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For information

Preliminary draft of the biennial support budget for 2008-2009

Summary

This preliminary draft document presents the biennial support budget (BSB) for 2008-2009 in the results-based budgeting format agreed upon by the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF).

The proposed gross biennial support budget totals \$948.8 million and reflects a 25 per cent increase which includes a 7 per cent cost increase over the 2006-2007 support budget. The growth is driven by the need to invest in core capacity of the organization to collaborate in programmes with substantial increase in resources. With the estimated income to the budget of \$217 million, the net budget for 2008-2009 is projected to be \$731.8 million.

It is also proposing to continue the centrally shared security costs with an allocation of \$26.2 million for the biennium 2008-2009.

The formal decision to be made in the January 2008 session of the Executive Board on the basis of the final version of the present document is the adoption of the draft resolution contained in chapter IV.

* E/ICEF/2007/13.

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions (United Nations)
BCU	Business Continuity Unit
BSB	Biennial Support Budget
CAP	Consolidated Appeal Process (United Nations)
CEE	Central and Eastern Europe
CERF	Central Emergency Revolving Fund (United Nations)
CIS	Commonwealth of Independent States
CRC	Convention on the Rights of the Child
CSR	Corporate Social Responsibility
DHS	Demographic and Health Survey
DPP	Division of Policy and Practice
DRR	Disaster Risk Reduction
ECHO	European Commission Humanitarian Office
ECOSOC	Economic and Social Council (United Nations)
EMOPS	Office of Emergency Programmes
EPF	Emergency Programme Fund
ERP	Enterprise Resource Planning
GS	General Service
HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome
HLCM	High Level Committee on Management (United Nations)
HQ	headquarters
HR	human resources
ICT	Information and Communication Technology
IFIs	International Financial Institutions
IP	international Professional
IT	information technology
JPO	Junior Professional Officer
LDCs	least developed countries
MDGs	Millennium Development Goals (United Nations)
MICS	Multiple Indicator Cluster Survey
MOSS	Minimum Operating Security Standards (United Nations)
MTR	mid-term review
MTSP	medium-term strategic plan
NGO	non-governmental organization
NY	New York
OBO	outstanding budgetary obligation
ODA	Overseas Development Assistance
OIA	Office of Internal Audit
OMP	Office Management Plan
OPSCEN	Operations Services Centre
ORE	other resources emergency
OSEB	Office of the Secretary of the Executive Board
PARMO	Public Sector Alliances and Resources Mobilization Office
PfC	<u>Progress for Children</u>
RBB	results-based budgeting
SB	support budget

SMART Specific, Measurable, Achievable, Relevant, Time-bound

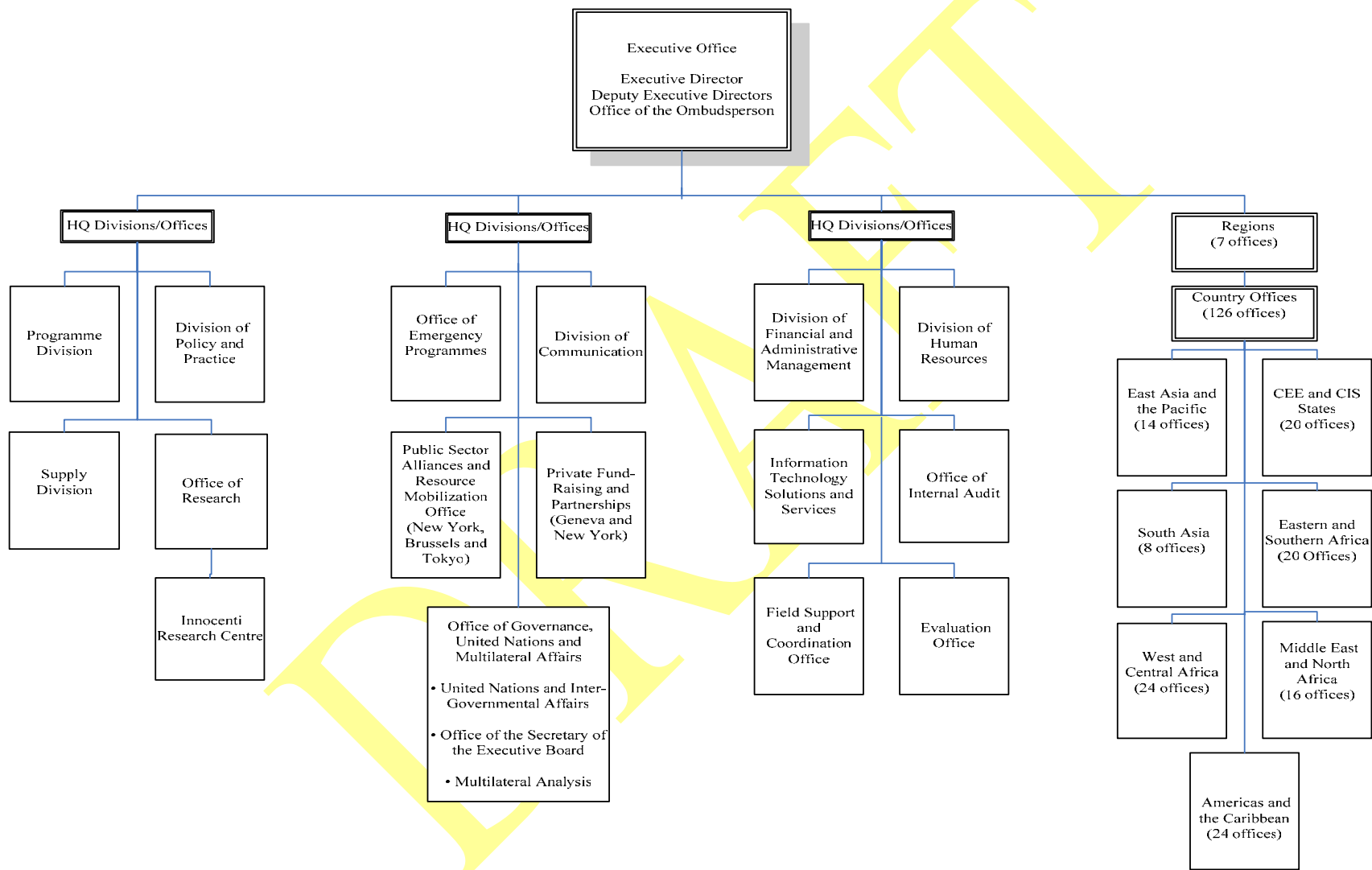
Abbreviations (continued)

SOWC	<u>The State of the World's Children</u>
UN	United Nations
UNAERO	United Nations Affairs and External Relations Office
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNEG	United Nations Evaluation Group
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
VSAT	Very Small Aperture Terminals

DRAFT

Organizational chart

Organization of the secretariat of UNICEF, 2008-2009



I. Executive summary

1. The present draft proposal, based on available information at this stage of review and preparation of the biennial support budget, contains the estimates for the 2008-2009 biennium in accordance with the harmonized results-based format for UNICEF, UNDP and UNFPA. The Executive Board, through an oral decision in its Annual Session of 2007, had taken note of the revised biennial support budget format proposed during that session. The final proposal will be submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and to the first session of the UNICEF Executive Board in 2008 for review and approval.

2. The strategic framework for the 2008-2009 support budget is based on the Medium-Term Strategic Plan (MTSP) approved for the period 2006-2009 with the financial plan revised on an annual basis to update the estimates of the income and expenditure projections. This is the second biennial support budget within the current MTSP and is prepared in conjunction with the 2007 revision to the MTSP – planned financial estimates.

3. The financial framework for 2006-2007 shows a growth from the original estimate made in 2005 of \$4,198 million (compared to the actuals of 2004-2005 of \$4,715 million) to the revised estimate of \$5,757 million, which is a growth of 37 per cent. For 2008-2009, it shows an additional growth of 16 per cent with the projection of \$6,659 million. Taking a longer timeframe, the level of regular and other resources between 2000-2001 and 2008-2009 is projected to grow to \$6,659 million from \$2,349 million or 183 per cent growth.

4. The biennial support budget supports both regular resources and other resources programmes. Increases are proposed in the 2008-2009 biennial support budget to enhance the core capacity of the organisation to provide the required support and oversight for programmes, which have grown substantially based on the growth in resources mentioned in the above paragraph. The ratio of support budget to regular and other resources, however, has been contained and reduced from 22 per cent in 2000-2001 to 14 per cent in this proposed budget for 2008-2009.

5. As compared to the current 2006-2007 biennium, the gross biennial support budget for 2008-2009 of \$948.8 reflects a proposed growth of 25 per cent, which includes a 7 per cent cost increase.

II. Strategic and financial context of the 2008-2009 biennial support budget

A. Strategic framework

6. The UNICEF MTSP 2006-2009 (E/ICEF/2005/11) approved at the second regular session of the Executive Board in 2005 provides the strategic and financial context of the 2008-2009 biennium. The MTSP, which is based on the UNICEF Mission statement, global commitments in the Millennium Summit, the UN Special Session on Children 2002, and the Convention on the Rights of the Child already defines organizational results for the global agenda on children. The development of the biennial support budget takes place in the context of the following guiding principles of the strategic plan:

- Ensuring that UNICEF's work at all levels is informed by evidence, current knowledge, good practice, the lessons of evaluation and international experience;

- Striving for efficiency, economy and excellence in UNICEF management and operations within the framework of the organizational strategic plan and monitoring and assessing its performance on an ongoing basis;
- Bringing a human rights perspective and striving to mainstream gender issues in all of UNICEF's work for children; and
- Promoting, advocating for and support children's rights in all situations.

7. The analysis made by the Organizational Review has reaffirmed the fundamental soundness of the mission, and the vital and unique role that UNICEF continues to play on behalf of children around the world. The review recommended strategic shifts in a number of specific areas aimed at improving organizational performance and placing greater emphasis on results for children. This biennial support budget will take into account UNICEF's response to the recommendations as outlined in 'The Organizational Review of UNICEF: recommendations from management' (E/ICEF/2007/15) presented to the Executive Board in its second regular session of 2007 and the result of the deliberations of the Executive Board.

8. The proposed adjustments in structure also take into account the initiatives for increasing the coherence of the United Nations system and 'delivering as one' at the field level.

9. Within the framework of results-based management, the results-based budgeting initiative taken by UNDP, UNFPA and UNICEF has been agreed with a revised harmonized format of presentation by the respective Executive Boards in their Annual Sessions of 2007. Both the ACABQ and the Executive Board acknowledged that adopting results-based budgeting was a challenge and UNICEF should continue to progressively strengthen its results-based management and budgeting and further strengthen the linkage of management results with the MTSP.

10. For programme resources, the presentation of the Country Programme Document is already in a results-based format with a results matrix. While the biennial support budget represents a small proportion of overall resources and covers only key functions to support the operational activities of the organization at all levels, the results-based presentation will more clearly link the functions funded by the biennial support budget with effective programme delivery as envisioned in the MTSP. Office management plans (OMPs) at regional and headquarters divisional levels provide the basis for strategically allocating human, financial and management resources in line with the targets and performance standards of the MTSP. Standard indicators for use in OMPs are developed during the plan period and updated for each biennium to enable more detailed comparisons of performance.

11. Periodic reporting through the Annual Report to the Executive Board will remain the primary mechanism for reviewing progress in relation to organizational targets, performance standards and results for children. Reports on both programmatic and operational indicators linked to the MTSP are aggregated globally and by region. This helps to focus the provision of technical support, adjust procedures and budgets where needed and develop initiatives to address persistent shortcomings.

12. The MTSP also describes key performance targets and indicators for the operations functions and these are used to prepare the Annual Report to the Executive Board beginning in the Annual Session of 2007. The Organizational targets, strategies and performance indicators in each of the Operational areas will be further refined in the next MTSP based on the harmonized operational management and support functions funded by the biennial support budget.

13. In line with the focus on results rather than inputs, the biennial support budget preparation process has also provided managers with greater authority to best meet local requirements, consistent with the principles and practices of prudent management, and budgetary ceilings established taking into account organizational priorities and shifts.

B. Financial framework

14. The financial overview is presented in the resource plan (table 1), with figure A showing the proportional use of total resources, and figure B providing information over a five biennium period on contributions from regular and other resources to show the changing relationship between these two sources of income.

15. Total resources, as presented in the resource plan, consist of UNICEF income (regular resources and other resources) and trust funds. While the regular resources are presented separately, the other resources (for regular and emergency programmes) and trust funds are presented under the heading of 'additional resources'. The additional resources also include procurement services as part of the trust funds. The presentation of the resources plan has been simplified to two sections as follows:

(a) **Resources available.** Total resources available will increase from the estimate of \$7.8 billion for 2006-2007 to a projected \$10.3 billion in 2008-2009, representing an increase of \$2.5 billion or 32 per cent. Within the total resources, the regular resources available are projected to increase from \$2.4 billion to \$3.0 billion with an increase of \$0.6 billion or 25 per cent; while additional resources are projected to increase from \$5.5 billion to \$7.3 billion with an increase of \$1.8 billion or 33 per cent;

(b) **Use of resources.** In line with the increases in income, regular resources programme expenditures are projected to increase by 52 per cent from \$1,065 million to \$1,618 million. The gross biennial support budget of \$948.8 million proposes a 25 per cent growth including 7 per cent for cost increases, with a projection of \$217 million from recoveries and income to the budget. This brings the estimated net biennial support budget to \$731.8 million and a separate appropriation of \$26.2 million for the UN mandated security costs.

16. With the increase in total resources, the proportion of funds proposed to be allocated to the biennial support budget including UN mandated security costs further reduces from 14.7 per cent in 2006-2007 to 12.6 per cent in 2008-2009. Of the total resources, 87.4 per cent will be for programmes, 12.3 per cent for the biennial support budget and 0.3 per cent for the UN mandated security costs (figureA).

Table 1. **Resource plan**
(In millions of United States dollars)

	2006-2007				2008-2009			
	Regular resources	Additional resources	Total resources	%	Regular resources	Additional resources	Total resources	%
1. Resources available								
Opening balance <u>a/</u> <u>b/</u>	717.6	1,677.0	2,394.6		733.0	1,779.0	2,512.0	
Income								
Contributions	1,576.0	2,524.0	4,100.0		1,990.0	4,369.0	6,359.0	
Other <u>c/</u>	98.0	29.0	127.0		300.0	37.0	337.0	
Trust funds <u>b/</u>	-	1,221.0	1,221.0			1,119.0	1,119.0	
Total available	2,391.6	5,451.0	7,842.6		3,023.0	7,304.0	10,327.0	
2. Use of resources								
A. Programmes								
(i) Regular and Other Resources	1,065.0	2,307.0	3,372.0		1,618.0	3,866.0	5,484.0	
(ii) Trust funds		1,175.0	1,175.0			1,249.0	1,249.0	
Subtotal	1,065.0	3,482.0	4,547.0	85.3%	1,618.0	5,115.0	6,733.0	87.4%
B. Biennial support budget	567.4 <u>d/</u>	190.0	757.4	14.2%	731.8	217.0	948.8	12.3%
C. United Nations Mandated Security Costs	26.2		26.2	0.5%	26.2	-	26.2	0.3%
Total use of resources (A+B+C)	1,658.6	3,672.0	5,330.6	100.0%	2,376.0	5,332.0	7,708.0	100.0%
3. Balance of resources (1-2) <u>e/</u>	733.0	1,779.0	2,512.0		647.0	1,972.0	2,619.0	

a/ Includes procurement services in additional resources column.

b/ The opening balances for 2008-2009, take into consideration the updated income and expenditure for 2006-2007 and also the changes in other assets and liability accounts.

c/ Includes interest and miscellaneous income (sale and cancelled OBOs, and difference between handling fees and expenditures in Procurement Services) for regular resources; and under additional resources - income to the biennial budget (comprising Government Local Office Cost contributions, Accounting linkage to offset Tax Reimbursements income to the Biennial Support Budget, recovery from warehouse, income from JPOs/other trust funds).

d/ Includes additional SB approval of \$10.6 mm for business continuity during the biennium.

e/ For regular resources, balance of resources of \$647 mm represents cash balance before the provision for write-offs & miscellaneous charges and funded reserves for after-service insurance, capital assets, separation fund and procurement services. Total cash available comes to \$404 mm as per MTSP Financial Plan 2007.

Figure A
Use of total resources, 2008-2009 (including trust funds)

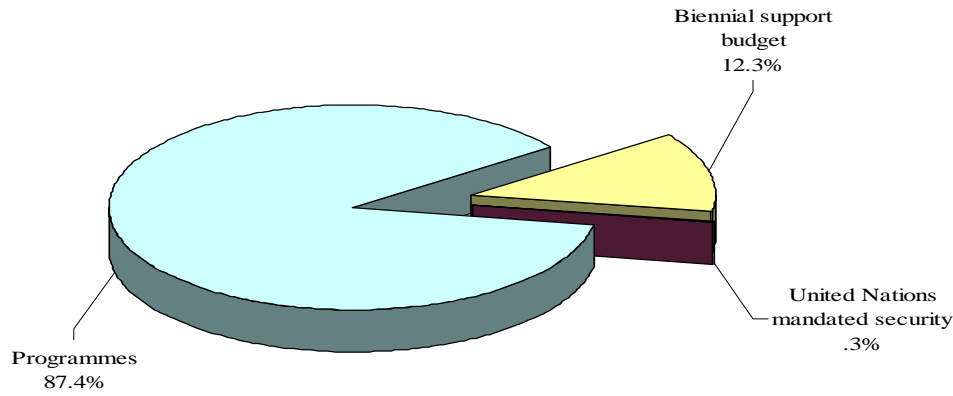
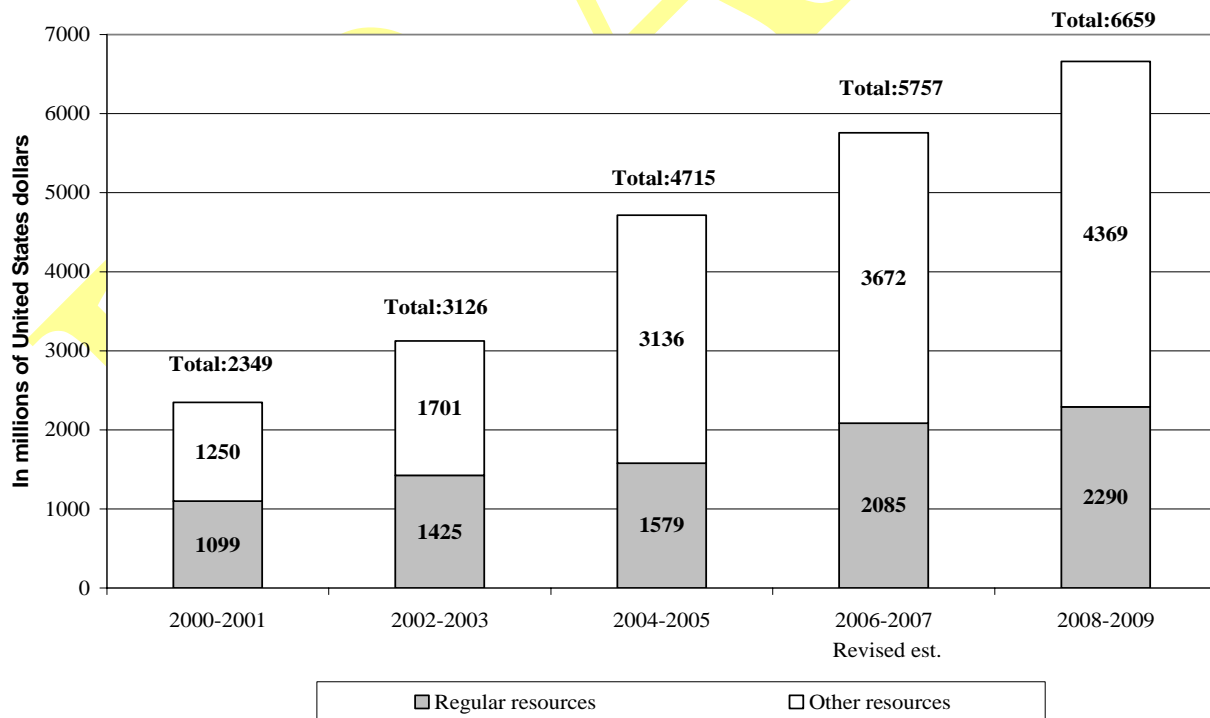


Figure B
Contributions by funding category, 2000-2001 to 2008-2009
(In millions of United States dollars)



Note: Figures for regular resources income reflect adjustments of refund to staff for income tax levied by Member States.

17. The financial overview, including the resource plan (table 1) and resource income estimates will be presented, comprising regular and other resources of the organization. This section will also include figure B, Contributions by funding category over the past decade, to show the changing relationships between regular resources, other donor resources and local resources.

III. Proposals for the 2008-2009 biennial support budget

A. Summary of proposals.

18. Since the biennial support budget for 2008-2009 is presented in the results-based format, the distribution of resources among the functions of the current biennium is derived through extrapolation for reference purposes, and to build the basis for comparability between biennium in the future (table 3).

19. The proposed gross biennial support budget for 2008-2009, without UN mandated security costs, is \$948.8 million. This reflects a volume increase of \$xxxxx million and a cost increase of \$xxxxx million corresponding to 18 and 7 per cent increases respectively. The net biennial support budget, after deducting estimated income to the budget of \$217 million, will be \$731.8 million.

20. For the 2008-2009 biennium, the vacancy rate of 6 per cent for international professional posts has been maintained. The exchange rate and post adjustment multiplier are as of 1 September 2007, and the annual average inflation rate is projected at xxx and xxx per cent for field and headquarters offices, respectively.

21. The Table 2 provides a summary of major increases and decreases compared with the current biennium as explained below:

(i) Cost increases

(ii) Overview of other capacity increases

- (a) Strengthen Regional Offices – child survival in Africa, partnerships, social policy and knowledge management.
- (b) Core capacity in countries
- (c) Enhance Field support coordination, global strategy and resource policy at the global level
- (d) Programme functions realignment in headquarters around outcomes and key expertise, strengthening of knowledge management and research oversight.
- (e) Restructuring and strengthening of partnerships and advocacy capacity in Geneva and New York
- (f) Public alliances and resource mobilization realignment with strengthening of the Brussels capacity
- (g) Business process simplification, results and change management
- (h) Human Resources Planning and Management
- (i) Audit, investigations and evaluation capacities

Table 2. **Summary of main areas of increase/decrease**
(In thousands of United States dollars)

	<i>Total</i>
I. 2006-2007 Net approved appropriation, adjusted for security	567,333.0
II. Increases/decreases due to costs (inflation, currency, staff costs)	Being finalized
III. Increases/decreases due to strategic shifts and strengthening of organizational capacity	
1. Increase	
(a)	
(b)	
(c)	
(d)	
Total	
Total increases	
2. Decrease	
Total decreases	
IV. Net change in estimated income	
2008-2009 Net appropriation estimates	
V. UN mandated centrally-shared security costs	26,200.0

Table 3. **Proposed Support Budget Estimates by Function, 2008-2009**
(In millions of United States dollars)

	2006-2007 appropriations	Change		2008-2009 estimates
		Amount	%	
Being finalized				
A. Gross Biennial Support Budget				
1. Executive direction and leadership	12.6	-	-	-
2. Representation and advancement of the core mandate	72.0	-	-	-
3. Corporate policy and strategy development, planning and guidance	16.7	-	-	-
4. Programme guidance, management and oversight	307.1	-	-	-
5. Procurement and supply management	36.6	-	-	-
6. Emergency management	19.2	-	-	-
7. External relations and partnerships	17.8	-	-	-
8. Internal and external communications: Media and public relations	62.3	-	-	-
9. Resource mobilization and fundraising	17.5	-	-	-
10. Financial management	32.0	-	-	-
11. Information and communications technology management	66.5	-	-	-
12. General administrative management	36.6	-	-	-
13. Human resources management	42.6	-	-	-
14. Internal audit	9.2	-	-	-
15. Corporate evaluation	3.3	-	-	-
16. Staff security	5.4	-	-	-
Gross Support Budget	757.4	-	-	-
B. Estimated income to the Biennial Support Budget	(190.0)	-	-	-
Net Support Budget	567.4	-	-	-
UN mandated centrally-shared security costs	26.2	0.0	0.0%	26.2

Note: Function 4 includes core capacity in Country and Regional Offices (except representation and communications areas – covered under Functions 2 and 8 respectively), in addition to Programme Division and Programme Guidance unit of DPP.

(iii) Overview of post changes

22. Discussion of posts.

Table 4. **Biennial Support Budget posts by location**

	2006-2007 Approved posts					Changes				2008-2009 Proposed posts				
	D2 and above	Other IP	All other	Total	% of total	Increase/(decrease)				D2 and above	Other IP	All other	Total	% of total
						D2 and above	Other IP	All other	Total					
Country offices	10	368	1219	1597	57	-	-	-	-	Being finalized				
Regional offices	7	125	205	337	12	-	-	-	-	-	-	-	-	-
Headquarters ^{1/}	17	458	391	866	31	-	-	-	-	-	-	-	-	-
Total	34	951	1815	2800	100	-	-	-	-	-	-	-	-	-

^{1/} Two additional IP and one GS posts were approved by the Executive Board decision 2007/4 on 18 January 2007 for business continuity unit in the Office of Emergency Programmes.

B. Description of BSB activities and resources by function

23. This section describes each of the functions in which BSB-financed results will be pursued, as well as an overall indication of results that will be assessed and described in subsequent biennial support budgets.

Function 1: Executive direction and leadership

24. *Definition and description.* Enabling senior management of UNICEF to define the executive direction, based on the longer-term vision and mandate, and to provide effective leadership of UNICEF as the UN agency for children, driving it towards the defined organizational results in an accountable and transparent manner; enabling directors at all levels to lead their respective staff towards the defined unit-specific results and to hold each other accountable for achieving those results within the overall executive direction of UNICEF.

25. *Issues and narrative.* UNICEF will continue to implement its executive direction which is defined in the Medium Term Strategic Plan, in the context of its mandate related to the Convention on the Rights of the Child (CRC), Millennium Declaration and the Declaration and Plan of Action for a World Fit for Children. UNICEF will continue to provide leadership role in setting the overall pace and direction of UN coherence, providing leadership to its partners in the areas of UNICEF mandate and improving the quality of management, achieve gender parity, as well as further improve accountability of directors all the levels for achieving planned results.

26. In order to do so, the change management unit established in May 2007 and the gender advisory capacity established during the course of the last biennium will be regularised. By establishing two Principal Advisors function, one each for global strategy and resource policy, UNICEF will bring greater coherence and strategic integration to the management of the organization and the preparation of the budget. This will ensure greater clarity in strategic guidance and resource allocation priorities from headquarters to the field. While decentralization is beneficial in many aspects, it has its unintended consequences, with the potential for the regions to not act as a coherent whole. In order to ensure better coordination, support and oversight and to foster greater collaboration and coherence between headquarters and the field, as well as to meaningfully contribute to the process of 'Delivering as One UN', a Field Support Coordination Office will be established.

27. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Leadership for enhanced political commitments, results-based alliances and strategic partnerships for achieving the child-related MDGs and children's rights	Strengthened partnerships and alliances for results for children in each of the MTSP focus areas/MDGs Stakeholder	Analysis of partnerships as part of the 2004 Mid Term Review of the 2002-2005 MTSP Stakeholder	Analysis of effectiveness of partnerships as part of 2008 Mid Term Review of the 2006-2009 MTSP Stakeholder views

Management results (strategic plan)	Indicators	Baselines	Targets
	satisfaction with the strategic direction of UNICEF and organisational results achieved for MDGs and children's rights	(Executive Board Member and National Committee) views provided for the 2004 Mid Term Review of the 2002-2005 MTSP	and increased satisfaction levels in the 2008 Mid Term Review of the 2006-2009 MTSP
2. Leadership to ensure that UNICEF is more focused on results to achieve children's rights, through greater programme coherence, streamlined structures and systems that enhance organizational performance, accountability and effectiveness.	<p>Revised framework of accountability structures adopted, including performance indicators.</p> <p>Balanced scorecards and information systems functioning for i) monitoring organizational performance; ii) monitoring aggregate individual office performance; and iii) ensuring accountable and transparent operations.</p>	<p>The Organization of UNICEF (Executive Board paper, 1998)</p> <p>MTSP 2006-2009, including its results matrices and Key Performance Indicators</p>	<p>Adoption of revised framework document on the Organization of UNICEF</p> <p>Achievement of the Key Performance Indicator targets as per the 2006-2009 MTSP (and updates based on the 2008 Mid Term Review), with yearly tracking of and reporting on progress.</p>
3. Leadership for increased visibility of children's issues in key high-level global, regional, sub-regional fora	To be determined	To be determined	To be determined

28. **Resources required:**

2008-2009: \$XX.X million.

Function 2: Representation and advancement of the core mandate

29. **Definition and description.** This function covers regional and country level activities related to representing the agency in order to advance the core mandate, major programme goals and the leadership for child rights everywhere. These activities take place principally in country offices but also relate to leadership and representational activities at the regional level through the Regional Directors with various regional/inter-governmental bodies and regional institutions which contribute significantly to determining the children's agenda in the field.

30. **Issues and narrative.** UNICEF has a defined core mandate and a set of organisational targets which fall within the broader CRC, the Millennium Declaration and the MDGs as well as the World Fit for Children goals. A critical role played by senior leaders in each country, by the regional directors at regional offices and by programme chiefs at headquarters and country offices is to advance the agency's contributions to these international child-focussed goals through effective representation, cooperation and partnership with local leaders and other counterparts, regional inter-governmental organizations. For the purposes of the biennium budget, the Representation units at country offices and the Regional Directors unit in the regional offices are included in this category.

31. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Programmes are aligned with national priorities and the strategic focus of the MTSP	Annual direct programme assistance expenditure ratios for the 5 focus areas of the MTSP, linked to the MDGs/ Millennium Declaration.	As per MTSP 2006-2009 (paras 187 – 188)	
2. Child-related MDGs and child-related components of the Millennium Declaration and other international agreements are articulated in national policies and plans and the UNICEF-country programmes of cooperation, with a special focus on child mortality reduction goals in 60 priority countries, basic education goals in 50 priority countries, HIV/AIDS related targets in 54 countries and child protection goals in 70 priority countries, as per the MTSP.	Country programmes of cooperation presented to the Executive Board in 2008 and 2009 as well as the mid-term reviews of approved, ongoing programmes are increasingly rights-based and focussed on achieving results for children with national ownership and leveraging of wider resources and actions where necessary. Percentage of country programme documents (CPDs) that reflect gender assessment and human rights-based approaches (indices are under development)	Executive Board comments on proposed country programmes of cooperation and mid-term review reports, 2006-2007 91% of new CPDs referred to observations of the Committee on the Rights of the Child and/or CEDAW Committee in 2006	Increased Executive Board satisfaction levels with proposed country programmes of cooperation and mid-term review reports, 2008-2009 100% by 2009 (MTSP target. Further indicators and targets to be developed).
3. Donor governments and key partners rate UNICEF and its results focus as being effective and meeting partnership	Support by donor governments and funding partners for UNICEF goals, demonstrated by increased and more secure	Financial contributions to income 2006-2007	Increased and more secure financial contributions to income for different categories, as per

Management results (strategic plan)	Indicators	Baselines	Targets
goals.	financial contributions, including for regular resources, thematic funds and for country specific Other resources. Stakeholder views of UNICEF effectiveness strategic focus and partnerships	Stakeholder views of UNICEF effectiveness provided for the 2004 Mid Term Review of the 2002-2005 MTSP	the 2006-2009 MTSP and the targets of its financial plan Increased stakeholder satisfaction with UNICEF effectiveness in the 2008 Mid Term Review of the MTSP

32. **Resources required:**
2008-2009:

Function 3: Corporate policy and strategy development, planning and guidance

33. **Definition and description.** This function covers the planning and monitoring of UNICEF's targets and related indicators, organisational strategic plan, core programme policies and longer term vision and approaches for realizing child goals and children's rights. It includes research and enhanced knowledge management activities that support strategic planning and guidance to headquarters and the field. Performance monitoring of the MTSP and overall country programme performance in the United Nations Development Assistance Framework (UNDAF), mainstreaming of results-based management at all levels of the organisation and reporting on the progress of the strategic plan are also part of this function.

34. **Issues and narrative.** Strategic planning in UNICEF is based on the principles of: (a) supporting the achievement of the objectives of Millennium Declaration and the MDGs as well as the mutually reinforcing World fit for Children goals, in the overall context of the CRC; (b) policy guidance and responding to national demand for UNICEF support; (c) implementing the reform agenda of the Secretary-General, in which UNICEF plays critical leadership roles, including at the country level, for promoting and supporting national planning processes which are focussed on children and coherent UN responses to national priorities and goals focussed on children; (d) partnerships and leveraging of resources for children, including through policy advocacy based on knowledge, data and good practice; (e) ensuring that the cross-cutting approaches of gender equality and rights based approaches to programming, children's and young people's participation and programme communication are integrated in country programmes. In early 2008, a mid term review will be undertaken of the 2006-2009 MTSP and the next strategic plan for 2010-2013 will be prepared during the biennium 2008-2009.

35. The Division of Policy and Practice (DPP) at Headquarters will reflect key structural realignments, consolidations and improved integration of work to enable greater coherence and synergy among the major policy and strategy development practice areas with greater focus,

technical articulation and leadership for the programme strategies used throughout the organization and an effective contribution to its overall goals and targets. DPP will position UNICEF as a global knowledge leader and effective partner for children through: systematic management and generation of knowledge relating to children and strategies in key practice areas which work to promote and protect their rights; extensive collaboration and integration between the revitalised knowledge management and independent research functions; building on and extending UNICEF's already extensive capacity for child data, analysis and monitoring to address new challenges and national and international needs for information on children; and ensuring the ability to provide national and other partners with child-related knowledge and evidence that can be used to promote innovations, attract wider investments and take successful approaches to scale.

36. DPP will link very closely with other divisions and functional areas to lead the organization in monitoring and reporting on results and strengthening accountability for performance. In doing so, DPP will consolidate and assure consistency of the global policy function, develop and strengthen results-based management and performance monitoring systems, undertake performance analysis at global level and provide systematic support to programme oversight, quality assurance and performance monitoring by the regional offices. Critical areas for increased support budget investments to achieve these results will include: i) data collection and analysis; ii) communication for behavioural and social change; iii) information and knowledge management; iv) social policy and economic analysis; v) child rights and gender mainstreaming. A research oversight function will be established to provide leadership for the research agenda and to help disseminate and implement research findings. This will also strengthen synergies with UNICEF's global programme agenda and enhance relationship with research institutions and centres of excellence in developing and developed countries. The proposed biennium budget includes a provision to enhance the research function.

37. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Continued strategic alignment of the Medium Term Strategic Plan to reflect changing context for children, international commitments and priorities, feedback and lessons learned	Revised MTSP following Mid Term Review Executive Board and stakeholder feedback on MTSP through Mid Term Review and annual reporting process	Mid Term Review of 2002-2005 MTSP; Results-focussed Annual Reports to the Board	Mid Term Review held in 2008 with agreed conclusions and results-focussed Annual Reports to the Board
2. Timely preparation and approval of 2010-2013 Medium Term Strategic Plan that reflects the organization's goals, capacities, strategic focus and lessons learned in the changing context for children, as well as the concerns of the Executive Board and other key partners.	Executive Board approval of the 2010-2013 MTSP	Not applicable	MTSP approval in Sept. 2009
3. Further strengthening of results-based management of UNICEF programmes of	Percentage of new country programme	88% in 2006 (47%	2009: 95% (MTSP

Management results (strategic plan)	Indicators	Baselines	Targets
cooperation and support activities with systematic and increased reviews and analysis of programme implementation for directing resources appropriately in the UNDAF and other partnership frameworks.	documents independently assessed as adequate or better using Specific, Measurable, Achievable, Relevant, Time-bound (SMART) criteria.	assessed as good or better; 41% as adequate)	target)
4. Increased frequency of collection of data on key child indicators, their analysis and dissemination, through support for Multiple Indicator Cluster Survey (MICS), Demographic and Health Survey (DHS) and other surveys as appropriate.	Number of countries in which MICS undertaken	MICS held in 55 countries 2005/6	MICS held in [no. to be determined] countries in 2009
5. Improved application of rights-based approach to programme cooperation and gender equality in UNICEF programming and UNDAF through strengthened analysis and feedback of performance and good practice in these areas	Percentage of countries where a gender review and/or self-assessment has been conducted and applied	27% (2006)	70% (2009)
6. Enhanced development and application of child-related research and knowledge management (including evaluations and validated lessons learned)	Increased application of research and knowledge management products in programmes	Evaluation baseline available; others to be determined	To be determined

38. **Resources required:**

2008-2009: \$XX.X million.

Function 4: Programme guidance, management and oversight

39. **Description and definition.** This function covers the development, approval and implementation of UNICEF-assisted programmes at the country, regional and global levels. The activities undertaken within this function include: (a) technical programme guidance; (b) oversight, operational support and quality assurance of programmes (particularly of country programmes from regional offices and UN Regional Directors' Teams); and (c) overall programme management of country operations to assure that programmes proceed towards their approved results and that corrective actions are taken in cases where activities encounter difficulties within the manageable control of programme managers.

40. **Issues and narrative.** This function represents a critical core of the work of UNICEF country and regional offices but also occurs at headquarters (through the Programme Guidance function of DPP, working closely with agencies of the UN Development Group) for global policy setting and programme advice as well as for defining standards and quality of results based programme documents, UN and UNICEF-specific results matrices as well as the relevant policy guidance jointly developed and harmonized with other UN agencies. A new programme group structure with the Programme Division organized around outcome areas with technical clusters that develop cross-sectoral and cross-functional work plans to focus on specific programme results will be a major shift during the biennium. This will allow enhanced technical guidance and support to countries and regions from the Programme group as a whole and a more effective performance feedback from the field.

41. At the regional office, Regional Directors' Team and country office levels, the programme guidance, management and oversight functions will be further strengthened through clearly defining accountabilities and developing tools and standards that will help track, monitor and assess results and the efficiency and effectiveness of programme and management operations, as part of overall results based planning and management approaches. Programmes of cooperation are developed under the leadership of national counterparts in programme countries within the framework of the UNDAF, where it exists, and consistent with organizational targets articulated in the Medium Term Strategic Plan, to respond to national priorities and capacity gaps for meeting child-related goals and addressing the rights of children. During the 2008-2009 biennium, regional offices in collaboration with the Programme group will continue to test different modalities for improving quality technical support to countries. Some areas such as child survival in Africa, partnerships, social policy and knowledge management will be strengthened in regional offices through modest increase in support budget investments.

42. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Comprehensive and up-to-date policies and guidance in place to guide all aspects of programming in the context of UN coherence (including UN harmonization, joint programming, emergency preparedness/response, technical and practice areas)	Update and utilisation of the Programme Policy and Procedure (PPP) Manual and related instructions and guidance	2007 PPP Manual	Annual enhancements of the Manual
	Percentage of staff satisfied with quality of programming guidance	To be determined	To be determined
	Number of staff completing programme excellence learning	To be determined	300 per year
2. Technical programme components developed within each country programme that address national priorities in the context of the MTSP targets and Board-approved	To be determined	To be determined	
	Application of relevant knowledge products in programmes, including		

Management results (strategic plan)	Indicators	Baselines	Targets
Supporting Strategies in the focus areas of MTSP, as relevant for each country	evaluation findings and validated lessons learned		
3. Enhanced quality of programme management and performance monitoring	Comprehensive strategy for improved programme management (RBM) developed and implemented Regular utilisation of Key Performance Indicator dashboards at country, regional and global levels	Various elements of a comprehensive strategy exist, including initial KPI dashboards	Comprehensive strategy and tools put progressively in place during 2008-2009
4. Ensure that performance management and monitoring tools are used for oversight of country programmes at regional and headquarter level.	Percentage of country offices satisfied with the quality of oversight activities	To be determined	
5. Guidance for oversight, quality assurance and performance monitoring by regional offices and HQ, based on standards and quality established in technical areas and by core organisational programme guidance	Percentage of country offices satisfied with the quality of advisory activities	To be determined	

43. **Resources required:**
2008-2009: \$XX.X million.

Function 5: Procurement and supply management

44. **Definition and description.** This function covers the capacity of Supply Division and its leadership on supply and procurement issues to ensure value for money, and of provision of central guidance and oversight on the procurement of goods and services. The UNICEF supply division provides leadership in procurement of critical supplies related to Immunization, Pharmaceuticals, Micro-nutrients, therapeutic foods, mosquito bed nets, Educational and community level supplies for water and sanitation.

45. **Issues and narrative.** The success of UNICEF leveraging essential commodities for children to help achieve national and global goals depends on the leadership provided in the supply function to ensure value for money. This includes support to countries in determining the supply situation and capacity-building needs, e.g., to ensure essential commodities for children and an efficient procurement of services. During the biennium, based on the recommendations from the supply function evaluation, the division will refocus the Supply Function on strategic-essential supplies; improve delivery performance, ensure programme-supply integration, promote product innovation and ensure emergency response. These will be largely covered by reallocation of the recosted

budget of the supply division with a minimal increase. Within the proposed budget, Supply division will also ensure piloting and testing of innovative products for children.

46. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
Ensure timely and effective procurement of programme services and goods, consistent with existing regulations.	Percentage of procurement actions completed within approved deadlines; Timely response to emergency supplies within 48 hours to be increased % orders delivered at port of entry at or within agreed target arrival dates	86% 55%	90% 80%
Essential commodities for achieving MDGs available in all least developed countries (LDCs), as a priority	% programmes of cooperation to produce a plan to address availability of essential commodities for children in the country	20%	75% of LDCs

47. *Resources required:*

2008-2009: \$XX.X million.

Function 6: Emergency management

48. *Definition and description.* This includes development, updating and dissemination of policies, strategies and guidelines for emergency preparedness and response, and establishing and maintaining the core capacity that permits UNICEF to prepare, respond to and monitor programmatically emergencies and crisis situations.

49. *Issues and narrative.* The Office of Emergency Programmes (EMOPS) leads efforts to ensure that UNICEF's role in complex emergencies and natural disasters is clearly defined, that UNICEF is properly equipped to fulfil that role, and that all levels of the organization are prepared to deliver UNICEF's mandate in emergencies. In doing so, EMOPS develops, updates and disseminates policies, strategies and guidance for emergency preparedness and response in the area of humanitarian assistance; ensures coordination for assigned sectors and areas of responsibilities within the arrangements agreed upon within the Inter-Agency Standing Committee, monitor through an Operations Centre the emergence of crisis situations for meeting related needs; establishes and reviews funding priorities for emergency preparedness, crisis prevention, recovery and emergency response; as well as capacity for Transition policy.

50. All UNICEF offices must be able to continue highly critical functions during and following a disaster and/or crisis event. The Executive Board, through Decision 2007/04, approved a budget for UNICEF to develop a crisis management plan and to urgently establish business continuity capacity. A Business Continuity Unit (BCU) was established in EMOPS to be the focal point for the

business continuity initiative globally. The BCU will focus on four major priorities: 1) completing a business continuity strategy for New York (NY) and Headquarters Offices outside NY, 2) establishing an alternate disaster recovery site for UNICEF mission critical systems and information, 3) developing a business continuity training course, and train Regional and Country Offices on business continuity as a follow-up to emergency preparedness planning, and 4) coordinating arrangements with Inter-Agency partners.

51. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Ensure that all country programmes of cooperation have an annually updated emergency preparedness and response plans that are consistent with international humanitarian law, human rights framework and related inter-agency policy and guidance.	Proportion of annually updated emergency preparedness and response plan. Proportion of countries where humanitarian response is assessed as making relevant use of international humanitarian law, human rights frameworks, and related interagency policy/guidance. Proportion of post-crisis countries where UNICEF's programme is assessed as having adequately addressed recovery and Disaster Risk Reduction (DRR).	81%	90%
2. Ensure that all crises requiring emergency deployment of personnel for sector coordination in emergency situations are responded to within one week.	Proportion of emergency deployment of personnel within one week for coordination of sectors for which UNICEF is responsible in a crisis situation.		90%
3. Ensure that funding for emergency response is secured in a timely manner.	Number of immediate humanitarian financing provided to emergencies (Emergency Programme Fund (EPF)/ Central Emergency Revolving Fund (CERF)) Proportion of CAPs for which at least 50% of the estimated funding has been secured.	To be determined	
4. Ensure Business continuity plans are made in all countries of UNICEF operations.	Proportion of UNICEF offices with business continuity plans, maintained through the biennium	To be determined	

52. Resources required:

2008-2009 \$XX.X million

Function 7: External relations and partnerships

53. **Definition and description.** The external relations and partnerships are organized into two major pillars: One pillar representing Governance, UN and Multilateral Affairs and the second with responsibilities covering a range of partnerships within the combined management structure for Private fundraising and Partnerships including the relationship with National Committees.

54. **Issues and narrative.** The proposed Office of Governance, UN and Multilateral affairs will achieve a tighter integration and a more coherent guidance to UNICEF's relationships across the relevant spectrum of multilateral actors, concerned with the elements of governance, UN and multilateral affairs including the Economic and Social Council (ECOSOC), General Assembly, its various committees and commissions and other Multilateral agencies including the International Financial Institutions (IFIs) as well as permanent missions to the UN and inter-governmental bodies. This Office brings together the existing units of the Office of the Secretary of the Executive Board (OSEB) and the UN Affairs and External Relations Office (UNAERO) and the Regional and Inter-Agency Section of the Programme Division. This restructuring will ensure a coherent structure that will bring about synergy as well as establish dedicated capacity to comprehensively address all the related issues under one umbrella. The restructuring will be managed within the current budget ceilings and other inter-office adjustments.

55. The Private Fundraising and Partnerships office consolidates and strengthens the functions of the Geneva Regional Office, Private Sector Division and the Office of Public Partnerships. The office will be essentially financed through an offset against income from the private sector with selected key UNICEF core functions funded from the support budget. The partnerships unit funded by the support budget aims at fostering relationships with a wide range of partners including civil society, corporate social engagement and cover advocacy for child rights including through celebrity relations. The biennial budget includes a small increase to strengthen partnerships and advocacy for children.

56. Expected key results:

Management results (strategic plan)	Indicators	Baselines	Targets
Analysis of emerging trends and opportunities in the multilateral system architecture, including IFIs and strategic options prepared, based on such a macro-perspective.	Improved engagement by UNICEF in key multilateral issues with appropriate leveraging for children's goals	To be determined	
Effective and strategic management of UN and inter-governmental affairs including on UN coherence	Leadership and increased engagement of UNICEF in UN interagency processes as well as effective contribution in 'Delivering as One'	To be determined	

Management results (strategic plan)	Indicators	Baselines	Targets
Decisions of the Executive Board are strategic and contribute to the broader mission and goals of UNICEF as an effective UN agency for children		To be determined	
Coherently resourced UNICEF-wide approaches to multi-lateral relationships including IFIs, Private and Corporate sector with improved Corporate Social Responsibility (CSR) and effective partnerships with civil society and private sector that will benefit children and future of developing countries		To be determined	

57. **Resources required:**

2008-2009: \$XX.X million.

Function 8: Internal and external communication: media and public relations

58. **Definition and description.** UNICEF's communication function represents the public face of UNICEF and is entrusted with shaping the organization's external image in both programme countries and among its donors both government and private. A strong communication platform has helped to strengthen and expand programme activities, reinforce advocacy efforts for policy change in favour of assuring child rights at global and national levels. The function supports the development of fund-raising, advocacy and policy based partnerships with countries, civil society and private sector.

59. **Issues and narrative.** Effective communication with the public and the press requires context which provides a framework for all public messages. During the 2008-2009 biennium, this function will further strengthen UNICEF's ability to respond proactively and capitalize on changes in the external environment and bring together major achievements over the last several years while taking into account the strategic shifts identified in the organizational review. The focus will be to build on the comparative advantage of UNICEF, support MTSP objectives and MDG goals to advance a systemic change in support of children for scaling up actions. Emphasis will be on working with external and internal partners to position UNICEF as the UN agency for children and partner of choice when it comes to leveraging results and actions for children. The communication function at regional and country offices is performed through the existing capacity of dedicated professionals who are the UNICEF professionals charged with the responsibility of proactively advocate for children's rights, promote norms in media and public channels that help build an appropriate context for increasing investments for children and their future, prevent abuse, exploitation and violence against children.

60. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
Develop and update an overarching	New Communication strategy developed through a process involving major	To be determined	

Management results (strategic plan)	Indicators	Baselines	Targets
communication strategy.	stakeholders, presented and approved by the Executive Board.		
Visible impact on all forms of media in support of children's agenda for future	To be defined.		To be determined
Optimize the use and impact of communication resources to deliver quality results, manage for efficiency and enhance partnerships	Develop and use a performance scorecard to measure the quality, quantity and impact of communication results for children. Flagship publications (<u>The State of the World's Children</u> (SOWC), <u>Progress for Children</u> (PfC) etc) and their reach in different settings corresponding results		To be determined

61. **Resources required:**

2008-2009: \$XX.X million

Function 9: Resource mobilization and fund-raising

62. **Definition and description.** This function covers agency efforts to influence aid policies and mobilize quality resources from the public sector for children and women. The Public Sector Alliances and Resources Mobilization Office (PARMO) spearheading this function will seek to position UNICEF as a knowledge broker and partner of choice in leading the collective commitment towards achievement of results for children and women.

63. **Issues and narrative.** PARMO will implement a more focused approach in relations with major donors that builds on and strengthens both UNICEF's policy dialogue and resource mobilization with donors; implement strategies for the emergent donors; strengthen its capacity for research and policy analysis of Overseas Development Assistance (ODA) trends and important development cooperation policies; pro-actively manage the new funding modalities and mechanisms including 'Delivering as One'; streamline contribution management functions and strengthen field support capacity. Results in this area include obtaining enhanced resources from public sector and governments.

64. The linkage with other arms of partnerships to enhance the contribution from the private sector and national committees will be critical. In addition to managing and strengthening relations with existing donors, UNICEF will seek to engage in and organize strong and informative policy dialogues with donors as appropriate based on UNICEF's normative and operational expertise. Comprehensive portfolio of fundraising packages around critical programme and advocacy results will be developed as means to attract high potential donors or donor groups. UNICEF will also ensure informed and active participation in the UN system-wide processes and initiatives such as the Triennial Comprehensive Policy Review to advance its fundraising objectives in support of achieving child related goals. As a part of the work during the biennium 2008-2009, the relationship with Brussels based European Commission and European Commission Humanitarian Office (ECHO) will be strengthened.

65. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Increases of regular, thematic and other resources from Governments to meet global and national goals and the expected projections of the MTSP	Amounts or percentages of increase in given categories of funding, year to year; Regular resources Thematic funds Other resources	11%	15%
2. Increased levels and improved timeliness and flexibility of humanitarian funding – other resources emergency (ORE)		To be determined	
3. Timely donor reports	Proportion of donor reports on time	62% (2004)	85%

66. *Resources required:*

2008-2009: \$XX.X million

Function 10: Financial management

67. *Definition and description.* Establishing and maintaining systems of financial management and accountability; managing financial and other assets of the agency (funds management); supporting the allocation of agency programme and operating resources to optimize use of expected and/or available funds based on agency priorities (planning and budget); and managing and reporting on financial transactions involving the use of agency resources (accounting, payments, etc.).

68. *Issues and narrative.* UNICEF will continue to safeguard and ensure the transparent, efficient and effective utilization of resources in support of its mission and achievement of the organizational targets. UNICEF will continue to collaborate with other United Nations agencies in moving forward (United Nations) reforms on simplification and harmonization and reduction in transaction costs at global and country levels, and support the adaptation to the changing development assistance environment without compromising on transparency and efficiency.

69. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Ensure primary responsibility for financial accountability, policy setting and reporting.	Management and administration, and programme support cost ratio to total regular resources and other resources.	19.7%	18.7%
2. Maintain and improve financial management procedures and systems to optimize use of resources.	Reduce unliquidated cash assistance to implementing partners over nine months.	8%	5%
		Closure by	Closure by

Management results (strategic plan)	Indicators	Baselines	Targets
	Timely and accurate financial reports and statement.	end-March of preceding year	end-March of preceding year
3. Ensure allocated resources for programme are expended fully and accounted in time.	Proportion of allocated regular resources for programme expended at the end of year	91% (2004)	95%

70. **Resources required:**

2008-2009: \$XX.X million.

Function 11: Information and communications technology management

71. **Definition and description.** This function covers the development and management of modern information and communication technology (IT) to serve the needs of the organization worldwide. Results are produced through the provision of a variety of IT services: developing and procuring information systems and equipment that serve the organization's business needs; assuring that worldwide communication capability (telephone, e-mail, fax, Very Small Aperture Terminals (VSAT) and other) is installed and available to permit the effective conduct of the organization's business and providing technical support to agency staff in: (a) developing and utilizing systems applications to improve business operations; and (b) assuring that existing systems and equipment are operating successfully.

72. **Issues and narrative.** The overall objective is to provide organizational Information and Communication Technology (ICT) systems and infrastructure which allow UNICEF to manage, share and utilize information in support of the MTSP targets and processes. The use of technology for collaborative work practices, knowledge-sharing, documentation management and e-learning will support and promote organizational priorities. Access to documentation and collaborative tools via the intranet will be improved to transform the intranet into a communication tool. Collaboration will continue with external partners to facilitate information-sharing. The strategic objectives for the biennium 2008-2009 will be to realign the Information Technology structures and resources to deliver quality solutions and services, taking into account critical shifts for UNICEF, changing business requirements and decisions on UN coherence, through critical partnerships both within and with key external stakeholders.

73. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Improvement of the organizational Enterprise Resource Planning (ERP) by further strengthening knowledge management and performance management features and align them to the		To be determined	

Management results (strategic plan)	Indicators	Baselines	Targets
requirements and standards of UN harmonization	Maintain quality service with the objective of ensuring 99% uptime and response time within 24 hrs being not less than 95% of the helpdesk requests		
2. Global ICT services availability and its timely restoration in the event of specific problems.		To be determined	

74. **Resources required:**

2008-2009: \$XX.X million.

Function 12: General administrative management.

75. **Definition and description.** This function covers the provision of workplaces and supporting supplies and services at headquarters that permit agency staff at headquarters to carry out UNICEF's mission. Costs include the rents and utilities relating to office facilities, supplies and equipment needed for staff to carry out BSB functions and the cost of staff that provide administrative services.

76. **Issues and narrative.** The objective in this function is to assure that facilities, supplies and equipment utilized by UNICEF headquarters staff support their efforts to plan and carry out the UNICEF's programmes and activities effectively and efficiently. Workplaces must be clean and functional, supplies and equipment must be procured and made available in a timely manner, based on staff needs, and administrative support staff must be attuned to their clients' requirements.

77. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Workplaces are available and supportive of the work of agency's headquarters staff	Survey results relating to staff satisfaction with workplaces and other administrative services; average time taken in responding to service requests for facilities and equipment repairs. No internal audit observations with high impact in the area of general administration and compliance with UNICEF policies and procedures in the area of asset, vehicles, travel, common	To be determined	
2. Administrative Supplies and equipment are provided on time and in usable condition.		To be determined	
3. Ensure efficient and strategic administrative management		To be determined	

Management results (strategic plan)	Indicators	Baselines	Targets
	services and real estate management.		

78. *Resources required:*

2008-2009: \$XX.X million

Function 13: Human resources

79. *Definition and description.* Recruiting qualified staff internally and externally to fill vacant jobs; deploying and rotating staff to support achievement of the objectives of UNICEF supported programmes; training and educating staff to assure that skills and competencies required for agency functions are available; establishing and managing a system of performance review and evaluation that rewards personal and organizational performance and provides remediation for less than satisfactory performance; and providing adequate counselling for staff on issues such as career development and grievances.

80. *Issues and narrative.* UNICEF's strategic review of Human Resources Management in 2005-2006, helped identify the key shifts required in the Human Resources (HR) function. As part of the change management strategy, emphasis will be on a) improved HR Planning and processes for coherent staffing strategy; b) managing for performance through the strategic use of assessment of development tools; c) enabling the deployment of a dynamic and flexible work force through simplification and streamlining of applicable policies and procedures; and d) staff development, including the identification and management of new and emerging talent. The biennial budget includes an additional allocation for young talent identification and nurturing them for future roles in the changed context of UN work at country level. The UNICEF global learning curriculum tailored to capacity needs of country offices with a focus on improved quality of training to produce the needed shift in skills, analysis and leadership will be strengthened with additional funding for learning and training.

81. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
UNICEF has motivated and capable staff.	Percentage of staff evaluated as 'high performers' and percentage of staff evaluated as 'under performing' against competences.	To be determined	
	Staff satisfaction as per the global staff survey. Proportion of performance assessment reports signed by all three parties by February of following year Proportion of staff who spent more than 10 days on planned learning Proportion of total staff costs spent on learning and staff development	51% (2006) 40% (2006) 0.92%	80% 50% 3%

Management results (strategic plan)	Indicators	Baselines	Targets
Gender parity	Gender ratios of staff at higher levels (P5 and above) and at P/L 1 to 4 range global, HQ and by regions	To be determined	
Timely recruitment and retention of high calibre staff	Proportion of staff recruited in regular and emergency (from closing date of advertisement to date of offer) within 90 days Maximum % of funded IP posts vacant at any time in the year	To be determined	

82. **Resources required:**

2008-2009: \$XX.X million

Function 14. Internal audit

83. **Definition and description.** This function captures the costs of planning, carrying out and follow-up for administrative and programme-related internal audits. The main audit activities comprise: (a) helping managers to assess how effectively their control system ensures that their business objectives are met; (b) making recommendations to improve the effective operation of control systems; and (c) providing reasonable assurance to the UNICEF Executive Director as to whether the following objectives are met:

- (i) assets and resources are accounted for and safeguarded from losses;
- (ii) conformity of expenditures with the purpose for which funds were appropriated;
- (iii) commitments and liabilities are identified and managed;
- (iv) complete and accurate accounting records;
- (v) economic, efficient, and effective use of resources;
- (vi) compliance with established policies, plans and procedures of UNDP.

84. **Issues and narrative.** Joint work planning exercise will be undertaken between the Office of Internal Audit (OIA) and the Evaluation Office to assure better oversight of country offices, regional offices and HQ divisions. In addition to such a strategy, audit will update self-assessment guides of key elements of programme and operations management and develop capacity for better risk management in UNICEF operations. Given the changing environment, the audit will focus on developing a risk management framework and reduce the burdensome aspects without compromising fiscal integrity and reputation of UNICEF. The proposed biennial budget will include additional allocations to strengthen investigations and greater accountability.

85. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
Annually, identify areas of significant risk to UNICEF's objectives and accountabilities in selected priority	Proportion of key actions in the strategy implemented within one		75%

Management results (strategic plan)	Indicators	Baselines	Targets
locations and make practical recommendations to strengthen control over identified risks	year and no observations open for more than 18 months.		
Major audit recommendations fully implemented through identification on a yearly basis of top 15 audit issues.	Operational plan to address the critical audit issues and statements on audit issues	To be determined	

86. **Resources required:**

2008-2009: XX.X million.

Function 15: Corporate evaluation

87. **Definition and description.** Evaluation is an important function supporting UNICEF in achieving its mission and strategic objectives. Evaluation is essentially about understanding results and their impacts, providing assessments and best practices to inform decision-making. It enables learning-by-doing and improves results-oriented activities by re-engineering ongoing activities or bettering new design. The formative evaluation process is participatory. It is an empowerment tool fostering fairness and impartiality, enlarging the potential for consensus-building. It facilitates learning for stakeholders and the public. Finally, evaluation is about accountability because it focuses on why results are or are not achieved.

88. **Issues and narrative.** As reported to the Board in 2006, the Evaluation function is coordinated by the Evaluation office in New York and the function is carried out at regional and country office levels with dedicated capacity in nearly half the country programmes. The Evaluation Office conducted a self-assessment using the United Nations Evaluation Group (UNEG) Norms and Standards, which identified several main strengths of UNICEF: technical evaluation capabilities; intellectual independence; management of strategic evaluations; credibility to clients; participatory and human rights-based approaches; and gender-balanced evaluation teams. The principal weaknesses identified were the limited availability of human and financial resources; limited evidence that evaluation findings are used; inconsistent distillation of lessons learned; and limited opportunity for professional development activities.

89. The Integrated Monitoring and Evaluation Framework in the MTSP sets the agenda for the Evaluation office, with the focus being on corporate, thematic evaluations around key focus areas and management/operational strategies of the plan as well as providing quality assurance around key evaluations at regional and country levels. Emphasis has been to undertake strategic and thematic evaluations of relevance and appropriateness, effectiveness, efficiency and sustainability of UNICEF management and programme policies. In recent years, evaluation activities have expanded to cover real-time evaluations in emergencies, Tsunami response evaluation and increased cooperation among UN agencies to provide evaluation support to country offices around UNDAF. The Programme effectiveness assessment that is jointly being designed and piloted by Evaluation office and office of internal audit will be further strengthened through additional investments.

90. *Selected expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
Evaluations are utilization focussed and management response are integral to the evaluation plan	Proportion of evaluations with a formal management response	Not applicable	75%
Quality of evaluations improve and strengthen the evidence and knowledge base of the organization	Proportion of evaluations rated as satisfactory or better based on United Nations standards	Not applicable	80%
Performance effectiveness assessment tool developed and applied	Develop a methodology and conduct Performance Effectiveness Assessment of country offices	Not applicable	2008 – 1 2009 – 5

91. *Resources required:*

2008-2009: XX.X million.

Function 16: Staff security

92. *Definition and description.* This function covers activities related to assuring a safe, secure environment for UNICEF staff and facilities so that programmes may be planned and implemented effectively. EMOPS has established a security policy and globally manages security activities in coordination with the United Nations Security Coordinator and the security focal points of United Nations agencies. The function includes establishing and maintaining policies and systems of security management and accountability, providing an enabling environment for safe programme delivery and contributing to staff safety and security in agency headquarters locations. The Operations Services Centre (OPSCEN) maintains the 24 x 7 centre providing support and enabling environment through timely intelligence and support to staff at headquarters, regional and country office locations. Note: the costs included in this function are only those incurred directly by UNICEF in providing security. Funds relating to UNICEF support to the United Nations mandated field security continue to be proposed under a separate appropriation specifically for this purpose.

93. *Issues and narrative.* UNICEF staff that plan and deliver development cooperation programmes and activities must operate in the most secure environment feasible. UNICEF's security costs include both those mandated by the United Nations and those considered as direct costs. The latter are an integral part of the BSB while the former are shown separately. Current global security environment require significant increases in both categories of expense to assure the safety of staff through compliance with the United Nations Minimum Operating Security Standards (MOSS) and other security programmes. OPSCEN services established in EMOPS in 2002 have significantly expanded and it is now established as a reliable 24-hour information and

communications hub for the field, as well as a mechanism for monitoring security situations and provides timely support to country offices and staff in UNICEF.

94. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Compliance with MOSS in all countries to which the agency has provided MOSS support.	% UNICEF offices that are MOSS compliant.	To be determined	
2. Provision of threat assessment reviews where requested.	% UNICEF staff completing security training.	To be determined	
3. Strengthening facilities including shatter-resistant film on glass and improved perimeter security.	% serious security incidents affecting UNICEF staff and assets reported in a timely manner.	To be determined	
4. 24 x 7 intelligence and support through the OPSCEN to strengthen security for staff in all situations with a particular emphasis on staff performing in emergency situations.		To be determined	

95. *Resources required:*

2008-2009: \$XX.X million.

IV. Draft appropriation decision (For January 2008 Executive Board)

96. It is recommended that the Executive Board adopt the following draft decision:

The Executive Board,

Takes note of the functions, management results, indicators and resource requirements in the report on the biennial support budget as contained in document E/ICEF/2008/AB/L.1,

Approves gross resources in the amount of \$948.8 million representing the total biennial support budget 2008-2009 and *note* that the income estimates of \$217 million shall be used to offset the gross appropriation, resulting in estimated 'net' appropriation of \$731.8 million,

Resolves that the appropriated amount be used to achieve the results as specified in the functions as presented in document E/ICEF/2008/AB/L.1,

Approves the amount of \$26.2 million from regular resources for covering the security costs mandated by the United Nations.

Summary Table I. **Regional resource plan**
(In millions of United States dollars)

	2006-2007				2008-2009			
	Regular resources \$	Additional resources \$	Total resources \$	%	Regular resources \$	Additional resources \$	Total resources \$	%
WEST AND CENTRAL AFRICA REGION								
A. Programmes	249.2	350.9	600.1		-	-	-	
B. Biennial Support Budget	79.5	-	79.5		-	-	-	
Total West and Central Africa region	328.7	350.9	679.6	12.7	-	-	-	#####
EASTERN AND SOUTHERN AFRICA REGION								
A. Programmes	233.4	424.3	657.7		-	-	-	
B. Biennial Support Budget	79.7	-	79.7		-	-	-	
Total Eastern and Southern Africa region	313.1	424.3	737.4	13.8	-	-	-	#####
THE AMERICAS AND THE CARIBBEAN REGION								
A. Programmes	49.4	119.4	168.8		-	-	-	
B. Biennial Support Budget	53.3	-	53.3		-	-	-	
Total The Americas and the Caribbean region	102.7	119.4	222.1	4.2	-	-	-	#####
EAST ASIA AND THE PACIFIC REGION								
A. Programmes	110.9	272.7	383.6		-	-	-	
B. Biennial Support Budget	45.0	-	45.0		-	-	-	
Total East Asia and the Pacific region	155.9	272.7	428.6	8.0	-	-	-	#####
SOUTH ASIA REGION								
A. Programmes	181.4	437.2	618.6		-	-	-	
B. Biennial Support Budget	41.1	-	41.1		-	-	-	
Total South Asia region	222.5	437.2	659.7	12.4	-	-	-	#####
MIDDLE EAST AND NORTH AFRICA REGION								
A. Programmes	60.2	494.7	554.9		-	-	-	
B. Biennial Support Budget	42.3	-	42.3		-	-	-	
Total Middle East and North Africa region	102.5	494.7	597.2	11.2	-	-	-	#####
CENTRAL AND EASTERN EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES								
A. Programmes	44.9	79.5	124.4		-	-	-	
B. Biennial Support Budget	37.7	-	37.7		-	-	-	
Total Central and Eastern Europe and the Commonwealth of Independent States	82.6	79.5	162.1	3.0	-	-	-	#####
INTERCOUNTRY, GLOBAL AND OTHERS								
A. Programmes	17.4	77.0	94.4		-	-	-	
Trust Funds	-	813.7	813.7		-	-	-	
Unallocated Programmes	118.2	412.6	530.8		-	-	-	
B. Biennial Support Budget	285.9	-	285.9		-	-	-	
Total intercountry, global and others	421.5	1,303.3	1,724.8	32.4	-	-	-	#####
CENTRALLY MANAGED SUPPORT - BSB	92.9	-	92.9		-	-	-	#####
INCOME TO BUDGET	(190.0)	190.0	-	0.0				#####
TOTAL UNICEF								
A. Programmes	1,065.0	3,482.0	4,547.0	85.3	-	-	-	#####
B. Biennial Support Budget	567.4	190.0	757.4	14.2	-	-	-	#####
C. UN mandated security costs	26.2	-	26.2	0.5	-	-	-	#####
GRAND TOTAL USE OF RESOURCES	1,658.6	3,672.0	5,330.6	100.0	-	-	-	#####

Summary Table II. **Proposed changes in senior posts**

	<i>USG/ASG</i>	<i>D-2</i>	<i>D1</i>	<i>Total</i>
2006-2007 APPROVED SENIOR POSTS	4	30	73	107
A. Proposed increases	Being finalized			
XXXXX	0	0	0	0
XXXXX				
Total increases	0	0	0	0
B. Proposed reclassifications				
XXXXX	0	0	0	0
XXXXX				
Total reclassifications	0	0	0	0
Total changes (net)	0	0	0	0
2008-2009 PROPOSED SENIOR POSTS	4	30	73	107

Annex

TERMINOLOGY

(Terms used in the biennial support budget document on which common agreement has been reached and their corresponding definitions given below)

Results based budgeting (RBB): Based on the High Level Committee on Management (HLCM) Concept paper, for the biennium support budgets of UNDP, UNFPA and UNICEF, RBB is defined as a results-driven budgeting process wherein resource justification is made for a set of expected results with indicators including baseline and targets to be achieved, presented by key functions.

Biennial support budget: The budget of organization covering a set of functions that support the operational activities of the organization, in support of its mission and mandate at all levels within the framework of the strategic plan, over a two-year period.

Appropriation: An authorization by the Executive Board to the Head of the Agency to commit biennial support budget funds during the biennium up to the amounts so approved.

Cost (increase/decrease): Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Function: Group of activities carried out, funded with BSB resources, to operate and improve the agencies in order to assure the effective delivery of development results and implementation of their respective mandates.

Gross budget: For voluntarily funded organisations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, e.g., inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Net budget: For voluntarily funded organisations, the budget which reflects estimates of income to be expected which offsets, in whole or in part, the related gross budget estimates.

Other resources: Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose (Other resources relating to programmes) and for the provision of specific services to third parties (Other resources relating to reimbursements).

Additional resources: This terminology is used in the context of a simplified presentation of the biennial support budget tables. It is defined as resources, other than Regular resources, including other resources and Funds-in Trusts.

Programmes: Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Regular resources: Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Volume (increase/decrease): Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.