United Nations E/ICEF/2017/AB/L.4

Economic and Social Council

Distr.: Limited
26 June 2017

Original: English

For decision

United Nations Children's Fund
Executive Board
Second regular session 2017
12-15 September 2017
Item 10 of the provisional agenda*

UNICEF Integrated Budget 2018-2021

Summary

The integrated budget for 2018-2021 contains the resources that will contribute to the achievement of the UNICEF integrated results and resources framework.

As an integral part of the UNICEF strategic plan, 2018-2021 (E/ICEF/2017/12), the integrated budget should also be considered in conjunction with the strategic plan and its annexes (E/ICEF/2017/EB/9). A separate annex to the integrated budget (E/ICEF/2017/AB/L.X/Add.1) should also be considered as part of this document.

The total projected revenue for 2018-2021 is $22.8 billion, representing an annual growth of 5% per cent, and is based on consultation with major donors, private-sector partners, and national committees. Continued investment in resource mobilization and public advocacy and outreach will help drive this projected growth in revenue, which will be prioritized for use in country programmes and will contribute to improved outcomes and results for children.

Of the $20.3 billion available for programmes during 2018-2021, UNICEF is proposing to channel $19.2 billion, or 95 per cent, through country programmes of cooperation. This is $2.9 billion, or 18 percent higher than the 2014-2017 MTR.

From the resources available for programmes, UNICEF is proposing a budget from regular resources of $220.0 million and other resources of $810.2 million, subject to the receipt of contributions to other resources, for the global and regional programmes during 2018-2021.

UNICEF is proposing an institutional budget of $2,455.5 million for 2018-2021 with $1,095.2 million funding from regular resources, $1,195.0 million from cost recovery from other resources, and $165.3 million from other resources. Compared with the

* E/ICEF/2017/14.

original 2014-2017 budget, the proportion of total resources utilized for the proposed institutional budget will decrease from 11.9 per cent to 10.2 per cent.

A draft decision on the integrated resource plan, institutional budget and global and regional programme is included in this document.

This integrated budget proposal will be presented to the Advisory Committee on Administrative and Budgetary Questions, whose report will be shared with the Board.

Contents

I. Introduction

1. This document presents the UNICEF integrated budget, 2018-2021. It is an integral part of the UNICEF strategic plan, 2018-2021 (E/ICEF/2017/12), and should be considered in conjunction with the strategic plan and its annex (E/ICEF/2017/EB9).

2. The strategic plan describes the results to be achieved by UNICEF for children by 2021 in the context of the 2030 Agenda. It also describes the groups of children to be reached in diverse contexts; the change strategies necessary for the achievement of results; and the factors that support the change strategies and the achievement of results.

3. The plan contains a single results framework architecture for UNICEF, comprising five programme goals, three cross cutting priorities, 25 result areas, seven change strategies and four organizational performance focus areas. The integrated results and resources framework identifies how total resources available to UNICEF are linked to the strategic plan goals and the organizations effectiveness and efficiency efforts.

4. UNICEF uses an integrated resource plan for the presentation of budgetary information, defined cost classification categories, as well as cost recovery methodologies and approaches to cost attribution that have been approved for harmonized use by the Executive Boards of UNICEF, UNDP, UNFPA and UN-Women.

II. Integrated resource plan

5. This section provides information on (a) actual financial performance, compared with the resource plan approved by the Board for the period 2014-2017 as part of the midterm Review (E/ICEF/2016/AB/L.2); and (b) the integrated resource plan proposed for the period 2018-2021.

Review of financial performance 2014-2017

6. Actual performance against the original 2014-2017 plan and the MTR are highlighted in Annex C.

7. In 2016, UNICEF revised its integrated resource plan for 2014–2017 taking into account actual revenue and expenditures for 2014, provisional estimates for 2015 and revised estimates for 2016–2017. Within the framework of the revised plan and taking into account the projected increase in total revenue of 15 per cent, from $16.3 billion to $18.8 billion, UNICEF proposed increasing the planned expenditure for programmes by 15 per cent to $17.1 billion, as compared to the initial plan of $14.8 billion. At the same time, UNICEF proposed maintaining the institutional budget at the initially approved level of $2,094.5 million for 2014–2017 with $1,039.3 million funding from regular resources (RR), $938.8 million from cost recovery and $116.4 million from other resources (OR). Compared to the initially approved integrated resource plan 2014–2017, the proportion of total resources utilized for the institutional budget in the revised 2014–2017 integrated resource plan decreased from 11.9 per cent to 10.5 per cent.

8. From the resources available for programmes, UNICEF proposed maintaining a budget from RR of $180.0 million and OR of $528.4 million, subject to the receipt of contributions to OR, for the Global and Regional Programme during 2014–2017.

Integrated resource plan, 2018-2021

9. Table 1 (Integrated resource plan, 2018-2021) provides information on the projected total available resources and the proposed use of resources in total for all cost classification categories for 2018-2021.

Resources available

10. Total resources available of $24.5 billion are projected for 2018-2021, comprising $6.8 billion in regular resources and $17.7 billion in other resources.

11. The total projected revenue is $22.8 billion, representing an annual growth of 5% per cent, and is based on consultation with major donors, private-sector partners, and national committees, as well as the actual historical trend of revenue growth (refer appendix E: Annual revenue projections, 2018-2021).

12. UNICEF will advocate for domestic financing and budgeting for children's programmes. UNICEF will also have a strong focus on mobilizing resources from Governments and the private sector – including individuals, foundations and corporations – to maximize longer-term, flexible and predictable funds in support of UNICEF programmes and advocacy for children, including for preparedness and humanitarian action. The rationale for increased focus on resource mobilization is a reflection of the ambition of the 2030 agenda, growing demand from host governments to collaborate on interventions at scale that can deliver the transformative change envisioned in the SDGs, and the need to respond to the continued frequency and complexity of humanitarian crises.

13. The projected growth in revenue, particularly regular resource revenue, will be driven by investment in the recruitment and retention of monthly pledge donors and increased leveraging of legacy, corporate, and foundation fundraising opportunities. This will be underpinned by UNICEF's ability to continue to demonstrate results and value for money.

14. UNICEF policy is to ensure the availability of regular resources equivalent to between three months and six months of planned expenditure. This balance of available resources, also referred to as *working capital*, is considered prudent for ensuring the continuity of programme and other activities. Available resources are represented by cash and other net assets. UNICEF ensures that the cash balance complies with the minimum liquidity requirement on an annual basis.

Use of resources

15. The total proposed use of resources for 2018-2021 is $24.0 billion, comprising regular resources of $6.4 billion and other resources (including cost recovery) of $17.6 billion.

16. Of the $24.0 billion, UNICEF is proposing to utilize $21.0 billion for development activities, $49.3 million for United Nations development coordination activities, $1.6 billion for management activities, and $1.3 billion for special purpose activities. Compared with the 2014-2017 MTR, the proportion of total resources utilized for development activities is proposed to decrease from 89 per cent to 88 per cent and the proportion of total resources utilized for management activities to decrease from 7.2 per cent to 6.7 per cent.

17. Within development activities, UNICEF is proposing to make $20.3 billion available for programmes and to increase programme expenditure gradually over the budget period. This growth will be funded from projected increased revenue and accumulated available resources; the latter will be reduced to the level considered prudent for ensuring the continuity of activities.

18. From the resources available for programmes, UNICEF is proposing for approval a budget from regular resources of $220.0 million and other resources of $810.2 million, subject to the receipt of contributions to other resources, for the *global and regional programme* during 2018-2021.

19. UNICEF is proposing an *institutional budget* of $2,455.5 million for 2018-2021. The institutional budget comprises the following resource requirements: $721.9 million for development effectiveness; $49.3 million for United Nations development coordination; $1,604.3 million for management; and $1,318.2 million for special purpose.

20. Compared with the 2014-2017 MTR, the proportion of total resources utilized for the institutional budget is proposed to decrease from 10.5 per cent to 10.2 per cent.

21. Of the institutional budget of $2,455.5 million, $1,095.2 million is proposed for funding from regular resources, $1,195.0 million from cost recovery from other resources, and $165.3 million from other resources. Compared with the 2014-2017 MTR, the proportion of management activities funded from cost-recovery increases from 63 per cent to 71 per cent.

22. Consistent with the approved plan, UNICEF is including in the integrated budget and total use of resources, under special purpose activities, budgetary provisions for (a) private sector fundraising (PSFR); and (b) other amounts, including procurement services.

23. The resource requirements proposed under PSFR comprise the direct costs and investment costs supporting the fundraising and marketing activities of the National Committees for UNICEF and UNICEF country offices. The appropriation for these resource requirements is presented for approval by the Executive Board on an annual basis, in conjunction with the Private Fundraising and Partnerships work plan and budget.

24. The authority to incur financial commitments for services provided by UNICEF, such as procurement services, is provided in the Financial Regulation on the administration and defrayal of costs of special accounts on behalf of others.

Sufficiency of reserves

25. UNICEF maintains reserves to fund its employee benefits liabilities, comprising after-service health insurance (ASHI) and end-of-service entitlements. At 31 December 2016, the actuarial value of these liabilities was $1.22 billion and accumulated reserves totalled $0.62 billion. The accumulated reserves are projected to increase to $0.66 billion by 31 December 2017.

26. UNICEF continues to periodically monitor the strategy to fund the reserves in the longer term. This includes the accumulation of funds from payroll charges to the budgetary authorities and funding sources with which staff members are associated and, if year-end fund balances permit, an appropriate annual transfer of resources. In addition, UNICEF and a number of other United Nations agencies, including UNDP and UNFPA, have outsourced the management of ASHI investments to two investment managers, which has contributed to increased funding for the ASHI reserve. UNICEF continues to actively fund the reserves, although it is important to note that changes in the funding deficit are mostly contingent on the results of the periodic actuarial valuation due to the sensitivity of the liability to this exercise.

Lessons learned from the implementation of the integrated budget, 2014-2017

27. In decision 2016/10 the Executive Board requested UNICEF, in consultation with UNDP, UNFPA and UN-Women, as appropriate, to incorporate lessons learned from the integrated budget, 2014-2017, in the preparation of the integrated budget, 2018-2021.

28. The preparation and implementation of a four-year budget has presented opportunities as well as challenges for UNICEF. In particular, the alignment of the strategic plan and integrated budget planning periods has enabled UNICEF to strengthen linkages between strategic and financial planning. This is critically important, as the strategic plan and the integrated budget constitute two aspects of a single/unified vision for the organization. From a resource mobilization perspective, it is necessary to have a long term plan to help prospective donors understand and appreciate the scope of programme funding needs. The opportunity of the midterm review has also enabled UNICEF to revise plans and reflect on lessons learned prior to the preparation of a full-fledged new budget proposal. Furthermore, the four-year planning horizon benefits from the guidance and alignment with the QCPR.

29. A four-year budget also involves operational challenges. UNICEF has had to revise regular resources projections due to exchange rate fluctuations and indications from donors. The longer-term financial planning horizon necessarily brings more uncertainty and the likelihood of changing priorities, assumptions and circumstances. This uncertainty is being addressed through the combination of regular monitoring and reforecasting of revenue and expenditure and prudent management of reserves.

Table 1
Integrated resource plan, 2014-2017

	Approved 2014-2017 (E/ICEF/2016/AB/L.2/Rev.1)						
	Regular resources		*Other Resources*		*Total resources*		*Trust Funds*
			Prog	*Cost Recovery*			
1. Resources available	*$m*	*%*	*$m*	*$m*	*$m*	*%*	*$m*
Opening balance	575.3		1,853.1	-	2,428.4		586.0
Income							
Contributions	4,697.7		13,685.7	-	18,383.4		-
Other income and reimbursements	402.5		-	-	402.5		-
Total Income	5,100.2		13,685.7	-	18,785.9		-
Tax reimbursement adjustment	(76.6)		-	-	(76.6)		-
Trust fund receipts			-	-	-		7,577.0
Total available	**5,598.9**		**15,538.8**	**-**	**21,137.7**		**8,163.0**
2. Use of resources							
A. Development							
A.1 Programmes	3,651.8	69.1%	13,429.1	-	17,080.9	86.0%	7,333.0
Country Programmes	3,471.8	65.7%	12,900.6	-	16,372.4	82.5%	-
Global Programme	180.0	3.4%	528.4	-	708.5	3.6%	-
A.2 Development Effectiveness	467.4	8.8%	100.1	-	567.5	2.9%	-
Subtotal Development	4,119.2	78.0%	13,529.2	-	17,648.4	88.9%	7,333.0
B. United Nations Development Coordination	20.3	0.4%	16.3	-	36.6	0.2%	-
C. Management	531.2	10.1%	-	904.2	1,435.4	7.2%	
D. Special Purpose							
D.1 Capital investments	20.4	0.4%	-	34.6	55.0	0.3%	-
D.2 PFP, direct / investment costs	410.6	7.8%	86.0	-	496.6	2.5%	-
D.3 Other	182.5	3.5%	-	-	182.5	0.9%	-
Subtotal Special Purpose	613.4	11.6%	86.0	34.6	734.1	3.7%	-
Total Institutional Budget (A.2 + B + C+ D.1)	**1,039.3**	**19.7%**	**116.4**	**938.8**	**2,094.5**	**10.5%**	**-**
Integrated Budget (A + B + C + D)	**5,284.1**	**100.0%**	**13,631.5**	**938.8**	**19,854.4**	**100.0%**	**7,333.0**
3. Closing balance of resources	**314.7**		**968.5**		**1,283.3**		**830.0**

	2018-2021						
	Regular resources		*Other Resources*		*Total resources*		*Trust Funds*
			Prog	*Cost Recovery*			
1. Resources available	*$m*	*%*	*$m*	*$m*	*$m*	*%*	*$m*
Opening balance	562.3		1,235.9	-	1,798.2		727.0
Income							
Contributions	5,801.9		16,512.5	-	22,314.4		-
Other income and reimbursements	500.0		-	-	500.0		-
Total Income	6,301.9		16,512.5	-	22,814.4		-
Tax reimbursement adjustment	(80.0)		-	-	(80.0)		-
Trust fund receipts			-	-	-		7,148.0
Total available	**6,784.1**		**17,748.4**	**-**	**24,532.6**		**7,875.0**
2. Use of resources							
A. Development							
A.1 Programmes	4,360.0	67.9%	15,917.3	-	20,277.3	84.6%	7,116.0
Country Programmes	4,140.0	64.5%	15,107.1	-	19,247.1	80.3%	-
Global Programme	220.0	3.4%	810.2	-	1,030.2	4.3%	-
A.2 Development Effectiveness	589.0	9.2%	133.0	-	721.9	3.0%	-
Subtotal Development	4,949.0	77.1%	16,050.3	-	20,999.3	87.6%	7,116.0
B. United Nations Development Coordination	23.3	0.4%	25.9	-	49.3	0.2%	-
C. Management	459.9	7.2%	6.4	1,138.0	1,604.3	6.7%	
D. Special Purpose							
D.1 Capital investments	23.0	0.4%	-	57.0	80.0	0.3%	-
D.2 PFP, direct / investment costs	725.1	11.3%	273.0	-	998.2	4.2%	-
D.3 Other	240.0	3.7%	-	-	240.0	1.0%	-
Subtotal Special Purpose	988.1	15.4%	273.0	57.0	1,318.2	5.5%	-
Total Institutional Budget (A.2 + B + C+ D.1)	**1,095.2**	**17.1%**	**165.3**	**1,195.0**	**2,455.5**	**10.2%**	**-**
Integrated Budget (A + B + C + D)	**6,420.3**	**100.0%**	**16,355.6**	**1,195.0**	**23,971.0**	**100.0%**	**7,116.0**
3. Closing balance of resources	**363.8**		**197.8**		**561.6**		**759.0**

III. Integrated results and resources framework

30. The strategic plan 2018-2021 contains a single results framework architecture for UNICEF, comprising five programme goals, three cross cutting priorities, 25 result areas, seven change strategies and four organizational performance focus areas.

31. Table 1 (Integrated resource plan, 2018-2021) provides information on the proposed use of resources by cost classification category. Table 2 (Integrated results and resources framework, 2018-2021) identifies how total resources available to the organization will be allocated to these goals and results.

32. Over the past four years, substantive changes have been made in realigning headquarters functions, confirming responsibilities of field offices, strengthening regional office capacities, enhancing capacity and corporate systems for results based management and reporting, increasing organizational capacity for preparedness and emergency response, simplifying work processes and establishing the Global Shared Services Centre (GSSC), implementing matrix management, and leveraging technology and innovation, as well as improvements in managing human resources. These developments are noted in the results and cluster comments below and additional details on results achieved and progress against planned targets were provided in the report on the midterm review of the Strategic Plan, 2014–2017 and annual report of the Executive Director, 2016 (E/ICEF/2017/6) and its addenda.

Planned use of resources for strategic plan goals

33. UNICEF is proposing increased investment to achieve programme goals during 2018-2021. Goal Area 1: Every Child Survives and Thrives, is projected to utilize 40 per cent of total programme investment. Goal Are 2: Every Child Learns, is projected to use 20 per cent of total programme investment, the same proportion as the current medium-term strategic plan. 19 per cent of the programme budget will support Goal Area 4: Every Child Lives in a Safe and Clean Environment. Goal Area 3: Every Child is Protected from Violence and Exploitation utilize 12 per cent and Goal Area 5: Every Child has an Equitable Chance in Life, nine per cent, although it infuses the other goals as well.

Country programmes

34. Of the $20.3 billion available for programmes during 2018-2021, UNICEF is proposing to channel $19.2 billion, or 95 per cent, through country programmes of cooperation. This is $2.9 billion, or 18 percent higher than the 2014-2017 MTR.

35. Regular resources are allocated to individual country programmes of cooperation according to the modified system for allocation of regular resources for programmes, approved by the Executive Board, with an emphasis on three core criteria: (a) under-five mortality rate; (b) gross national income per capita; and (c) child population.

36. The Executive Board approves indicative budgets for OR (regular) when approving country programme documents or equivalent, while OR (emergency) are programmed according to need.

Global and regional programme

37. UNICEF proposes to increase the global and regional budget to $220.0 million funded from RR and $810.2 million from OR. The Global and Regional Programme contributes to each of the

Strategic Plan's outcome areas by: (a) creating and disseminating global and regional public goods, including monitoring and analysing the situation of children for global accountability; (b) contributing to and strengthening relevant global and regional policy and coordination systems; and (c) contributing to the relevant global evidence base and normative guidelines. The Global and Regional Programme is integrated within the Strategic Plan and related results and resources framework. Global and regional programme resources are implemented by each of the seven UNICEF regional offices as well as relevant headquarters divisions and offices, including Programme; Data, Research and Policy; Supply; Evaluation; Emergency Programmes; and Communications.

Allocation of resources to organizational effectiveness and efficiency results

38. Resources for the organizational effectiveness and efficiency results are presented in accordance with the harmonized cost classification and results-based budget presented at the 2011 first regular session and approved by the Executive Board in decision 2011/6.

39. Resources allocated to organizational units are grouped into functional clusters, which provide the link between results and resources. The functional clusters for management activities are harmonized among UNDP, UNFPA, UN-Women and UNICEF. Development effectiveness activities are more closely associated with the programme outcomes and delivery modalities of each of the agencies and are therefore not harmonized among the agencies.

40. Within UNICEF, resources for development effectiveness are allocated to three functional clusters: technical excellence in policy and programmes; technical excellence in humanitarian action; and technical excellence in procurement and management of supplies.

41. The paragraphs below provide a summary update by organizational effectiveness and efficiency result and functional cluster.

Table 2: Integrated results and resources framework, 2018-2021

	Goals	Functional Cluster	2018-2021			
			Regular Resources	Other Resources		Total Resources
				Programme	Cost Recovery	
			$m	$m	$m	$m
Programmes			**4360.0**	**15917.3**		**20277.3**
Goal Area 1 - Every child survives and thrives			1744.0	6366.9		8110.9
Goal Area 2 - Every child learns			872.0	3183.5		4055.5
Goal Area 3 - Every child is protected from violence and exploitation			523.2	1910.1		2433.3
Goal Area 4 - Every child survives in a safe and clean environment			845.8	3088.0		3933.8
Goal Area 5 - Every child has an equitable chance in life			375.0	1368.9		1743.9
Organizational effectiveness and efficiency						
1	**Higher quality programmes through results-based management**		**589.0**	**133.0**		**721.9**
		Technical Excellence In Policy And Programmes	500.2	124.2		624.3
		Technical Excellence In Procurement And Management Of Supplies	53.5	8.8		62.3
		Technical Excellence In Humanitarian Action	35.3			35.3
2	**Improved management of financial and human resources in pursuit of results**		**459.9**	**6.4**	**1138.0**	**1604.3**
		Leadership And Corporate Direction	10.7	1.9	26.5	39.1
		Corporate Oversight And Assurance	13.8		34.1	47.8
		Corporate Financial, Information, Communication & Technology And	70.4	.6	174.1	245.1
		Staff And Premises Security	8.1		20.0	28.1
		Corporate External Relations And Partnerships, Communication And Resource Mobilization	71.8		177.6	249.4
		Corporate Human Resources Management	27.1	3.8	67.1	98.0
		Field/Country Office Oversight, Management And Operations Support	258.1		638.6	896.7
3	**Coordination of the United Nations Development System**		**23.3**	**25.9**		**49.3**
		United Nations coherence and cluster coordination	23.3	25.9		49.3
Special purpose			**988.1**	**273.0**	**57.0**	**1318.2**
		Special Purpose, Capital Investment	23.0		57.0	80.0
		Private Sector Fundraising	725.1	273.0		998.2
		Other, inlciudng procurement services	240.0			240.0
Total Resources			**6420.3**	**16355.6**	**1195.0**	**23971.0**

Result 1: Higher quality programmes through results-based management

Cluster:	Technical excellence in policy and programmes
Resources:	$624.3 million

42. Comprising the Programme Division (PD), the Division of Data, Research and Policy (DRP), the Field Results Group (FRG) and the technical advisers in regional offices, this cluster is responsible for programme policy, guidance tools, technical support and quality assurance for the achievement of the programme goals of the Strategic Plan. The cluster draws on research results, lessons from evidence-based interventions and insights from practical programming experience.

43. Programme Division will consolidate and scale up past advances (e.g. child health, ending the AIDS epidemic, immunization, polio eradication, stunting and wasting, sanitation, safe water, child protection, and education quality and learning), accelerate work on existing priorities e.g. ECD, social protection, leveraging of domestic resources, reduction of open defecation, addressing harmful

practices, ending violence, public health emergencies, and gender), and at the same time spearhead new innovative programming and multi sectoral approaches (e.g. Early Childhood Development, adolescent programming, urbanization, migration, adaption to climate change). PD has identified three priority work areas that require further attention to accelerate the above results: Systems Strengthening (specifically in support of community health, education, public finance, and to address violence against children), Adolescent Development, and Knowledge Management.

44. The Division of Data Research and Policy will work to “harness the role of evidence in driving change” to support all result areas of the Strategic Plan 2018-2021. By the end of the next strategic cycle, UNICEF will know the state of the world’s children as, for the first time, all countries will have baseline data on key child-related indicators as identified in the Sustainable Development Goals (SDGs). There will be new evidence on what is holding children back and why in areas that remain poorly understood today. Robust policy solutions will help achieve the goals of the Strategic Plan including through the priority campaigns of the Cause Framework. Policy advice will help country and regional offices drive evidence-based reforms on issues affecting children. And UNICEF’s strategic planning and learning will be rooted in a strong evidence and knowledge foundation.

45. The Field Results Group (FRG) was established in late 2014. To support the 2018-2021 Strategic Plan, FRG plans systematic engagement with headquarter divisions and regional offices to highlight priorities that will ensure field offices are “Fit for Purpose” as they:

(a) accelerate results achievement for children

(b) strengthen RBM practice in sectoral and cross-sectoral programme guidance

(c) strengthen evidence-based decision making, supported by monitoring and analysis of performance, using enhanced tools and developing national systems

(d) implement modalities and partnerships focused on achieving results, whilst safeguarding and optimizing resources and building national systems

(e) effectively manage risks pursuant to the rationalisation of work processes

(f) operate in the context of UN Coherence and other partnership and donor arrangements, and

(g) strengthen learning for improved programme management and results achievement.

Cluster:	Technical excellence in procurement and management of supplies
Resources:	$62.3 million

46. The strategic priorities of the Supply Division (SD) for 2018-2021 are providing timely and effective service delivery, including for emergencies, programmes and Procurement Services partners, creating healthy markets and sustainable national supply chain systems, and providing supply financing solutions (for both countries and suppliers). To support and accelerate the achievement of results, a number of strategies have been developed- the Science of Delivery; Products & Markets; Services; Humanitarian Development Continuum; National System Strengthening; Financing and Domestic Resource Mobilization; Monitoring; the Supply Community; Optimizing UNICEF Supply; and Strengthening Organizational Excellence. All strategies follow a

results based approach and achieving key results and targeted outputs will have significant impact on the Strategic Plan Goal and Result Areas.

Cluster:	Technical excellence in humanitarian action
Resources:	$35.3 million

47. In line with the 2018-2021 Strategic Plan, humanitarian action is fundamental to realizing the rights of every child. Over the next four years, EMOPS aims to coordinate HQ efforts to provide quality, effective and timely support to country and regional offices to better invest in preparedness measures and address the most pressing humanitarian challenges for improved and sustained results for children affected by humanitarian crises. EMOPS' goals support the Strategic Plan's focus on equity, reaching the most disadvantaged, and helping humanitarian investments which will lead to better development outcomes.

48. Following the adoption of Agenda 2030, UNICEF has committed to deliver better outcomes for children, in a more effective and efficient manner, including by strengthening the complementarity between humanitarian action and development, human rights and peace and security. In this regard, over the next four years, EMOPS will be placing a special emphasis on enhancing internal capacity to respond to large scale rapid onset and protracted crisis, improving UNICEF's humanitarian cash-based approaches through development of policy, guidance, and tools to aid field offices in scaling up the use of cash programming in humanitarian settings; and enhancing UNICEF accountability to affected populations through enhanced community engagement, support to national systems and the development of interagency mechanisms. EMOPS will also strengthen its engagement with other pillars in the UN system to foster and support the reforms towards a more preventive approach, a more strategic response, and improved coherence and complementarity among humanitarian, development, human rights and peace and security actors in the interest of children, while respecting humanitarian principles.

Result 2: Improved management of financial and human resources in pursuit of results

Cluster:	Independent corporate oversight and assurance	
Resources:	$38.1 million	Evaluation
	$9.7 million	Internal Audit and Investigations

49. In line with the evaluation policy of UNICEF, the Evaluation Office oversees the corporate evaluation function, including implementation of evaluation activities by decentralized organizational units. The Strategic Plan 2018-2021 will guide UNICEF's efforts to respond to the complex and challenging 2030 Agenda for Sustainable Development. This requires a robust evidence base to guide UNICEF in its programming and decision making. The evaluation function will play a key role in such decision making by providing impartial assessment and validation of strategic choices, programme performance and results, and feedback on operational effectiveness and efficiency.

50. Assessments of the evaluation function have highlighted the need to strengthen the independence of the corporate evaluation function (thereby enhancing the credibility of evidence generated) and for evaluation to be more timely and responsive to the needs of the organisation to bolster its value and use for learning and decision making. In particular, the opportunities provided by new media and technologies need to be harnessed to enable better use of evaluation evidence generated throughout the organisation. Greater capacity to manage quality evaluations will improve

the quality of evidence generated. The assessments also endorsed UNICEF's role as a leader, through various partnerships, in joint evaluation activities and in building evaluation capacity globally.

51. As in the past, significant resources will support the delivery of quality independent corporate-level evaluations. However, innovative methods and approaches will enable greater responsiveness, timeliness and use: for example, by building modular portfolios of rapid, focused evaluations addressing current issues, rather than undertaking large and lengthy individual evaluations. In addition to independent corporate-level evaluation, key roles for the Evaluation Office have been identified as critical for programming at the field level: most directly through evaluation capacity support, but also through innovation and learning from evaluation activities which thereby benefit the organisation as a whole.

52. The Office of Internal Audit and Investigations (OIAI) continues to provide independent and objective assurance and investigation services designed to add value and improve the operations of UNICEF. During the period 2014-17, for the first time, OIAI provided the Executive Board with a robust annual opinion on the overall effectiveness of governance, risk management and control, which was welcomed by Member States. The office also helped management make sustainable progress in areas such as formalizing the regulatory framework, improving management of implementing partners, strengthening data security, and managing risks around sexual abuse and exploitation. The public disclosure of OIAI's internal audit reports is emblematic of UNICEF's clear commitment to organizational accountability and transparency.

53. Building on its achievements in 2014-17, OIAI's assurance and advisory work will focus more sharply on the most important risks to the achievement of UNICEF's objectives, including thematic and systemic threats and opportunities. The office will continue to work closely with management in strengthening its second line of defence to increase effectiveness of the internal control framework, enterprise risk management, and in particular fraud risk management. And OIAI will focus on enhancing its own effectiveness and efficiency by re-engineering its internal processes, relocating auditors and investigators closer to the field, and investing in technology such as data analytics.

Cluster:	Corporate financial, information and communication technology and administrative management
Resources:	$245.1 million

54. The Division of Financial and Administrative Management (DFAM) during 2014–2017 embarked on initiatives that improved management and corporate reporting, administrative services, streamlined internal processes and better management of facilities and physical assets management. Attention was equally paid to data integrity of the ERP system, improved reporting based on the International Public Sector Accounting Standards (IPSAS), better donor reporting and treasury performance.

55. The Division during 2018 – 2021 will focus on strengthening corporate risk management, improving internal control framework, strategic resource management, structured financing for procurement of critical programme supplies; effective management of donor contributions; and corporate records management. Other areas of focus will include improving travel management services and promoting eco-efficiency and inclusive accessibility of premises as well as providing high quality and timely client focused support to regional/country offices and Divisions

56. The information and communications technology (ICT) function continued to enhance programme and operational effectiveness. ICT governance was strengthened, including a new

strategy to foster optimal partnerships and improve delivery in such areas as real time monitoring, cybersecurity and the online protection of children.

57. Significant ICT projects were delivered in 2014 –2017. For the 2018-2021 UNICEF Strategic Plan, special emphasis has been put on how technology can lead to improvements in internal efficiencies in service delivery as well as how technology and innovations can serve to reach the most marginalized and hardest-to-reach children. UNICEF ICT is linked to enablers in the new Strategic Plan and will focus its work as per the following priorities:

(a) Launch strategic ICT enabled projects through a strengthened ICT Board, with an objective to increase focus on programme effectiveness

(b) Provide an engagement platform, consisting of a convergence of social media, relationship management, fundraising and a volunteer portal

(c) Introduce an enterprise content management (ECM) platform and a Digital Workplace to enable knowledge management globally

(d) Partner across UNICEF and deliver solution to gather and leverage real time information in development and humanitarian settings.

(e) Mitigate information cybersecurity and privacy risks associated with internal systems, and those systems that support child/beneficiary information

(f) Partner with UN, private sector and tech industry to support both regular and emergency ICT areas

Cluster:	Corporate external relations and partnerships, communications and resource mobilization
Resources:	$249.4 million

58. The Public Partnership Division (PPD) has been successful in strengthening and broadening UNICEF's partnership base and in policy advocacy. PPD has helped to place children's rights on the political agenda at global, regional and national levels and has effectively positioned UNICEF in relation to IFIs, such as the World Bank. The Division supported scaling up collaboration with relevant EU institutions to address the migration crisis. Key messages on children's rights were evident at major intergovernmental events. The Group of Friends of Children and the SDGs has continued to meet regularly and has been an excellent channel for mobilizing government champions around issues of importance to children's rights.

59. Given the current global context, PPD will invest in strengthening relations with its traditional and non-traditional partners. This will involve mitigating particular risks with some donors and maintaining revenues from other key donors, by providing stronger public recognition and more intense account management. UNICEF will strengthen its collaboration with partners such as the World Bank and other IFI, building on gains in the current period to expand the resource and partnerships base.

60. In 2018-2021 the Division of Communication will support UNICEF Strategic Plan results by contributing to "winning support for the cause of children." DOC will continue to communicate and advocate for the most disadvantaged children. The DOC work in the new Strategic Plan remains grounded in UNICEF's fundamental conviction that every child has an equal right to survive, thrive

and fulfil their potential – to the benefit of their societies and a more equitable world. DOC's goal is to help translate that conviction into resources and action for children. DOC will do that by building a more coordinated, consistent and cutting-edge global communication and public advocacy operation, with the Cause Framework at its core that will drive a more integrated way of working within the organization, and with UNICEF partners in government, civil society and the private sector.

61. The overarching focus of DOC's work in 2018-2021 will be to put the rights and well-being of the most disadvantaged children at the heart of social, political and economic agendas, in line with UNICEF's equity focus: to support shifts in public policies, investments and legislation; to fuel social engagement through campaigning, partnerships and support to social movements; and to increase public and private resources for children. In doing so, DOC will work closely with other Divisions to ensure a fully integrated approach to our advocacy, communication, partnership and fundraising strategies.

62. The Private Fundraising and Partnerships (PFP) Division is responsible for the strategic framework for UNICEF engagement with the National Committees. Included in this functional cluster are costs related to the continued reinforcement of the relationship with National Committees as well as private sector strategy development and implementation. The resources supporting specific National Committee and country office fundraising activities are included under special purpose.

Cluster:	Corporate human resources management
Resources:	$98.0 million

63. The 2018-2021 Strategic Plan identifies people management and robust HR practices as a key "enabler" to achieve results for children. The Human Resources function at HQ and in regional and country offices is accountable for enabling managers and staff world-wide to deliver the goal areas of the strategic plan (the "what") through best-suited change strategies (the "how").

64. HR will contribute by rolling out the remaining elements of the HR reform and consolidating its impact throughout the quadrennium, focusing on the provision of client service and support to organisational culture change. More specifically, DHR will continue to pursue the following three priority areas:

(a) Simpler, faster and more targeted recruitment on the basis of strategic staffing plans with an aim to enhance overall quality and diversity of UNICEF's talent

(b) Honest and results focused performance management as a foundation for effective career development

(c) Strategic HR business partnering with an aim to provide managers and staff with an enhanced 'one stop shop' client experience.

65. These priority areas will be supplemented by two cross-cutting areas:

(a) Design and delivery of a corporate learning agenda in support of the skills and competencies required to deliver on the Strategic Plan

(b) Enhanced HR management information systems and proactive data analytics, allowing for effective monitoring and risk management.

Cluster:	Corporate leadership and direction
Resources:	$39.1 million

66. The Office of the Executive Director (OED) has provided leadership focused on strengthening accountability for results, creating efficiencies, championing global partnerships, improving the quality and reach of programming and increasing the resources available for child-focused investment. Strengthening the accountability for results was pursued through the establishment of the Field Results Group and development of organizational systems and capacity to strengthen results based management. Efficiencies have been gained through the consolidation of transaction processing through the Global Shared Services Centre and HR Reform processes, in addition to the realization of the largest savings ever –US$520 million - through targeted procurement strategies. Championing global partnerships for children has contributed to the development of new partnerships including Education Cannot Wait and strengthening existing partnerships like the SUN movement that include Member States, civil society and the private sector, mobilizing the commitment and resources available for child-focused investment. The continued development of data and programming strategies to reach the most vulnerable children has put equity at the core of UNICEF's programming approach.

67. OED will continue to lead priority setting, strategy development, innovation and oversight of the implementation of the Strategic Plan. This includes leadership for emergency response in new and protracted crises, improved programme design and formalization of new programmatic approaches, more systematic results reporting, guiding the development of an organization-wide research agenda and professionalizing learning within the organization. The Office will continue to focus on the effective, efficient and transparent management of the organization focused on the progressive achievement of the Strategic Plan's ENABLER's targets in the areas of risk management, human resources, information and communications systems and operational services. Public advocacy, priority campaigns, high level engagement around global partnerships to enhance political commitment, drive policy change and leverage resources for children will continue to be a priority.

Cluster:	Staff and premises security
Resources:	$28.1 million

68. The Office of Emergency Programmes coordinates UNICEF global security activities in close consultation with the United Nations Department of Safety and Security and other United Nations security management entities. Key activities include monitoring and assessing global threats and risks, providing guidance on security risk management, and developing policies and procedures aimed at creating an enabling environment for successful programme delivery, while maintaining the safety and security of UNICEF staff and assets. The Operations Centre supports this function for staff at all locations.

69. Through participation in key inter-agency forums and five Inter-Agency Security Management Network missions, the Office of the Security Coordinator continued to engage with the United Nations Security Management System (UNSMS) to influence policy, processes and training to ensure that security directives align with the UNICEF mission.

Cluster:	Field/country office oversight, management and operations support
Resources:	$896.7 million

70. Senior leaders in each country and region contribute to the delivery of this result through representation and cooperation with national and local leaders, partner organizations, experts from other agencies and regional intergovernmental groups advocating for children's rights, especially the most vulnerable, poor and marginalized, and through the effective and efficient use of resources made available to support programme delivery.

71. The approved 2014-2017 allocation of $20 million for HACT has contributed to establishing capacity for improved governance, risk management and assurance activities for cash assistance transferred to implementing partners. Significant improvements in application of HACT were realized and this approach is now expanding to more broadly strengthen the management of UNICEF engagement with implementing partners in all offices.

72. With the establishment of the GSSC in Budapest, much of the finance- and human resources-related transactional work has shifted from field and headquarters offices to the GSSC. This shift has provided an opportunity to review UNICEF office structures and staffing typologies to adapt to the changing programme-support requirements and ensure that these are appropriately and sustainably funded.

73. A review of the GSSC's service delivery and performance was undertaken to assess realized benefits against the key drivers defined in the original business case. The business case estimated that staff in regional and country offices dedicate approximately 760,000 hours annually on finance, HR and payroll transaction processing. With these processes now centralized at the GSSC, offices can redirect the majority of this time to support programme goals.

74. The GSSC will reach fully operational status in 2017. Accounting for volume increases, and applying UNICEF's standard staff costs, the GSSC is expected to generate approximately $25 million in organization cost savings for transaction processing in 2017, an increase from the original savings estimate of $20 million.

Result 3: Coordination of the United Nations Development System

Cluster:	United Nations coherence and cluster coordination
Resources:	$49.3 million

75. The Office of Emergency Programmes is responsible for the coordination of partners for the WASH, nutrition and education humanitarian clusters, along with areas of responsibility at the global level in child protection and preventing gender-based violence (GBV). In addition, EMOPS is responsible for establishing inter-agency humanitarian partnerships, developing humanitarian policies, and providing operational support and building capacity for timely and predictable responses to crises.

76. EMOPS will strengthen its engagement with UN partners, especially through the IASC and directly with UNHCR, IOM, WFP, OHCHR, and WHO to improve the coherence of UN system-wide actions and strengthened results for children. It will develop a sequenced approach to working with partners and developing strategic alliances. It will use its knowledge and field results to inform the development of bilateral and multilateral partnerships and alliances that have an operational and normative impact. EMOPS will also engage in more systematic and structured dialogue with UN Member States to increase awareness about the situation of children in emergencies and the role of states in ensuring their protection and development. EMOPS will also analyse existing systems to monitor and report on child rights and work to strengthen their scope and application in humanitarian settings.

77. Also included in this cluster is an allocation of $17.0 million, representing the UNICEF contribution to the United Nations Resident Coordinator System, which seeks to ensure sufficient and sustainable resourcing for development system coordination.

Special purpose

78. The proposed special purpose resource requirements total $1,318.2 million, comprising capital investments of $80.0 million, PSFR activities of $998.2 million, and other amounts, including $240.0 million for the management of procurement services.

Cluster:	Capital investments
Resources:	$80.0 million

79. A total of $30.0 million is proposed for investment in technology-supported organizational solutions, spanning efficiency gains, better business intelligence, robust repositories of knowledge and externally facing tools that increase interactivity for advocacy and partnering. Implementation of these solutions is under way, covering the areas of: (a) knowledge management; (b) human capital management; (c) web content management; (d) records and case management; (e) enhancement to VISION (the UNICEF Enterprise Resource Planning system); and (f) ICT core support technology.

80. $20 million has been proposed for allocations to offices to support compliance with the Minimum Operating Security Standards. The use of these resources will continue to focus on (a) systematic identification of vulnerable offices; (b) prioritization of security investments or relocation requirements; and (c) reduced capital repair and maintenance costs.

81. A total of $30.0 million is requested for Eco-efficiency initiatives and capital expenditure linked to premises management.

Cluster:	Private sector fundraising (PSFR)
Resources:	$998.2 million

82. Included in special purpose, under PSFR, are the activities and estimated resource requirements of PFP to support the specific PSFR initiatives of the National Committees and UNICEF country offices. The activities related to implementation of the UNICEF Private Fundraising and Partnerships Plan 2018–2021 and the appropriation for the related resource requirements are presented for approval by the Executive Board on an annual basis.

83. To seize the potential of the private sector to the fullest, targets have been set in the UNICEF Private Sector Plan 2018–2021 around four key audiences to raise both income and influence for children: individuals, key influencers, business and government (in National Committee countries). The plan supports National Committees and country offices to address the need for a more engaging and emotional experience for UNICEF's supporters both in giving and in taking part in UNICEF's cause for children. The overarching goal of the plan is to mobilize private fundraising and partnerships in support of the UNICEF Strategic Plan 2018-2021 so that $9.6 billion gross ($7.5 billion net) is raised from the private sector from 2018-2021; so that tens of millions more supporters are mobilized for UNICEF, giving their voice, time and money; while ensuring that UNICEF fully harnesses the power of business to deliver on the child rights agenda with a 2030 vision. These efforts will represent an increase in gross revenue from the private sector to $2.9 billion and double the number of individual donors to UNICEF in comparison to the 2014–2017 Plan.

Cluster:	Other, including procurement services
Resources:	$240.0 million

84. Also included in special purpose, under “Other”, are the activities and estimated resource requirements covered by Financial Regulations 5.1 to 5.3 on special accounts administered by UNICEF and related administration costs. The results and estimated resource requirements are provided for information in the integrated resource plan, 2018–2021 and the integrated results and resources framework, 2018–2021. These activities currently comprise the administration of procurement services and of the Office of the Special Representative of the Secretary-General on Violence against Children.

85. The Supply Division administers procurement services on behalf of Governments and other partners to complement UNICEF programmes. These services provide partners with economical access to selected products, which allows them to leverage programmatic results. These procurement services totalling roughly $6.0 billion are envisaged for 2018-2021, including $3.5 billion for GAVI, the vaccine alliance.

IV. Institutional budget

86. The proposed institutional budget for 2018-2021 of $2,455.5 million is $361 million, or 17.2 per cent, higher than the MTR approved institutional budget for 2014-2017 but slightly lower as a percentage of the integrated budget.

87. To ensure higher-quality outputs from the proposed increase in resources available for programmes, UNICEF is proposing to reinforce and improve development effectiveness activities with additional resources of $154.5 million. Additional resource requirements of $206.5 million are proposed for management activities, United Nations development coordination activities and capital investments.

Major areas of increase and decrease

88. Table 3 (Summary of increases/decreases in the institutional budget, 2018-2021) details the proposed increase of $361.0 million in the institutional budget. The increase or decrease in the resource requirements between the budget periods 2014-2017 (MTR) 2018-2021 and are analysed, by cost category and functional cluster, based on the extent to which they arise because of (a) strategic shifts proposed by management, (b) cost factors, including inflation.

Cost

89. Cost adjustments result from projected changes in the rates or conditions of staff costs, exchange rates, and rates of inflation. Factors that may affect the rates and conditions of staff costs include within-grade increments and other post entitlements as determined by the International Civil Service Commission, vacancy factors, and the organizational policy on funding employee liabilities. A total cost decrease of $10.2 million is projected for 2018-2021.

Volume

90. The net total volume increase resulting from strategic shifts is $371.1 million. The details of this increase are provided by functional cluster in the section on integrated results and resources framework.

Table 3
Summary of increases/decreases in the institutional budget, 2018-2012

		Increases/(decreases)			
	2014-2017 $m	Strategic Shifts	Cost	Total	2018-2021 $m
Development Effectiveness	**567.5**	**172.0**	**-17.5**	**154.5**	**722.0**
Technical excellence in policy and programmes	478.8	158.4	-12.9	145.6	624.4
Technical excellence in procurement and management of supplies	52.9	15.2	-5.8	9.4	62.3
Technical excellence in humanitarian action	35.8	-1.6	1.1	-0.5	35.3
Management	**1435.4**	**161.3**	**7.6**	**168.9**	**1604.3**
Leadership and corporate direction	57.0	-19.4	1.5	-17.9	39.1
Corporate oversight and assurance	38.9	7.7	1.2	8.9	47.8
Corporate financial, information, communication & technology and administrative management	207.3	30.8	7.0	37.8	245.1
Staff and premises security	13.3	14.6	0.3	14.8	28.1
Corporate external relations and partnerships, communication and resource mobilization	216.7	29.4	3.3	32.7	249.4
Corporate human resources management	107.1	-13.5	4.4	-9.1	98.0
Field/country office oversight, management and operations support	795.1	111.6	-10.0	101.6	896.7
Special Purpose	**55.0**	**25.0**	**0.0**	**25.0**	**80.0**
Investment Projects	55.0	25.0	0.0	25.0	80.0
United Nations Development Co-ordination	**36.6**	**12.8**	**-0.2**	**12.6**	**49.3**
Grand total	**2094.5**	**371.1**	**-10.2**	**361.0**	**2455.5**

91. Cost attribution is also in line with the QCPR resolution mandating organizations to "avoid the use of regular resources to subsidize other resources financed activities, including the use of regular resources to cover costs related to the management and support of other resource funds and their programme activities".

Overview of post changes

92. The total number of posts in the institutional budget will increase by 310, from 2,792 in 2014-2017 to 3,102 in 2018-2021. This total comprises a net increase of 8 senior international professional posts (above the P-5 level), a net increase of 235 other international professional posts, and a net increase of 67 national officer and general service posts. Of the total increase in posts, country and regional office posts account for 74 per cent and headquarters 26 per cent.

93. In Executive Board Decision 2016/9, authority was given to the Executive Director for a proposed reserve of 10 additional Director level posts. The increases in senior posts are found in country offices in an effort to strengthen leadership and management structures in countries such as Nigeria, Jordan, Sierra Leone, Afghanistan, and Central African Republic. Appendix G (Change in institutional budget posts, by location) provides the distribution of posts by category in all offices and summarizes the changes between the two budget periods.

V. Cost recovery

94. In decision 2016/9 the Executive Board requested UNICEF in collaboration with other relevant funds and programmes, to present to the Executive Board, in accordance with decision

2013/5, all requested information on cost recovery in time to be included in the consultations on the strategic plan 2018-2021 and the integrated budget 2018-2021 at its annual session 2017. The present document includes the estimated amounts of cost recovery for 2018-2021 based on the currently approved methodology (decision 2013/5). Table 4 presents detailed information based on current cost recovery methodology, as it pertains to the 2018-2021 integrated budget.

95. UNICEF, together with UNDP, UNFPA and UN-Women, engaged the Executive Boards of all four organizations and provided detailed information on actual implementation of cost recovery policy based on currently approved methodology.

96. The integrated budget, 2018-2021 has been prepared using the cost recovery methodology and cost-recovery rates approved in Executive Board decision 2013/5. The methodology results in proportional use of regular resources and other resources to fund management activities and related costs. Table 4 (Application of the revised cost-recovery methodology) shows that 19 per cent of the institutional budget subject to cost recovery will be funded from regular resources and 81 per cent from other resources; these proportions are different from the proportional shares of planned expenditure funded by regular resources, (27 per cent) and other resources (73 per cent) in that there is higher reliance on OR for recovering costs, showing a positive development in the effort to avoid what has been a trend over the years of disproportional use of regular resources to support management costs.

97. By ensuring the more proportional use of regular resources and of other resources to fund management and special purpose activities and related costs, a larger proportion of regular resources is available for allocation to programme activities.

98. Differentiated cost-recovery rates, including for thematic and private-sector contributions, calculated based on total projected expenditure, will continue to be lower than the harmonized base cost-recovery rate of 8 per cent. UNICEF is projecting that the effective cost-recovery rate for 2018-2021 will be 7.3 per cent.

99. Further information on the actual implementation and results of the revised cost-recovery methodology will be submitted to the Executive Board in conjunction with the inter-agency review of the cost recovery.

Table 4
Application of the approved cost-recovery methodology

	Regular Resources $m	Other resources $m	Total Resources $m
Total Planned Expenditure	**6,420.3**	**17,550.6**	**23,971.0**
Proportional use of RR and OR to fund integrated budget	27%	73%	100%
2018-2021 Institutional Budget (Usd millions)			**2,455.5**
Less: Development effectiveness activities			721.9
Less: UN development coordination activities			49.3
Less: Critical Cross Cutting functions			**202.6**
Total Institutional Budget subject to cost recovery			**1,481.6**
Institutional Budget - subject to cost recovery	**286.6**	**1,195.0**	**1,481.6**
Proportional use of RR and OR to fund institutional budget	19%	81%	100%
Planned expenditure (excluding cost recovery) use of Other resources		**16,355.6**	
Cost recovery		1,195.0	
Projected effective cost recovery rate		7.3%	

VI. Reporting on implementation of the integrated budget

100. Given its reliance on voluntary contributions, UNICEF has established regular internal reporting processes that include continuous and rigorous review of the revenue and expenditure projections that form the basis of the integrated resource plan.

101. UNICEF will continue to report to the Executive Board, at its annual session, on the fulfilment of the results articulated in the Strategic Plan in the annual report of the Executive Director and, at its second regular session, on actual financial performance (in a format similar to the integrated resource plan) in the annual revision of the UNICEF Strategic Plan: updated financial estimates.

102. Since 2012, summary financial reporting (in a format similar to the integrated resource plan) based on the statement of comparison of budget and actual amounts and in compliance with IPSAS, has also been included in the UNICEF financial statements.

VII. Draft decision

The following draft decision is included for consideration:

The Executive Board

1. *Welcomes* the UNICEF integrated budget, 2018-2021 in response to its request (decision 2009/20) to present a single, integrated budget that includes all UNICEF budgetary categories, with an improved results focus and enhanced linkages with the strategic plan results and harmonized in methodology and presentation, including on cost classification, attribution and recovery, with UNDP, UNFPA and UN-Women;

2. *Approves* the integrated resource plan as the financial framework for the strategic plan, 2018-2021, based on projections of resources available, utilization and working capital required for liquidity;

3. *Approves* for the global and regional programme a budget from regular resources of $220.0 million, subject to the availability of resources, and other resources of $810.2 million, subject to the receipt of contributions to other resources, for 2018-2021;

4. *Approves* an appropriation for the institutional budget for 2018-2021 of $2,455.5 million to cover the costs of development effectiveness, United Nations development coordination, management activities and, within special purpose activities, capital investments, and notes that the projected funding for the appropriation is $1,095.2 million from regular resources and $1,195.0 million from cost recovery from other resources;

5. *Notes*, in addition to the appropriation of $2,290.2 million, the projected funding for the institutional budget of $165.3 million from other resources, subject to the receipt of contributions to other resources;

6. *Notes*, within special purpose activities, the projected utilization of resources for

(a) The amounts required in accordance with its Financial Regulations to defray the costs of UNICEF administration of special accounts on behalf of others, including procurement services; and

(b) Private-sector fundraising, for which budgets will be submitted for consideration and approval on an annual basis by the Executive Board at its first regular session;

7. *Requests* the Executive Director to

(a) Provide actual financial information in the format of the integrated resource plan and to assess performance against the integrated budget in his annual report to the Executive Board;

(b) Submit to the Executive Board for approval annually an updated integrated resource plan at its second regular session, following review of the financial projections on which it is based;

(c) Submit to the Executive Board, in conjunction with the midterm review of the strategic plan, information on the actual implementation and results of the revised cost-recovery methodology, together with any related recommendations, at the annual session in 2018.