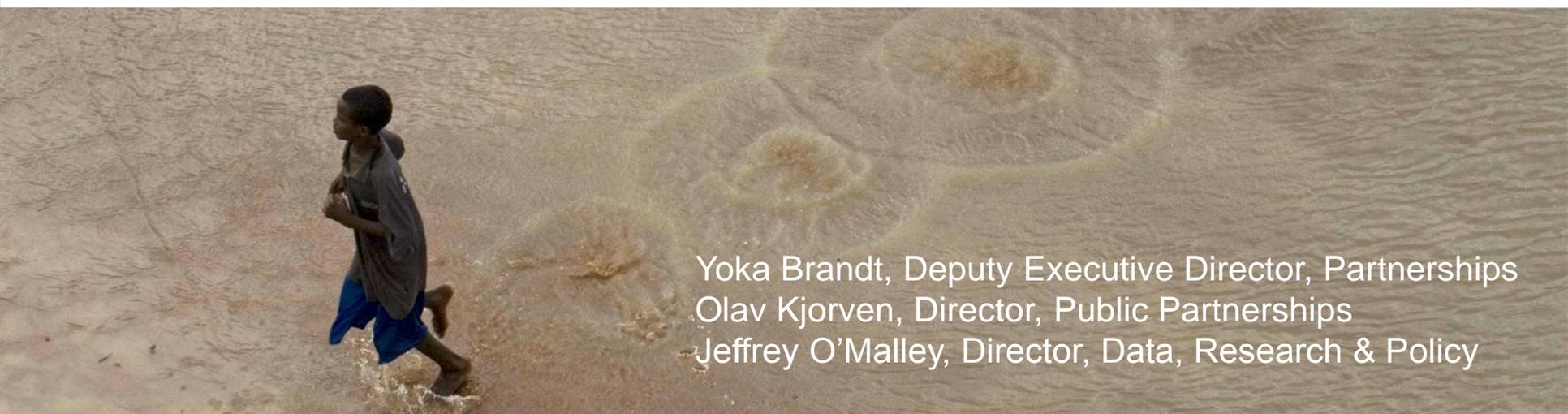


# Critical Mass of Core Resources and Structured Dialogue on Financing

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unite for  
children

unicef 

## QCPR OP 39 – Critical mass

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*Reiterates the potential positive impact of determining the level of critical mass of core funding for United Nations development agencies, and*

*...requests the funds and programmes to define **common principles for the concept of critical mass of core resources**, which may include the level of resources adequate to respond to the needs of the programme countries and to produce the results expected in strategic plans, including administrative, management and programme costs, and*

*...to present **specific proposals to their respective governing bodies** by the end of 2013 with a view to a decision in 2014.*

## QCPR OP 46 - Structured Dialogue

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*Requests, in this regard, the executive boards of the funds and programmes and the governing bodies of the specialized agencies, as appropriate,*

*to organize structured dialogues during 2014 on how to finance the development results agreed in the new strategic planning cycle of their respective entities,*

*with a view to making non-core resources more predictable and less restricted/earmarked, broadening the donor base and improving the adequacy and predictability of resource flows.*

# Critical mass – key concepts

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Common principles for critical mass of core resources (Dec 2013):

1. **Critical mass of resources** reflects the funds needed to achieve the outcomes as stated in each agency's respective Strategic Plan (SP);
  2. Critical mass of **core** resources is the **minimum** level of resources adequate to provide the foundation from which to respond to the needs of the programme countries and **deliver results** of respective SPs;
  3. Critical mass of **core** resources reflects the specific mandates and business models of each organization;
  4. Critical mass of **core** resources ensures that organizations are able to respond to changing contexts/needs, including emergencies, in a stable manner and in line with SPs.
- Critical mass of resources represents all the resources needed by UNICEF to maintain a global reach and achieve the results for children as approved in the Strategic Plan for 2014-17 (i.e. US\$ 17.5 billion)
  - We are presenting proposals on how the Executive Board may wish to define the concept of critical mass of core resources for UNICEF's specific mandate and business model

# Critical mass of **core** resources – July proposals

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In July 2014, shared two possible UNICEF approaches to defining “core” resources for EB feedback:

1. The minimum level of relatively flexible resources adequate to provide a foundation for our SP, including maintaining capacity for universal response in line with our normative mandate, and to leverage further, more restricted funding to make up the balance of critical funding requirements (circa \$10 bn)
2. The minimum level of resources to maintain a universal response and to produce the results as approved in the Strategic plan for 2014-2017, including funding only for already anticipated humanitarian action (circa \$14 bn)

# Feedback and proposed decision point

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- CRP para 24 notes that the EB may wish to make a decision that asks UNICEF “to continue to explore incentives and mechanisms to support donors to shift from more restricted to more flexible funding, to be used for both development and humanitarian programming and the links between the two...”
- Such a decision could emphasize that for UNICEF’s specific mandate and business model, core resources can best be understood as relatively flexible and predictable resources that UNICEF can programme in support of our universal mandate, according to country priorities, in the context of broader UN development system responses
- With regard to the optional issue of specifying “the level of resources adequate to respond...”, the EB may wish to make a decision that re-emphasizes ‘critical mass’ rather than ‘critical mass of core’ – that is the need for 100% funding of the SP/IB

# Structured dialogue: guiding principles

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Three guiding principles:

- (i) alignment of financial contributions to results in the Strategic Plan;
- (ii) increased transparency; and
- (iii) improved predictability of financing and more flexible funding.

# Structured dialogue: feed-back from Member States

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During informal meetings, Member States highlighted the need to:

- (i) identify the best mix of core and flexible and predictable non-core resources to fund the results of the strategic plan;
- (ii) develop innovative options for flexible and predictable non-core resources, going beyond thematic windows and consider geographical funding windows;
- (iii) analyse funding gaps to make better informed decisions; and
- (iv) broaden the donor base, including attracting more non-traditional donors.

# Structured dialogue: issues for discussion on 9 September

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- Strategies to achieve greater balance core-non-core;
- Strategies to promote contributions to flexible and predictable non-core resources;
- Strategies to broaden the donor base, both within private and public sectors;
- Strategies to redress existing funding gaps between SP outcomes.
- UNICEF's contribution to financing child related SDG targets.