

UNICEF STRATEGIC PLAN: updated financial estimates, 2020–2023

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UNICEF Executive Board
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Reference document: [E/ICEF/2020/AB/L.7](#)

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for every child

Key messages of the updated financial estimates, 2020-2023:

Based on the latest available information, UNICEF has prepared its financial framework and adopted a conservative financial outlook for the period of 2020–2023, while closely monitoring developments.

Total income is forecast to decrease by 1% in 2020 compared with actual income in 2019. In 2021, total income is projected to decrease by 4%. In 2022, total income is forecast to remain at similar level as in 2021 and then is projected to grow by 3% in 2023.

In the current environment, regular resources become even more critical to meet the needs and rights of all children – allows UNICEF to reach children at scale through its country programmes, facilitate sustainability of impact, and enable innovation and rapid response to in-country or regional situations, including emergencies.

In view of the current operating environment and the impact of COVID-19 on the global economy, UNICEF has undertaken a corporate prioritization exercise and budget recalibration process to address anticipated impacts of the pandemic for the remainder of the current Strategic Plan. This is being monitored on continuous basis and will also inform the upcoming Strategic Plan and Integrated Budget exercise for 2022-2025.

Historical income trends, 2008-2019



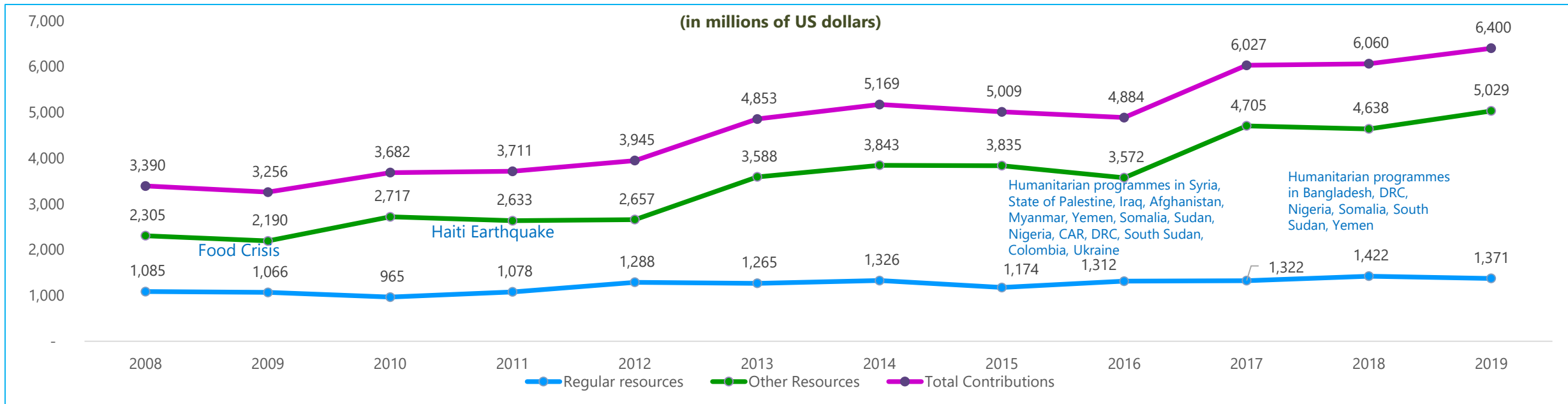
Regular Resources growth



Other Resources growth

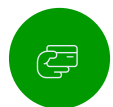
\$26 million average annual growth

\$248 million a year – almost 10x higher than regular resources

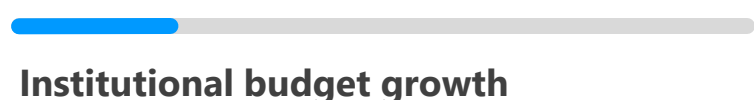


- Total income has doubled from \$3bn to \$6bn over the last 11 years, growth in income is largely driven from increases in OR (earmarked) funding. RR has ranged between \$1.3bn and \$1.4bn over the last 8 years.

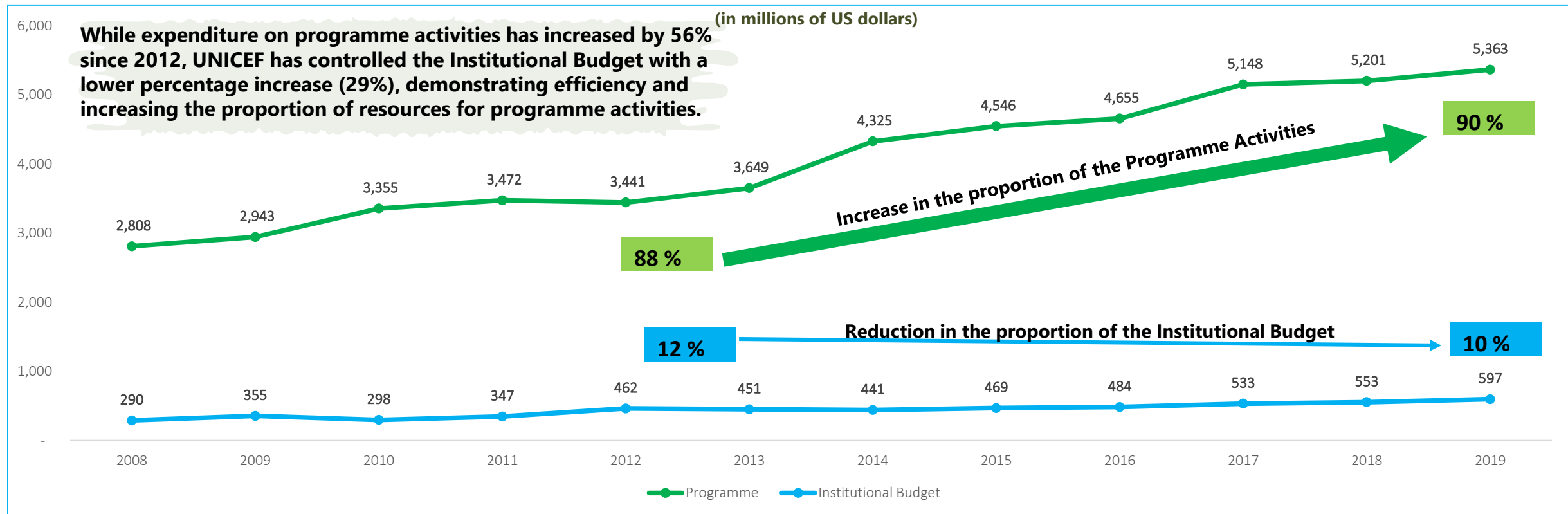
Historical expenditure trends, 2008-2019



\$1.9 billion (56%) growth since 2012



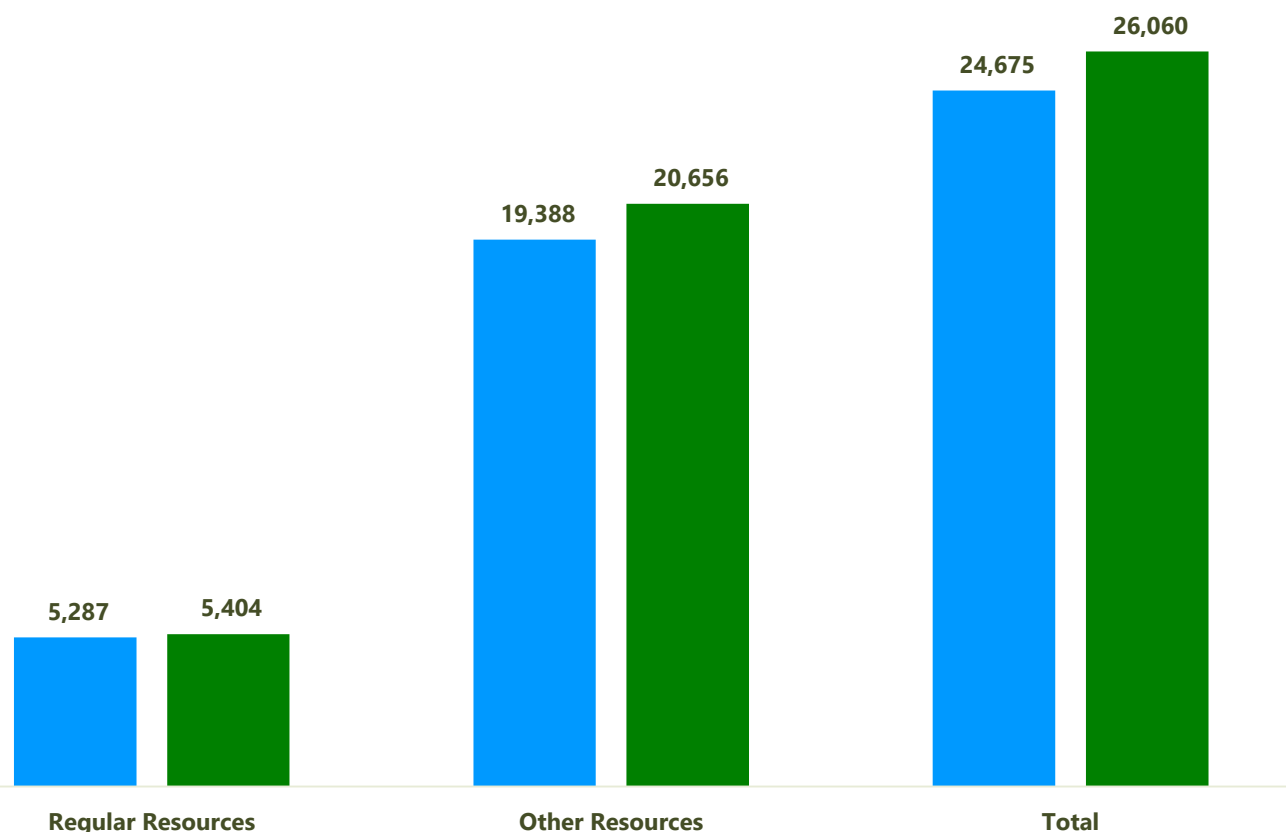
\$135 million (29%) growth since 2012



Projected income and expenditures: updated financial estimates, 2020-2023

Total Income and Expenditure Projections, 2020-2023 (in millions of US dollars)

■ Income ■ Expenditure

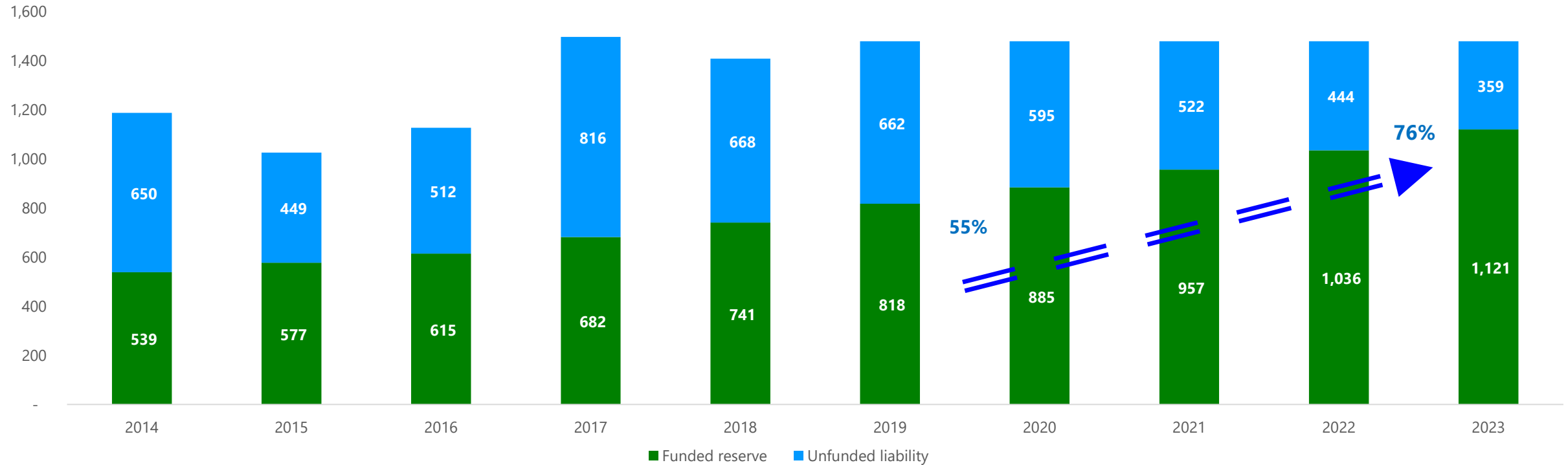


2020-2023 overall income and expenditure projections:

- Total projected income is \$24.7bn. and total projected expenditure is \$26.1bn. The difference between total income and expenditure will be funded from the balance accumulated in prior years, when actual income surpassed planned amounts.
- Each year, UNICEF ensures that the cash balance complies with the minimum liquidity requirement, in accordance with UNICEF Financial Regulations and Rules. This has been the case to date and compliance is actively monitored throughout the budgeted period.

Progress on funding staff liabilities

(in millions of US dollars)



- The staff liability reserve covers 55% of the liabilities as at end 2019.
- The funded reserves are projected to cover 76% of these liabilities by 2023.
- UNICEF will continue to monitor the effectiveness of and make appropriate adjustments to the strategy as financial variables change.

Proposed Executive Board Decision for the Second Regular Session related to the financial estimates 2020-2023: Update

Financial Estimates 2020–2023

- Approve the integrated resources framework of planned financial estimates for the period 2020–2023;

Preparation of programme expenditure submissions

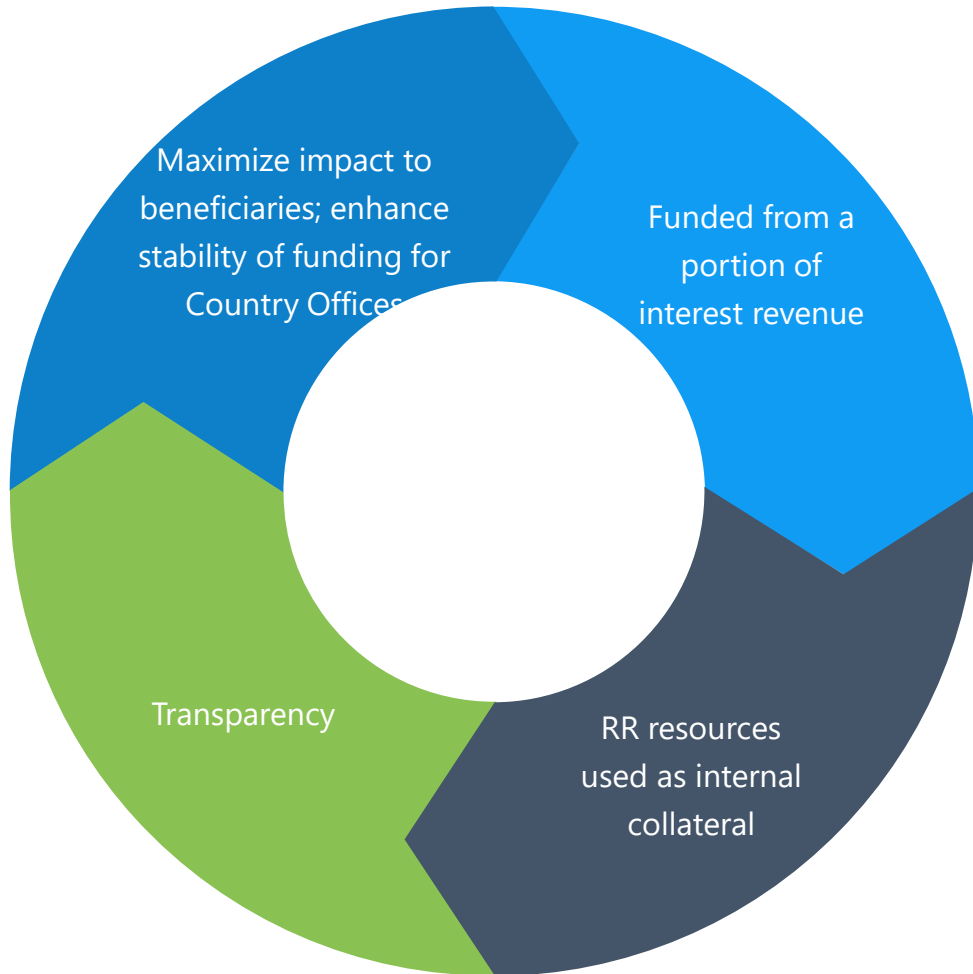
- Approve the preparation of country programme expenditure submissions to the Executive Board of up to \$0.88 billion from regular resources in 2021, subject to the availability of resources and the continued validity of these planned financial estimates; and

Funding of Staff Liabilities

- Request UNICEF to provide annual updates to the Executive Board on the progress of funding its reserves for staff liabilities.

ANNEX - Operational Guidelines of the Working Capital Fund – For Information

Decision 2020/13 (ref. [E/ICEF/2020/AB/L.5](#))



PRINCIPLES

- Maximize impact to beneficiaries
- Ensure best use of funds to enhance stability of funding for country offices
- Appropriate risk management
- Enhance transparency to all stakeholders
- Funding request based on need and validation by management

FUNDING MECHANISM OF WCF

- Funded from a portion of UNICEF annual treasury income, and
- Subject to affordability within projected financial framework

RISK MITIGATION

- Allocating resources based on degree of probability of repayment:
 - High probability forecast = Advance 100% of forecast requirement
 - Medium Probability = Advance 75% of forecast requirement
- Offices are given a maximum of 2 years to repay
- RR resources used as internal collateral

REPORTING

- UNICEF will report to the Executive Board annually on the status of the revolving WCF in the “UNICEF Strategic Plan: updated financial estimates” document (presented at the second regular session). The report will include details of all advances and repayments.

Thank you.

