

UNFPA-UN Women Merger Cost Benefit Analysis

Plain Language Summary

Budget Analysis, Donor Overlap, Merger Costs, Savings Stress Test

April 2026

Summary Findings

**Net savings = \$0. Transition costs = \$56 - \$110M.
The merger case does not hold up.**

- Part A: Staff costs for both entities are rising. UN Women ran a shortfall in 2024, and its operational reserve has not kept up with its budget. There is no financial buffer for transition costs.**
- Part B: Every major donor is cutting aid. The funding environment is contracting, not expanding.**
- Part C: UN Women's own 2010 formation shows that mergers cost more than estimated and save less than promised.**
- Part D: The savings claim is unverifiable and contradicted by the Assessment Report's own data.**

How to read this document

Each section below reproduces a data table from the analytical workbook, followed by a plain-language explanation of what the numbers mean and why they matter for the merger assessment. The explanations are written for policy and program staff; no financial background is needed.

The four parts correspond to the four components of the cost-benefit analysis scope of work:

- Part A: Budget and resource analysis — what each agency manages and how
- Part B: Donor overlap analysis — who funds both agencies and what happens under merger
- Part C: Merger cost modelling — using the 2010 UN Women formation as a point of reference
- Part D: Efficiency and savings stress test — interrogating the \$32–38M savings claim

Research and Analysis

This analysis was prepared for the Feminist Cross-Coalition UN80 Working Group by Terry McGovern, JD, Professor and Senior Associate Dean for Academic and Student Affairs, City University of New York Graduate School of Public Health and Health Policy (CUNY SPH) and Clarisa Bencomo, MA, Project Director for Gender Justice, CUNY SPH Sexual and Reproductive Justice Hub; and Karan Babbar, Ph.D., Assistant Professor, Plaksha University. The analysis draws on publicly available data, as cited in the document.

Part A: Budget & Resource Analysis

Table A1: Combined Budget Snapshot — 2024 Actuals (USD millions)¹

Indicator	UNFPA 2024	UN Women 2024	Combined 2024	What this means
Total Resources/Revenue	\$1,635.4M	\$593.1M ¹	\$2,228.5M	UNFPA is ~ 2.8 times larger than UN Women.
Staff Salaries & Benefits	\$409.8M	\$209.3M	\$619.1M	Staffing is the single largest expense, rising ~8%/year; this makes merger savings implausible.
Regular/Core Funding (flexible)	\$224.1M (~13.7% of total revenue)	\$151.8M (~26% of total revenue) ¹	\$375.9M (~16.9% of total revenue)	At well below the UN 30% minimum for core funding, this is structural underfunding that a merger won't solve
Other Funding (earmarked)	\$1,219.2M (~74.5% of total revenue)	\$429.9M (~72% of total revenue)	\$1,649.1M (~74% of total revenue)	This high level of restricted funding leaves little flexibility for savings, let alone to respond to crises or absorb short term transition costs.
Other Revenue (investments and other)	\$192.1M (~11.7% of total revenue)	--	--	
Total Staff (Staff + Local contracts + UN Volunteers)	5,586 ²	4,250 ³	~9836	Almost 90% of UNFPA are deployed outside of HQ, leaving little duplication to cut without cutting programs.
2024 Surplus/Shortfall	\$107.4M Surplus	\$100.4M Shortfall ⁴	--	The UN Women operational reserve has not been adjusted since 2018, at \$26.5M actual vs \$39.5M required in 2024. ⁵ US aid cuts in 2025/2026 have further weakened both entities. A merger does not fix this but instead pools the risk.

1. 2024 Revenue/Resources reflect International Public Sector Accounting Standards (IPSAS), which recognize multi-year grant revenue in full at signing and expenses as incurred. A/80/5/Add.12 paras 11(d), 16-17, 21, and Table IV.1; UN Women Transparency Portal.

2. As of 1 May 2025. DP/FPA/2025/10, Table 3.

3. 1,462 staff + 2,788 non-staff. A/80/5/Add.12, Note 19.1.

4. This shortfall partly reflects IPSAS accounting, where prior year recognized revenue is recorded at signature while expenses are recorded when incurred.

5. Auditors finding of operational reserves underfunding, A/80/5/Add.12, Chapter II, Section B, paras 23 - 30.

What does Part A tell us?

- If the two agencies merged, the combined budget is large (\$2.2B) but almost all of it is donor earmarked money. Neither agency has much freedom to redirect funds, so a merger would not automatically unlock savings, let alone absorb short- and medium-term transition costs.
- Both agencies are chronically underfunded at core. Less than 14% (UNFPA) and 16.9% (UN Women) of income is flexible. A merger changes the name; it does not change the donor behavior that caused this problem.
- Staff costs are the biggest and fastest-growing expense. At a cost of \$619M combined and rising 8% per year, any merger that tries to cut staff to save money would be forced to cut program staff on the ground, not back-office overhead because the bulk of the staff are in the field.

¹ Sources: UNFPA Statistical and Financial Review 2024 (DP/FPA/2025/4); UN Women and UNFPA Transparency Portals; UN Women financial report and audited financial statements (A/80/5/Add. 12); UNFPA Integrated Budget, 2026-2029 (DP/FPA/2025/10)

- UN Women ran a \$100M shortfall in 2024 and its operational reserve has not kept up with its growing budget. Merging a vulnerable institution with a healthier one does not create financial strength; it transfers the risk.

PART B: Donor Overlap Analysis

Who funds both agencies, what they are cutting, and the merger funding risk

Table B1: Shared Donors — Regular Resources 2024 and 2026 Outlook (USD millions)²

Donor	UN Women Regular Resources 2024	UNFPA Core Resources 2024	UNFPA Other Resources 2024 ¹	Funds Both?	UN Women 2026 Outlook
Germany	\$21.9M	\$46.4M	\$24.5M	YES	\$23.1M
Finland	\$21.3M	\$28.0M	\$6.7M	YES	\$13.9M
Switzerland	\$18.2M	\$18.2M	\$0.0M	YES	\$14.4M
United States	\$12.0M	\$30.5M	\$18.5M	YES	—
Denmark	\$10.9M	\$32.7M	\$21.8M	YES	\$11.8M
Norway	\$9.6M	\$56.4M	\$46.8M	YES	\$13.8M
Sweden	\$5.1M	\$45.4M	\$40.3M	YES	\$8.9M
Netherlands	\$4.3M	\$37.5M	\$33.2M	YES	\$2.5M
Belgium	\$4.3M	\$9.8M	\$5.5M	YES	\$4.7M
United Kingdom	\$4.2M	\$10.4M	\$6.2M	YES	\$4.0M
Japan	\$4.1M	\$12.0M	\$7.9M	YES	\$4.2M
Canada	\$4.5M	\$11.0M	\$6.5M	YES	\$4.8M
Republic of Korea	\$5.8M	—	—	NO	\$2.9M
Luxembourg	\$3.3M	\$3.5M	\$0.2M	YES	\$4.6M
France	\$2.7M	—	—	NO	—

1. Earmarked/non-core contributions beyond regular resources. UNFPA terminology: 'Other Resources'. ([DP/FPA/2025/4 \(Part I/Add.1, para 70.\)](#))

Table B2: Confirmed ODA Cuts — Key Donor Contractions (as of April 2026)²

² Sources: [UN Women](#) and [UNFPA](#) Transparency Portals; [UN Women Regular Resources Report 2024](#); [UNFPA Top 20 Donors 2024](#); various donor announcements confirmed as of April 2026.

Donor	ODA Amount Cut	Timeline	Scale	Impact on both agencies	What this means
United States	100% withdrawal	Jan 2026	~56% of 2023 ODA	WITHDRAWN from both	Both agencies lost US funding simultaneously. UNFPA alone lost \$377M. This is the largest single funding shock in both agencies' histories.
Germany	\$9.2B vs 2022 levels	2026 budget	~28% cut	Major donor to both at risk	Germany is the largest UN Women donor. A 28% ODA cut puts tens of millions in UN Women funding at risk.
Finland	25% cut announced	Confirmed	25%	Top 2 UN Women donor	Finland's contribution to UN Women could fall by a third. This from an agency already running a \$100M shortfall.
Netherlands	€500M by 2026	Confirmed	~25% cut	Multi-year agreements at reduced levels	Confirmed cuts are already locked into multi-year agreements with both agencies.
UK	To 0.3% GNI	By 2027	Lowest since 1999	Both agencies affected	UK aid is at its lowest share of national income since records began.
Belgium	25% over 5 years	Announced	25%	Shared EB member	Gradual but confirmed reduction in support to both.

What does Part B tell us?

- The global aid environment is contracting. Germany, Finland, the Netherlands, the UK, and Belgium are all cutting their official development assistance. These cuts affect both agencies independently of any merger.
- Almost every major donor funds both agencies. 13 of 15 significant donors give to both UNFPA and UN Women. This means a merged entity may not attract new money, it would just pool two existing income streams, with all potential risk to the attendant mandates.
- Donors fund separately because they value distinct mandates. A merged entity with diluted mandates risks receiving less total funding, as donors redirect money to other organizations with clearer gender or health mandates.
- The US withdrawal is the biggest immediate threat. The United States gave \$12M to UN Women and \$30.5M to UNFPA in core funding, plus much more in earmarked contributions. Both agencies lost this simultaneously in January 2026.
- Norway is the only major donor consistently increasing contributions. Sweden's 2025 increase reflects recovery from a sharp prior cut rather than a new upward commitment.

PART C: Merger Cost Modelling

What the 2010 UN Women formation cost, the closest available point of reference

Table C1: One-Time Transition Costs — 2011 Actual Budget³

Cost Item	Amount	Relevance to the 2026 Assessment Report Cost Estimates	Data Source	ACABQ View
Transition Management (staff separations, placements)	\$5.0M	Direct precedent for workforce alignment costs. Today's combined workforce is ~9,836, far larger than in 2010.	UNW/2011/3 para 32; Summary Table 2	ACABQ approved (UNW/2011/4 para 32d)
HQ Office Move + IT Installation	\$3.0M	Direct precedent for IT integration. Today UNFPA is on <u>QuantumPlus</u> ; UN Women's IT is managed by UNDP. Far more complex.	UNW/2011/3 para 32; Elements of Decision	ACABQ approved
UN-mandated Security Costs	\$2.5M	Mandatory in any merger, cannot be avoided. Must be included in any honest cost estimate.	UNW/2011/3 para 31; Summary Table 2	Non-discretionary
IPSAS Compliance + Atlas improvement	\$0.3M	Equivalent to Quantum ERP integration today, likely 10x more expensive given scale difference.	UNW/2011/3 para 31; Summary Table 2	Non-discretionary
TOTAL YEAR 1 ONE-TIME COSTS	\$10.8M	Year 1 only. Further costs followed in 2012 and 2012-2013. This is the floor, not the ceiling.	Summary Table 2, row D	All approved by ACABQ

³ Sources: UN Women Voluntary resources for the biennium 2010-2011, ([UNW/2011/3](#)); Report of the Advisory Committee on Administrative and Budgetary Questions ([UNW/2011/4](#)).

Table C2: Multi-Year Cost Trajectory — The Full Picture⁴

Year	Document	Amount	What It Covered	Key Finding
2011	UNW/2011/3	\$10.8M	One-time special-purpose costs	Year 1 only. Does not include the \$75.6M operating budget — 2.5x predecessor combined budget.
2012	UNW/2011/11	\$0.8M carried forward	Residual change management	The merger still generating costs 2 years later. Regional architecture review was ongoing.
2012-2013	UNW/2011/11	\$7.1M (projected)	Regional architecture build-out	The UN's own financial watchdog (ACABQ) explicitly warned this figure was likely an underestimate and that the methodology did not capture all costs.
2012-2013	UNW/2012/CRP.4	Unknown (higher)	Actual regional architecture costs	Management response acknowledged the projection uncertainty. Actual costs exceeded the projection
TOTAL MINIMUM	All documents	~\$18-20M+	3-year transition cost floor	Confirmed figures only. ACABQ said the actual total was higher. And the only quantified saving over 3 years was a 12% rent reduction in New York.

What does Part C tell us?

The Assessment Report projects that the proposed merger will generate \$32 – \$38 million in annual savings from Executive and Functional Leadership and Oversight and Administrative Functions efficiencies (Assessment Report Figure 3). The 2010 merger that created UN Women is the closest real-world point of comparison and demonstrates the challenges in estimating both costs and savings.

- When UN Women was created by merging four predecessor agencies (UNIFEM, DAW, OSAGI, INSTRAW), it cost at least \$18 – \$20 million over three years. The current proposal is considerably larger and more complex.
- In 2010, the costs were higher than estimated and the savings were lower. The UN's own financial oversight body warned in 2012 that cost estimates were unreliable and actual costs exceeded projections.
- The only documented savings from the 2010 merger was a 12% rent reduction for the New York office. UN Women did not report administrative savings.
- The transition lasted years, not months. Two years after the merger, the organization was still carrying forward transition costs and building the regional architecture. This is the normal pattern for major institutional mergers.
- Today's proposed merger is harder, not easier. In 2010, four small agencies were combined into one. Today the proposal is to merge a \$1.6B agency with a \$593M one, each with different IT systems, governance structures, mandates, and host government, donor, and civil society relationships.

⁴ Sources: *UN Women Voluntary resources for the biennium 2010-2011*, ([UNW/2011/3](#)); *UN Women Institutional Budget Estimates, 2012-2013*, ([UNW/2011/11](#)); *UN Women Management Response to the report of the ACABQ*, ([UNW/2012/CRP.4](#)); *Report of the Advisory Committee on Administrative and Budgetary Questions on the regional architecture*, ([UNW/2012/11](#)).

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PART D: Efficiency and Savings Stress Test

Interrogating the \$32–\$38M savings claim — does it hold up?

Table D: The Savings Claim: What the Assessment Report Actually Says and What It Means⁶

Component	Assessment Report Claim	The Problem with This Claim	Verdict
Gross Savings	\$32 – \$38M/year (Figure 3)	No breakdown is provided. The Assessment Report calls these 'indicative ranges' and says a full CBA requires a specific pathway to be agreed first.	UNVERIFIED
Net Savings after Reinvestment	Savings “would need to be channeled back into a combined entity if it were to be effective.”(Page 21)	If reinvestment is required, net = \$0.	ZERO
Savings from Reducing Overlap	“functional overlap <u>exists, but is limited.</u> ” (Page 10)	The claimed savings source is overlapping functions, and functional overlap is limited.	CONTRADICTED
Regional/Country Savings	“A significant proportion of projected recurring savings is associated with regional and country levels, reflecting scale effects rather than headquarters concentration.” (Page 22)	At country level UNFPA delivers SRH services and humanitarian response while UN Women works on gender policy, normative frameworks, and civil society partnerships. These are not the same functions. No evidence is provided for scale savings at country level.	IMPLAUSIBLE
Administrative Overlap	“These efficiencies are primarily associated with consolidation of overlapping administrative and support functions across headquarters, regional and country levels.” (Page 21)	Combined HQ admin and support costs are ~\$55M estimated (UNFPA ~\$30M + UN Women ~\$25M, based on IB staffing tables — clearly labelled as estimates). Even 30% consolidation = ~\$16.5M, well below the \$32–\$38M lower bound.	OVERSTATED
Payback Period (if savings are real)	“core institutional consolidation no later than the end of 2028.....contingent on timely availability of dedicated transition funding and the preservation of uninterrupted delivery throughout phased implementation.” (Page 36)	Only if: (a) the projected savings materialize; (b) they are not reinvested, (c) no additional costs emerge; d) the projected \$56 – \$110M transition costs are funded. All four assumptions are doubtful.	CONDITIONAL

What does Part D tell us?

- The \$32 – \$38 million savings figure is unverifiable. The Assessment Report labels it 'indicative assumptions', provides no detailed savings breakdown, and acknowledges its broad transition cost estimates reflect “sensitivity to pathway design, sequencing choices and the duration of systems coexistence.” (Assessment Report p. 21). There is no way to check whether this number is credible prior to a merger.
- The Assessment Report claims savings come from consolidating overlapping administrative functions, but combined HQ administrative costs are ~\$55M, meaning even 30% consolidation yields only ~\$16.5M in savings, well below the \$32–\$38M lower bound.
- The Assessment Report states that any savings would need to be channeled back into a combined entity. Savings that must be reinvested does not constitute real savings. Net savings = \$0.
- The Assessment Report’s agency overlap finding and the savings claim contradict each other. The Assessment Report says overlap is 'limited' but claims \$32 – \$38 million in savings. If overlap is limited, the source of savings is inherently narrow.

⁶ Source: [Strategic Merger Assessment of UNFPA and UN Women: Final Consolidated Report \(April 2026\)](#).

- The realistic ceiling for gross savings is roughly \$10 – 20 million. Based on actual overhead data, a realistic maximum for gross savings is around half of the Assessment Report’s claim — and even that figure would need to be reinvested. Net savings remain zero. The 2010 UN Women precedent confirms the pattern. The last comparable merger spent \$18 – \$20 million over three years and produced one quantified saving: a 12% rent reduction. There is no historical basis for the current savings claim.
- The Assessment Report claims that a significant proportion of savings would come from regional and country levels. But at country level, UNFPA delivers SRH services and humanitarian response while UN Women works on gender policy and normative frameworks. These are not overlapping functions. The report provides no evidence for scale savings at field level, precisely where the two mandates diverge most sharply.