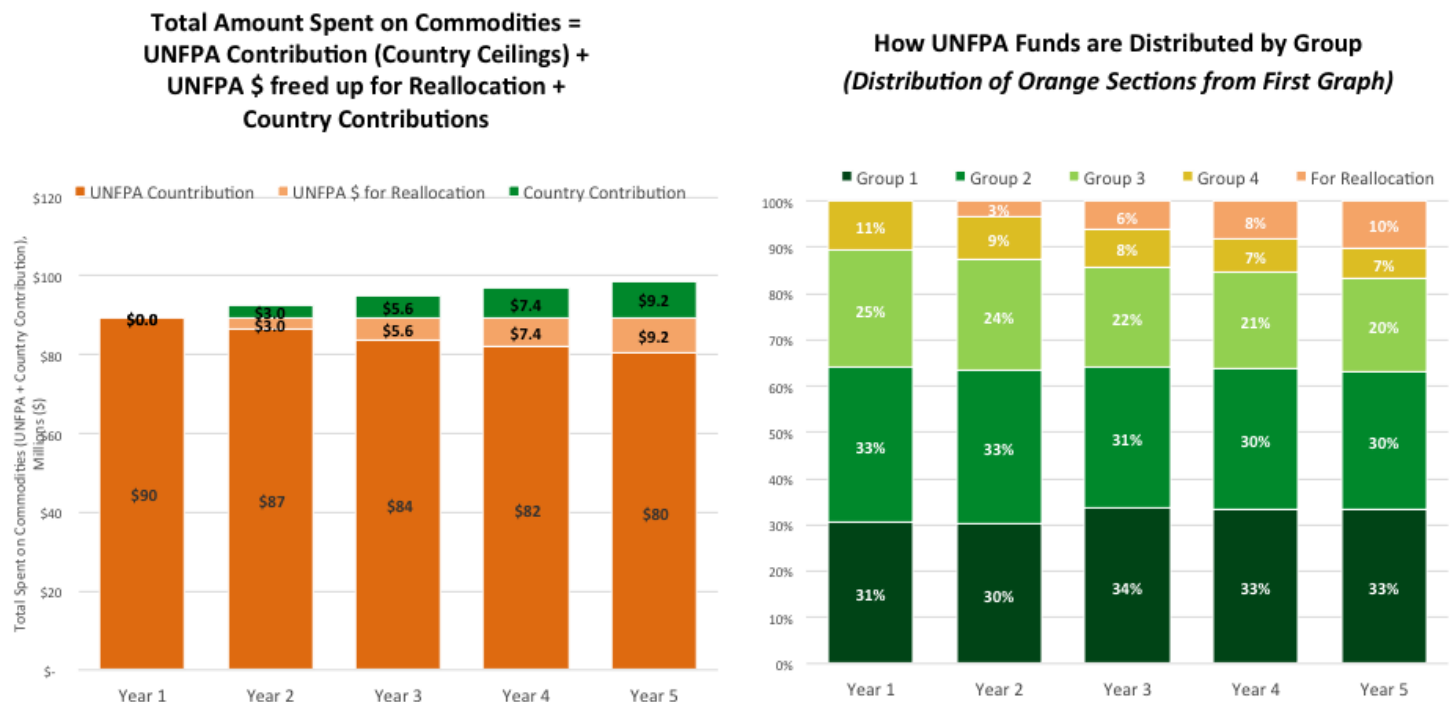
A matching arrangement is one form of incentive. For example, UNFPA could match \$1 or more to each \$1 co-financed by a partner country, pending resource availability. Alternatively, where countries are already spending a certain amount or have greater financial capacity, UNFPA could provide \$1 of commodity for every \$2, \$3 or more funded by countries. Matching arrangements are currently under way in West Africa through the Ouagadougou Partnership and in Kenya. Although the lessons from these arrangements are still being gathered, it is clear that they can work to leverage additional domestic resources and engagement on reproductive health commodity security. They require sustained high-level engagement with Ministries of Health and Finance. It is too soon to tell if they lead to lasting domestic budget commitments but there is evidence of progress.

As this co-financing model aims to strengthen a range of capacities in partner countries, there invariably are implications for most implementing partners. The approach outlined here aims to support countries to take more control and ownership over their commodity procurement and distribution responsibilities. In the best performing countries, this may require the relationship of all in-country partners to evolve. For example, shifts in country procurement and/or sense of ownership over commodities might impact NGO IPs. Recognizing the central role of NGOs in supporting reproductive health services, including family planning services, the Compact should set out agreed overarching distribution arrangements while specific agreements for the annual distribution of available commodities can be detailed in Annex A to the Compact to support distribution (for example by IPs) as laid out in National Supply Plans.

One consequence of increased country co-financing is the accrual of unallocated resources in the Partnership budget. Unallocated funds can be used to reinforce budget availability in priority areas and across priority countries. For example, additional resources could be used to boost the overall commodities budget or to strengthen the TA funding stream especially in countries nearing transition that may require additional backstopping and sustainability support. Figure 13 shows the expected accrual of unallocated funding over the first five years of Phase III from just the routine commodities resources. On the left the cumulative growth in country contributions and budget surplus are mapped out year-over-year. On the right side of the figure, the expected distributions between the groups are shown plus the surplus available for reallocation. Over time, a greater proportion of the budget could thus be allocated to routine commodities.

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Figure 13: The accrual of unallocated funding as country contributions increase<sup>22</sup>



In addition to working to increase the contribution of domestic resources for commodities, the UNFPA Supplies Partnership works with governments and other partners to ensure the optimum use of these resources (see Box 3 above). One way to do this is through availing UNFPA Procurement Services and competitive prices. In a recent competitive price analysis, UNFPA prices were 8 to 34 per cent lower than the average price for key commodities from international procurers.<sup>23</sup> Staff from the Procurement Services Branch emphasize helping countries get the most out of their limited budget, and focusing not only on the savings but the impact of the savings: “the savings is just the means, not the end- it’s how many more people we can help.” The UNFPA Supplies Partnership ensures that countries know about UNFPA Procurement Services as one of their options for meeting their co-financing commitments. As an incentive, the Partnership will consider covering the 5 per cent fee for using UNFPA Procurement Services to encourage greater use of this mechanism including for countries in the Modified Support and Technical Support stages of the Partnership trajectory.<sup>24</sup>

<sup>22</sup> This is illustrative only and is based on the draft routine commodity budget and allocation algorithm.

<sup>23</sup> Updated on 5/30/2020 [www.unfpaprocurement.org](http://www.unfpaprocurement.org)

<sup>24</sup> Details about this, as with other co-financing details, will be included in the Compact and are outlined in the Implementation Guidance Manual.



Learning from Cambodia: The Government of Cambodia established a national budget line for contraceptives, but they still needed assistance with procurement. With an annual need of \$2 million, they were able to procure quality-assured commodities with their own resources through UNFPA Procurement Services. Had they procured themselves, they would have needed \$4 million to access the same level of quality, so Cambodia saved both money and lives. UNFPA personnel explain, “We ensure optimum use of domestic resources... for quality-assured products.”

The UNFPA Supplies Bridge Funding Mechanism<sup>25</sup> (Figure 14) offers Partnership country governments the option of pre-financing their commodity procurement through UNFPA Procurement Services and/or bilateral co-financing agreements with UNFPA. This is an expanded offering in Phase III; the mechanism was originally established as a revolving fund to address stock-outs related to a misalignment between the timing of donor contributions to the programme and procurement cycles. Through the bridge, UNFPA can improve programmatic efficiency and secure production capacity, including for capacity-constrained reproductive health commodities, avoid stock-outs, and provide an additional support to countries progressing along the transition spectrum towards sustainable commodity procurement.

The Bridge Funding Mechanism can support the achievement of UNFPA Supplies Partnership goals in a number of ways. For example:

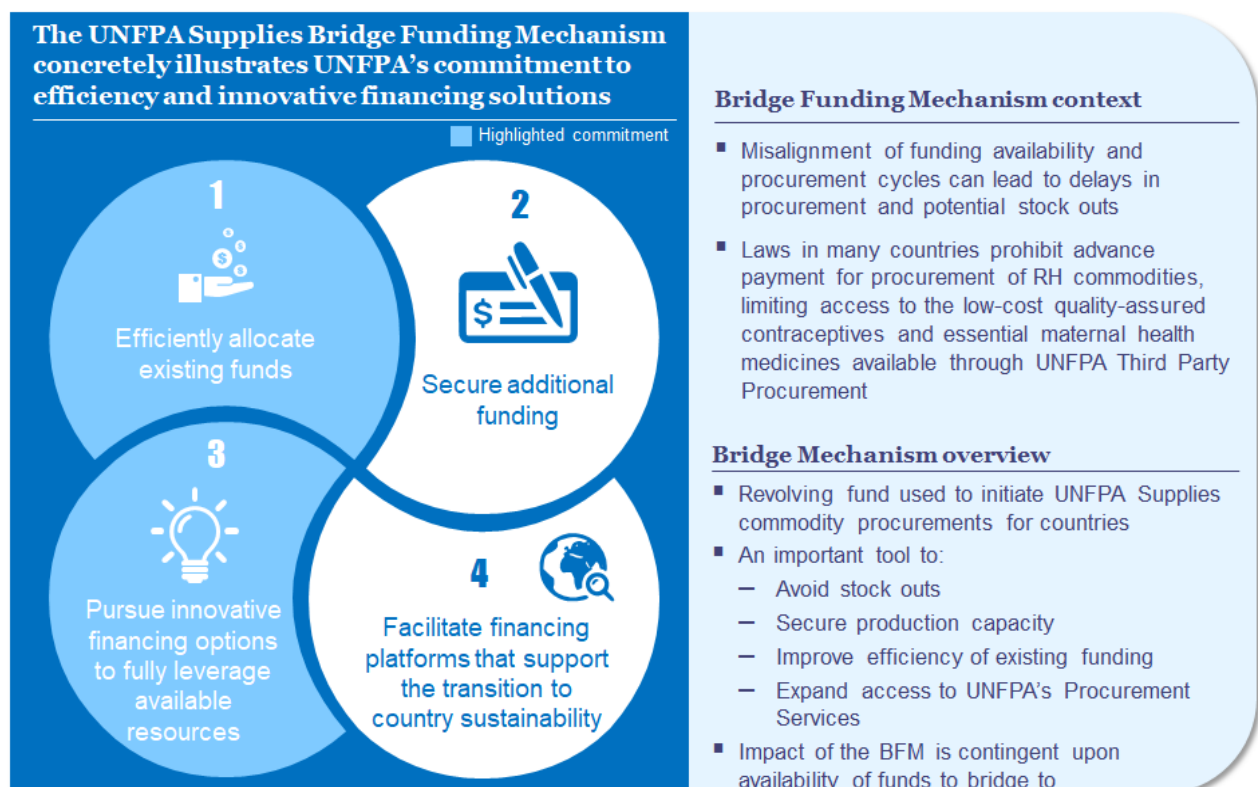
- Improve value for money in product procurement and distribution to enable the Partnership to undertake procurement on behalf of country partners in ways that maximize efficiency and shorten procurement delivery time for countries, securing needed quantities and method mix.
- Improve UNFPA’s role in market shaping through reinforcing its negotiating strength as a global procurement partner; increase its profile as a valued global commodity security leader by reinforcing its reliability as a procurement partner; and to carve out a better position to negotiate with manufacturers and drive down prices.
- Increase country commitment and sustainability by extending partner country governments a line of credit to pre-finance partner governments’ use of UNFPA Procurement Services where public budgets are not aligned with procurement cycles or government policies do not allow for advance payment for commodities, ensuring a set repayment schedule upon receipt of the commodities. This would potentially be an attractive benefit of being in the Partnership for all countries but especially those shifting to Modified Support or Technical Support arrangements.

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<sup>25</sup> The expanded application of the Bridge Funding Mechanism in Phase III will be approved separately in early 2021

The Bridge Funding Mechanism is expected to be instrumental in supporting Partnership countries to materially advance their commitment and capacity to build sustainable reproductive health systems, and critical for the Partnership itself to realize its ambition to support market management and advance its role in global market shaping efforts.

Figure 14: Bridge Funding Mechanism overview



### Progression within and transition away from the Partnership

Countries in the UNFPA Supplies Partnership will move through different stages along a pathway to transition (full support, modified support, technical support, and transition) that identify their access to resources and inputs, as described earlier. While in the Partnership, countries have access to these resources and inputs to help them advance their commitment and capacity to meet the reproductive health commodity needs of women and girls. As both capacity and systems strengthen, countries move from one group to next. At a certain point they should also become candidates for transition away from the Partnership.

There are two types of transition: standard and mandatory, with defined triggers to begin the transition stage if conditions are met. In a standard transition, countries have benefited

from their engagement in the Partnership and are judged to be in a strong enough position to transition. The mandatory transition supports the aim of the Partnership to assist those countries most in need; if a country reaches upper middle income categorization, then by definition they are not among the poorest and most in need.

#### Option 1: Standard transition

1. GNI per capita (Atlas method) exceeds 50 per cent of the range for LMICs (Currently about \$2500) (Range \$1,025 to \$3,995 [Intended to indicate economic readiness to take on greater responsibility for contraceptive commodities])
2. Demand satisfied (modern) reaches 60 per cent [Intended to indicate programmatic improvements signalling programme readiness to take on greater responsibility for contraceptive commodities]

Once these triggers are reached, the country starts a five-year transition that includes a range of benefits and support (detailed in the Guidance Note: *Guidance and Procedures for Country Eligibility and Transition*).

#### Option 2: Mandatory transition

Country GNI per capita (Atlas method) reaches the lower threshold of upper middle income status (currently \$3,996) even where other conditions are not in place. Once threshold is reached, irrespective of other results and progress, the country starts a three-year transition process. This aligns with the cut-off point for eligibility criteria which excluded upper middle income countries.

A smooth transition requires planning. Countries may reach the triggers for transition while still facing significant challenges around equitable access to reproductive health commodities. Given the focus on reaching the hardest-to-reach, decisions about country transition are supported by an equity assessment to identify whether and how the programme is leaving out highly marginalized people. In addition, to try to create true transition rather than simply transition to another donor, it is important where possible to align plans with other donors. This can be done through existing meetings or partnerships (e.g. FP2020 or other national groups).

### **3.4.2 The Transformative Action Funding Stream**

Formerly referred to as technical assistance, the new name of Transformative Action (TA) reflects the aim to use these funds strategically to create change both in terms of the systems enhancements that lead towards stronger systems and more sustainability and thereby increasing access for women and girls most in need, and contributing to the transformative goals that guide UNFPA. Transformative Action funding is linked to clear outcomes that are part of the overall programme strategy.

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Through the Transformative Action Funding Stream, the UNFPA Supplies Partnership identifies and support catalytic and targeted opportunities that complement its comparative advantage and programmatic focus to: advance the Partnership's strategic objectives; increase country accountability for and investment in reproductive health, including family planning; and strengthen the evidence base about best practices for achieving the Partnership's objectives.

Specific objectives:

1. Provide strategic technical support and investments to countries with impactful proposals to strengthen supply chain systems and an enabling policy environment for commodity security and sustainable financing via a streamlined, nimble process that is responsive to country needs
2. Provide a seed fund to bridge availability and access for the hardest-to-reach women and girls, including facilitating the integration and use of new and lesser-used products and helping address specific barriers related to application of rights-based approaches and gender equality in specific contexts where these inhibit Partnership results
3. Identify opportunities across all partner countries to accelerate and scale-up the results of the Partnership through sharing lessons learned and best practices from implementation of TA interventions

Figure 15 highlights the main areas of focus for this stream of funding. A full list of approved activities is included in the Guidance Note: *Guidance and Procedures for the Transformative Action Funding Stream*.

The primary areas of focus are strengthening supply chain systems (e.g. forecasting, quantification and increased visibility) and creating an enabling policy environment to increase commodity security (registration of new commodities, inclusion in EMLs) and to increase sustainable financing for reproductive health, including family planning (e.g. increased domestic resources). In addition, a seed fund is available for shorter-term funding opportunities to address specific barriers to bridge availability and access. This could include, for example, efforts to support introduction of new commodities or expansion of use of lesser-used ones. The idea of the seed fund is to maintain the primary focus on availability of commodities, while allowing for actions to maximize impact of commodity availability with the aim of bridging to other partners to take up the activities and further improve access and use. The seed fund operates slightly differently from the other parts of TA in that it provides shorter-term funding for one year or less.

Figure 15: Areas of focus: Transformative Action Funding Stream

The UNFPA Supplies Partnership will fund catalytic and targeted opportunities that will be complementary to the programme's comparative advantage and programmatic focus on increasing commodity availability through strengthening supply chain systems and creating an enabling family planning policy environment for commodity security and sustainable financing. An additional limited channel of funding will support seed funding activities to bridge availability and access for the hardest to reach.

Multi-year funding is allowed, but the Seed Fund will be limited to up to one year.

	Strengthening supply chain systems	Creating an enabling FP policy environment		
<b>Description</b>	<p><b>Target policy, technical, systems, institutional management and capacity support in ways that will accelerate and enhance country supply chain systems resulting in:</b></p> <ul style="list-style-type: none"> <li>Strengthened forecasting, quantification, logistical management, etc.</li> <li>Supply chain policy and infrastructure that is fit for purpose</li> <li>Increased visibility of commodity distribution and use (for example, through the application of the UNFPA LMA and use of its findings)</li> </ul>	<p><b>Increase commodity security for a choice of methods through</b></p> <ul style="list-style-type: none"> <li>Advocacy for registration of new commodities</li> <li>Inclusion of new commodities in EML</li> </ul>	<p><b>Increase sustainable financing for RH/FP from domestic and other sources</b></p> <ul style="list-style-type: none"> <li>Diversification of financing for commodities and family planning services beyond donor funds</li> <li>Inclusion of FP in health insurance schemes</li> </ul>	<p><b>Seed Fund to bridge availability and access for the hardest to reach women and girls</b></p> <ul style="list-style-type: none"> <li>Policies approved to expand access</li> <li>Policies and guidelines in place for realization of rights-based reproductive health</li> <li>Support provided for introduction of new methods or expansion of use of lesser-used methods</li> </ul>

Transformative Action funds are geared to responding to systems strengthening, maximizing availability and securing transition to domestic commitment. Findings from the Last Mile Assurance process, especially those related to weak supply chains, logistics information systems and commodity quantification errors, will be used to identify opportunities that are appropriate for TA funding. In addition, a Sustainability Readiness Assessment tool will be developed to identify strategic areas for intervention that help move countries along a continuum towards greater sustainability in terms of systems and policies.

Countries apply for TA funding. It is available as multi-year funding, with the exception of Seed Fund opportunities that have a maximum of one year (see additional details in the Guidance Note and application form). Table 4 describes the main steps in the application process, from identifying opportunities, applying, reviewing applications, implementing and monitoring and sharing lessons learned. The UNFPA Regional Offices play key roles in assisting countries to access the TA funds, making sure that resources are used effectively, and facilitating sharing of lessons and experiences among countries and across regions. A TA Approval Group (TAAG), consisting of six members (two Commodity Security Branch, two RO, two CO), assesses the applications endorsed by ROs as a group to decide final approvals. Final approval is based on strength of proposals, available funds and allocation guidance. This broad involvement builds capacity and facilitates learning and sharing. There is also the possibility of setting up a matching fund opportunity whereby a country could access more TA funds if the UNFPA Country Office commits a certain percentage of core funds to match the support, with regional personnel helping to manage this approach.

Table 4: Summary of steps in the TA process

Step	Timeline	Responsible Party
Step 1 Identify Opportunities	Q3	Country Office (CO), working with national authorities and stakeholders including IPs, will identify opportunities based on LMA assessments, facility surveys, and the Sustainability Readiness Assessment Tool
Step 2 Submit Application	Q4	CO develops application in consultation with national authorities, IPs and other stakeholders. Regional office (RO) provides assistance as needed CO submits to RO for review and approval
Step 3 Review and Approve Application	Q4	RO conducts the initial review and scores according to defined criteria see section 3.3 and endorses proposals that meet clear criteria. (Duration: 1 week)  The TAAG will review all endorsed proposals and decide which will be funded based on clear criteria. The Non-Core Funds Management Unit (NCFMU), as part of the TAAG, will conduct financial review and provide financial clearance. (Duration: 2 weeks)  The Programme Lead will provide final sign-off on approvals based on TAAG recommendations via a brief summary document put together by the TAAG with key information such as the total budget request, number of countries, and the summary of the proposed intervention from recommended applications (Duration: 5 business days). <sup>26</sup> The Programme Lead will liaise with NCFMU to approve any final changes to the budget.  NCFMU will request disbursement of approved funds from Finance branch.
Step 4 Implement	Q1-4	Activities may be led by national authorities, UNFPA CO, or IPs
Step 5 Monitor and Share Lessons	Ongoing	CO will monitor progress RO will facilitate sharing across countries and regions CSB will share lessons globally

<sup>26</sup> Programme leadership will assess whether this process needs to be streamlined to ensure efficient dispersal of funds

### 3.4.3 Performance funding stream

This funding stream on monitoring, accountability and visibility (MAV) has two primary functions that both serve to strengthen accountability and visibility: (1) covering management, governance and personnel costs; and (2) supporting supplies management, last mile assurance and performance monitoring activities.

Supplies management and last mile assurance

Supplies Management refers to activities as defined by the *UNFPA Policy and Procedures on Management of Programme Supplies* for the effective and efficient use of resources and accountability and assurance of supplies.

The UNFPA Supplies Partnership invests resources into ensuring greater visibility and accountability for the distribution and use of Partnership-procured commodities from end-to-end, with particular, additional focus on whether and where commodities reach the end user at the so-called "last mile". An important change within UNFPA is the Last Mile Assurance (LMA) process to improve the visibility of where commodities go and how well they are truly reaching the hardest-to-reach areas and populations (see Box 4). The LMA process is embedded in and linked to a UNFPA organization-wide policy on supply chain management which is rolling out in all UNFPA partner countries. It includes activities to ensure that commodity quality is also monitored to the last mile. This includes assessing storage conditions in warehouses, during transportation and at facilities to ensure correct temperature and humidity ranges, cleanliness, no exposure to sun and other weather elements or bugs/rodents that could compromise the quality of products.

As the LMA processes become operational in countries, the UNFPA Supplies Partnership will explore ways to link funding allocations and TA decisions to the findings of the LMA. In particular, findings will inform identification of relevant TA funding opportunities.

A critical aspect of LMA is strengthening the skills of UNFPA and partner personnel at country and regional levels. While the training focuses on the LMA processes, this crosses over into skills building on general supply chain management issues. This includes in-person training, webinars and other online training opportunities, and a form of on-the-job training by having headquarters or regional personnel accompany country teams on the spot-checks to learn by doing and help with quality assurance.

While LMA provides improved visibility at the country level, the Global Family Planning Visibility and Analytics Network (the Global FP VAN) is an important recently-launched effort to strengthen visibility at the global level. The Global FP VAN went live in January 2019 and provides several potential areas for collaboration and coordination with UNFPA Supplies. Hosted by RHSC, the Global FP VAN is a shared platform to capture and use supply chain data from multiple sources and organizations to provide enhanced visibility for decision-making. The long-term vision is: a) more timely and cost-effective delivery of

commodities to countries; b) more women reached with the right product at the right time; and c) better coordination on how to allocate limited health resources.

### Box 4: Supplies management and last mile assurance

The Last Mile Assurance process has been designed to implement key requirements of the UNFPA “Policy and Procedures on Management of Programme Supplies” to provide visibility and assurance regarding the adequate safeguarding, management and use for intended purposes of family planning, maternal health, and other programme supplies after their handover to implementing partners (IPs). The ultimate goal of the LMA process is to provide reliable evidence of whether or not supplies donated through UNFPA effectively reach the designated service delivery points (SDPs) where beneficiaries can access them, i.e. the “last mile”. Timely and consistently reaching the “last mile” is critical for UNFPA to achieve its transformational goals of eliminating the unmet need for family planning and ending preventable maternal deaths. This is not possible without key commodities being accessible to beneficiaries when and where needed. The LMA process incorporates five tools: (i) Supply Chain Maps, (ii) Supply Chain Management (SCM) Capacity Assessments, (iii) SCM Risk Assessments, (iv) Programme Supplies Reports, and (v) Spot-checks & Audits. These five tools build upon the IP Agreement General Terms and Conditions (GTCs), which outline IP obligations for managing supplies donated through this UNFPA programme.

## 3.5 Humanitarian support

More than two billion people live in fragile and conflict-affected areas of the world,<sup>27</sup> with nearly 168 million of them in need of humanitarian assistance and protection.<sup>28</sup> In Phase II of UNFPA Supplies, two thirds of the 46 programme countries experienced humanitarian crises in 2019; these and others in emergencies and conflicts received some level of short-term assistance through UNFPA Supplies. To address urgent reproductive health needs in humanitarian settings and fragile contexts, UNFPA Supplies provided emergency reproductive health kits for 18 countries sufficient to reach 2.8 million women and adolescent girls in 2019, up from 2.1 million in 2018.

UNFPA is currently developing a Humanitarian Supplies Strategy (2020–2025) in coordination with other institutional initiatives already under way to ensure access to essential reproductive health commodities and other supplies. The UNFPA Supplies Partnership collaborates and coordinates with this strategy to most efficiently use resources to supplement the broader support provided by UNFPA to people and countries especially in the immediate aftermath of an acute episode. Figure 16 illustrates how support in Phase III differ from Phase II, emphasizing the shift from contribution to integration.

<sup>27</sup> <http://interactive.unocha.org/publication/datatrends2018/>

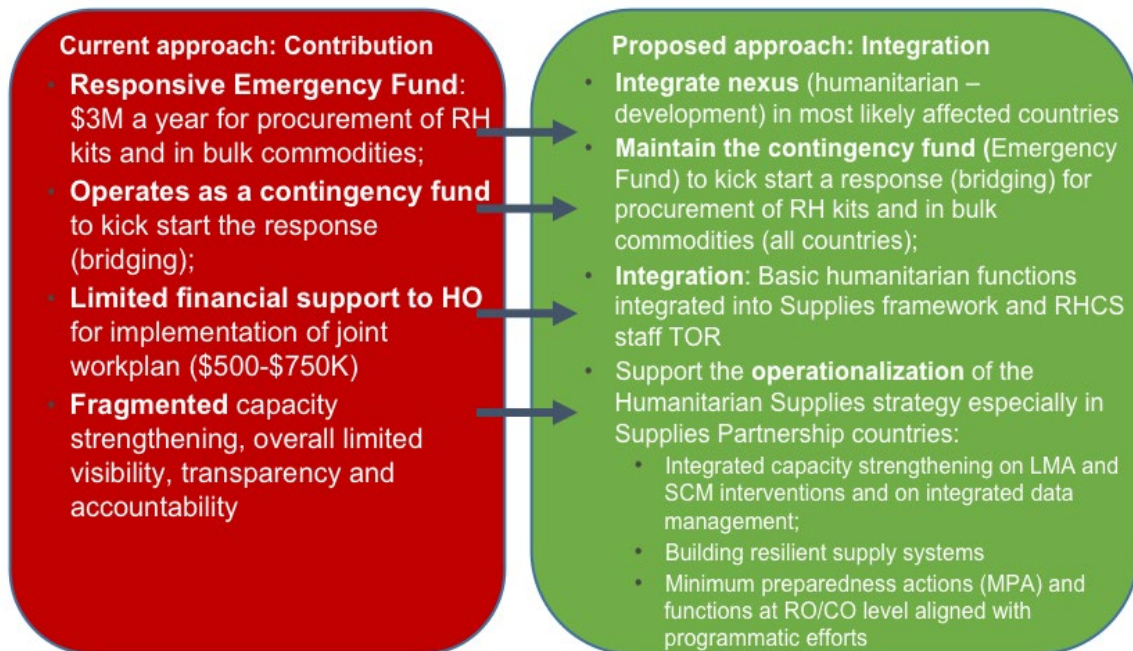
<sup>28</sup> [https://www.unocha.org/sites/unocha/files/GHO-2020\\_v8.8%20%281%29.pdf](https://www.unocha.org/sites/unocha/files/GHO-2020_v8.8%20%281%29.pdf)



The Partnership supports UNFPA’s humanitarian approach in a number of ways. Firstly, the UNFPA Supplies Partnership uses its resources to promote resilience and preparedness in Partnership countries most likely to be affected, integrating and mainstreaming humanitarian capacity-building components into its broader efforts in strengthening procurement and supply chain systems for routine commodities. Some countries that are part of the UNFPA Supplies Partnership may also choose to apply to the TA Fund for relevant activities that strengthen and operationalize the Humanitarian Supplies Strategy-development nexus to support preparedness and resilience.

Secondly, a contingency fund in the UNFPA Supplies Partnership budget is an important value-add to the organizational response as it also allows for the rapid deployment of essential supplies at the outset of an emergency, making sure that commodities are available where and when needed.

Figure 16: Changes to the humanitarian approach by the UNFPA Supplies Partnership



### 3.6 Risks and mitigation measures

Effective risk management is a critical enabler that allows for early detection of potential risks in order identify, assess and control the likelihood of a risk occurring and the potential impact of that risk. As UNFPA Supplies and countries transition to Phase III, it is imperative that there is clarity and transparency across UNFPA Supplies and countries regarding UNFPA Supplies’ overall approach to risk as well as key considerations and processes related to the assessment and management of risk.

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From an organization-wide perspective, UNFPA established and is currently updating its Enterprise Risk Management (ERM) approach.<sup>29</sup> This approach is designed to address identified and potential financial, social and environmental risks that may affect the integrity of the organization's programming and its adherence to a human rights-based approach, sound operational and delivery methods, and optimal outcomes and results. Through regular ERM review cycles, all UNFPA programmes and business units' levels of risk are assessed and categorized as either low, medium or high risk. UNFPA also established the Supply-Chain Management Risk Assessment - Last Mile Assurance (LMA) approach (described earlier). The LMA process was designed to provide visibility and assurance of the adequate safeguarding, management, and use for intended purposes of family planning, maternal health and other UNFPA-donated programme supplies.

The UNFPA Supplies Partnership has developed an approach that aligns with and complements both the ERM and the LMA approaches. This approach (described in detail in the Implementation Guidance Manual) addresses the risks that are relevant to the Partnership across its operational model at both country and global levels.

Risk associated to each one of the UNFPA Supplies' six Risk Categories is measured through a portfolio of Risk Indicators that are wide ranging factors and describe the risks, issues, concerns and/or considerations included in each Risk Category, from those related to working in particular contexts to those related to making decisions about how to program, manage and account for available resources in order to pursue agreed upon targets and deliverables (Table 5).

These indicators are used in a country-level model to determine a risk score for each category (see Implementation Guidance Manual for details). Each country is responsible and accountable for assessing and managing risks, including completing the country-level model on an annual basis with support from HQ and Regional Offices, regular monitoring, and ensuring that certain risks are escalated and/or the appropriate mitigation plans are developed and put in place in an effective and timely manner. Quarterly updates will be prepared to ensure that there is an effective monitoring of risks as well as the timely escalation of risks, as appropriate

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<sup>29</sup> ERM operational guidelines are currently being finalized in preparation for the 2020 ERM cycle, which was postponed due to the COVID-19 pandemic. Once finalized, these guidelines will be adopted as part of the UNFPA Supplies Partnership operational guidelines.

Table 5: UNFPA six risk categories and indicators

Risk category	Risk indicator
External	Operating environment complexity
	Does the country have a humanitarian preparedness plan in place?
	COVID-19 Risk Index Rating
	Corruption Index Rating
Fiduciary	Product Wastage (expired/damaged products) and inventory losses & differences of main implementing partners (#)
	Value of Supplies Delivered in the most recently closed financial year
	Has there been any fraud allegations or instances reported through internal mechanisms or through programme partners
	Number of countries where all IPs have implemented adequate remedial actions relating to known fraud cases
Delivery	Percentage of facilities stocked out on the day of assessment (#)
	Number of countries with functional LMIS
	Complexity of the supply chain
	85% of primary SDPs have at least 3 modern FP methods
	85% of secondary and tertiary SDPs have at least 5 modern FP methods available
	Percentage of the total value of RH commodities in the National Supply Plan that is funded by government
	Main IP Supply Chain Capacity Gaps (#)
	Number of countries, where IPs received agreed quantities of commodities as per approved procurement request for the year
Operational	Does the country have a National Supply Plan? (Y/N)
	Is there a functional capacity gap? (Key functions include: SC specialist, shipment tracking, WH manager, logistics FC)
	Is there a programme specialist to manage the program/project and budget owners? (Y/N)
	Are there any significant capacity gaps identified by the performance management process in inventory management?
	Has the country achieved an 80 per cent implementation score for Transformative Action (TA) interventions?
	Countries for which time lag between financial and physical receipt exceeds 60 days for ground shipments and 30 days for air shipments, greater than 60 days for ground and 30 days for air
	Country has a time lag between physical receipt and delivery greater than 30 days

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Risk category	Risk indicator
Reputational	Positive opinion from expert Review Panel and above
	Has there been any negative media coverage about UNFPA in local media in the last quarter? (Y/N)
	Are service providers adopting a human rights-based approach to service delivery/ Is the HRBA included in their training?
	Has there been a national rejection of a product due to quality problems? (short shelf life is not considered a quality problem)
Safeguarding	National guidelines and protocols on disposal of medical waste and contraceptives take into consideration recommendations of UNFPA Guideline on Safe Disposal and Management of Unused, Unwanted Contraceptives
	Has there been any allegations or instances of sexual exploitation, harassment, or abuse reported through internal mechanisms or through programme partners?

An aspect of the risk assessment and management approach that is particularly important and critical to understand are the UNFPA Risk Appetite statements. These statements lay out UNFPA's level of tolerance in relation to each of the six Risk Categories (External, Fiduciary, Reputational, Delivery, Operational and Safeguarding), which has a direct impact on the way different risks are viewed, managed, escalated, treated and/or actioned upon

UNFPA has agreed upon a number of risk appetite statements linked to each of the six risk categories that support critical decision-making at all levels of the organization in relation to assessing and mitigating risk. These risk appetite statements relate to the programme overall but may be applicable to individual country or delivery settings. They are reviewed and updated at regular intervals. The current risk appetite statements are set out below for illustration (Table 6).

Table 6: Risk Appetite Statements

Risk Appetite statements
<p><b>External Context Risks</b></p> <p><b>Definition</b> External context risks refer to the risks associated with complex operating environments which can affect programme implementation. This might include countries which are fragile and conflict-affected, facing economic, political or environmental instability or facing a pandemic risk event. External context risks also include country- or global-level policy shifts which might affect programme activities, such as reductions in donor funding or changes to national legislation.</p> <p><b>Risk Appetite</b> The UNFPA Supplies Partnership has a high risk appetite for external context risks. The UNFPA Supplies Partnership operates in complex settings: in fragile and conflict-affected states with weak political stability, in regions which are at high risk of natural disasters, and in environments where policy and regulatory changes can disrupt our programming. We are prepared to accept these contextual risks because we are committed to reaching the poorest, most disadvantaged populations. While contextual risks cannot always be mitigated, it is critical that contingency plans and appropriate measures are put in place to reduce their likelihood and impact.</p>
<p><b>Fiduciary Risk</b></p> <p><b>Definition</b> Fiduciary risk is the risk that resources (such as money or products) are not used for their intended purpose, do not achieve value for money, and/or are not properly accounted for. The realization of fiduciary risk can be due to a variety of factors, including lack of capacity, bureaucratic inefficiency and/or active corruption.</p> <p><b>Risk Appetite</b> The UNFPA Supplies Partnership has a low risk appetite for fiduciary risk. Where fiduciary risk materializes into a suspected or proven fraud, ineligibility or other misuse, we will take a zero-tolerance approach. In some contexts, there will be a net risk of our commodities or resources being used for unintended purposes or diverted or otherwise not being properly accounted for. We will implement context-specific delivery approaches, robust risk management, assurance, oversight and inspection functions to ensure that such cases are detected and managed effectively, and that losses are recovered in full.</p>
<p><b>Reputational</b></p> <p><b>Definition</b> Reputational risks cover all risks which have the potential to generate reputational damage for the programme or organization. This might include negative media coverage or weak confidence among donors caused by issues such as poor programme management, misuse of funds, or safeguarding failures.</p> <p><b>Risk Appetite</b> The UNFPA Supplies Partnership has a low risk appetite for reputational risk. This means that we implement robust policies and procedures to ensure that other risks facing UNFPA Supplies – such as fiduciary and delivery risks – do not materialize and generate reputational harm. We also expect our programme and communications teams to play an active role in mitigating and managing reputational issues, including those which are faced by our donors.</p>

<b>Delivery</b>
<p><b>Definition</b> Delivery risks relate to our capacity and capability throughout the delivery process to achieve intended objectives. These risks might include poor data quality, weak supply chains and failures in ICT systems – including those of our downstream partners – which prevent us from delivering intended goods or services to beneficiaries. Delivery risks can also refer to innovative delivery approaches, including interventions with a limited evidence base but a potentially high development return.</p> <p><b>Risk Appetite</b> The UNFPA Supplies Partnership has a high risk appetite for delivery risk. We are prepared for the programme to operate in challenging environments with a limited choice of downstream partners, and to take an innovative approach to delivering results. However, we will ensure that delivery risks are minimized and mitigated wherever possible. Delivery partners will be chosen according to their ability to deliver, and robust safeguards will be put in place to strengthen and monitor the delivery process.</p>
<b>Operational</b>
<p><b>Definition</b> Operational risk relates to our internal capacity to effectively oversee implementation of the programme. It covers all risks relating to the performance, competence and skills of our staff, as well as the functioning of our processes and systems.</p> <p><b>Risk Appetite</b> The UNFPA Supplies Partnership has a low risk appetite for operational risks. We expect programme, finance, logistics and operations staff to maintain high levels of professional competence and experience, and for UNFPA's policies and procedures to ensure robust workforce planning, performance management and skills development. We will ensure high standards of programme management, transparency and accountability through the implementation of strong governance and oversight arrangements, as well as robust risk and financial management procedures.</p>
<b>Safeguarding</b>
<p><b>Definition</b> Safeguarding risk refers to the risk of doing unintended harm to people or the environment as a result of our programme. This might include physical, emotional or sexual abuse, violations of health and safety standards, or damage to biodiversity and natural habitats.</p> <p><b>Risk Appetite</b> The UNFPA Supplies Partnership has a low risk appetite for safeguarding risks. UNFPA Supplies programme staff and downstream partners must operate in compliance with international obligations on human rights and environmental protection and will be held accountable to high ethical standards through robust safeguards and reporting procedures. We will take a zero-tolerance approach with regard to sexual abuse, harassment and exploitation. UNFPA works closely with WHO and stringent regulatory authorities to ensure that all UNFPA-supported products meet high standards of safety, efficacy and quality.</p>

In addition, to further enhance the effective assessment and management of risk at the global level, The UNFPA Supplies Partnership has developed a global risk matrix, which aims to aggregate and summarize the major risks (defined as risks characterized as “high” and/or “outside of Risk Appetite”), both at the global level as well as those derived from

the country level risk assessment process, within each risk category and highlight how these risks have been assessed and addressed. The global risk matrix increases the visibility of risks and supports decision-making related to managing, mitigating and/or addressing risks. It is important to note that this risk matrix represents a point in time and will change during the course of the UNFPA Supplies Partnership (details around the indicators and scoring will be elaborated in the Implementation Guidance Manual). This will be revisited and revised at least annually by the Finance and Risk Subcommittee, with regular monitoring and quarterly updates also conducted.

Table 7: Global risk matrix

Risk Category	Risk and Impact	Risk Indicator and Levels	Risk Response/ Mitigation Measure
External context  Risks associated with complex operating environments which can affect programme implementation.	COVID-19 <ul style="list-style-type: none"> <li>• Weakened health systems</li> <li>• Reduced GDP at global and country levels</li> <li>• Diversion of resources from reproductive health/family planning</li> <li>• Disruption in supply chains</li> </ul>	<ul style="list-style-type: none"> <li>• INFORM COVID Risk Rating</li> <li>• Transparency International Corruption Index</li> </ul>	<ul style="list-style-type: none"> <li>• Adjust timeline</li> <li>• Strongly advocate re: importance of reproductive health/family planning funding to minimize diversion of resources</li> <li>• Assess possible synergies/efficiencies between reproductive health/family planning and COVID-19</li> <li>• Assess potential to ensure the UNFPA Supplies Partnership supports a comprehensive package of services/commodities</li> </ul>
	Office forced to close through unforeseen event <ul style="list-style-type: none"> <li>• Programme could fall short of its targets</li> <li>• Women and girls may lose access to services</li> </ul>	<ul style="list-style-type: none"> <li>• INFORM Risk Rating</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain horizon scanning and make anticipatory policy at country level;</li> <li>• Where warranted use resources to increase preparatory planning such as prepositioning essential commodities</li> </ul>
<i>Fiduciary</i>  Risk that resources (such as money or products) are not used for their intended purpose, do not achieve value for money, and/or are not properly accounted for	Product wastage due to expiry, diversion to private market, other reasons <ul style="list-style-type: none"> <li>• Less product available for target populations</li> <li>• Inefficiencies</li> <li>• Reduced value for money</li> <li>• Knock-on reputational risks</li> <li>• Stock-outs</li> </ul>	The number of UNFPA Supplies Partnership implementing partners where periodic spot-check or audit exercises, carried out during the year to assess the accuracy of records and adequate management and safeguarding of commodities show that the value of any waste or losses (including due to damage, expiration, stock-count differences or inventory adjustments) affecting programme supplies provided by UNFPA, not originating	<ul style="list-style-type: none"> <li>• LMA will provide improved visibility and improved ability to take action</li> <li>• COs will invest in adequate skills and capacity to ensure full implementation of the LMA</li> <li>• Global and country VANs assist with visibility</li> <li>• Discussion at the Annual Review and Planning meeting and targeted efforts to address supply chain weaknesses including additional monitoring and reporting skills in country office and in country partners.</li> </ul>

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		<p>from force majeure situations, are within the following risk appetite thresholds :</p> <p>a) In development contexts: 2.5 per cent of the average acquisition cost of programme supplies provided in the last 3 year period or US\$ 150,000, whichever is lower.</p> <p>b) In humanitarian contexts: 10.0 per cent of the acquisition cost of programme supplies provided in the year in which the losses were reported or US\$ 250,000, whichever is lower.</p>	<ul style="list-style-type: none"> <li>The value, measured at UNFPA acquisition cost, of products wasted or lost due to product diversion, theft, fraud, or gross negligence or reckless conduct, perpetrated by or against the IP must be refunded in full.</li> </ul>
	<p>Fraud/Corruption</p> <ul style="list-style-type: none"> <li>Misuse of programme supplies</li> </ul>	<ul style="list-style-type: none"> <li>% of countries with any fraud allegations or instances reported through internal mechanisms or through programme partners</li> <li># of countries where all IPs have implemented adequate remedial actions relating to known fraud cases</li> </ul>	<ul style="list-style-type: none"> <li>LMA will provide improved visibility and improved ability to take action</li> <li>The value, measured at UNFPA acquisition cost, of products wasted or lost due to product diversion, theft, fraud, or gross negligence or reckless conduct, perpetrated by or against the IP must be refunded in full.</li> </ul>
<p><i>Delivery</i></p> <p>Delivery risks relate to our capacity and capability throughout the delivery process to achieve intended objectives</p>	<p>Commodities not reaching women and girls</p> <ul style="list-style-type: none"> <li>Failure to achieve targets</li> <li>Inefficiencies and wasted resources</li> </ul>	<ul style="list-style-type: none"> <li>The number of countries where a group, constituted under the leadership of government and with broad-based membership, exists and carries out functions to ensure effective functioning of the national supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Expand the scope of the LMA verification process at service delivery points (SDPs) to include dispensing to beneficiaries.</li> </ul>
	<p>Requirement of increasing government contributions</p> <ul style="list-style-type: none"> <li>Disruption in flow of commodities if countries do not follow through on procurement (with related health impacts)</li> <li>Possibility of reduced access to UNFPA commodities for NGOs/IPs</li> </ul>	<ul style="list-style-type: none"> <li>Number of countries that reach annual co-financing targets</li> <li>Number of countries, where IPs received agreed quantities of commodities as per approved procurement request for the year</li> </ul>	<ul style="list-style-type: none"> <li>Bridge Funding Mechanism can facilitate access to UNFPA Procurement Services in an efficient manner- ensure quality and optimum use of resources</li> <li>Build in safeguards for NGOs/IPs in Compact agreements around DRM</li> <li>Escalation measures- have discussion with F&amp;R</li> </ul>



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<p><i>Operational</i></p> <p>Operational risk relates to our internal capacity to effectively oversee implementation of the programme.</p>	<p>Challenges in shifting to new TA application process</p> <ul style="list-style-type: none"> <li>• Switching to an application process for TA might slow down the release of funds</li> <li>• There will be pressure at times to support out-of-scope activities</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries with 80 per cent implementation score for Transformative Action (TA) interventions</li> </ul>	<ul style="list-style-type: none"> <li>• Application process will be as streamlined as possible</li> <li>• Out-of-scope activities will not receive funding</li> <li>• The Supplies Partnership will strengthen linkages with other parts of UNFPA and other partners to support out-of-scope activities</li> </ul>
	<p>Non-compliance with Compact</p> <ul style="list-style-type: none"> <li>• Could limit achievement of results by the project</li> <li>• Possibility of reduced access to UNFPA commodities for NGO/Ips</li> </ul>		<ul style="list-style-type: none"> <li>• Countries that persistently fail to meet their commitments will be supported through a series of steps to ensure they have maximum opportunity and assistance to take remedial action</li> <li>• When needed, there will be an escalation mechanism whereby these countries will be discussed in the Finance and Risk Subcommittee, with decision points brought to the Steering Committee as necessary</li> </ul>
	<p>Human resources</p> <ul style="list-style-type: none"> <li>• Lack of adequate capacities to carry out programme activities</li> </ul>		<ul style="list-style-type: none"> <li>• Through new hires and capacity-building, UNFPA will have appropriate staffing for the Partnership</li> </ul>
	<p>Managing change</p> <ul style="list-style-type: none"> <li>• There will be a need to shift from an expectation of purely donated commodities to a co-financing approach that builds towards sustainability</li> <li>• UNFPA personnel will have to adapt to a number of changes in the new programme</li> </ul>	<ul style="list-style-type: none"> <li>• Existence of an internal programme management structure that provides leadership for programme planning and performance</li> </ul>	<ul style="list-style-type: none"> <li>• Changes will need to be phased in</li> <li>• HQ will work with Regional Advisers to assist with change management activities, i.e. regular communication with country personnel and partners</li> <li>• Use the 2020 Partners Assembly as an opportunity to explain the new programme to a wide range of partners</li> </ul>

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<p><i>Reputational</i></p> <p>Risks which have the potential to generate reputational damage for the programme or organization.</p>	<p>Loss of focus on availability of commodities</p> <ul style="list-style-type: none"> <li>• Losing focus on the primary goal of increasing availability of commodities due to a history of broader support and pressure for UNFPA to do more</li> <li>• Earmarking by donors also poses risks to a focused, results-oriented programme.</li> </ul>	<ul style="list-style-type: none"> <li>• Programme on track to reach targets</li> </ul>	<ul style="list-style-type: none"> <li>• Instilling a results-based mode of operation to ensure focus</li> <li>• An application process for TA funding will lead to a focused approach</li> <li>• Recognizing that earmarking will happen, this will be managed so as not to detract from the main areas of focus for the Supplies Partnership</li> </ul>
<p><i>Safeguarding</i></p> <p>The risk of doing unintended harm to people or the environment as a result of our programme</p>	<p>Unsafe disposal of commodities</p> <ul style="list-style-type: none"> <li>• Health hazard where commodities are incorrectly disposed.</li> </ul> <p>Allegations of sexual misconduct, exploitation, abuse and/or harassment</p> <ul style="list-style-type: none"> <li>• Harmful effects on individual girls and women;</li> <li>• Reputational risks to UNFPA as a partner and an organization</li> </ul>		<ul style="list-style-type: none"> <li>• Ensure commodities are disposed of through an environmentally sound way.</li> <li>• Immediate action to be taken where any question of safeguarding is a question</li> <li>• Ensure a clear code of conduct is fully complied with (PSEAH - prevention of sexual exploitation, abuse and harassment guideline/ policy)</li> <li>• In some settings, depending on risk assessed, take additional measures including a whistle-blower phone line or other anonymous process.</li> </ul>

Table 8 indicates the roles in implementing risk assessment and management activities, from the Country Offices to the Regional Offices and UNFPA HQ to the Steering Committee, primarily through the Finance and Risk Subcommittee.

Table 8: Roles in implementation of risk assessment and management

Responsible entity	Role
Steering Committee	<ul style="list-style-type: none"> <li>● Holds oversight over the Finance and Risk Subcommittee</li> <li>● Makes decisions, including approval of risk models, based on Finance and Risk Subcommittee recommendations</li> </ul>
Finance and Risk Subcommittee	<ul style="list-style-type: none"> <li>● Provides strategic guidance for UNFPA Supplies risk management</li> <li>● Reviews the recommendations as to the response to major risks (defined as risks characterized as “high” and/or “outside of Risk Appetite”) both at the global level and those derived from the country-level risk assessment process, within each Risk Category, as well as any critical outlier risks in a country that warrant escalation; approves a path forward. FRC will receive a risk update every quarter or as frequently as requested by FRC.</li> <li>● Brings forward critical elements of the Risk Matrix and makes recommendations to the Steering Committee for discussion and ultimately, the Steering Committee’s decision.</li> <li>● Supports revision and updates to the Global Risk Matrix and the country risk model so that they remain up to date.</li> <li>● Reviews UNFPA Supplies Partnership risk exposure on a quarterly basis by the FRC on a quarterly basis.</li> </ul>
UNFPA Supplies HQ Staff	<ul style="list-style-type: none"> <li>● Quality assures and validates the country-level risk assessments.</li> <li>● Completes the global Risk Matrix by aggregating and summarizing the major risks, defined as risks characterized as “high” and/or “outside of Risk Appetite”, both at the global level and those derived from the country-level risk assessment process, within each Risk Category, that the Partnership is facing and has faced as well as any critical outlier risks in a country that warrant escalation, and how these risks have been assessed and addressed.</li> <li>● Assesses UNFPA Supplies Partnership risk exposure on quarterly basis and presents this assessment to the FRC on a quarterly</li> <li>● Presents the Risk Matrix to the Finance and Risk Subcommittee on a semi-annual basis, including an assessment of the likelihood of continuation of the risk will be made, and if there is indeed a continuation of the outlined risk</li> <li>● Makes recommendations to the Finance and Risk Subcommittee as to the response to continued risks and new high. These recommendations may vary from maintaining the current approach or modifying it, developing a new approach altogether and/or devising a mitigation plan.</li> </ul>
Regional Office	<ul style="list-style-type: none"> <li>● Provide technical support to country offices for completing risk assessment models</li> </ul>
Country Office	<ul style="list-style-type: none"> <li>● Completes UNFPA Supplies Partnership Country Risk Assessment Model, highlighting major risks that require escalation through the Partnership structure and the implementation of mitigation measures (For the first year, HQ staff will prepare the initial draft of the model in consultation with country office staff in order to sensitize staff to the new approach and begin to build their capacity. By the second or third year, country office staff will lead the completion of the model with assistance from HQ and regional office staff)</li> <li>● Monitors risks on a quarterly basis, with related quarterly updates and timely escalation of risks to HQ</li> <li>● Submits UNFPA Supplies Partnership Country Risk Assessment Model to relevant HQ staff</li> </ul>

### **3.7 Implementation plan and phasing-in changes**

Change requires time and it is important to phase in these changes carefully so as not to be disruptive to programming resulting in less access for women and girls. In light of the COVID-19 pandemic, UNFPA and partners need to continually assess the need to adjust timelines and expectations for the programme changes, as noted in discussing risks and mitigation.

The implementation of the UNFPA Supplies Partnership is guided by a set of notes collectively called the Implementation Guidance Manual (see Annex 2). UNFPA and TMT colleagues have led the drafting of each guidance note working with others as needed including external technical consultants. Each note was peer reviewed by at least two other colleagues. The resulting drafts were then put through a wider process of consultation with Regional and Country Offices to optimize content and clarity.

A key dimension of the transition process is phasing-in. The phasing-in plan lays out how the programme will be implemented to full capacity over several months and the specific arrangements made for individual budget and programming components of the Partnership. The assumptions underlying the elaboration of this process include:

- All current Supplies partner countries move into the new phase of the programme from January 2021.
- New countries prepare to transition into the programme during 2022 and start in January 2023, with the exception of Afghanistan and Somalia which, as FCAS countries, will move into the Partnership as full support countries from 2021.
- Funds start being disbursed in line with the new funding streams from January 2021. However, 2021 is a transition year and funding streams may not all immediately operate fully in line with programme design. The Guidance Note on Transition and phasing-in identifies the phasing-in arrangements for individual funding streams that are feasible and create the foundation for full implementation of the new design ([Link to Implementation Approach and Phasing-in Strategy](#)).
- Communication and engagement cascades are necessary in the last four months of 2020 to ensure that a smooth transition can take place and to phase in the new funding arrangements, country coordination, risk management and performance tracking arrangements.

## Part 4: Results and performance management

### 4.1 What does a successful Partnership deliver?

Overall, a successful Partnership would mean that:

For women and girls as end users

- More women and girls are able to access and use modern family planning methods of their choice
- Maternal health commodities are used efficiently to save the lives of women and girls

National policy shifts

- Family planning is considered a core national priority supporting economic development as well as women's empowerment and maternal mortality reduction
- Countries increase use of domestic resources for procurement of reproductive health commodities and programming for reproductive health, including family planning

Health systems improvements

- Efficient, streamlined procurement by UNFPA resulting in timely availability of commodities to meet programme needs
- RH commodities are distributed and managed efficiently in an increasingly robust and reliable supply chain with visibility to the last mile

UNFPA performance

- Improved visibility into commodity flow at global and country levels
- UNFPA Country Office has the requisite skills among its personnel to be a valuable partner to country governments and other implementing partners to fulfil the goals of the programme
- UNFPA engages in effective, impact-driven partnership that leads to improved harmonization, integration and strengthening of supply chains

### 4.2 The Performance Monitoring Framework

UNFPA personnel and partners developed a new performance monitoring framework building off the strategic framework (see Figure 2 above) and the goals and outcomes of the UNFPA Supplies Partnership, as well as the new ways of working.

Figure 17 shows the summary of the results chain for the Partnership, including outcomes, outputs, interventions and inputs. The column on the right also highlights some of the assumptions and risks. The framework clearly demonstrates the programmatic results

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achieved in relation to the goals of the programme and enable the Steering Committee to make effective strategic programmatic decisions. Milestones will be set against the results framework on an annual basis and will be reviewed by the Strategy and Planning Subcommittee and presented to the Steering Committee for approval.

Figure 17: Results chain for UNFPA Supplies Partnership

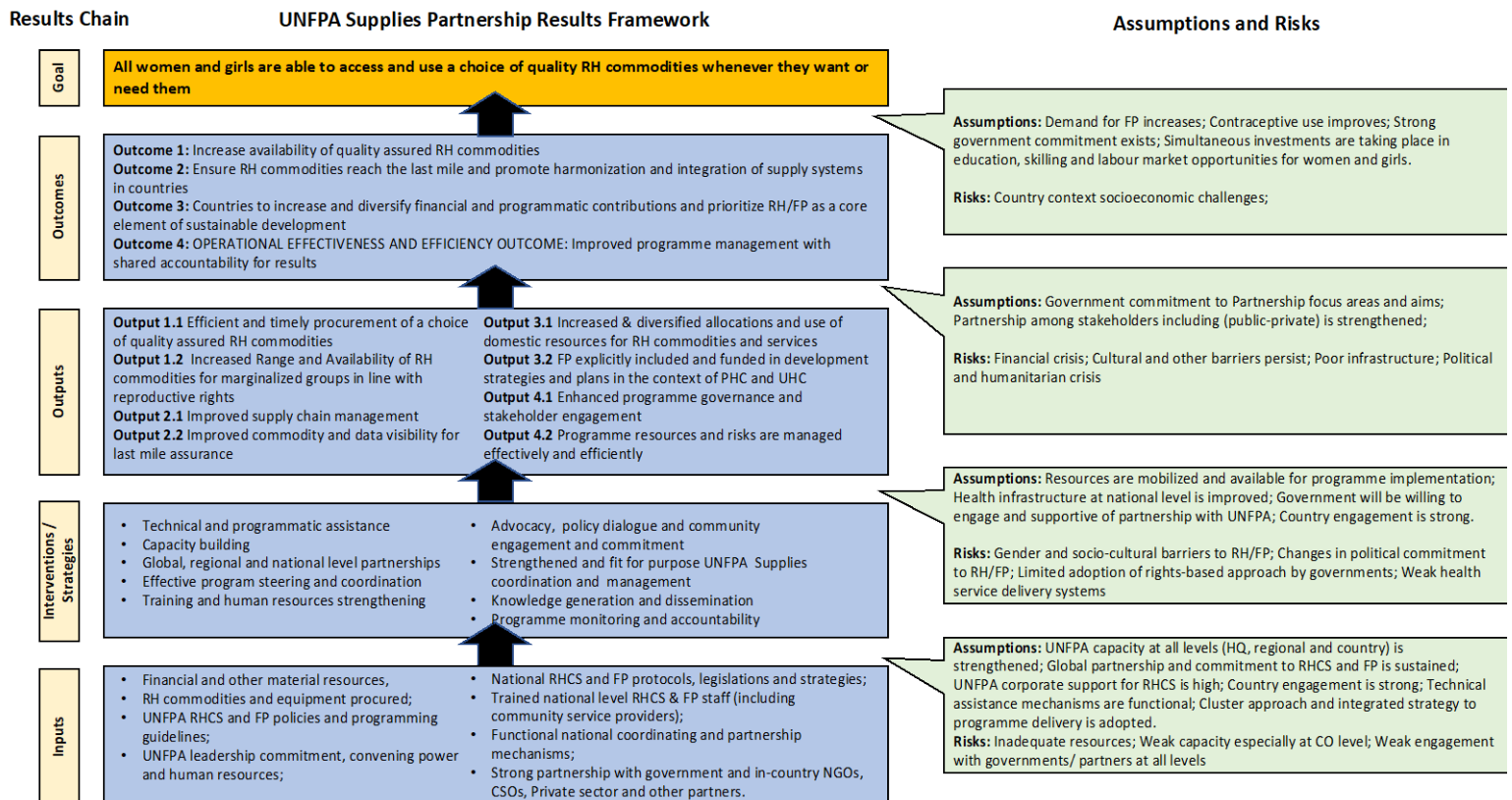


Table 9 shows a preliminary list of indicators for the programme. In addition, building on recommendations of the mid-term evaluation of the UNFPA Supplies programme and an assessment of UNFPA's human rights-based approach to family planning, the figure highlights how rights principles are addressed throughout the UNFPA Supplies Partnership.<sup>30</sup> As noted earlier, the Partnership explicitly addresses many but not all of the nine principles of human rights-based family planning. It should be noted that the human right principles indicated for the goal, outcome and output levels are the sum of principles addressed by lower level results, which are not shown in this table but which are detailed in the Guidance Note: *Guidance and Procedures for the UNFPA Supplies Partnership Results Framework*.

<sup>30</sup> Assessment for Strengthening UNFPA's Human Rights-based Approach to Family Planning, draft report April 2020.

Table 9: List of indicators for the programme (provisional)

Performance Framework for the UNFPA Supplies Partnership	
GOAL: All women and girls are able to access and use a choice of quality reproductive health commodities whenever they want or need them	Goal indicators
	G.1 Number of total modern contraceptives users (target countries, in millions)
	G.2 Unmet need for family planning (target countries)
	G.3 Modern contraceptive prevalence rate (mCPR) (target countries; disaggregated by age, residence and wealth quintile)
	G.4 Demand for family planning satisfied with modern methods (target countries; disaggregated by age, residence and wealth quintile)
G.5 Contraceptive method mix (including information on method mix score and method skew)	
OUTCOME 1: Increase availability of quality- assured reproductive health commodities	Outcome indicators
	O.C.1.1 Percentage of countries where at least 85 per cent of primary service delivery points have at least three modern contraceptive methods available on day of survey/day of data-collection (disaggregated for urban/rural)
	O.C.1.2 Percentage of countries where at least 85 per cent of secondary and tertiary service delivery points (SDPs) have at least five modern contraceptive methods available on day of survey/day of data-collection (disaggregated for urban/rural)
	O.C.1.3 Percentage of countries where at least 85 per cent of service delivery points (SDPs) have magnesium sulfate, misoprostol and oxytocin available on day of survey/day of data-collection (disaggregated for urban/rural and SDP type)
O.C.1.4 Number of countries that integrate the Minimum Initial Service Package (MISP) for sexual and reproductive health into existing national health and emergency frameworks	
Output 1.1: Efficient and timely procurement of a choice of quality-assured reproductive health commodities	Output indicators
	O.P.1.1.1 Number of countries where 75 per cent of UNFPA Supplies Partnership commodity orders are delivered on time in countries
	O.P.1.1.2 Number of countries where 75 per cent of UNFPA Supplies Partnership commodity orders are delivered in agreed quantities by the supplier
Output 1.2: Increased range and availability of family planning commodities for marginalized groups in line with reproductive rights	O.P.1.2.1 Number of countries where new and lesser-used reproductive health commodities are procured for use in the public sector in line with government-led introduction plans and women's reproductive rights
	O.P.1.2.2 Number of countries in humanitarian and fragile contexts that accessed Emergency Funds for procuring Inter-Agency Reproductive Health (IARH) kits at the onset of a crisis

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OUTCOME 2: Ensure reproductive health commodities reach the last mile and promote harmonization and integration of supply systems in countries	Outcome indicators O.C.2.1 Number of countries where 60 per cent of service delivery points report no stock-out of any contraceptive offered on day of survey/day of data-collection
	O.C.2.2 Number of countries with a functional logistics management information system (LMIS) up to service delivery points (SDPs) at the primary level
Output 2.1: Improved supply chain management	Output indicators O.P.2.1.1 Number of countries where a costed supply chain management strategy that takes into account recommended actions of the UNFPA/WHO implementation guide "Ensuring human rights within contraceptive delivery" is being implemented
	O.P.2.1.2 Percentage of countries introducing a new reproductive health commodity that successfully integrate the product into the health management information system (HMIS) and logistics management information system (LMIS)
Output 2.2: Improved commodity and data visibility for last mile assurance	O.P. 2.2.1 Number of countries where recommendations from the Last Mile Assurance (LMA) process are implemented to improve on commodity data visibility
	O.P.2.2.2 Number of countries where all implementing partners (IPs) have implemented adequate remedial actions relating to known fraud cases
OUTCOME 3: Countries to increase and diversify financial and programmatic contributions and prioritize reproductive health as a core element of sustainable development	Outcome indicators O.C.3.1 Number of countries that spend at least 80 per cent of the national budget allocated for the procurement of contraceptives
	O.C.3.2 Percentage of countries where there has been an increase in the Sustainability Readiness Assessment (SRA) score compared with the previous year
Output 3.1: Increased and diversified allocations and use of domestic resources for reproductive health commodities and services	Output indicators O.P.3.1.1 Number of countries utilizing innovative financing mechanisms and tools (such as bridge funding including for Third Party Procurement (TPP), matching funds and co-financing)
	O.P.3.1.2 Percentage of countries where government contributes towards funding of the National Supply Plan (NSP)
Output 3.2: Family planning is explicitly included and funded in development strategies and plans in the context of primary health care (PHC) and universal health coverage (UHC)	O.P.3.2.1 Number of countries implementing UHC strategies that explicitly includes family planning
	O.P.3.2.2 Number of countries where family planning is explicitly included in the Essential Package of Health Services



OUTCOME 4 (Operational effectiveness and efficiency): Improved programme management with shared accountability for results	Outcome indicators
	O.C.4.1 Summary annual programme plan and budget endorsed by the Steering Committee
	O.C.4.2 Percentage of countries where UNFPA Supplies Partnership risk assessment is rated as "within appetite"
	O.C.4.3 Number of countries where government funding for procurement of family planning commodities is in accordance with commitments in the UNFPA Supplies Partnership CompactN
Output 4.1: Enhanced programme governance and stakeholder engagement	O.C.4.4. Annual programme budget needs met through resource mobilization, including in-kind contributions
	Output indicators
Output 4.2: Programme resources and risks are managed effectively and efficiently	O.P.4.1.1 Programme governance mechanisms rated as inclusive, functional and transparent
	O.P. 4.1.2. Number of countries where stakeholders are engaged in programme planning, decision-making and monitoring processes
	O.P.4.2.1 Percentage of accepted audit and evaluation recommendations for which the actions due in the year have been completed
	O.P. 4.2.1 Existence of an updated UNFPA Supplies Partnership Global Risk Matrix

### 4.3 Evaluation and learning

There is a strong focus on learning in Phase III. The aim is to understand what is working in the new operational framework, particularly around the success and challenges in encouraging countries to use their own resources to purchase commodities. Within UNFPA, peer-to-peer learning is important as well as investing in efforts to identify and reinforce good models of programme and partnership management. Learning includes technical, management, operational elements including critical development effectiveness skills and behaviours such as negotiation, communication, political and economic analysis and policy skills.

Guidance notes include details around learning for different elements of the UNFPA Supplies Partnership. For example:

- There is a process for continual learning and improvement of the Transformative Action stream. Because applications are submitted electronically, it is possible to continually assess a number of issues around the applications, including regional distribution, issues addressed and average scores by question, and use this information to improve the process. In addition, Regional Offices help compile and share lessons from the results of TA activities.
- Regional facilitation of lesson learning between UNFPA Supplies Partnership countries and other UNFPA countries who are not part of the Partnership, so that all can benefit from the pooled knowledge on a range of technical areas.

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- UNFPA staff will synthesize experience and knowledge about building country capacity and commitment to sustainability through increasing domestic resource allocations, systems strengthening and repositioning reproductive health, including family planning, in the national dialogue.
- There are regular programme learning opportunities, for example at the Steering Committee in November 2021 after one year of implementation, to reflect on progress and make strategic and operational adjustments. The Strategy and Planning and Finance and Risk subcommittees will also facilitate learning around their technical areas.

The UNFPA Supplies Partnership will liaise with UNFPA Evaluation Unit to commission a mid-term evaluation process. The midterm evaluation is expected to be conducted in 2024 in order for the findings and recommendations to be used to guide the next phase of the programme in 2025.

## Part 5: Management, staffing and skills

Delivering this ambitious and dynamic partnership requires effective management and the right personnel with the right skills in the right place. This section identifies the roles, responsibilities, skills and capacities needed across UNFPA (at global, regional and country levels) to deliver on the Partnership objectives.

### 5.1 Role of UNFPA at global, regional and country levels

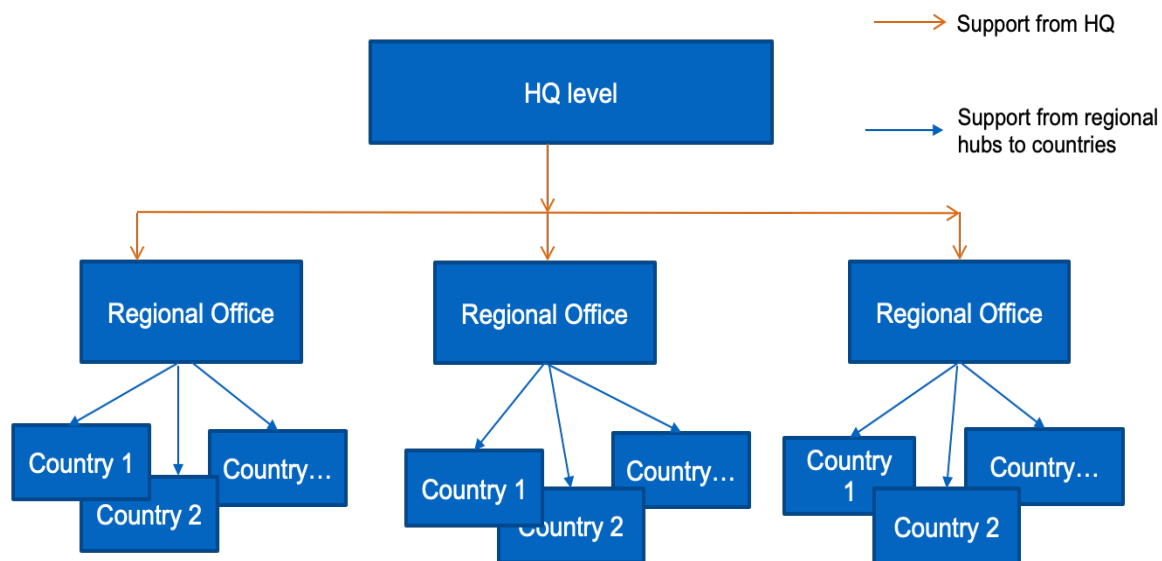
UNFPA Supplies was established as a UNFPA trust fund under the authority of Article V (“Trust Funds”) of the UNFPA Financial Regulations. UNFPA is a subsidiary organ of the United Nations overseen by the UNDP/UNFPA/UNOPS Executive Board. UNFPA is mandated to work on sexual and reproductive health and family planning (among other priorities) and has been providing development and humanitarian assistance to developing countries in these areas since 1969. UNFPA Supplies adheres to the tenets of the UN Charter, UNFPA financial regulations and UN Staff Regulations with oversight from the programme’s Steering Committee and subsidiary subcommittee structure.

The beginning of Phase III of UNFPA Supplies (2021-2030) provides an opportunity to revisit and restructure the governance of the programme. To be fit for purpose, and to maintain accountability to its mandate and donors, the programme is undergoing a transition process that is geared towards the effective design, resource allocation and management that caters for effectiveness and efficiency, value for money and sustainable impact. The new phase also requires assessing the skills that are needed in staffing at headquarters, regional and country levels.

### 5.2 UNFPA Supplies Partnership leadership and human resources

UNFPA Country Offices and personnel are critical focal points for achieving success in UNFPA Supplies Partnership countries. The transformative change of this phase calls for changes within the organization, and this aspect of the programme must receive adequate attention. This requires not only the consultation of the programme design process, but also continued communication and consideration of ways to encourage country office performance and both support and incentives to ensure that the demands of the new programme are fully understood and incorporated into CO annual programmes and resource allocation discussions. The implementation planning phase of the programme includes planning around skills, functions and capacities for individuals and organizational levels of UNFPA (country, regional and global levels) as well as proposals for shaping transition of skills and performance at all levels in support of Partnership goals. Figure 18 illustrates the hub and spoke approach of providing support through strengthened regional hubs to supplement and strengthen skills at the country level, with overall support from the headquarters level.

Figure 18: Modified hub & spoke model for HR skills and capacities



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The gender equality assessment of the UNFPA Supplies Partnership programme noted that women are actively involved as policy-makers, programme managers and providers of family planning through UNFPA Supplies-supported programming. However, more can be done to enhance women’s leadership and participation both as decision makers and stakeholders in the next phase of UNFPA Supplies. This is explicitly addressed in the new staffing and governance structures.

### 5.3 Governance structures

A coherent portfolio of governance reforms across three reform levers has been approved and is being implemented by UNFPA and its partners:

- Reform governing bodies and decision-making authority: Grant governing bodies decision-making authority over programme strategy and vision, key guidelines and policies, high-level annual workplans and budgets, and leadership appointment and appraisal enabled by a two-tier governance structure with a set of specialized subcommittees.
- Enable effective governance processes: Introduce a revised governance cadence to enable strategic and operational planning for the programme and establish a robust set of meeting practices and materials.
- Ensure effective interface between UNFPA and the Partnership Steering Committee and its subcommittees: Ensure that the programme leader reports to the Steering Committee for purposes of programme management and that UNFPA Supplies Partnership has the appropriate team in place to interface with governing bodies.

Implementation occurred in the following stages:

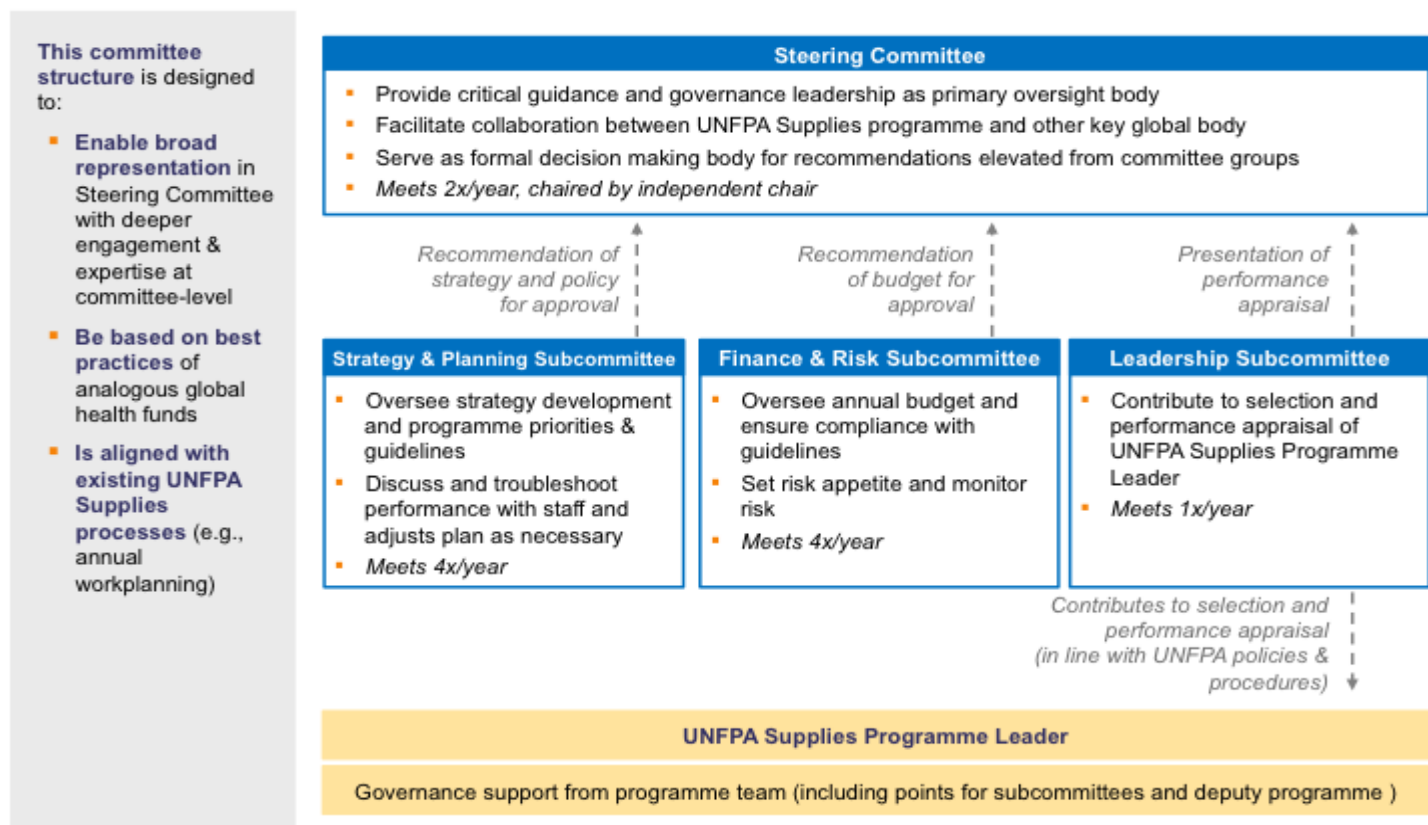
1. Steering Committee alignment: Reforms were presented and refined by the Steering Committee in May 2019 and refined by the governance workstream in lead-up to submission to the Interdivisional Working Group (IDWG) in August 2019.
2. UNFPA leadership review: The August IDWG meeting was the final touchpoint after bilateral conversations with key UNFPA leadership. UNFPA endorsed the governance reforms.
3. Final approval of reforms: presented at October 2019 Steering Committee meeting for final approval.
4. Implementation of reforms: There has been a phased roll out in 2020, including finalization of Terms of Reference for governance structures and initiation of interim subcommittees in March 2020.

#### Steering Committee and subcommittees

UNFPA Supplies is governed through a tiered committee structure made up of key stakeholders including donors, programme country governments, civil society and strategic partners that provides strategic direction and management oversight (Figure 19). A Steering Committee approves programme strategy and key documents based on recommendations from three targeted subcommittees with deeper engagement and subject matter expertise on finance and risk, strategy and planning and leadership of UNFPA Supplies. Broader stakeholder input and engagement is achieved through annual Partner Assembly meetings. Within UNFPA, the IDWG, composed of senior management, takes responsibility for internal oversight and alignment of the UNFPA Supplies Partnership within UNFPA.

## UNFPA Supplies Partnership 2021-2030

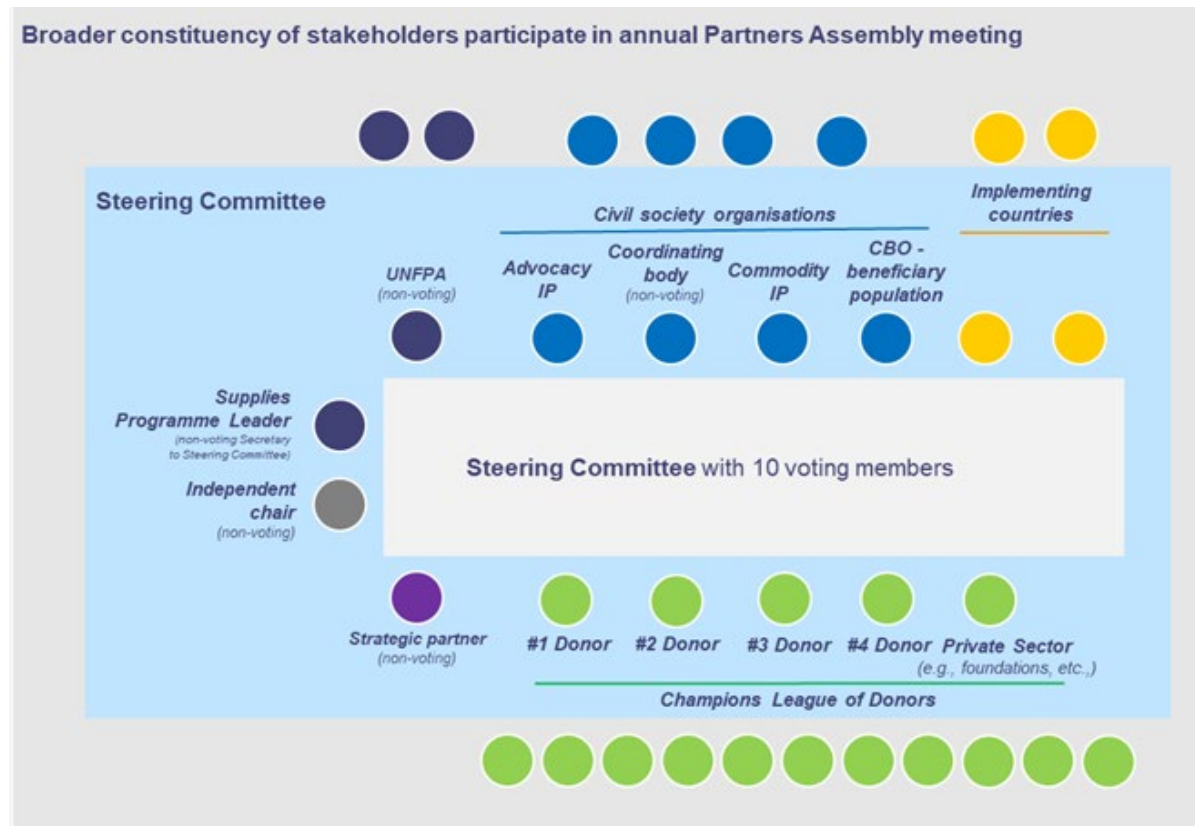
Figure 19: UNFPA Supplies Partnership Governance Structures



The subcommittees began operating on an interim basis in March 2020 and served as important resources in the co-creation of the new programme design. Lessons from the interim period have been integrated into the final TORs for the launch of the UNFPA Supplies Partnership.

As part of the governance reform, the Steering Committee is a smaller body optimized for decision-making, as shown in Figure 20. In developing the new structure, there was an effort to balance effectiveness and inclusiveness by bringing in a range of voices while also keeping a relatively small size in order to enable meaningful discussions and engagement of the membership. The Steering Committee is managed by an Independent Chair. The leadership subcommittee supported the development of the TOR and search plan for the Independent Chair.

Figure 20: The UNFPA Supplies Partnership Steering Committee



Under the new structure, Steering Committee members are grouped into constituencies and represented by focal points that rotates every two to three years. A subcommittee was formed to work out the details for operationalizing the Steering Committee constituency model including criteria for eligibility for the different seats. Constituency groups and the Independent Chair considered language, gender and regional balance as part of their selection criteria for Steering Committee membership. Steering Committee members include the following (more details in Annex 2):

- Five voting members representing programme donors
- Two voting members representing the programme implementation country governments
- *Three voting members representing programme implementation civil society organizations* as follows (one advocacy seat, one commodity programming seat, one community-based organization representing beneficiary population seat)
- *Three non-voting members* (one civil society coordinating body, one strategic partner agency and one UNFPA Representative from senior management)
- Independent Chair (non-voting)
- *Programme Lead* (non-voting Secretary to the Steering Committee)

## **UNFPA Supplies Partnership 2021-2030**

### Partners Assembly

The UNFPA Supplies Partners Assembly (hereinafter the Partners Assembly) serves as the main forum for broad-based engagement on UNFPA Supplies for the purposes of governance, advocacy, knowledge-sharing from programme implementation and resource mobilization. The Partners Assembly is a multi-stakeholder platform comprising strategic partners from global, regional and select country-level agencies, bilateral partners, multilateral organizations, private sector and civil society. In-person participation in annual Partners Assembly meetings will be drawn from the full Partners Assembly membership to leverage expertise from within the Partnership based on the topics under discussion with provision for virtual participation for the full membership to limit costs. In line with the Partnership's emphasis on gender equality, the membership will include organizations working on gender equality and community organizations representing women.

The Partners Assembly has three primary objectives:

- To ensure mutual accountability within and across the Partnership, including a two-directional and transparent flow of information and input between the Steering Committee and the broader set of programme partners. Recommendations from the Partners Assembly will be taken to the Steering Committee for information and consideration in overall programme governance and implementation.
- To provide a platform for programme implementers, including UNFPA, governments and civil society, to monitor and communicate shared progress and collective programmatic impact, coalesce around key advocacy objectives and amplify messaging to secure greater investment in family planning.
- To engage implementers, donors and strategic partners in thematic problem solving and alignment on issues related to the programme's scope.



## Part 6: Resources and earmarking

A detailed budget is part of the implementation planning process. Resources are allocated in accordance with the arrangements laid out in this document and detailed in the Guidance Note: *Guidance and Procedures for Resource Allocation to the UNFPA Supplies Partnership*.

An important consideration in donor support is how to manage earmarking. Earmarking is a process by which funds are directed by the donor to a specific recipient, thematic area or purpose. Usually, this is a geographic earmark but it can also be for a specific population (e.g. adolescents), commodity (e.g. DMPA-SC) or purpose (e.g. training). All funds to the UNFPA Supplies Partnership are earmarked to the thematic fund. Beyond this, some are “double” earmarked (called Special Reserved Fund) where they are designated for a specific purpose or geography within the Partnership. Earmarking can help bring in additional donors by ensuring that their priorities can be addressed. However, it can reduce efficiency and increase risk of not achieving specific outcomes.

The new operational framework makes earmarking less necessary by meeting some of the needs that were previously met through earmarking. For example, while in Phase II funds were earmarked for new and lesser-used products, this has now been folded into the overall structure of the Partnership funding to better streamline resources and achieve results.

In order to ensure that funds are used strategically to advance the goals of the UNFPA Supplies Partnership, there is agreement to limit the extent of earmarking. If special restrictions are required by the donor, it will have to be communicated in advance and presented to the Finance and Risk Subcommittee for review and advice before the donor agreement is signed. The subcommittee also monitors earmarking within the Partnership to ensure that there is transparency and that earmarking is not disruptive to efficiency and effectiveness (see Guidance Note for details).

## Annex 1: Phase III programme development process

In July of 2018, the Steering Committee of UNFPA Supplies created three workstreams – governance, country engagement and procurement costing models – to address the need for reform of the UNFPA Supplies programme and drive the way forward in alignment with the FP community’s goals. The governance and decision-making workstream was chaired by UNFPA and FCDO (formerly DFID)<sup>31</sup>, guided internally by a UNFPA leadership group and included active involvement from a broad range of stakeholders. The efforts built on previous reform efforts dating back to 2015-16. The country engagement working group was chaired by UNFPA and the Ministry of Foreign Affairs of Netherlands and undertook a collaborative process engaging over 100 multi-sectoral stakeholders from June to October 2019 and developed the basic structure of an operating model for the programme’s third phase.

The products of these workstreams were then synthesized and modified into the design of Phase III of UNFPA Supplies. A Transition Management Team (TMT) comprising two external consultants and two UNFPA personnel began operating in January 2020 to coordinate the transition process through a participatory process with UNFPA personnel and partners. The Transition Oversight Group (TOG) oversees this work by reviewing progress and providing feedback and guidance in fortnightly calls. Co-chaired by UNFPA and DFID (FCDO), the TOG has the participation of partners from The Bill & Melinda Gates Foundation, the European Commission, FP2020, Global Affairs Canada (GAC), IPPF, the Ministry of Foreign Affairs of the Netherlands, and MSI.

After initial calls with the TOG, the TMT met in-person at UNFPA headquarters in New York in February 2020 to consult with UNFPA personnel and brainstorm with groups involved in the CE workstream. Through these consultations, some of the language and details of the CE operating model were modified to become more practical and operational, while retaining its underlying principles and structures. For example, the terms “country engagement” and “country support model” are now folded into the overall operational framework, and the country categorization model and four phases of sustainable transition have been streamlined to be more easily operationalized and more feasible to measure and monitor.

The TMT continued to work closely with UNFPA headquarters personnel, PSB and Regional Advisers to develop the different aspects of the programme. In March 2020, the new governance structures of subcommittees to the Steering Committee began functioning and played important roles in co-creation. In particular, the Strategy and Planning Subcommittee met regularly between March and August to give valuable input into almost all aspects of the programme design.

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<sup>31</sup> The Department for International Development (DFID) of the United Kingdom is closed. It has been replaced by the Foreign, Commonwealth & Development Office (FCDO).

## Annex 2: Implementation guidance manual

1. Global Governance
  - Guidance on Earmarking Donor Contributions to the UNFPA Supplies Partnership
  - Guidance and Procedures for Managing the UNFPA Supplies Governance Arrangements
  - Guidance and Procedures for Managing the UNFPA Supplies Bridge Funding Mechanism
2. Resource Allocation
  - Guidance and Procedures for Resource Allocation to the UNFPA Supplies Partnership
  - Guidance and Procedures for the Reproductive Health Commodities Funding Stream
  - Guidance and Procedures for the Transformative Action Funding Stream
  - Guidance and Procedures for UNFPA Supplies Partnership Humanitarian Interlinkages
  - Guidance for the Management Accountability and Visibility (MAV) Funding Stream
  - Guidance and Procedures for Last Mile Assurance and Supply Chain Strengthening
3. Country Level Operations
  - Guidance and Procedures for Country Eligibility and Transition
  - Guidance and Procedures for Co-Financing
  - Compact Terms and Conditions for the UNFPA Supplies Partnership
  - Guidance and Procedures for Completing and Signing of Country Compact and Annex A
  - Guidance for Annual Planning Cycle
  - Guidance on Assessing and Managing Risk in UNFPA Supplies Partnership
4. Performance Review and Results Management
  - Guidance and Procedures for the UNFPA Supplies Partnership Results Framework

*[The guidance manual is annexed as a separate PDF.]*