UNICEF STRATEGIC PLAN:
Updated Financial Estimates 2018 - 2021
Executive Board
OBJECTIVES

• Provide financial overview for 2017

• Share financial projections for 2018 – 2021

• Seek Board approval of regular resources level for 2019 programme submission

• Provide an update on implementation of Board decisions
UNICEF is a voluntarily funded organization with two main sources of income:

Public (two-thirds) and Private (one-third)
Four-year financial estimates updated annually as per Financial Rules and Regulations. Allows the UNICEF to plan commitments prudently while pursuing medium-term objectives.
### 2017 FINANCIAL OVERVIEW
*(in millions of US dollars)*

<table>
<thead>
<tr>
<th></th>
<th>Regular Resources</th>
<th>Other Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plan (June 2017)</td>
<td>Actual</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td>1,312</td>
<td>1,322</td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td>1,402</td>
<td>1,339</td>
</tr>
</tbody>
</table>

- Regular Resources income of $1.32 billion was in line with June 2017 projections.
- The significant increase in Other Resources income is attributed primarily to funding received for the crisis in Yemen. Support for new refugees in Bangladesh, internal displacements in the Kasai region of the DRC, and the risk of famine in north-eastern Nigeria, Somalia and South Sudan contributed to the growth as well.
In 2017, Other Resources growth was driven by contributions from the World Bank to the humanitarian programme in Yemen.

Funding received for support to refugees in Bangladesh, internal displacements in the Kasai region of the Democratic Republic of Congo, and the risk of famine in north-eastern Nigeria, Somalia and South Sudan also contributed to the increases in 2017.
Programme expenditure has grown by 50% since 2012. Institutional Budget* expenditure has increased by 15% for the corresponding period.

*Term Institutional Budget was adopted in 2012, for prior years, UNICEF total expenditures minus Programme Assistance was taken for comparison purposes.
In 2018-2021, UNICEF will accelerate OR-funded Programme expenditure. Prior year residual balances will cover the gap between planned income and expenditure levels;
- Regular Resources expenditure will match planned income, thus maintaining a recommended level of RR reserve.
## Yearly Phasing of Estimated Regular Resources Expenditures for Programmes

*(in millions of US dollars)*

<table>
<thead>
<tr>
<th>Programme</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Beyond 2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Country programmes approved in prior years</td>
<td>841</td>
<td>674</td>
<td>605</td>
<td>411</td>
<td>245</td>
<td>4,467</td>
</tr>
<tr>
<td>2. New country programmes to be submitted to 2018 Executive Board session</td>
<td>213</td>
<td>224</td>
<td>235</td>
<td>404</td>
<td></td>
<td>1,750</td>
</tr>
<tr>
<td>3. New country programmes to be prepared for 2019 Executive Board session</td>
<td>0</td>
<td>104</td>
<td>110</td>
<td>282</td>
<td></td>
<td>710</td>
</tr>
<tr>
<td>4. New country programmes to be prepared for future Executive Board sessions</td>
<td>0</td>
<td>0</td>
<td>224</td>
<td>768</td>
<td></td>
<td>1,216</td>
</tr>
<tr>
<td>5. Amount set aside</td>
<td>67</td>
<td>71</td>
<td>75</td>
<td>78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Estimated allocation of net revenue from sale of greeting cards in countries with UNICEF programmes</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>910</td>
<td>960</td>
<td>1,010</td>
<td>1,060</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Additional emergency requirements</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>960</td>
<td>1,010</td>
<td>1,060</td>
<td>1,110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Global and regional programme</td>
<td>58</td>
<td>55</td>
<td>52</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total - Programme</strong></td>
<td>1,018</td>
<td>1,065</td>
<td>1,112</td>
<td>1,164</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

UNICEF recommends that the Board approves the preparation of programme expenditure submissions to the Executive Board of up to $710 million from regular resources in 2019, subject to availability of resources and the continued validity of these planned financial estimates.
HISTORICAL AND PROJECTED REGULAR RESOURCES (RR) LIQUIDITY TREND
(in millions of US dollars)

- The red RR reserve border corresponds to three months ($400k) and the green border corresponds to six months ($800k) of RR expenditure;
- The shift of the RR reserve borders in 2018 reflects increases in the approved 2018-2021 Integrated Budget;
- UNICEF will maintain an RR reserve balance within the recommended range of three to six months.
- The staff liability reserve* covers 55 per cent of the liabilities in 2017. This figure will increase to 78 per cent by 2021.
- Given the current level of staff liabilities and pace of projected growth of the reserve, staff liabilities will be fully funded by 2026.

* Staff liabilities include After-Service Health Insurance and Separation and Termination liabilities.
FOR EXECUTIVE BOARD DECISION

• Take note of the planned financial estimates for 2018–2021;

• Approve the preparation of programme expenditure submissions to the Executive Board of up to $710 million from regular resources in 2019; and

• Take note of the progress of funding UNICEF’s reserve for staff liabilities and request UNICEF to continue provide annual updates.
Continue to ensure sufficient resources for effective evaluation and audit functions, recalling Executive Board decisions 2017/9 and 2017/10, respectively; and to include in its first revision of the integrated budget a separate budget item for the Office of Internal Audit and Investigations, as decided by the Board in its decision 2017/10, paragraph 14.

- UNICEF has a separate budget item for the Office of Internal Audit and Investigations (OIAI) in the integrated budget (E/ICEF/2017/AB/L.4, pp. 13/25)

- Additional resources for effective evaluation function have been made available within the approved Institutional Budget in 2018. UNICEF will work with counterparts to bring the funding level of the evaluation function to 1% of the programme.
Submit to the Executive Board, for annual approval, an updated integrated resource plan at its second regular session, following review of the financial projections upon which it is based.

• The updated integrated resources plan is included in Annex to the UNICEF Strategic Plan: updated financial estimates 2018-2021 paper as Table 2
General Assembly resolution 72/279 requests the doubling of the current United Nations Development Group cost-sharing arrangement among United Nations development system entities.

UNICEF has included an indicative provision of an additional $13 million in its institutional budget to meet the cost-sharing requirement set out in the resolution.

Further discussions among the United Nations Development System entities are planned in the coming months to develop and formalize a revised cost-sharing framework, which is expected to be in place effective 2019.
THANK YOU

Questions & Answers