MTSP Planned Financial Estimates
2011 - 2014

Executive Board – September 2011
Historical income trend
(In millions of dollars)

Average annual growth:
RR $ 46 M
OR $227 M (5 x RR growth)

Share RR/OR: 49%/51%
38%/62%
33%/67%
26%/74%

Source: Financial statements
Historical expenditure trend
(In millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total expenditure</th>
<th>Programme assistance</th>
<th>Gross institutional budget</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1,043</td>
<td>269</td>
<td>242</td>
<td>298</td>
</tr>
<tr>
<td>2002</td>
<td>1,227</td>
<td>278</td>
<td>238</td>
<td>290</td>
</tr>
<tr>
<td>2003</td>
<td>1,488</td>
<td>308</td>
<td>261</td>
<td>355</td>
</tr>
<tr>
<td>2004</td>
<td>1,615</td>
<td>337</td>
<td>271</td>
<td>396</td>
</tr>
<tr>
<td>2005</td>
<td>1,966</td>
<td>357</td>
<td>247</td>
<td>407</td>
</tr>
<tr>
<td>2006</td>
<td>2,119</td>
<td>356</td>
<td>238</td>
<td>430</td>
</tr>
<tr>
<td>2007</td>
<td>2,356</td>
<td>407</td>
<td>281</td>
<td>467</td>
</tr>
<tr>
<td>2008</td>
<td>2,798</td>
<td>430</td>
<td>290</td>
<td>499</td>
</tr>
<tr>
<td>2009</td>
<td>3,099</td>
<td>499</td>
<td>355</td>
<td>554</td>
</tr>
<tr>
<td>2010</td>
<td>3,355</td>
<td>467</td>
<td>298</td>
<td>665</td>
</tr>
</tbody>
</table>

Share prog. assistance: 2001 = 81%, 2002 = 83%, 2003 = 90%, 2004 = 92%

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
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
## Development effectiveness

<table>
<thead>
<tr>
<th>Organizational output</th>
<th>Key performance indicator &amp; Target</th>
<th>Functional clusters</th>
<th>RR &amp; OR</th>
</tr>
</thead>
</table>
| 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.  
 **Target:** 60% country offices.                                                                                                                              | 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.  
 **Target:** 100%                                                                                                                                                |                           |         |
### Management

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

<table>
<thead>
<tr>
<th>Functional clusters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate financial, ICT and administrative management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RR &amp; OR</th>
</tr>
</thead>
<tbody>
<tr>
<td>159.5</td>
</tr>
</tbody>
</table>
## United Nations development coordination

<table>
<thead>
<tr>
<th>Organizational output</th>
<th>Key performance indicator &amp; target</th>
<th>Functional clusters</th>
<th>RR + OR</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC1: Effective leadership of humanitarian clusters under UNICEF responsibility</td>
<td>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. <strong>Target</strong>: $&gt; 90%$</td>
<td>UN coherence and cluster coordination</td>
<td>3.5</td>
</tr>
</tbody>
</table>
## Institutional Budget, Comparison 2012-13 vs 2010-11

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th></th>
<th>2012-13</th>
<th></th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RR $m</td>
<td>Recovery $m</td>
<td>Total $m</td>
<td>RR $m</td>
<td>Recovery $m</td>
</tr>
<tr>
<td>Development Effectiveness</td>
<td>188.5</td>
<td>77.2</td>
<td>265.7</td>
<td>159.6</td>
<td>96.8</td>
</tr>
<tr>
<td>UN Development Coordination</td>
<td>0.6</td>
<td>-</td>
<td>0.6</td>
<td>3.5</td>
<td>-</td>
</tr>
<tr>
<td>Management</td>
<td>547.5</td>
<td>169.4</td>
<td>716.9</td>
<td>445.6</td>
<td>241.2</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>36.9</td>
<td>-</td>
<td>36.9</td>
<td>19.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Institutional Budget</strong></td>
<td><strong>773.5</strong></td>
<td><strong>246.6</strong></td>
<td><strong>1,020.1</strong></td>
<td><strong>628.0</strong></td>
<td><strong>338.0</strong></td>
</tr>
</tbody>
</table>
# Resource Plan: Comparison 2012-13 vs 2010-2011

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th>2012-13</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular $m</td>
<td>Other $m</td>
<td>Trust $m</td>
</tr>
<tr>
<td><strong>Total Resources Available</strong></td>
<td>2,604.0</td>
<td>5,769.0</td>
<td>2,046.0</td>
</tr>
</tbody>
</table>

### Use of Resources

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th>2012-13</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Activities</td>
<td>1,818.9</td>
<td>3,952.6</td>
<td>1,956.0</td>
</tr>
<tr>
<td>UN Development Coordination</td>
<td>0.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Management Activities</td>
<td>547.5</td>
<td>169.4</td>
<td>-</td>
</tr>
<tr>
<td>Special Purpose Activities</td>
<td>36.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Use of Resources</strong></td>
<td>2,403.9</td>
<td>4,122.0</td>
<td>1,956.0</td>
</tr>
</tbody>
</table>
Use of Total Resources, 2012-13: By cost classification categories

- Development Activities (92.5%)
  - includes Programmes (89.8%) and Development Effectiveness (2.7%)
- Management Activities (7.3%)
- Special Purpose Activities (<1%)
- United Nations Development Coordination Activities (<1%)
Institutional Budget as Percentage of Total Resources, 2004 - 2013

Biennium

Percentage

2004-2005, Actual: 13.3%
2006-2007, Actual: 10.9%
2008-2009, Actual: 10.8%
2010-2011, Estimated: 10.9%
2012-2013, Projected: 10.3%

Institutional Budget
Management

8.3%
7.3%
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 rollout 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