For information

United Nations Children's Fund
Executive Board
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Item 8 of the provisional agenda*

Structured dialogue on financing the results of the UNICEF Strategic Plan, 2014-2017

I. Background

1.   In response to General Assembly resolution 67/226 of 21 December 2012 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR), UNICEF Executive Board decisions 2014/17 and 2015/14, and Economic and Social Council resolution 2015/15 on progress in the implementation of General Assembly resolution 67/226, UNICEF will include on the agenda of its 2016 second regular session of the Executive Board the structured dialogue on financing the results of its Strategic Plan, 2014-2017.

2.   In response to Executive Board decision 2015/14 and in preparation for the session, UNICEF presented its resource mobilization strategy to the Executive Board at the first regular session in February 2016. This was complemented by two informal consultations on financing the results of the Strategic Plan, 2014–2017, held on 18 May 2016 and 17 June 2016. An informal briefing on the structured dialogue has also been scheduled for 30August 2016. UNICEF has actively engaged with other United Nations funds and programmes to discuss and identify a harmonized approach to respond to the QCPR mandates on the structured dialogue.

3.   UNICEF has raised more than $5 billion annually for the past two years. In 2015, UNICEF received total revenue of $5,010 million, with $3,455 million (69 per cent of total revenue) from the public sector, $1,457 million (29 per cent) from the private sector and $97 million (2 per cent) from other revenue. Regular resources (RR) – the core, unrestricted resources that are critical to the ability of UNICEF to reach the most vulnerable children – declined, and at 23 per cent of total revenue in 2015, the share of RR is at its lowest in the organization's history. Other resources (OR, or earmarked revenue) totalled $3,836 million in 2015, or 77 per cent of overall funding.

4.   Within this framework, the Sustainable Development Goals were adopted by United Nations Member States in September 2015 and came into effect in January 2016. With the adoption of the "Addis Ababa Action Agenda", the financing for development process has confirmed the need for a multi-stakeholder commitment in order to fully implement the ambitious, universal and cross-sectoral Sustainable Development Goals. Recognizing the particular comparative advantages that each fund and programme brings to the table, the United Nations system has a key role to play in order to support the implementation of this agenda.

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* E/ICEF/2016/13.

II. Key integrated approaches

5.   With 74 per cent of total revenue in 2015 coming from just 20 resource partners, UNICEF has recognized the need to diversify its partnership base in order to remain agile and efficient within a changing political and economic environment. Due to the cross-cutting nature of the 2030 Agenda for Sustainable Development, it will be important to grow RR and to complement it with flexible and predictable earmarked funding in order to deliver results for children. Through the outcomes from the aforementioned dialogues with partners and Member States as well as its work with the financing for development process, UNICEF is complementing traditional funding streams through integrated and innovative channels.

A. Predictable and flexible funding models

6.   UNICEF is exploring funding models that will improve the predictability and flexibility of funding. Multi-year funding models should be aligned to the Strategic Plan and the Sustainable Development Goals, as well as national implementation plans, to move away from earmarked project-based contributions towards multi-year programme-based planning. A multi-year cycle will enhance opportunities for UNICEF to manage funds more efficiently and to increase the predictability of funding for future operations.

B. Blended financing mechanisms

7.   UNICEF has expanded its resource mobilization efforts to strengthen and broaden its resource partner base, concentrating on work with innovative financing and new aid modalities, with a special focus on blended finance and leveraging resources for children. Blended finance builds on and formalizes the complementarities between the international financial institutions, public and private sector partners, and UNICEF technical capacity on the ground to increase the impact of its work and to mobilize additional resources in areas that matter to children. UNICEF is exploring new ways of mobilizing resources from the private sector and from new donors, such as under the Power of Nutrition partnership.

C. Private sector engagement

8.   UNICEF is pursuing an integrated approach to private sector engagement to advance children's rights and well-being. The organization is using a multi-pronged strategy centred on achieving results at scale through public-private partnerships, integrated and multifaceted global partnerships, and industry-wide and thematic approaches. The strategies include: (a) maximizing revenue by engaging with leading global and national companies; (b) promoting integrated global partnerships; (c) advocating for child rights in the workplace, marketplace and community through the implementation of the *Children's Rights and Business Principles* at scale through government legislation, industry-wide approaches and supply chains; and (d) leveraging core business assets, such as communication channels, transport and logistics, data, new technologies and innovative approaches, to help to reach hundreds of millions of children and young people, to raise awareness about their rights, to give them a voice and to facilitate access to and more efficient delivery of programmes and services.

D. South-South and triangular cooperation

9.   UNICEF is also exploring new ways of expanding its governmental partnerships, with a particular focus on leveraging bilateral channels of funding for children within the context of implementation of the Sustainable Development Goals, and brokering South-South and triangular cooperation opportunities that contribute to the achievement of programme and partnership results.

E.   Humanitarian-development financing

10.   Reaching the most vulnerable children in crisis requires breaking down the arbitrary boxes between "development" and "humanitarian". UNICEF is actively engaged in the Grand Bargain discussions on how best to implement key commitments, agreed to by the international community, to multi-year planning and funding, flexibility, harmonized reporting, greater transparency, ensuring value for money and aid effectiveness. UNICEF will continue efforts to better align its programming and funding mechanisms in order to achieve these key commitments.

F.   United Nations partnerships

11.   UNICEF has consistently increased its partnerships around pooled funding modalities and, in 2015, was a large recipient across the United Nations system of joint funding through pooled funds at the global and country level, in both development and humanitarian contexts. UNICEF also engages in joint programmes to achieve collective United Nations Development Assistance Framework outcomes through United Nations country team results groups. For example, in 2015, UNICEF partnered with 26 United Nations sister agencies to implement a total of 199 joint programmes in 79 countries.

III.   Conclusion

12.   Achieving the Sustainable Development Goals will require an integrated, efficient and strategic approach. UNICEF is committed to supporting national Governments while working to implement the Goals, in tandem with United Nations sister agencies and the international community. Flexible and predictable funds, such as RR and thematic funds, are catalytic to advancing the mandate of UNICEF and its Strategic Plan results. With continued guidance and support from the Executive Board, our shared commitments to children can be adequately resourced and realized.

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