Joint Statement

Second Regular Session 2020 of the

UNICEF Executive Board: agenda item 6

Structured Funding Dialogue

Dear President,

I deliver this statement on behalf of Australia, Belgium, Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Italy, Lithuania, Mexico, Mongolia, The Netherlands, New Zealand, Norway, the Republic of Korea, The Republic of Moldova, Switzerland, United Kingdom, and my own country, Sweden.

The Corona virus sees no borders and its effect on developing countries is projected to be immense. The impact of the current crisis demonstrates that we cannot take the progress we have made so far toward the Sustainable Development Goals for granted. We need to ensure that no one is left behind while recovering and building a better and greener future.

We recognize that UNICEF is currently shifting much of its focus to address and adapt to the ongoing crisis. The COVID-19 pandemic has demonstrated the essential role that un-earmarked core funding plays when it comes to the ability to quickly react and respond to unforeseen events. We commend the efforts of UNICEF to quickly respond to the needs of those most at risk. We welcome the efforts already made to improve visibility and recognition of donors providing core funding during the COVID-19 response and call upon further efforts in this regard. As member states, we underline our commitments of the Funding Compact, and reaffirm to join these efforts for further allocation and promotion of core- and flexible resources.

We understand that the response to COVID-19 will most likely affect the implementation of the strategic plan. We urge UNICEF to assess which outcomes will be most impacted by COVID-19, and provide regular updates to the Executive Boards on the steps taken to mitigate the negative effects. We understand the need to maintain sustainable and predictable financing of UNICEF’s
Strategic Plan 2018 – 2021 and, as the Mid-Term Review showed, a higher proportion of regular resources give better results. We welcome your thoughts on what you can say today regarding the continued financing of UNICEF within the next two years of the current strategic plan, in light of the current global situation and challenges in fundraising.

I would like to extend our appreciation for the efforts UNICEF has undertaken in collaboration with UNFPA, UN Women and UNDP to improve the structured funding dialogues, strengthening reporting on Funding Compact implementation and engaging the respective Executive Boards on this matter. Looking ahead, we anticipate a forward-looking approach that encourages the Executive Boards to engage in an interactive dialogue that informs and guide funding decisions and implementation of the strategic plan at an aggregated level, helping to ensure that the budget is fully funded and that allocations are aligned with priorities.

Allow me to share three questions from our part:

First, while we commend the increase in multi-year commitments of core resources, we would also like to stress that an important objective in order to reach more sustainable funding is expanding and diversifying the core donor base. In this regard, we are concerned that the regular resources have declined from 23 to 21 percent of total funding to UNICEF. Moreover, regular resources from member states as a share of overall public sector income amount to only 11 percent. We would welcome further reflections from your side on efforts taken in increasing the number of donors to regular resources and challenges faced in this regard.

Relatedly, we welcome the fact that 13% of UNICEF’s non-core resources for development were channeled through inter-agency pooled funds and commend this trend towards less strictly earmarked financing. We believe that innovative solutions can address some of the challenges with regard to the quality resource gap and we are therefore looking forward to the presentation of UNICEF’s strategy on innovative financing in 2021.
However, we note with concern the increase in cost-recovery waivers granted by UNICEF in 2019 and more importantly the increase in financial loss resulting from these. We would welcome more information on the background for this increase in waivers.

Second, increasing collaboration between UN organizations remains at the core of the UNDS-reform process. We encourage UNICEF to increase its share of development related expenditures through joint activities and to engage in active dialogue with other entities of the United Nations Development System, in particular the UN Development Coordination Office to further improve the operational definition of the indicator “development expenditures delivered through joint activities”. Indicating the increasing cooperation within the UNDS, this indicator should ideally reflect the expenditures on joint activities as a proportion of all UNICEF’s programme expenditures. We are interested in hearing how UNICEF plans to strive towards the harmonization of this and other indicators of Funding Compact implementation. Additionally, we are keen to know when a definition of joint activities will be agreed upon and operational across UN Agencies.

Third, we urge UNICEF to develop an analysis on the budget, projected available resources and projected eventual financial gaps on an outcome or output-level. We are interested in hearing more about how UNICEF intends to mitigate shortages and make sure that all areas of the strategic plan receive adequate funding. While expenditure on programme activities has increased by 56% since 2012, UNICEF has controlled the Institutional Budget with a lower percentage increase (29%), demonstrating efficiency and increasing the proportion of resources for programme activities. We are curious as to how you plan to move towards more core, thematic and programmatic funding? We would be especially interested in how UNICEF plans to achieve the 15%-target in thematic contributions until 2021, give its recent decrease to 7%?

Relatedly, we notice that an increased proportion of programme activities costs amount to 90 percent and institutional budget to 10 percent in 2019. We are interested to hear how UNICEF is ensuring sufficient resources are allocated to upholding UNICEF’s normative mandate and functions such as oversight, audit and evaluation.
Lastly, meeting the commitments of the Funding Compact is as important as ever before, both by the Member States and the United Nations Development System entities. We expect to see even more effective and efficient delivery of results on the ground by UNICEF and the other organizations of the United Nations Development System. We would like to reiterate the importance of ensuring CPDs are derived from UNSDCF's including through agencies’ close work with the Development Coordination Office. Finally, we thank UNICEF for the comprehensive reporting on funding compact implementation as part of the Structured Funding Dialogue, and commend the significant progress UNICEF has made when it comes to meeting the targets.

Thank you