Statement by the United States of America
UNICEF Executive Board Second Regular Session
September 8-11, 2020, New York

Item 13 – UNICEF strategic plan, updated financial estimates, 2020-2023

UNICEF is forecasting an overall deficit of $232,000,000 for 2020 on top of a 2019 deficit of $288,000,000. The organization cannot continue to sustain year-over-year deficits. UNICEF states that the deficit will be funded from cash balances and that they will maintain prudent liquidity levels.

UN liquidity guidelines call for three to six months of liquidity. At the end of 2019, UNICEF’s liquidity for RR was $284.91 million, which was 42 percent lower than the $494 million projected for the year-end 2019. This was the minimum level of the “prudent” three to six-month liquidity range. The U.S. is concerned that the continuing trend will result in UNICEF falling below the UN guidelines for liquidity levels.

In the 2019 second regular session, the United States expressed concern regarding overly optimistic projections that were tied to spending plans. Last year’s projection for 2020 was a 3% growth in revenue but the current 2020 projection is now -1%. The revenue projection for 2021 has now changed from 7% to -4 percent. UNICEF projects an overall income growth of 0% in 2022, and 3% in 2023. We continue to urge caution regarding the projections and encourage a very conservative approach considering the current trends in global economic growth.

UNICEF projects the share of private sector contributions as a percent of total income to increase from 23% in 2018 to 25% in 2023. We strongly support UNICEF’s efforts to engage the private sector, but again, we caution against projections that are too aggressive given the challenging environment for private sector contributions.

How does UNICEF plan to address the deficits to avoid falling below UN liquidity guidelines?