ACABQ and Member States queries regarding the UNICEF 2018-2021 Integrated Budget

Topic	Issue(s)	Response
Investment in the **Evaluation** function and progress to achieving the 1% target (Member States)	Request update on the planned levels compared with the targeted 1% of programme expenditure on the Evaluation function	UNICEF will achieve the target of a minimum of 1 per cent of programme expenditures for evaluations during the Strategic Plan by investing Regular Resources and Other resources at all levels of the organization. Provisions in the Institutional Budget for Evaluation shows an increase of 33% from the 2014-2017 period. The proposed increase will help strengthen the capacity of Regional Offices and Headquarters to produce and disseminate credible and timely evaluations. It is also expected that partners will increase Other Resources to leverage the projected growth in the allocation of Regular Resources, especially towards high quality evaluation products and processes at the country level.
Investment in **Humanitarian** action (Member States)	Request more information on the future investment / expenditure in humanitarian action.	To deliver faster, more effective and at-scale humanitarian response in line with the Core Commitments for Children in Humanitarian Action, UNICEF is planning to invest $5.8 billion over the quadrennium. Included in this amount is $5.5 billion to address humanitarian needs in response to protracted and developing crises and emergency appeals. To facilitate ready availability of financial and human resources, several additional measures are planned. The Emergency Programme Fund ceiling of $300 million provides flexibility to allocate resources for immediate use. New Emergency Response Team (ERT) posts, totalling $17 million, and representing different functional areas will strengthen the capacity of UNICEF to respond rapidly to emergencies. EMOPS, with a quadrennial institutional budget of $35 million, will continue to coordinate efforts to provide quality, effective and timely support to country and regional offices, and to strengthen engagement with UN agencies to foster coherence and complementarity.
Senior posts / HQ posts	Clarification: are the additional 8 posts included in the EB	To address the organization's ability to respond to changing circumstances in programme countries, the ED was authorized to create up to ten

(ACABQ , Member States)	approved ceiling of 10 or additional? Questions regarding the growth in HQ posts compared with RO/CO	additional senior level posts when warranted by the increasing complexity of the portfolio (i.e. in complex emergency situations). UNICEF remains within the ceiling. On a net basis, 3 senior posts have been approved and 5 are under management consideration; all are field-based. Given the continuing challenges faced by the organization, an extension for the additional posts has been requested for the 2018-2021 IB period. HQ posts decrease by a percentage point of total posts, from 31% to 30%. Capacity strengthening in results systems and knowledge management; corporate oversight and assurance; corporate information communication technology; and human resources management have been strengthened to support the strategic goals and effective programme delivery of the organization.
Resource mobilization, particularly Private Sector (ACABQ , Member States)	Are the resource mobilization goals reasonable? Why is fundraising investment increasing?	There has been strong growth in revenue over 2014-2017 period with actual revenue 21% above the MTR planned amount. A detailed analysis of global public and private sector resource mobilization trends has identified areas for additional growth, particularly through an increase in the recruitment and retention of monthly pledge donors and enhanced focus on Legacy, Corporate and Foundation fundraising opportunities. The objective is to mobilize private fundraising and partnerships in support of the UNICEF Strategic Plan, 2018-2021 of $9.6 billion gross ($7.5 billion net); mobilize tens of millions more supporters to volunteer, advocate and give for the cause of children; and harness the power of business to deliver on child rights.

	What are the specific actions to grow resources, especially RR, from the private sector?	In 2016, private sector contributions to RR increased 19 percent, from $530 million in 2015 to $629 million in 2016, marking an all-time high for private sector donations to RR. Of this, a total of $29 million was generated by private sector fundraising in middle- and high-income countries through UNICEF country offices. This consistent growth is the result of a sound business model for private sector fundraising- investing in proven techniques and innovating new techniques. Growth trends and market research show that with sufficient investment, market development and expertise, UNICEF is well positioned to substantially grow revenue from the private sector in the coming years, especially of unrestricted resources from individual donors. For the period 2018-2021, UNICEF aims to significantly increase annual revenue from the private sector by 46% overall, with a 57% increase in RR. This is an increase from US$1.48 billion, including US$665 million in RR in 2017 to an annual income of US$2.16 billion, including just over US$1 billion in RR by the end of 2021. This growth will require investment that is commensurate with the fundraising targets. Investing has proven to be a key driver of private sector fundraising success, particularly to grow RR revenue, generating a gross return of three to one over 36-month period and an estimated eight to one over ten years. With sufficient investment and market development expertise, UNICEF estimates that it will: • Raise US$7.5 billion net revenue from 2018-2021 from the private sector. This represents an increase in net revenue from the private sector by US$2 billion.

		• Raise US$3.6 billion in RR from 2018 to 2021, $1.2 billion more than 2014-2017. • Double the number of individual donors from 7.8 to 14 million, 10 million of whom will make pledge donations by 2021, with a projected 30 million pledge donors by 2030. • Raise $3.5 billion in ORR from 2018 to 2021 from foundations, major donors, membership and faith based giving and corporates.
	What risk mitigation measures are planned if targets are not met?	To mitigate potential risks, Unicef regularly monitors revenue performance and reports to the EB through regular statutory updates and reports (EDAR, Financial Updates, etc.). In addition, the PFP budget is approved annually by the EB and will also provide information on the proposed investments.
Details on **Cost breakdown and Efficiencies** (ACABQ , Member States)	Provide evidence of continued focus on efficiencies. Requests more detailed expenditure breakdown. Questions regarding ratios and comparators.	UNICEF's quest for effectiveness and value has generated cost savings in several areas and will continue through 2018-2021. UNICEF is one of the largest buyers of supplies for children -- in 2016 procuring over $3.6 billion in supplies and services, including $500 million from US based suppliers. Also in 2016, our supply function achieved its largest savings ever, approximately $520 million resulting from targeted procurement strategies. Total savings achieved for UNICEF and partners (including governmental and UN partners) amount to about $1.5 billion over the last five years. The organization's Global Shared Services Center, which centrally processes UNICEF financial and administrative transactions, is expected to generate an estimated $25 million annually in cost savings. We have embarked on a simplification and modernization of our operational processes. Efficiency gains through this exercise are projected

		at around $20 million and will offset related investments, while allowing to improve the current management cost ratio, despite an increasingly complex environment for implementing programmes. UNICEF country offices worldwide are increasingly collaborating with other UN agencies on the ground to deliver local business solutions in IT, procurement, and cash transfers to implementing partners. In 2015, country offices reported a combined savings of nearly $3 million that were achieved by sharing the costs of business solutions implemented jointly with other UN agencies. At the global level, UNICEF is one of three agencies leading an important initiative on joint fleet management, which will yield an annual saving of up to $4 million, increase the safety and security of our personnel, strengthen fleet management and reduce our carbon footprint. The Field Results Group will continue to help the organization strengthen results based management practices. Core office work processes have been targeted for simplification to maximize UNICEF staff time focused on achieving results. Through process engineering and technology investments global staff time savings amount to 200,000 hours. In addition, Performance Scorecards were introduced to encourage continuous progress. They also support offices to put improvement measures in place for both efficiency and programme effectiveness Reflecting the above, when compared with the 2014-2017 MTR, the 2018-2021 institutional budget decreases from 10.5% to 10.2% of the total integrated budget. This ratio was 11.9% in the approved 2014-2017 plan.
Cost recovery (ACABQ, Member States)	Recognizes improved net effective cost recovery rate and	UNICEF is complying with the EB approved harmonized approach to full cost recovery and ensuring that expenditures are fairly attributed between core and non-core resources. UNICEF has projected an effective rate of 7.5% for

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	encourages reaching full cost recovery.	2018-2021 considering differentiated rates for Thematic (7%) Private Sector (5%), Legacy, Programme Country (5%) and South-South contributions (5%) which will lower the average below 8%. We will continue to work with the Board and other UN Funds and Programmes on further reviewing alternative harmonized cost recovery approaches.
SP/IB linkages (Member States)	Query regarding alignment the goal areas of the Strategic Plan with the structure of the budget document.	The integrated budget is aligned with the Strategic Plan, as indicated in the Integrated Resources and Results Framework (IRRF). The IRRF is harmonized with the other UN Funds and Programmes. Resource allocation decisions have been made based on SP defined priorities; revenue growth will support the Strategic Plan targets that have been set in support of the SDGs. Expenditure on key reform areas is fully aligned with the Strategic Plan. UNICEF has internal tracking mechanisms to monitor the results and associated resources and will report on this through the Executive Director's Annual Report.
UNDS Cost breakdown (Member States)	Request more information on the costs associated with UN Development activities.	UNICEF contributes to overall UN programme coordination through the UN Resident Coordinator System with a financial contribution of $17 million. The Inter-Agency Standing Committee (IASC) Transformative Agenda established the 'cluster coordination mechanism' to increase the effectiveness of humanitarian response by building partnerships. UNICEF is responsible for the coordination of partners for the WASH, nutrition and education humanitarian clusters, along with areas of responsibility (AoRs) in child protection. $32.2 million is budgeted for this Inter-Agency work.
Quadrennial Budget (ACABQ)	Provide your opinion on the value of a quadrennial budget.	The quadrennial budget format was introduced in response to the request of the Executive Board to align and strengthen the link between the strategic plan results and related resources (Ref Executive Board decisions

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	Is a quadrennial budget reasonable?	2009/20 para 7 and 2012/20 para 9), to allow the Executive Board to consider a funding proposal that encompasses all cost categories, funding sources and results of the organization within a single integrated framework. As UNICEF is 100 % funded by voluntary contributions, revenue and expenditure estimates are key to the planning and budgeting process. The Integrated Budget's estimates are prepared for a 4-year period, with the risk of estimation error mitigated through (i) review of actual financial performance on an annual basis as documented in the UNICEF Strategic Plan: updated financial estimates, and more importantly (ii) mid-term review (MTR) of the strategic plan, both of which are submitted to the Executive Board. The MTR provides an opportunity to review progress on results and propose adjustments to the integrated budget. Finally, the UNICEF annual financial statements (audited by UN Board of Auditors) include a statement of comparison of budget to actuals in line with IPSAS reporting requirements. The quadrennial budget also provides more flexibility for reallocation of resources to meet emerging priorities, in line with updated revenue projections.
Integrated Budget by location (Member States)	How much of the budget is spent in HQ and in the Field	\$21.2 billion (85 %) of the UNICEF Integrated Budget for 2018-2021 will be spent in field locations (regional and country offices) and \$2.8 billion (15 %) will be spent in Headquarters.
Consultants for staff roles (ACABQ)	Please comment on 2014 JIU report on use of consultants for staff roles (JIU/REP/2014/8, p.	UNICEF has accepted all the relevant JIU recommendations, except for recommendation 11 on access to internal formal justice mechanisms by non-staff. This recommendation requires General Assembly decision.

67). Please provide updated annual figures for years 2014-2016 and the total number of staff at present. What recommendations from the JIU to UNICEF have been implemented and which were rejected? How many non-staff do you have today?

UNICEF's policy on consultants and individual contractors is currently under review and will address the issue of use of non-staff for staff functions. Some provisions are already in place that clearly delineate when a staff appointment should be used, including:

(a) Consultants cannot have any representative, certifying, approving authority or supervisory responsibility.

(b) Consultants' contracts are limited in duration by mandatory break-in-service, thereby preventing the extended use of their service.

As of July 2017, there are 3,336 consultants under contract with UNICEF. The annual figures (as of 31 December, for each year) are provided in the table below for comparison.

2014						
Staff			Non-staff*			**% non-staff**
HQ	Field	Total	HQ	Field	Total	
1559	10574	12133	432	2579	3011	**20%**
2015						
Staff			Non-staff			**% non-staff**
HQ	Field	Total	HQ	Field	Total	
1576	11071	12647	520	2906	3426	**21%**
2016						
Staff			Non-staff			**% non-staff**
HQ	Field	Total	HQ	Field	Total	
1832	11261	13093	524	3010	3534	**21%**

It is important to note that on average, approximately 50 % of consultants work full time (defined as being on a contract of at least 11 months' duration), whereas the others were on shorter-term contracts (sometimes only for a few days per year, such as facilitators, trainers and

		photographers). Full-time consultants thus accounted for about 11% of the overall workforce in 2016 (10 % in 2014; 12 % in 2015).
Travel Budget (ACABQ)	Why does the travel budget increase? How does this relate to the proposed increase in the number of staff?	The increase in travel costs of 9.2 % in 2018-2021 is partially attributed to the increase in posts in field office locations (2,166 in 2018-2021 compared to 1,938 in 2014-2017). Headquarters and regional support to ongoing emergencies and the operational modalities of sub-regional hub support and zone office management have also contributed to the planned rise in travel costs. Finally, supplemental activities related to evaluation, HACT assurance activities and fundraising have contributed to the increase in investments in travel. UNICEF is finalizing measures to improve monitoring and control of travel-related expenditures and intends to show savings in this area in the coming years. As part of this effort, the organization will make better use of technology to reduce the need for travel.