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Structured dialogue on financing the results of the UNICEF Strategic Plan, 2018–2021

Summary

In response to General Assembly resolution [71/243](#) of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, and in line with relevant decisions adopted by the UNICEF Executive Board since 2014, the most recent being decision 2018/15, this background paper considers the financing of the UNICEF Strategic Plan, 2018–2021, as endorsed by the Executive Board.

A draft decision for consideration by the Executive Board is included in section IX of this paper.

* [E/ICEF/2019/21](#)

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



I. Introduction

1. In response to General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, and in line with relevant decisions adopted by the UNICEF Executive Board since 2014, the most recent being decision 2018/15, this paper considers the financing of the UNICEF Strategic Plan, 2018–2021.

2. In addition to traditional fundraising, the structured dialogue on financing the results of the UNICEF Strategic Plan, 2018–2021 considers leveraging partnerships and resources as a key strategy for achieving results for children in the Strategic Plan, including influencing domestic financing systems and fiscal policies in support of children. The structured dialogue is informed by the funding compact, which has been agreed by Member States and the United Nations development system. The funding compact consists of 22 commitments to be monitored by 50 indicators and targets. While some of the commitments are system-wide, with progress reporting to Economic and Social Council, the remainder are entity-specific, with reporting to the governing bodies of the individual entities through the structured funding dialogues.

3. The funding compact aims to gradually shift the current funding pattern of the United Nations development system and its component entities, improving the predictability, flexibility and overall quality of funding, and addressing the imbalance between core and non-core resources. This is essential to enable the system to fulfil its central functions, to effectively support integrated achievement of the Sustainable Development Goals and to respond in a flexible, tailored and responsive way to national development priorities and needs. Likewise, the compact outlines the collective commitment of the United Nations development system to accelerate efforts towards greater transparency and accountability in its use of resources.

4. It is critical for UNICEF and its partners to continue efforts to ensure flexible and predictable funding to better match resources to the outcomes of the UNICEF Strategic Plan. This paper shows progress made towards the UNICEF Strategic Plan and results achieved against the 2018 targets, and includes examples of public and private sector initiatives.

II. Fundraising goals to support the UNICEF Strategic Plan, 2018–2021

5. The UNICEF Strategic Plan outlines five Goal Areas that the organization aims to achieve by 2030: every child survives and thrives; every child learns; every child is protected from violence and exploitation; every child lives in a safe and clean environment; and every child has an equitable chance in life. Figure 1 below outlines direct programme assistance in 2018 by Goal Area and resource type.

6. For UNICEF to work towards the achievement of these goals, the Executive Board has endorsed ambitious revenue targets. For the 2018–2021 period, UNICEF is proposing a 14 per cent growth in revenue compared to the previous Strategic Plan quadrennium. The total revenue goal is to raise \$22.8 billion over the four years of the Plan, segmented as \$6.3 billion (or 28 per cent) in regular resources (RR) and \$16.5 billion (or 72 per cent) in earmarked other resources (OR). For OR, the objective is that, by the end of the Strategic Plan period, softly earmarked thematic funds aligned with the results under the five Goal Areas will represent 15 per cent of overall earmarked funds, up from 8 per cent in 2016.

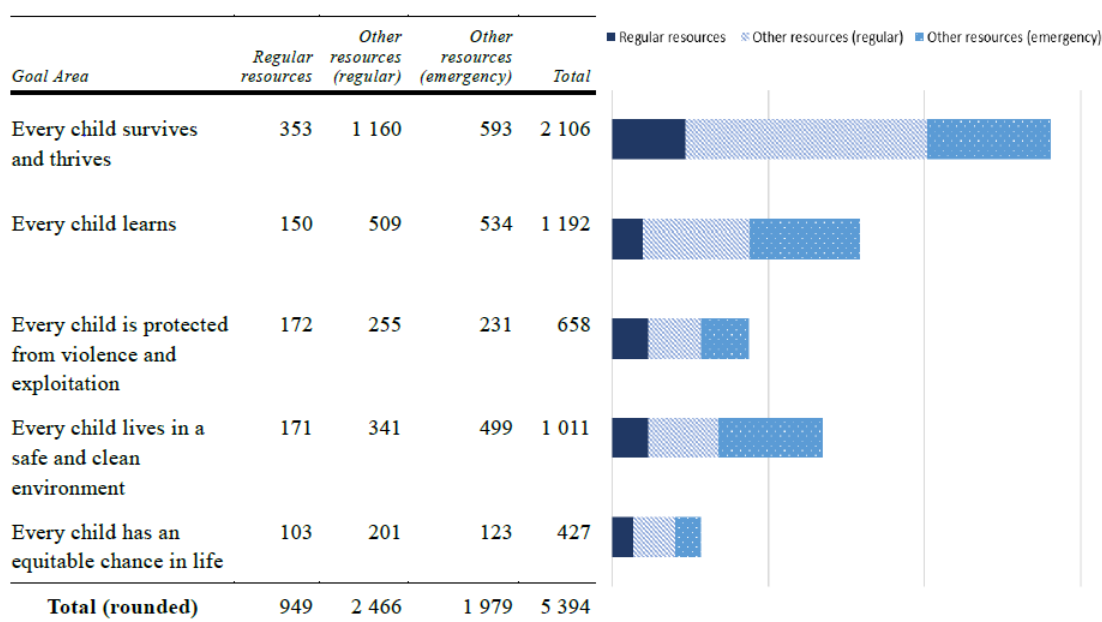
7. Of the \$22.8 billion in total revenue, UNICEF is seeking to raise \$14.8 billion, including \$2.2 billion in RR from Governments, international financial institutions

(IFIs), innovative financing arrangements, Global Programme Partnerships and United Nations joint programmes. The private sector revenue goal is \$7.6 billion (net) from 2018 to 2021, including \$3.6 billion (net) in RR. This will be raised from individuals (\$4.4 billion net from 2018 to 2021); key influencers, i.e. people and organizations with the power to affect and inspire many others, including foundations and philanthropists (\$2.4 billion net from 2018 to 2021); and businesses (\$760 million net from 2018 to 2021). The remaining revenue will be from other sources, including interest and savings.

Figure I

Direct programme assistance by Goal Area and resource type, 2018

(in millions of United States dollars)



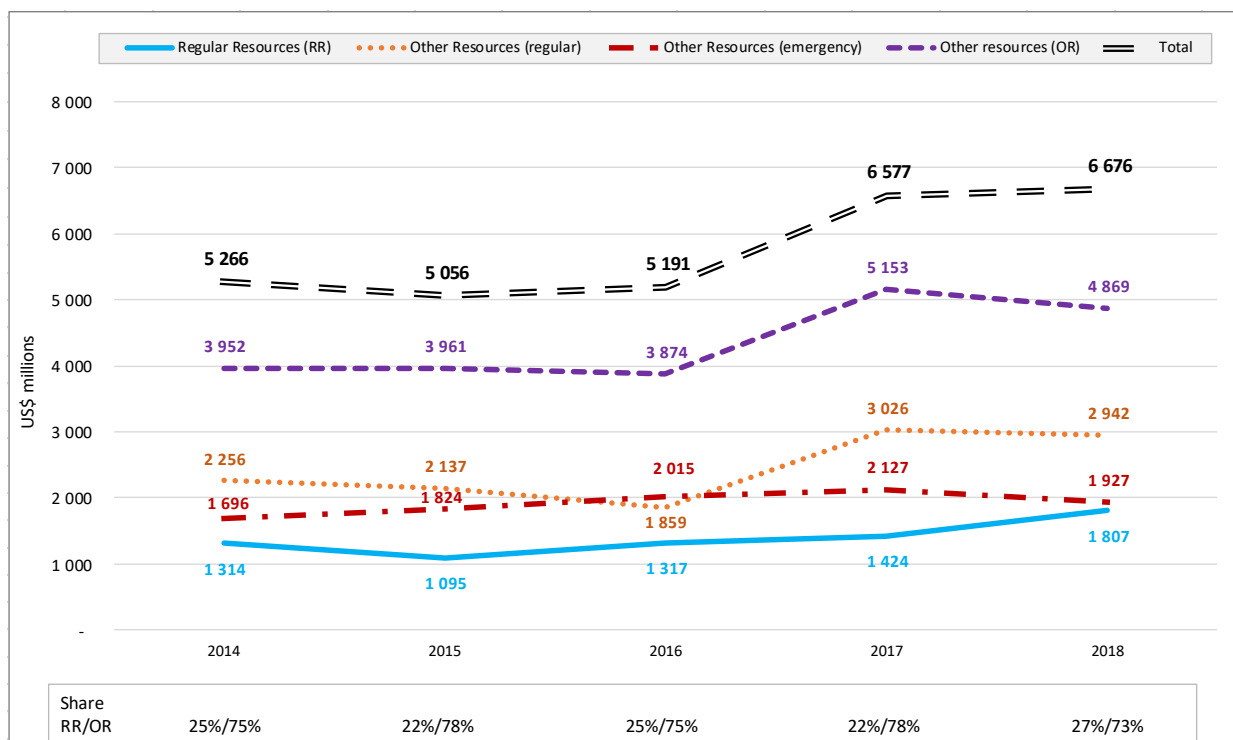
Note: Due to rounding, totals may differ slightly from the sum of the columns; data as at 2 April 2019.

Performance against 2018 targets

8. Total revenue increased by 2 per cent in 2018, to \$6,676 million. As a direct result of multi-year contributions from Sweden, the United Kingdom of Great Britain and Northern Ireland and Switzerland, and from Germany, which gave its largest-ever annual core contribution, RR increased to 27 per cent, to \$1,807 million, as a proportion of total revenue. Other resources decreased by 6 per cent, to \$4,869 million.

Figure II
Revenue by type of funding, 2014–2018^a

(in millions of United States dollars)



^a 2014–2016 revenue figures have been restated to reflect the UNICEF 2017 revenue recognition policy.

Table 1
Top 20 resource partners to regular resources by contributions received, 2018

(in millions of United States dollars)

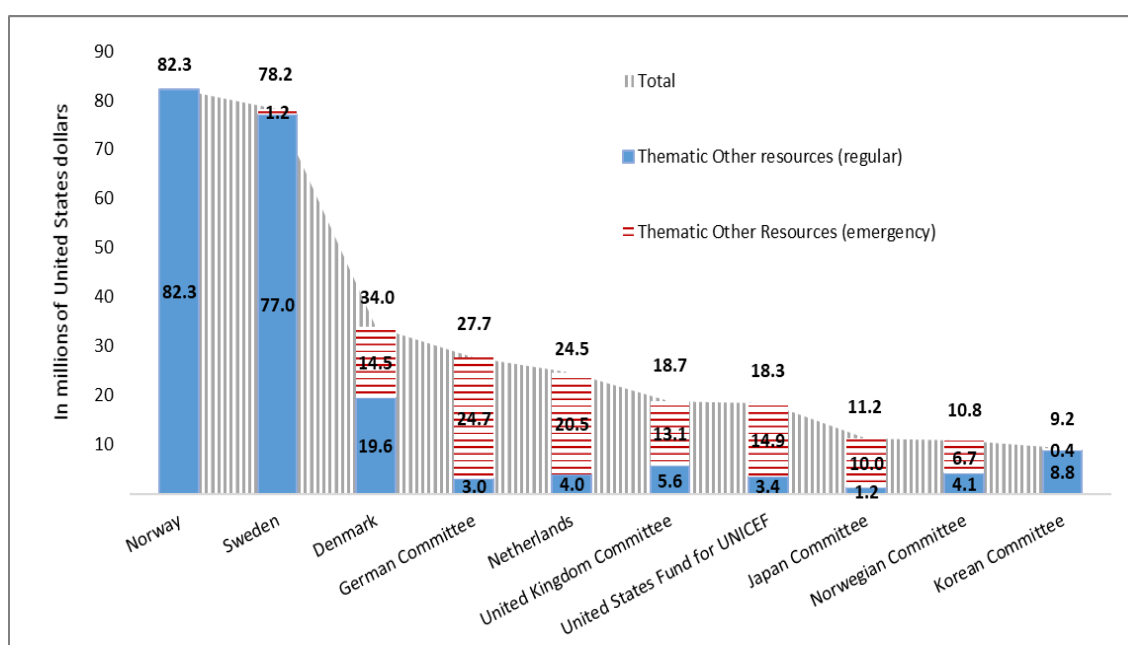
Rank	Resource partner	Regular resources
1	United States of America	132.5
2	Korean Committee for UNICEF	100.4
3	Japan Committee for UNICEF	98.6
4	Sweden	92.6
5	Spanish Committee for UNICEF	59.3
6	Germany	57.8
7	Norway	53.3
8	United Kingdom of Great Britain and Northern Ireland	51.0
9	German Committee for UNICEF	48.6
10	French Committee for UNICEF	47.7
11	Swedish Committee for UNICEF	45.7
12	Dutch Committee for UNICEF	40.6
13	Netherlands	35.3
14	United States Fund for UNICEF	34.3

Rank	Resource partner	Regular resources
15	Italian Committee for UNICEF	33.1
16	Switzerland	22.6
17	United Kingdom Committee for UNICEF	19.1
18	Japan	18.9
19	Belgium	18.7
20	Australia	13.5

Figure III

Top 10 resource partners for thematic funding by contributions received, 2018

(in millions of United States dollars)

**III. Public sector funding**

9. In 2018, 139 Governments contributed to UNICEF resources. Total public sector revenue (from Governments, intergovernmental organizations and inter-organizational arrangements), totalled \$5,042 million (up from \$4,938 million in 2017). Sweden, the United States of America, the United Kingdom, Switzerland and Germany were the largest contributors to RR. Of special note are the generous increased donations to RR, notably a multi-year commitment by Sweden of \$294 million over the four years of the Strategic Plan, as well as contributions by the United Kingdom (\$122 million, up from \$54 million in 2017), Switzerland (\$61 million, up from \$23 million in 2017) and Germany, which gave its largest-ever annual core contribution (\$58 million, up from \$17 million in 2017).

10. Overall, public sector revenue, inclusive of Global Programme Partnerships, constituted a record 76 per cent, or \$5,042 million total revenue.

A. Traditional government resource partners

11. Established government partners continue to provide essential support and enable UNICEF to achieve the Strategic Plan results. UNICEF continues to expand these partnerships and safeguard core funding by engaging with key government stakeholders. For example, in Japan, UNICEF worked closely with the Prime Minister's Office and strengthened partnerships with the Japanese Ministry of Foreign Affairs and the Japanese International Cooperation Agency.

12. An innovative approach to country programme document (CPD) funding was implemented in the Plurinational State of Bolivia and the Sudan, where Sweden provided fully flexible funding against the CPDs. The decision by Sweden to support this approach was based on alignment between the priorities outlined in the CPDs and the priorities of Sweden in its strategies for the two countries. This new approach allowed UNICEF country offices to strategically plan and invest these resources in different areas of work in the country programme and resulted in lower transaction costs while also generating efficiency gains for the two country offices.

B. New and emerging government partners

13. In 2018, revenue from the Gulf region to the public sector was \$665.8 million – a threefold increase from 2016. As an example, ORE contributions from Kuwait increased from \$8 million in 2016 to \$61.5 million in 2018.

14. UNICEF facilitated high-level contacts with visiting delegations from Gulf capitals to promote, advocate and influence cooperation with UNICEF and to ensure the organization's resource base and thus its attainment of its goals and objectives. This increase in revenue from the Gulf region illustrates that UNICEF is seen as a credible and trusted partner.

15. UNICEF will continue to invest time and resources in cultivating the Gulf States and mobilize support for the emergency response in the Middle East and beyond. Additionally, UNICEF will continue to pursue partnership opportunities in China, with a focus on long-term results.

C. International financial institutions and Global Programme Partnerships

16. International financial institutions are critical partners for UNICEF in addressing the Sustainable Development Goals, including in situations affected by fragility, conflict and violence. In 2018, partnership with IFIs continued to grow, with collaborations on operational and programmatic activities on the ground in priority areas such as health, water, sanitation and hygiene (WASH), child protection and education.

17. The UNICEF partnership with the World Bank deepened, including in fragile contexts. In 2018, the World Bank Group International Development Association provided \$141 million to UNICEF, including for support in Yemen for social protection, health, nutrition and WASH.

18. In October 2018, UNICEF and the Asian Development Bank signed a memorandum of understanding for 2018–2023. Under the agreement, the two organizations pledged to work together to increase access for disadvantaged children, young people and women to quality services in health, nutrition, WASH, early childhood development, education, child protection and climate change.

19. Global Programme Partnerships are important for UNICEF to deliver global public goods and a focused response to challenges at the global, regional and country levels in favour of children and young people.

20. In 2018, UNICEF broadened its engagements through collaborations with new Global Programme Partnerships (e.g. the Pandemic Emergency Financing Facility and the Global Financing Facility for Women, Children and Adolescents). The UNICEF partnership with the Global Fund; Gavi, the Vaccine Alliance; and the Global Partnership for Education continued to include health system strengthening, immunization and education. In 2018, UNICEF received \$409 million (\$301 million directly to UNICEF and \$108 million via programme country government agreements).

21. Entry points for strategic tripartite institutional and bilateral partnerships, such as with the European Union, the Tokyo International Conference on Africa's Development, the Forum on China-Africa Cooperation, the World Bank, and the Governments of Sweden and the United Kingdom, have been identified and will become an area of focus in 2020 and beyond.

D. United Nations pooled funds and joint programmes and collaboration with other United Nations agencies

22. In 2018, close to 80 UNICEF country offices were engaged in joint programmes and pooled fund arrangements to implement thematic priority areas as outlined in the Strategic Plan.

23. UNICEF worked in partnership with 23 United Nations agencies across several regions. Resources received through such arrangements amount to approximately \$178 million received through other resources regular (ORR) and other resources emergency (ORE) contributions.

24. In addition to the contributions received from new donors such as the Government of India, the following traditional donors remained engaged in joint programmes: Australia, Canada, Denmark, Germany, Ireland, Italy, Luxemburg, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the United States of America, as well as the European Union and the Swiss Agency for Development and Cooperation.

25. Multiple UNICEF country offices are part of over 140 global pooled fund and joint programme arrangements managed by the Multi-Partner Trust Fund Office.

26. A brief assessment conducted on the benefits of joint programmes and pooled fund arrangements as part of the UNICEF 2018 country office annual reporting exercise showed that the joint effort with other United Nations agencies has facilitated:

- (a) The ability to influence national agendas and upstream policy, leading to enhanced national ownership;
- (b) Multisectoral and comprehensive support to target groups;
- (c) Increased donor confidence so that they provide additional resources and scale-up of needed support;
- (d) Value for money through efficient resource use as well as effective support to national partners;
- (e) Shared expertise and programme approaches among United Nations agencies for innovations.

27. The volume of interventions through United Nations partnerships arrangements has increased. The significant engagement in joint programmes and pooled funds attests to the UNICEF commitment to the United Nations reform agenda, which demands a collaborative effort of the United Nations development system to ensure progress towards achievement of the Sustainable Development Goals.

28. UNICEF will continue to provide strategic field-level support for continued engagement with partner United Nations agencies.

29. The United Nations Joint SDG Fund was launched in 2019 with a call for concept notes focusing on social protection and leaving no one behind. The fund is implemented through the collaborative effort of United Nations country teams (UNCTs), with the lead role played by the resident coordinator's office.

30. Of the 114 UNCTs that applied for funding, 90 per cent have UNICEF as a major partner and technical lead. As a result, it is expected that UNICEF will be a significant recipient of the \$60 million allocated for the first call for a proposal to finance 30 UNCTs.

31. To support country offices in designing their proposals, UNICEF has provided orientation sessions to almost 120 technical staff members across all regions. With the International Labour Organization, UNICEF played a central role in developing the social protection focus and the corresponding theory of change, providing a framework for collaboration across United Nations agencies.

32. As member of the technical specialists and the Operational Steering Committee, UNICEF also contributed to shaping the integrated policy support and Sustainable Development Goal financing domains, determining priorities for the fund, and establishing guidelines and criteria to ensure quality of results with regional balance.

33. UNICEF experts will assist in the technical review of proposals from UNCTs to ensure the quality of those selected for funding. Additionally, UNICEF takes part in the annual stakeholder consultations on the Joint SDG Fund, advancing issues like donor recognition and resource mobilization.

34. Successful programming by the UNFPA-UNICEF Global Programme to Accelerate Action to End Child Marriage and the UNFPA-UNICEF Joint Programme to Eliminate Female Genital Mutilation led to resource commitments totalling \$22.7 million over four years from six new donors in 2018, including the first private sector donor.

35. UNICEF continues to work closely with other United Nations agencies to deliver on the reforms of the United Nations development system and the implementation of General Assembly resolution 72/279. Measures to support reform have included in-kind staff support and financial commitments. Forty-five per cent of UNICEF field offices have a business operations strategy with estimated savings of \$12 million compared with the respective 2018 milestones of 40 per cent and \$5 million.

36. In addition, UNICEF, the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Universal Postal Union have proposed creating a United Nations resource mobilization network for organizations with offices based in Switzerland, and possibly those based in countries close by. The network will facilitate sharing of common problems and opportunities and learning from each other's success and failures. The founding group plans to assess the level of interest through an online questionnaire. If there is a positive response to the proposal, the first meeting will be convened in Geneva and hosted by UNAIDS.

IV. Private sector funding

37. In 2018, total private sector revenue was \$1.43 billion.¹ Of this total, contributions to RR represented \$691 million – the highest amount of RR ever generated from the private sector in any given year – and \$741 million was received in OR contributions, of which \$579 million was ORR and \$162 million was ORE.

38. While it was the highest year for RR, especially from individual cash, pledge and legacy donors, OR revenue from the private sector was down by \$62 million compared to 2017; and compared to the ambitious target of \$838 million, there was a shortfall of \$97 million. The reasons for decreases in ORR and ORE revenue from the private sector revenue in 2018 include a decline in foundation funding and fewer rapid-onset emergencies. In local currencies, the ambitious RR target in the Private Sector Plan 2018–2021: IMPACT for Every Child (the “IMPACT Plan”) from individual giving was almost met in the first year, showing significant growth and demonstrating the strength of the UNICEF business model for growing income from individual donors.

A. Individual supporters and donors

39. Individual supporters and donors are critical for generating RR for the organization. In 2018, UNICEF enhanced its ability to deliver results for children, winning support for its cause and becoming an even stronger advocacy, campaigning, fundraising and communication force for children. This was achieved through prioritized and joint efforts by National Committees, regional and country offices and headquarters. Integrated fundraising and advocacy campaigns and events helped to recruit and retain donors and supporters.

40. In 2018, UNICEF engaged 79.4 million supporters of its goal of recruiting 100 million supporters by 2021. UNICEF reached 4.9 million pledge donors; 2.9 million cash donors; 67.1 million digital supporters (through social media); 3.5 million children, who were trained in child rights education; and a volunteer force of 995,980. The target for contributions from individuals was almost met (97 per cent), raising \$892 million against the goal of \$923 million.

B. Key influencers

41. Key influencers have the power to inspire, influence, co-create and donate to the organization’s cause for children. Examples include high-net-worth individuals, philanthropists, foundations, current and former Board members of UNICEF and the National Committees, celebrities and thought leaders. Key influencers are critical for generating revenue for UNICEF, especially OR revenue. In 2018, they raised 73 per cent of the target for this revenue stream, due to lower than expected revenue arising from gifts from foundations in large markets.

42. In 2018, leading philanthropic partners raised \$375 million for programmes for children. Significant foundation partners in 2018 included the Bill & Melinda Gates Foundation; Children’s Investment Fund Foundation; Education Above All Foundation; Fundación Carlos Slim (Carlos Slim Foundation); IKEA Foundation; and the National Philanthropic Trust. These leading philanthropic partners supported landmark programmes such as the drive to eradicate polio, secure quality education for out-of-school primary-school-age children, build child protection systems, and prevent and treat severe acute malnutrition.

¹ \$1.43 billion is the revenue generated by Private Fundraising and Partnerships, and does not include an additional \$25 million generated by non-governmental organizations.

C. Businesses

43. In 2018, revenue from businesses was \$145 million, representing 90 per cent of the planned target for this revenue stream. National Committees and UNICEF country offices estimated that a total of 104.6 million children were reached through programming and advocacy that engaged businesses to respect children's rights in the workplace and supply chain, in marketing and advertising, and in the wider community.

V. Performance of public and private sector initiatives

A. Multi-stakeholder partnerships and platforms

44. UNICEF identified and supported opportunities to focus fundraising and advocacy on the voices and needs of young people, including through the launch of the Generation Unlimited (GenU) global partnership. Partners around the world are joining the platform and making bold commitments to help to identify, design and scale up new solutions for young people. For example, UNICEF agreed with the European Union to develop the first ever multi-year United Nations project focusing on young people, with an emphasis on girls and secondary education. UNICEF also engaged with the African Union leadership to gain their support in envisioning, expanding and leveraging the African Union partnership in support of GenU, thus providing a road map to work with and for young people in Africa.

45. UNICEF continues to help drive thought leadership and shape the global agenda for children through the World Economic Forum Systems Initiative on Shaping the Future of Education, Gender and Work; the Global Council on Artificial Intelligence; and the Global Future Council on Development Finance and the Global Artificial Intelligence Council. In 2018, UNICEF engaged with the United Nations Global Compact and supported processes for the repositioning of the United Nations development system (United Nations Global Compact internal review team and the United Nations Strategic Partnerships Results Group/Private Sector Task Team) strengthening system-wide capacity to develop United Nations-business partnerships. The Division of Private Fundraising and Partnerships (PFP) instituted the UNISON customer relationship management system as the main knowledge management and tracking tool for engaging with platforms.

46. UNICEF continues to focus on expanding ties with the private sector. The organization is supporting the work of United Nations reform through several business innovations and efficiency gains. It is scaling up its engagement with businesses to innovate, replicate and scale up programming, especially for the most vulnerable children, with a focus on creating shared-value partnerships. Of 42 existing multi-country partnerships, 8 are priority shared-value partnerships. UNICEF forged important new partnerships with LEGO on early childhood development; with Amadeus to use global flight data to track the Zika virus, dengue fever and natural disasters; and with LIXIL to reach 3 million households in low- and middle-income countries with affordable sanitation products.

B. Leveraging innovative financing solutions

47. UNICEF develops and leverages resources and partnerships for children, including through a variety of innovative financing mechanisms. A number of these initiatives were explored in 2018, ranging from impact bonds and performance-based public-private partnerships to blended funds and insurance products. An innovative financial arrangement was established with the social enterprise Conceptos Plásticos to build classrooms in Côte d'Ivoire at 40 per cent cost savings using bricks made

from recycled plastic waste. In 2019, UNICEF is placing a greater emphasis on developing strategic multi-country initiatives in education, WASH and health, while continuing to support country-specific and partner-driven projects. As UNICEF pursues innovative financing initiatives, the potential risks and transaction costs will be considered.

48. UNICEF worked closely with the World Bank and other partners to develop financing mechanisms that leverage public and private resources to enable early action to prevent humanitarian situations from reaching crisis levels. In 2018, the Pandemic Emergency Financing Facility enabled a rapid response to the Ebola outbreak in the Democratic Republic of the Congo.

49. UNICEF uses innovation, including real-time and digital technologies, to accelerate results for children and young people. In 2018, 57 per cent of programme countries used a real-time information technology, such as RapidPro, UReport, Primero or Magic Box, at scale. Two concepts were supported for their potential for scale up: bundling pneumonia diagnostics, oxygen and amoxicillin to reduce pneumonia deaths in children; and bundling sanitation, nutrition and booster immunizations with vaccination of adolescent girls against the human papillomavirus through school and community health systems. Modest investments in these areas will help to accelerate progress on results targets, including by catalysing donors, domestic financing and shared-value partnerships with businesses.

VI. Performance on cross-cutting strategies

A. Results-based management

50. UNICEF business processes continue to support more coherent results-based management across development and humanitarian programming, and greater transparency and application of the International Aid Transparency Initiative standards to humanitarian reporting as well as harmonized and streamlined processes with implementing partners. UNICEF took initiatives to further comply with the latest version of the IATI standards and improved its monthly publication of data, including on the Sustainable Development Goals and humanitarian data aligned to the Grand Bargain commitments.

51. Efficient and effective management of results was significantly enhanced in 2018 through various digital-first initiatives that helped to streamline and enhance planning, monitoring, reporting and knowledge-sharing across UNICEF country offices and National Committees. To align plans across UNICEF for private sector fundraising and engagement towards the shared goals in the IMPACT Plan, PFP rolled out a planning, monitoring and reporting platform, known as the IMPACT Platform. All joint strategic plans with National Committees, private sector plans with country offices and the PFP Division annual workplan were integrated and are aligned on the platform, allowing for aggregation of key performance indicators critical for measuring performance of the IMPACT Plan, including Cause Framework campaigns and the contribution to the UNICEF Strategic Plan.

52. In collaboration with the Office of the United Nations High Commissioner for Refugees and the World Food Programme, the United Nations Partner Portal was launched in 2018 to facilitate open collaboration between the United Nations and its partners. A joint initiative under the Grand Bargain commitments, the portal aims to simplify and harmonize United Nations processes related to civil society partnerships.

B. Resource partner recognition and visibility

53. UNICEF has implemented mechanisms to enhance recognition of public sector partners, particularly those who contribute RR and thematic funding. These mechanisms align with the organization's recognition guidelines and help UNICEF to establish baselines and generate organization-wide data around recognition and visibility for public sector resource partners.

54. In 2018, as part of efforts to strengthen digital diplomacy for the rights of children everywhere, over 120 tweets were produced for the Executive Director and other senior managers at New York headquarters. The content helped to advocate for the rights of children, guided by the Cause Framework campaigns, give visibility to partners providing resources for the Strategic Plan and appeal for funding for emergencies. The team also produced and/or supported the production of a number of press releases, notably acknowledging the contributions of the Governments of Sweden², the Netherlands³ and Norway⁴, an end-of-year video to thank UNICEF public sector partners⁵ as well as the Human Capital Project⁶ video statement by the UNICEF Executive Director. In addition, fact sheets and donor profiles were produced for the Governments of Canada, Germany and Luxembourg.⁷

55. A monitoring mechanism has been devised to obtain quantitative data on resource partner recognition and visibility at the regional and country level. UNICEF also initiated a series of webinars to equip regional and country offices with the knowledge and tools to facilitate recognition and visibility, particularly for RR and thematic funding.

56. Collaboration on visibility initiatives has been strengthened within PFP, Public Partnerships Division, Division of Communication, Supply Division and the National Committees, where relevant.

57. UNICEF has also been pursuing collaborative approaches to recognition and visibility, co-creating visibility and communication plans with some of the major contributors to RR. Such an approach aims, among other things, to engage with the public of resource partners and demonstrate the results of such partnerships.

58. UNICEF continues to give visibility to public and private sector partners by announcing results achieved on social media and through press releases, feature stories, videos, presentations and institutional reports.

C. Enhancing advocacy by National Committees and leveraging funding from Governments

59. UNICEF has seen a surge in commitment and action by Governments on priority issues for children. In 2018, the National Committees reported 45 child rights laws and 76 policies adopted at the national level. This was partly the result of the advocacy

² <https://www.unicef.org/press-releases/undp-unicef-unfpa-and-un-women-welcome-swedens-multi-year-commitment-core-funding>.

³ https://www.unicef.org/media/media_102692.html.

⁴ <https://www.unicef.org/press-releases/norway-donates-us82-million-unicefs-work-children>

⁵ <https://twitter.com/CarlaUNICEF/status/1075057089721090048>.

⁶ https://worldbank-communities-stage.adobe.com/etc/dam/viewers/s7viewers/html5/VideoViewer.html?asset=/content/dam/videos/ecrgp/2018/oct/Henrietta%20Fore_1%20Min_Captioned.mp4&config=/conf/global/settings/dam/dm/presets/viewer/Video&serverUrl=https://worldbank-h.assetsadobe.com/is/image/&contenturl=/&config2=/conf/global/settings/dam/dm/presets/analytics&posterimage=/content/dam/videos/ecrgp/2018/oct/Henrietta%20Fore_1%20Min_Captioned.mp4&videoserverurl=https://gateway-na.assetsadobe.com/DMGateway/public/worldbank.

⁷ <https://cooperation.gouvernement.lu/dam-assets/fiches-d'impact-lu/unicef.pdf>.

and efforts by National Committees in several countries, where, despite challenging political contexts, they secured significant policy and financial commitments from their Governments. National Committees are engaging a wider range of stakeholders and building capacity in the public, private and civil society sectors to drive implementation of the Convention on the Rights of the Child.

60. The UNICEF brand scored well in terms of global indicators for effectiveness in working for children. In 2018, the organization remained one of the most trusted and best-known organizations for children globally. Improvements still need to be made, however, as the levels of trust had been reduced in eight countries. Strengthening engagement through powerful content began to bear fruit and is a key strategy in the updated Global Communication and Advocacy Strategy (2018–2021).

61. In 2018, UNICEF raised awareness of children's issues by generating over 300,000 news articles published in independent online media in the six official languages of the United Nations. A total of 138 countries participated in integrated campaigns connecting global, regional and national efforts.

62. Through the Cause Framework, integrated campaigns successfully reached and engaged target audiences on priority advocacy issues, including ending violence against children (#ENDViolence), migrant and refugee children (#ChildrenUprooted), ECD (#EarlyMomentsMatter), child survival (#EveryChildALIVE) and humanitarian response (#ChildrenUnderAttack) as well as the World Children's Day. Working in collaboration with Member States and United Nations and civil society partners on the #ChildrenUprooted campaign, UNICEF secured Member State commitments on the Global Compact on Refugees and the Global Compact for Safe, Orderly and Regular Migration, which reflected the six policy concerns of UNICEF, including creating practical alternatives to child immigration detention and keeping families together.

63. These initiatives complement the organization's multi-country and route-based programmes focused on children on the move in over 50 countries. Altogether, the combined efforts of UNICEF, delivered at the global, regional and country levels, contributed to positive child-focused policy changes in support of children's rights in 150 countries during 2018.

64. UNICEF recognizes that individuals are critical to realizing the Sustainable Development Goals, delivering results for children and inspiring millions of people to take action. Reaching the Sustainable Development Goals requires significant growth in RR. The Supporter Engagement Strategy is grounded in the Strategic Plan, 2018–2021 and aims to double the UNICEF base of supporters to 100 million people who are willing to donate, advocate and volunteer. To do this, UNICEF is modernizing how it reaches, listens to and inspires individuals, by putting them at the heart of how the organization delivers results for children. A critical success factor for the strategy will be the implementation of a customer relationship management platform, currently under way in the first pilot country, India. This will allow UNICEF to employ one database to manage relations with donors, members, constituents, activists, partners, volunteers and even legislative contacts across a shared, organization-wide tracking system.

D. Resource mobilization for humanitarian action

65. Revenue for humanitarian assistance (ORE), at \$1,927 million in 2018, was 9 per cent lower than in 2017. The humanitarian funding requirement increased to \$3,813 million, from \$3,756 million in 2017, representing the largest-ever funding request for humanitarian action by UNICEF.

66. The total humanitarian expense amounted to \$2.7 billion, or 50 per cent of the total 2018 expense; \$1.98 billion of this amount was ORE. Of the 30 country offices with the largest overall expense, 24 had Humanitarian Action for Children appeals in 2018.

67. In 2018, UNICEF welcomed \$555 million in multi-year contributions from 54 resource partners. Longer-term funding allowed UNICEF to be more strategic and predictable, to respond effectively where needs were greatest and to bridge humanitarian action and development programming.

68. The unparalleled challenges in humanitarian emergencies require new and innovative solutions to secure adequate and quality resources to enhance preparedness, address humanitarian needs and strengthen the links between humanitarian and development efforts, while increasing efficiencies and the effectiveness of both financing and programmes. The changes required on both sides – by UNICEF and its resource partners – are interdependent and mutually reinforcing and can shape the extent to which UNICEF can achieve these ambitious outcomes.

E. Capacity strengthening

69. To achieve the ambitious goals of the Strategic Plan and accelerate progress towards achievement of the Sustainable Development Goals, there is an urgency to build capacity across UNICEF so that it can engage the business sector effectively and exponentially increase its impact for children.

70. UNICEF is adopting an approach in which engaging the business sector is systematically considered across the organization as an important means to achieving results for children. Engaging businesses does not replace other strategies, but in the appropriate circumstances can add a new dimension of expertise, innovation and impact at scale. Since some business practices are harmful to children, particularly in certain sectors, UNICEF will step up its advocacy work to promote “better business for children”. To this end, UNICEF launched the Business for Results initiative to encourage the entire organization to develop the knowledge and skills to engage with the world of business as not just a financial contributor to the work of UNICEF, but as a potential actor in the achievement of results.

VII. Strategic considerations

A. Exchange rates, decreasing trust, increasing domestic focus

71. Exchange rate fluctuations continue to be a concern as the currencies of some National Committees and country offices continue to be volatile. In 2018, UNICEF was also affected by strict interpretations of the European Union General Data Protection Regulation that regulates the protection and sharing of the personal data of European Union citizens; an increase in an inward-looking public being led by an inward-looking media; and a decrease in public trust of non-governmental organizations and international organizations, all of which are affecting private sector fundraising.

72. Despite these external challenges, UNICEF continues to have confidence in the strength of its business model for private sector fundraising – especially for RR, which continues to show growth.

B. Official development assistance trends – levels, earmarking and conditionalities

73. In 2018, overall foreign aid from official donors fell 2.7 per cent from 2017, with a declining share going to the neediest countries, according to preliminary data collected by the Organisation for Economic Co-operation and Development (OECD). The drop was largely due to less aid being spent on hosting refugees as arrivals slowed and rules were tightened on which refugee costs could come out of official aid budgets.

74. Official development assistance (ODA) from the 30 members of the OECD Development Assistance Committee totalled \$153.0 billion in 2018.⁸ Official development assistance was \$149.3 billion in 2018, a 2.7 per cent decrease in real terms from 2017. Excluding aid spent on processing and hosting refugees, ODA remained stable from 2017 to 2018.

75. The ODA figure in 2018 compared to 2017 shows that bilateral ODA to the least developed countries fell by 3 per cent in real terms from 2017, aid to Africa fell by 4 per cent, and humanitarian aid fell by 8 per cent.

76. There is also a greater demand from resource partners for improved results-based management, financial accountability and transparency, partner recognition and visibility, and a coordinated United Nations approach to implementation of the Sustainable Development Goals (in the context of United Nations reform).

77. In the current aid environment, it is key for UNICEF to continue to seek the commitment needed from both public and private partners to increase the amount of predictable and flexible resources required to achieve results for children.

C. Risk management

78. UNICEF will continue to mitigate the risk of insufficient resources for the UNICEF Strategic Plan, 2018–2021 by further diversifying its resource partner base, particularly by doubling the number of individual donors. Real-time partner intelligence and progress against revenue targets will be reviewed to inform any course corrections that may be required. In addition, UNICEF will provide yearly financial updates to the Executive Board, and the PFP workplan and proposed budget will continue to be submitted to the Board for approval on an annual basis.

79. Accountabilities for resource mobilization and management throughout UNICEF will continue to be clarified through relevant policies and procedures and the Public Partnerships Division's updated policy on contribution management, which provides further clarity on delegated authorities for signing new contribution agreements.

80. In addition, UNICEF policies and approach to risk management will be embedded in reports and annual consultations with resource partners to mitigate any negative impact on the organization's ability to secure financial resources.

81. Stringent conditionalities, including tailored reports and tightly earmarked contributions, and risk management approaches, such as counter-terrorism restrictions, heavy due diligence and auditing requirement measures, often contradict the most essential development effectiveness principles and generate a heavy administrative burden on the management of these critical partnerships. UNICEF will continue to assess these measures to strengthen its processes and build effective partnerships for children.

⁸ www.oecd.org/newsroom/development-aid-drops-in-2018-especially-to-neediest-countries.htm.

82. The funding compact, finalized in early March 2019, responds to a simple idea. Member States and the United Nations development system recognize the need to change and improve their own behaviour if the United Nations is to be as effective and efficient as it needs to be to deliver development results. UNICEF will engage fully in efforts to realize the United Nations development system commitments as part of the funding compact, and to monitor trends among Member States in terms of the funding provided to UNICEF.

83. UNICEF will report to the United Nations Department of Economic and Social Affairs and the United Nations Development Coordination Office on progress towards the system-wide commitments included in the funding compact, while reporting to the Executive Board on those commitments that relate specifically to UNICEF as an individual entity. These are captured in the annex to this report.

84. As part of the repositioning of the United Nations development system, and as included in the funding compact, UNICEF has increased its support of the resident coordinator system through funding. In line with the requests of the General Assembly and the UNICEF Executive Board, the organization has doubled its cost-sharing contribution for 2019 to \$8.3 million (paid in November 2018). Additionally, UNICEF is operationalizing the 1 per cent coordination levy in accordance with the guidance provided to agencies and donors by the Deputy Secretary-General's office. UNICEF has started to collect the levy from applicable public and private sector contributors, wherever the donor has not indicated that it will administer the levy directly. The potential implications of the levy on UNICEF are threefold.

85. UNICEF estimates that in future years its annual revenue for which the levy is applicable could be up to \$2 billion, leading to an annual leviable amount of up to \$20 million each year. These funds will not be recognized as revenue to UNICEF and will be transferred in full to the Secretariat. The leviable revenue for 2019 is expected to be significantly lower, as many donors have elected for a date of entry into force in April/May, or later.

86. Administration of the levy entails transaction costs for UNICEF. Already, establishing internal operational guidance, setting up separate financial management structures, engaging in partnership discussions with donors and renegotiating agreements has had a moderate impact on UNICEF staff time. In close coordination with other United Nations development system entities, UNICEF will aim to quantify the additional transaction costs associated with the levy and share these findings with the Member States for information.

87. It is too early to determine whether the additional 1 per cent cost for coordination has resulted in any potential donors changing their funding behaviour – either positively (i.e., incentivizing more thematic or core funding, for example) or negatively (shifting contributions to humanitarian funding and away from sustainable development, or funding other non-United Nations development partners). UNICEF will monitor the situation and keep the Board informed of any evidence of an impact on funding behaviour.

88. An additional potential impact on UNICEF funding is if donors were to reduce agency core contributions and instead contribute voluntary funding to the resident coordinator system. This would, of course, impact future projected UNICEF RR revenue, but any such impact would not be apparent until the end of the calendar year.

VIII. Conclusions

89. UNICEF extends its deep appreciation to its resource partners for the revenue generated in 2018 for results for children. UNICEF looks forward to continuing

working with its partners to meet the ambitious revenue goals of the Strategic Plan, 2018–2021, and to boost flexible and multi-year funding so that every child is healthy, learning, protected from violence and exploitation, living in a safe and clean environment and has an equitable chance in life.

90. During this Strategic Plan period, UNICEF looks forward to consultations throughout each year with partners, including the Member States, National Committees, civil society and the private sector, to take stock of progress and gaps against the resource mobilization goals linked to the Strategic Plan and to adjust strategies as needed. UNICEF will continue to make the case for flexible funding as the organization deploys funds where and when they are most needed at the country level.

91. UNICEF will continue to shape the approach to the structured dialogue with Member States and looks forward to suggestions on how to make the dialogue more dynamic and interactive and to involve a broader range of stakeholders. The UNICEF commitment to partnerships extends to its sister United Nations agencies, as it supports the Secretary-General's efforts to reform the United Nations system to ensure alignment with discussions on system-wide funding and sharing key principles and lessons learned to continually adjust and improve its approach.

IX. Draft decision

The Executive Board

Takes note of the structured dialogue on financing the results of the UNICEF Strategic Plan, 2018–2021 ([E/ICEF/2019/27](#)).

Annex

Progress against entity-specific commitments related to UNICEF

I. Member State commitments

<i>Relevant commitment</i>	<i>Relevant funding compact indicator</i>	<i>System-wide baselines and targets from the funding compact</i>	<i>UNICEF baselines (2018 or 2019)</i>
Aligning funding to entity requirements			
1. Increase core resources for the United Nations development system (UNDS)	Core resources as a share of voluntary funding for development-related activities	System-wide baseline (2017): 19.4% System-wide target (2023): 30%	Core resources from public sector partners to UNICEF as a share of overall public sector revenue in 2018: 18% Core resources from public sector partners to UNICEF as a share of public sector funding for development-related activities (excluding humanitarian/other resources emergency (ORE)) in 2018: 38%
2. Double share of non-core contributions provided through development-related pooled and thematic funds	Percentage of non-core resources for development-related activities channelled through inter-agency pooled funds	System-wide baseline (2017): 5% System-wide target (2023): 10%	Inter-agency pooled funding as a share of total non-core resources from Member States to UNICEF in 2018: 6% Inter-agency pooled funding as a share of development-related non-core resources (other resources regular (ORR)) from Member States to UNICEF in 2018: 6%
	Percentage of non-core resources for development-related activities channelled through single agency thematic funds	System-wide baseline (2017): 3% System-wide target (2023): 6%	Thematic funding as a share of total non-core resources from Member States to UNICEF in 2018: 12% Development-related thematic funding as a share of development-related non-core resources (ORR) from Member States to UNICEF in 2018: 19%
Providing stability			
3. Broaden the sources of funding support to the UNDS	Percentage of United Nations Sustainable Development Group (UNSDG) entities reporting an annual increase in the number of contributors of core resources	System-wide baseline (2017): 66% of agencies System-wide target (2023): 100% of agencies	Number of government partners contributing core resources to UNICEF in 2018: 121 (same as 2017)
	Number of Member State contributors to development-related inter-agency pooled funds and single-agency thematic funds	System-wide baseline (2017): Inter-agency pooled funds: 59 Single-agency thematic funds: 27 System-wide target (2023): Inter-agency pooled funds: 100 Single-agency thematic funds: 50	Number of Member State partners contributing to inter-agency pooled funds administered by UNICEF in 2018: 11 Number of Member State partners contributing to UNICEF thematic funds in 2018: 13
4. Provide predictable funding to the specific requirements of UNSDG entities as	Funding gaps in UNSDG strategic plan financing frameworks	System-wide baseline (2018): TBD System-wide target (2021): TBD	UNICEF notes that overall baselines and targets for this indicator have not yet been established. Resource gaps in the Goal Areas of the UNICEF Strategic Plan, 2018–2021 are

<i>Relevant commitment</i>	<i>Relevant funding compact indicator</i>	<i>System-wide baselines and targets from the funding compact</i>	<i>UNICEF baselines (2018 or 2019)</i>
articulated in their strategic plans and to the United Nations Development Assistance Framework (UNDAF) funding needs at country level	Fraction of UNDS entities indicating that at least 50% of their contributions are part of multi-year commitments	System-wide baseline (2017): 48% System-wide target (2023): 100%	included in the Goal Area 1 Global Annual Results Report, page 200. Fraction of UNICEF revenue that was multi-year in 2018: 48%
Facilitating coherence and efficiency			
7. Fully comply with cost recovery rates as approved by the respective governing bodies	Average number of cost recovery support fee waivers granted per UNDS entity per year	System-wide baseline (2017): <i>TBD</i> System-wide target (2019 onwards): 0	UNICEF granted five cost recovery waivers in 2018, with an impact of approximately \$944,000.

II. United Nations development system commitments

<i>Relevant commitment</i>	<i>Relevant funding compact indicator</i>	<i>System-wide baselines and targets from the funding compact</i>	<i>UNICEF baselines (2018 or 2019)</i>
Accelerating results on the ground			
1. Enhance cooperation for results at country level	Percentage of resident coordinators that state that at least 75% of country programme documents (CPDs) are aligned to the UNDAF in their country	System-wide baseline (2017): <i>TBD</i> System-wide target (2023): 100%	As the new guidance for the United Nations Sustainable Development Cooperation Frameworks (UNSDCFs) which will replace the UNDAF is rolled out, UNICEF will aim to ensure that all new CPDs are aligned to the new UNSDCF. Currently, 100% of all CPDs are reflective of the respective UNDAF in the results and resources framework – this is a key requirement in the existing UNICEF guidance.
2. Increase collaboration on joint and independent system-wide evaluation products to improve United Nations support on the ground	Percentage of UNSDG evaluation offices engaging in joint or independent system-wide evaluations (ISWE)	System-wide baseline (2018): 29% (joint evaluations); 20% (ISWE); System-wide target (2021): 75% (joint evaluations) 50% (ISWE)	Yes – The UNICEF Evaluation Office is engaged in joint and system-wide evaluations. Currently, this includes joint evaluations with the United Nations Population Fund (UNFPA) on child marriage and female genital mutilation (FGM); a system-wide evaluation synthesis on target 4.5 of the Sustainable Development Goals coordinated by UNICEF and the United Nations Educational, Scientific and Cultural Organization; system-wide humanitarian evaluations on resilience in Ethiopia and on programming for women and girls, as well as numerous country-level joint evaluations. The Evaluation Office is also preparing for the joint evaluation of the common chapter of the strategic plans of UNDP, UNFPA, UNICEF and UN-Women.
Improving transparency and accountability			
6. Strengthen the clarity of entity-specific strategic plans and integrated results and resources frameworks and their annual	Percentage of UNSDG entities that in their respective governing bodies held structured dialogues in the past year on how to finance the development	System-wide baseline (2017): 62% System-wide target (2021): 100%	Yes - UNICEF holds a structured dialogue every year with its Executive Board, with a focus on funding its strategic plan.

<i>Relevant commitment</i>	<i>Relevant funding compact indicator</i>	<i>System-wide baselines and targets from the funding compact</i>	<i>UNICEF baselines (2018 or 2019)</i>
reporting on results against expenditures	results agreed in the new strategic plan cycle		
7. Strengthen entity and system-wide transparency and reporting, linking resources to Sustainable Development Goal results	Percentage of UNDS entities individually submitting financial data to the United Nations System Chief Executives Board for Coordination (CEB)	System-wide baseline (2017): 69% System-wide target (2021): 100%	Yes – UNICEF submits its financial data to the CEB annually.
	Percentage of UNDS entities publishing data as per the highest international transparency standards	System-wide baseline (2017): 36% System-wide target (2021): 100%	Yes – UNICEF data are published in line with International Aid Transparency Initiative (IATI) standards. The organization is continuing to improve its compliance with the IATI Common Standard and annual Aid Transparency Index.
	Percentage of UNDS entities with ongoing activities at country level that report expenditures disaggregated by country to the CEB baseline	System-wide baseline (2017): 46% System-wide target (2021): 100%	Yes – UNICEF reports expenditures to the CEB disaggregated by country.
	Percentage of UNDS entities that report on expenditures disaggregated by Sustainable Development Goal	System-wide baseline (2017): 20% System-wide target (2021): 100%	Yes – UNICEF financial data are published in line with the IATI standard and disaggregated by Sustainable Development Goal.
9. Increase accessibility of corporate evaluations and internal audit reports within the disclosure provisions and policies set by governing bodies at the time of report issuance	Percentage of UNDS entities authorized within disclosure provisions and policies who have made their corporate evaluations available on the United Nations Evaluation Group (UNEG) website	System-wide baseline (2018): 21% System-wide target (2021): 100%	Yes – UNICEF evaluations are made public and published on the organization's website. They are also uploaded on the UNEG website.
	Percentage of inter-agency pooled funds posting evaluation reports on the UNEG website	System-wide baseline (2018): 0% System-wide target (2019): 100%	Yes – In 2019, UNICEF is involved in the evaluation of the Office for the Coordination of Humanitarian Affairs country-based pooled funds and joint programmes with UNFPA on FGM and ending child marriage. These will be posted on the UNICEF and UNEG websites. UNICEF did not conduct any pooled funds evaluations in 2018.
10. Increase visibility of results from contributors of voluntary core resources, pooled and thematic funds and for programme country contributions	Specific mention of voluntary core, pooled and thematic fund contributors, and programme country contributions in United Nations country team annual results reporting and entity-specific country and global reporting	System-wide baseline (2018): N/A System-wide target (2020): Yes	Yes - Public sector partners contributing core, pooled and thematic funds were recognized in the UNICEF Report on Regular Resources 2018, annual report for 2019 of the Executive Director of UNICEF, Global Annual Results Reports and Compendium of Resource Partner Contributions, as well as a number of research reports published by UNICEF.
	Specific mention of individual contributors in all results reporting by pooled fund and thematic fund administrators and UNSDG recipients	System-wide baseline (2018): N/A System-wide target (2020): Yes	Partial - UNICEF mentions individual contributors in thematic fund results reporting (Global Annual Results Reports). The organization is currently looking at concrete ways to strengthen specific mention of contributors to pooled funds to UNICEF, including those administered by other United Nations entities

<i>Relevant commitment</i>	<i>Relevant funding compact indicator</i>	<i>System-wide baselines and targets from the funding compact</i>	<i>UNICEF baselines (2018 or 2019)</i>
Increasing efficiencies			
11. Implement the Secretary-General's goals on operational consolidation for efficiency gains	Consolidation of common premises (%)	System-wide baseline (2017): 17% System-wide target (2021): 50%	As of May 2019, UNICEF shared common premises in 46% of its office locations at national and sub-national level, up from 39% at the end of 2018.
	Percentage of United Nations country teams that have an approved business operations strategy in place, to enable common back offices where appropriate	System-wide baseline (2017): 20% System-wide target (2021): 100%	UNICEF has implemented a business operations strategy in 57 countries (44%) with another 23 countries having put in place a business operations strategy road map.
	Percentage of UNSDG entities that report to their governing bodies on efficiency gains	System-wide baseline (2017): 41% System-wide target (2021): 100%	Yes – UNICEF reports regularly to its Executive Board on efficiency gains as part of its annual reporting and reporting on implementation of United Nations development system reform. This will continue and with more detail provided as savings are realized.
	Percentage of UNSDG entities that have signed the high-level framework on mutual recognition	System-wide baseline (2018): 28% System-wide target (2021): 100%	Yes – UNICEF signed the framework in 2018 and has been implementing the principles in procurement. The organization is now looking at building on this in the areas of human resources, information and communication technology and other areas.
12. Fully implement and report on approved cost recovery policies and rates	Percentage of UNSDG entities that report annually on the implementation of their approved cost recovery policies and rates to their respective governing body	System-wide baseline (2017): 51% System-wide target (2021): 100%	Yes – UNICEF reports annually to its Executive Board on implementation of its cost recovery policy and rate as part of the annual report of the Executive Director.