

# MTSP Planned Financial Estimates 2011 - 2014

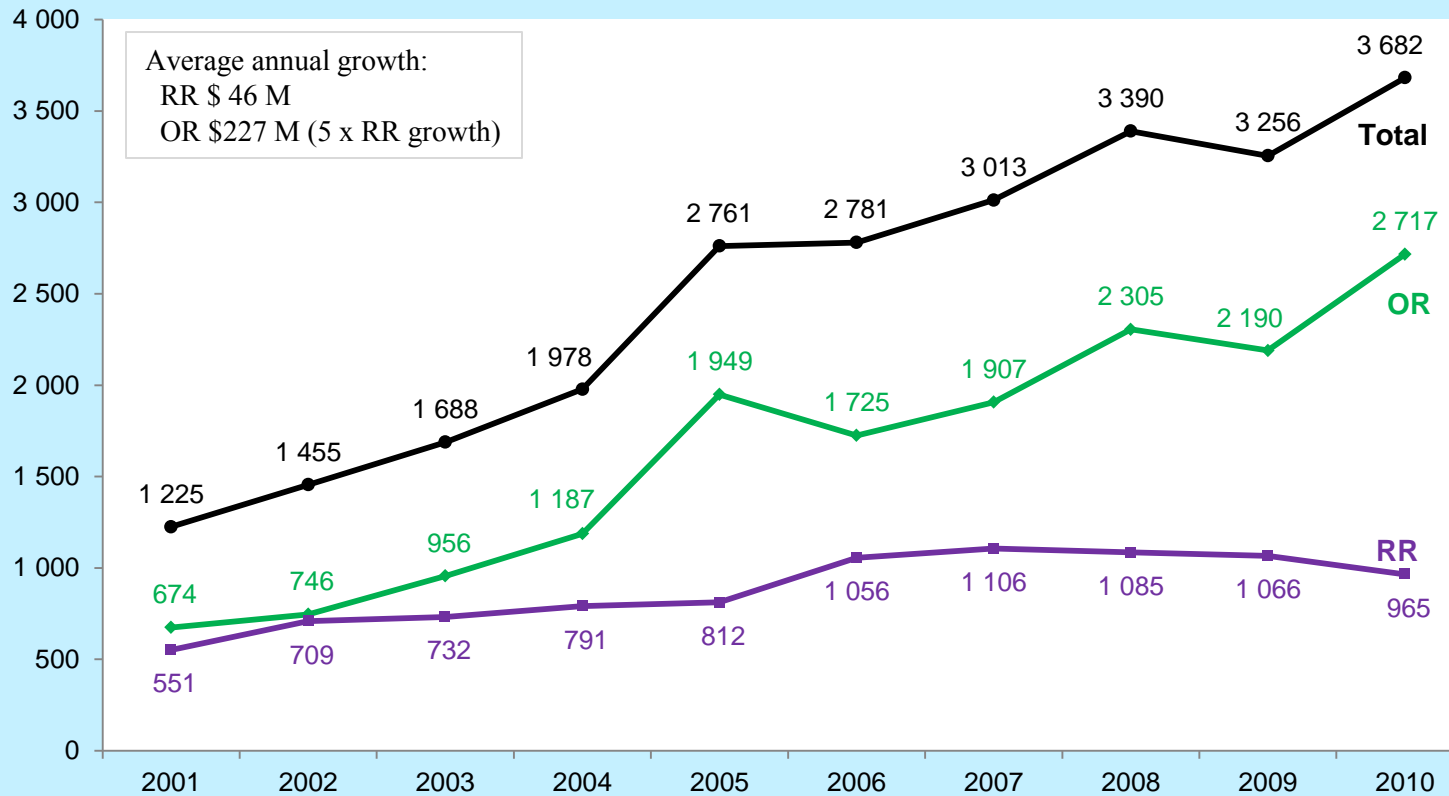
Executive Board – September 2011

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# Historical income trend

(In millions of dollars)



Share RR/OR: 49%/51%

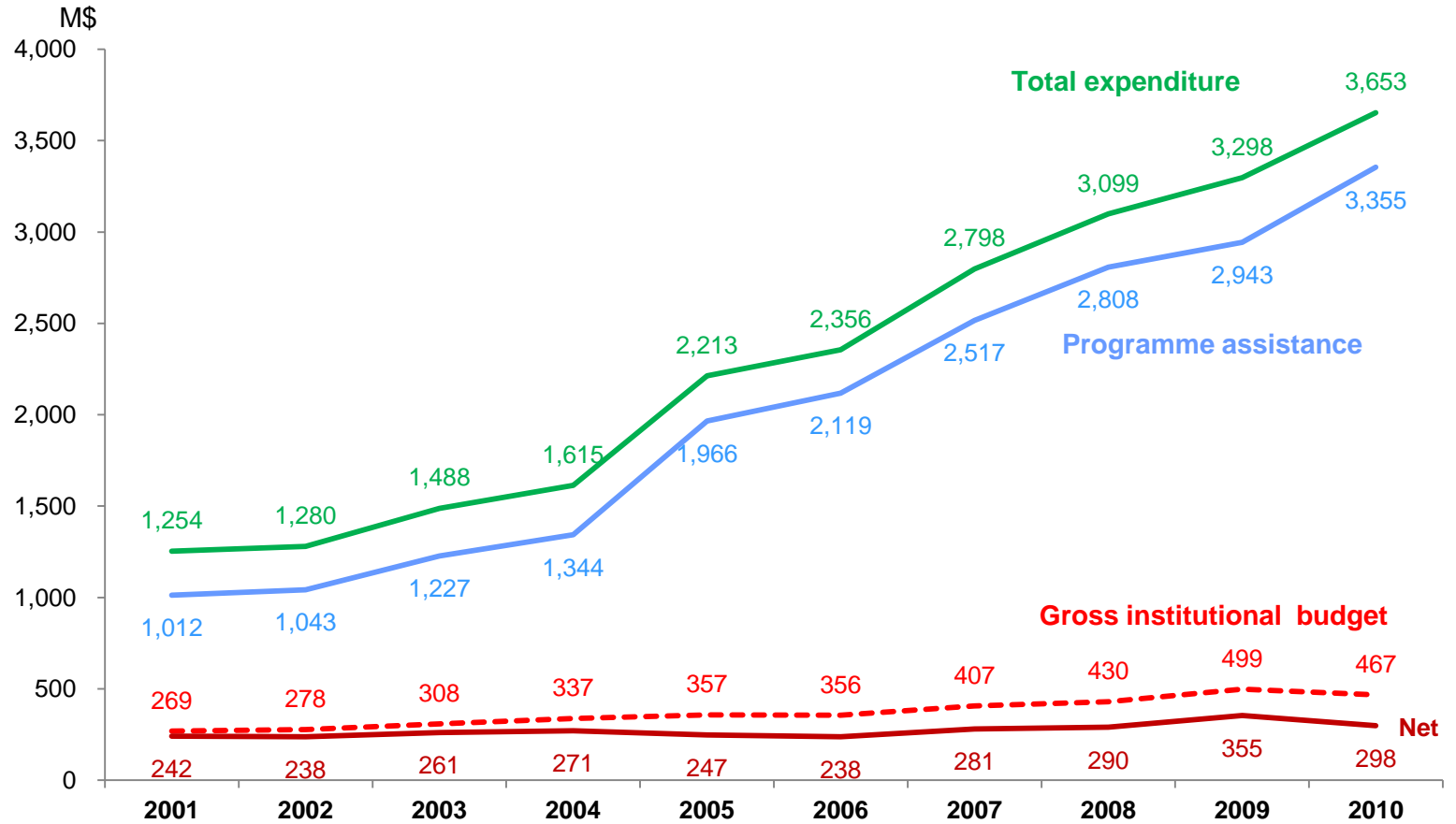
38%/62%

33%/67%

26%/74%

# Historical expenditure trend

(In millions of dollars)

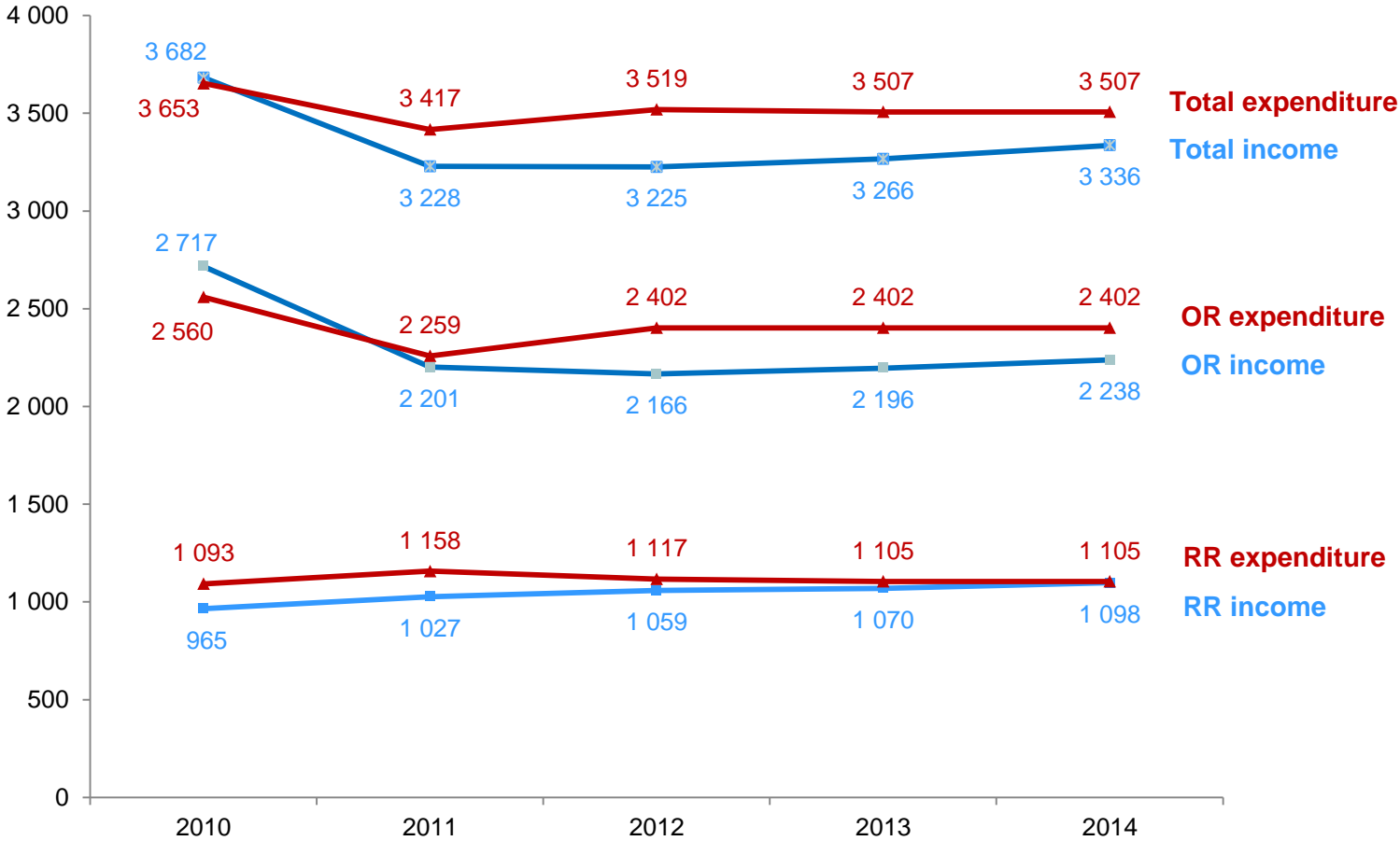


Share prog. assistance :	81%	83%	90%	92%
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Source: Financial statements

# Income and expenditure projections

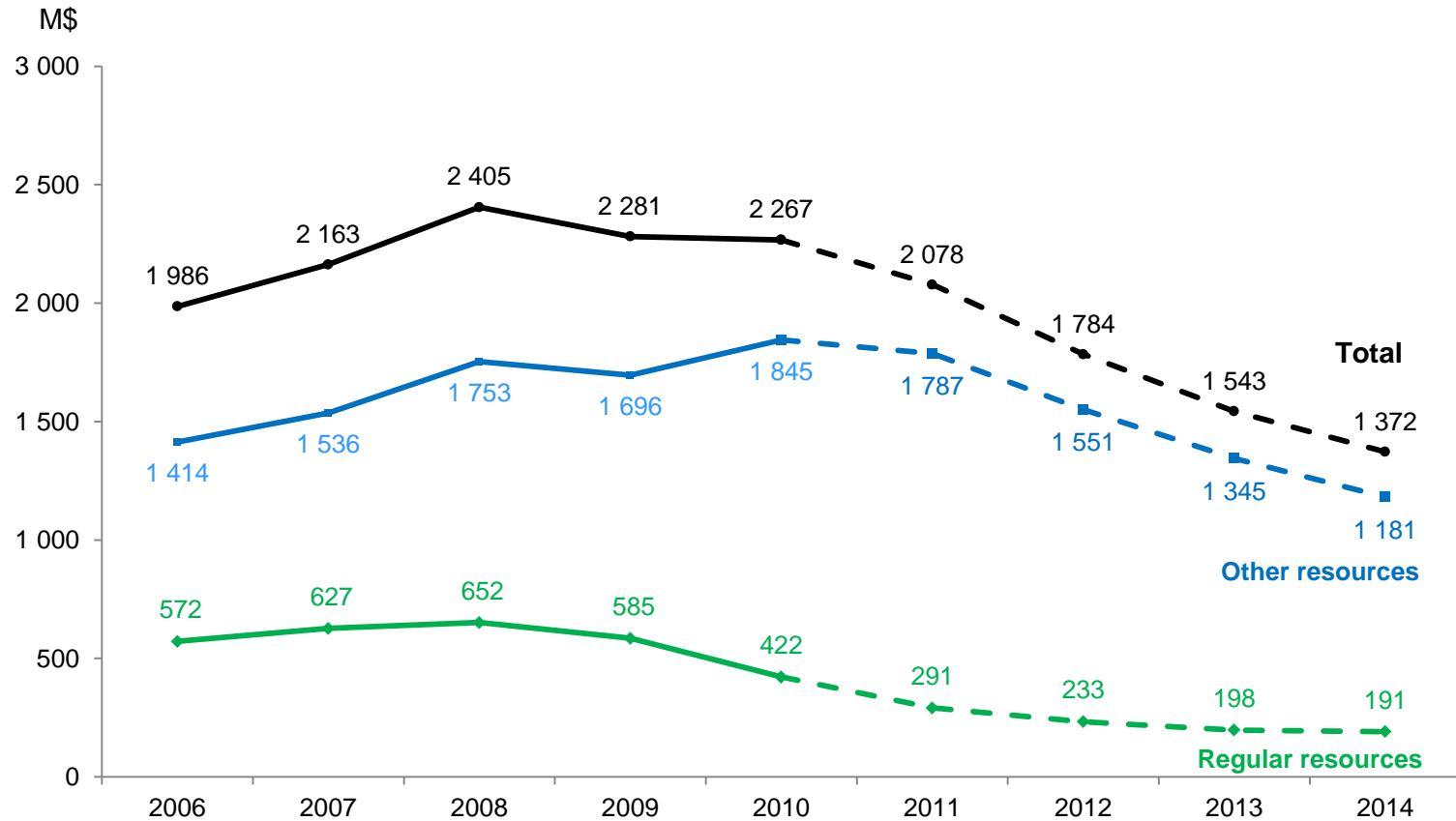
(In millions of dollars)



Source: MTSP Planned Financial Estimates

# Historical and projected liquidity trend

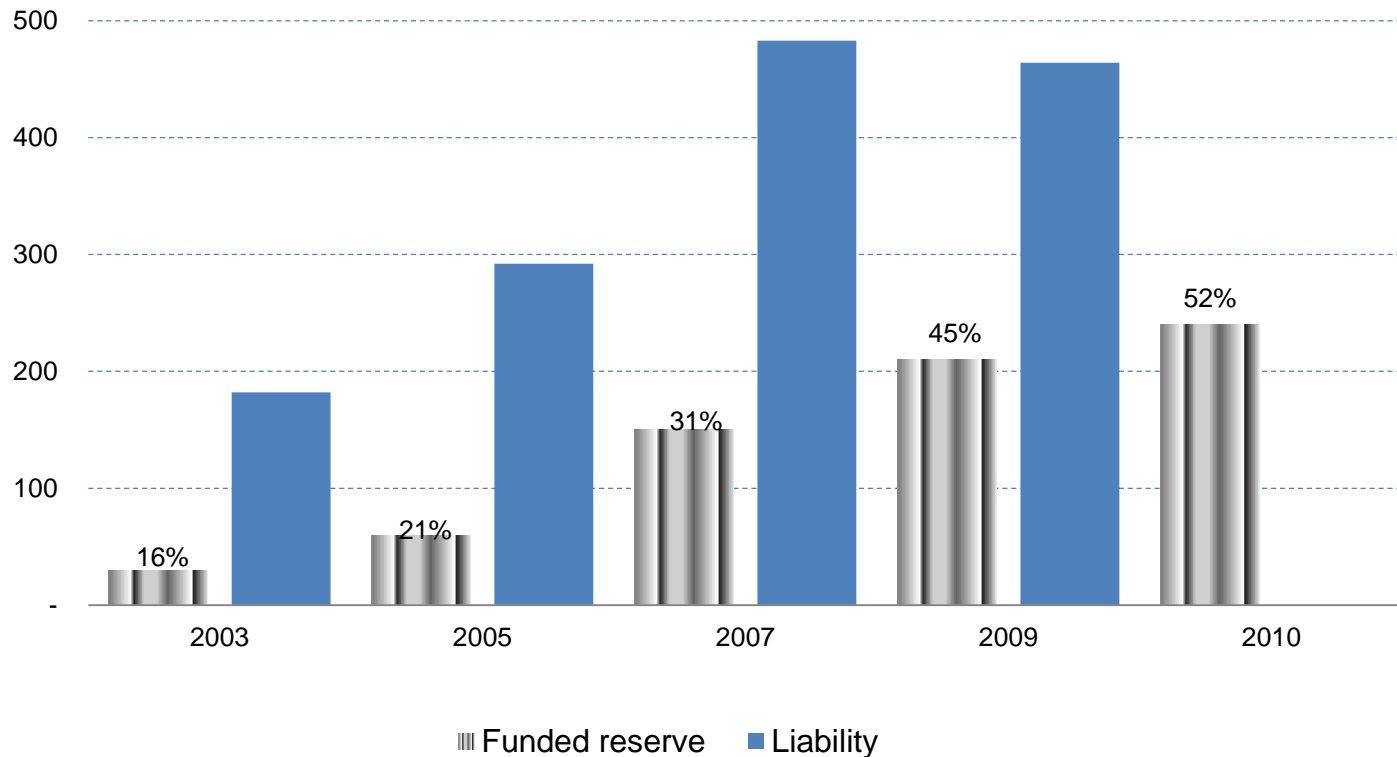
(In millions of dollars)



Source: Financial statements & MTSP Planned Financial Estimates

# Funded Reserves – ASHI: \$240 million

**ASHI: liability vs. funded reserve**  
(In millions of dollars)



# Proposed Institutional Budget 2012-2013

Executive Board – September 2011

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## **Institutional Budget, 2012-2013: Context**

- **Guided by the MTSP (2006-2013) and informed by the changed financial context, the proposed Institutional Budget aims at achieving key management results of efficiency and effectiveness while ensuring :**
  - **Greater proportion of resources allocated to programmes**
  - **Cost and value consciousness leading to reductions in administrative post and non-post costs without undermining organizational capacity to deliver.**



# Institutional Budget, 2012-2013: Definitions

- **Development Effectiveness**
  - Activities of a policy-advisory, technical and implementation nature that are not part of country programmes.
  - Essential to the delivery of development results
- **Development Coordination**
  - Activities supporting the coordination of development activities of the United Nations system
- **Management**
  - Activities which promote the identity, direction and well-being of organisation
  - Include executive direction, representation, external relations and partnerships, corporate communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human resources
- **Special Purpose**
  - Activities of a cross-cutting nature involving capital investment

# Results and resources framework, 2012-2013 (in millions of Usd)

## Development effectiveness

Organizational output	Key performance indicator & Target	Functional clusters	RR & OR
DE5: Timely, effective and reliable humanitarian action support provided by headquarters and regional offices in accordance with the Core Commitments for Children in Humanitarian Action (CCCs), MTSP and inter-agency commitments	Per cent country programmes of cooperation in high natural disaster risk context with specific disaster risk reduction results, including preparedness in country programme action plans and rolling workplans . <b>Target : 60% country offices.</b>	Humanitarian action	16.6
	No. of major emergencies (level II and level III) in which support to UNICEF humanitarian response (immediate and early recovery) is timely, effective and reliable. <b>Target : 100 %</b>		

# Results and resources framework, 2012-2013 (in millions of Usd)

## Management

Organizational output	Key performance indicator & target	Functional clusters	RR &OR
M3: Effective management, utilization and stewardship of financial and information and communication technology (ICT) resources, assets and administrative policies, procedures and systems	Management/development effectiveness support costs as a ratio of total resources. <b>Target : 11.5%</b>	Corporate financial, ICT and administrative management	159.5
	Annual financial statements compliant with IPSAS <b>Target : Unmodified audit opinion.</b>		
	Per cent service-level agreement targets met or exceeded. <b>Target : &gt; 90%</b>		
	Per cent of applications rolled out successfully as planned. <b>Target : &gt; 80%</b>		
	Per cent of emergencies where information technology (IT) services requested are provided, as per standards established in the revised CCCs in humanitarian action. <b>Target : &gt; 95%</b>		

# Results and resources framework, 2012-2013 (in millions of Usd)

## United Nations development coordination

Organizational output	Key performance indicator & target	Functional clusters	RR + OR
DC1: Effective leadership of humanitarian clusters under UNICEF responsibility	Per cent of cluster coordinator positions at country level for nutrition, water, sanitation and hygiene (WASH), education, child protection (sub-cluster) and gender-based violence (GBV) filled within 30 days of activation of the cluster. Target : > 90%	UN coherence and cluster coordination	3.5

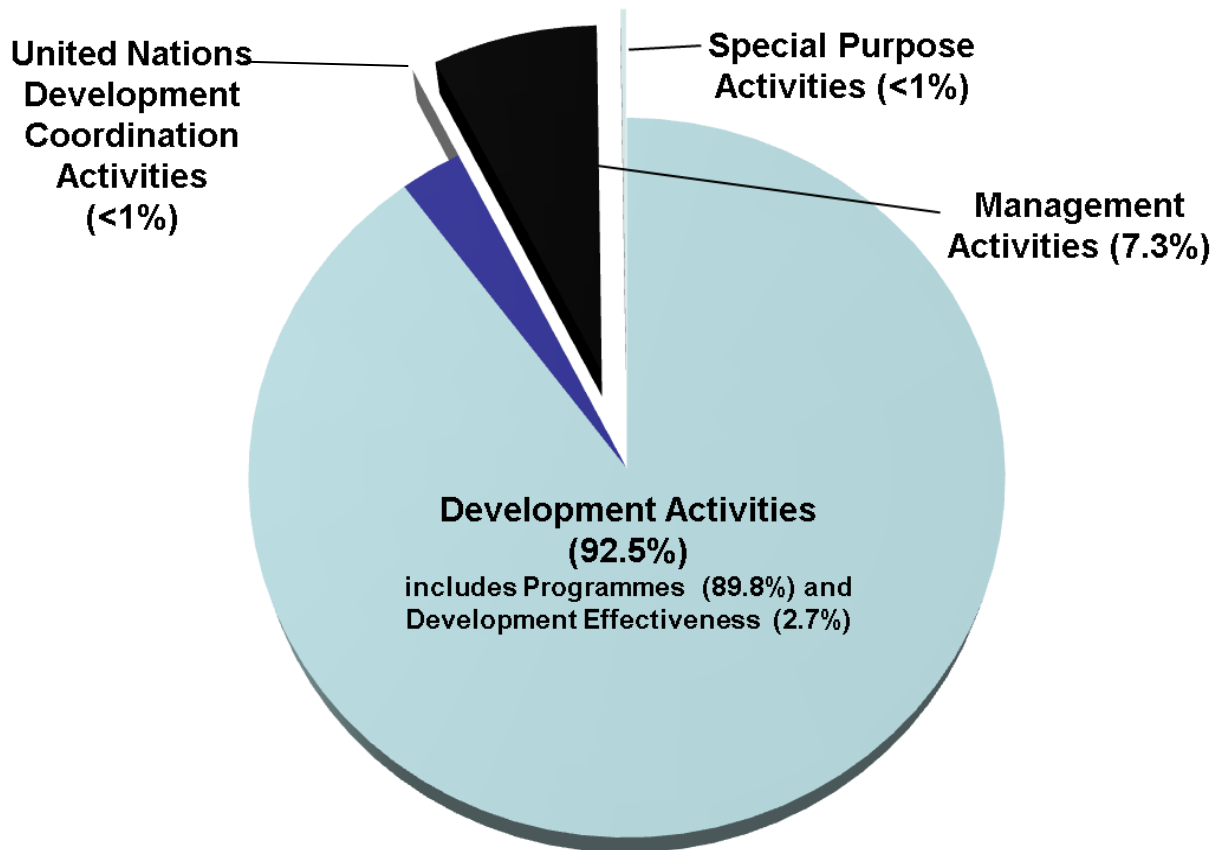
# Institutional Budget, Comparison 2012-13 vs 2010-11

	2010-11			2012-13			Variance
	RR \$m	Recovery \$m	Total \$m	RR \$m	Recovery \$m	Total \$m	Total \$m
Development Effectiveness	188.5	77.2	265.7	159.6	96.8	256.4	(9.3)
UN Development Coordination	0.6	-	0.6	3.5	-	3.5	2.9
Management	547.5	169.4	716.9	445.6	241.2	686.8	(30.1)
Special Purpose	36.9	-	36.9	19.3	-	19.3	(17.6)
<b>Total Institutional Budget</b>	<b>773.5</b>	<b>246.6</b>	<b>1,020.1</b>	<b>628.0</b>	<b>338.0</b>	<b>966.0</b>	<b>(54.1)</b>

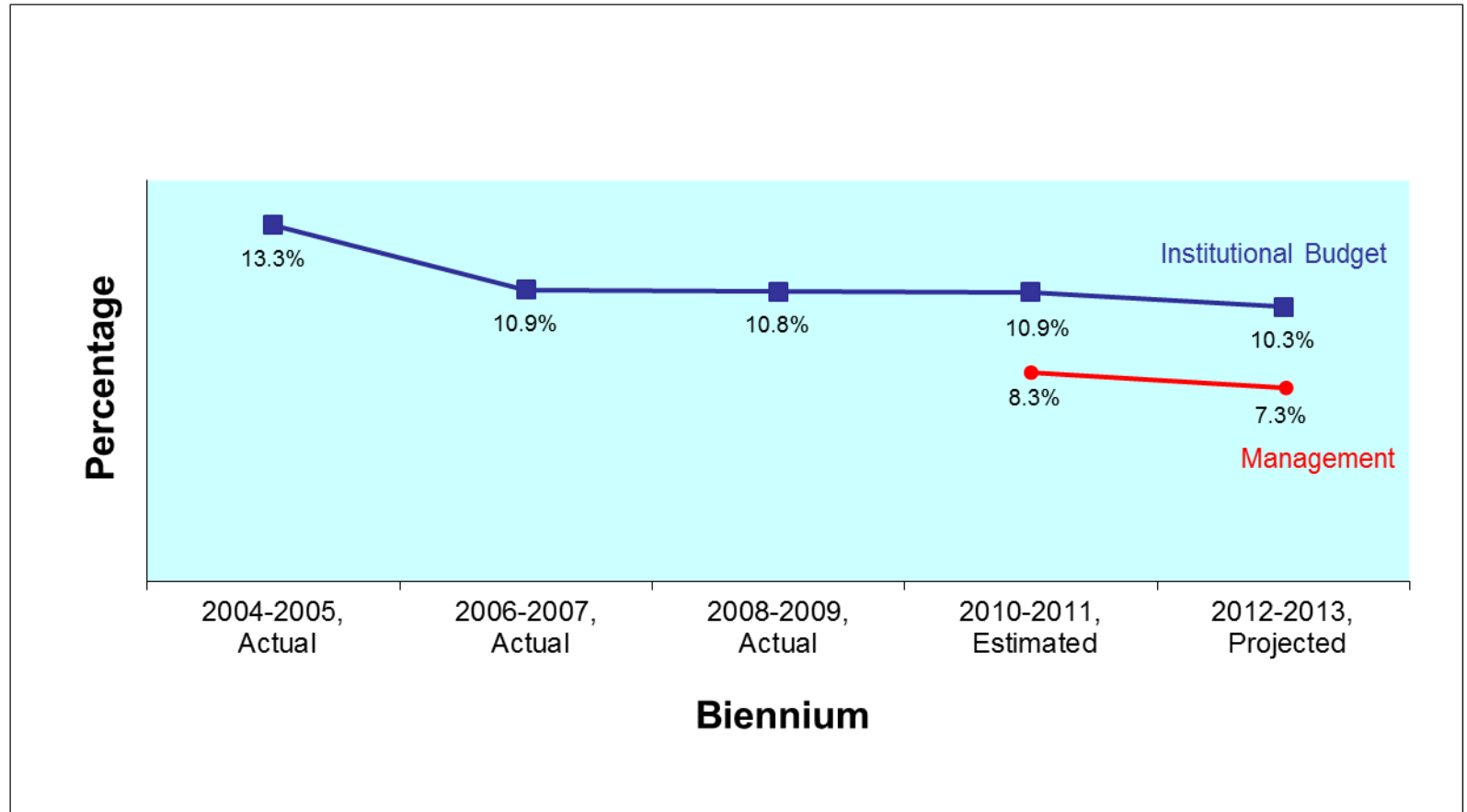
# Resource Plan : Comparison 2012-13 vs 2010-2011

	2010-11				2012-13				Variance
	Regular \$m	Other \$m	Trust \$m	Total \$m	Regular \$m	Other \$m	Trust \$m	Total \$m	Total %
<b>Total Resources Available</b>	2,604.0	5,769.0	2,046.0	10,419.0	2,709.0	6,150.0	2,841.0	11,700.0	12.3
<b><i>Use of Resources</i></b>									
Development Activities	1,818.9	3,952.6	1,956.0	7,727.5	1,753.6	4,560.8	2,383.0	8,697.4	12.6
UN Development Coordination	0.6	-	-	0.6	3.5	-	-	3.5	507.6
Management Activities	547.5	169.4	-	716.9	445.6	241.2	-	686.8	-4.2
Special Purpose Activities	36.9	-	-	36.9	19.3	-	-	19.3	-47.8
<b>Total Use of Resources</b>	2,403.9	4,122.0	1,956.0	8,481.9	2,222.0	4,802.0	2,383.0	9,407.0	10.9

# Use of Total Resources, 2012-13: By cost classification categories



# Institutional Budget as Percentage of Total Resources, 2004 - 2013





## **Areas of decrease, 2012-13: Striving for economies and administrative cost reductions**

**Rigorous analysis of major drivers of spending leading to cost reductions through:**

- Maximizing use of new technologies – automation and improved communication links resulting in reduction in travel other operating costs**
- Increasing number and coverage of operations support centers**
- Aligning costs with appropriate funding sources**
- Reducing allocation to investment projects as these move towards completion phase and enter into roll-out and stabilization support phase**
- Reducing use of consultants**
- Moderating the rate of new recruitments**

## Areas of increase, 2012-13: Strengthening of functions and organizational initiatives

### Development Coordination:

- **Contribution to Cluster Coordination** **\$ 3.0m**

### Management:

- **Strengthening of corporate oversight / human resources management** **\$ 5.1m**
- **South Sudan** **\$ 2.5m**
- **IPSAS** **\$ 3.2m**

### Special Purpose:

- **ERP – “VISION” & Performance Management** **\$10.2m**
- **Office modernization (single technology platform)** **\$ 9.1m**

# Report of the ACABQ: Salient features

- Advisory Committee commends:
  - Progress made to improve budget presentation, including results-based budgeting and new cost classifications
  - Organization-wide efforts to achieve cost reductions
  - Progress towards implementation of ERP
  - Demonstrated commitment to cluster coordination
  - Strengthening of audit and human resource management functions
- Advisory Committee also encourages:
  - Continued collaboration with UNDP and UNFPA to determine cost recovery methodology and rates for use in 2014-2015 and to further improve budget presentation
  - Post-implementation strategies for IPSAS to be shared and – to the extent possible - harmonized with other UN organisations

# Update on Progress on the Integrated Budget Roadmap

- Progress is on track in line with the activities outlined in the approved joint roadmap.
- Key Milestones Achieved include :
  - New cost classification categories and improvements to results based budgeting proposed at the 2010 second regular session of the Executive Board.
  - Application of the new cost classifications, improved results based budgeting approach and proposed changes to key budget tables endorsed for application to the 2012-2013 institutional budget.
  - Review of effect of cost definitions and classification of activities on cost recovery rates undertaken and UNDP, UNFPA and UNICEF confirmed that the current harmonized rates remain in effect during 2012-2013.
  - The three agencies have also agreed that further review and analysis of cost recovery is required for 2014 onwards, within context of the integrated budget, emerging strategic plans and evolving business models
- Next Steps :
  - UNICEF remains committed to implement the updated roadmap and develop an integrated budget proposal effective 2014, in close collaboration with UNDP and UNFPA and through regular consultations with the Executive Board.

# **Thank You**

## **Questions & Answers**