UNICEF work with countries transitioning from middle to high income status

Executive Board Informal Briefing

16 December 2014

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Background

Children's rights are universal

Why work with children in high income countries (HICs)?

- Persisting inequities in all countries
- Humanitarian emergencies affecting children can happen anywhere
- Opportunities for all countries to advance evidence and innovation – and to learn from others
- Increasing awareness of the "Global Public Goods" agenda for children, as acknowledged in emerging SDGs
- Most HICs are signatories of the Convention on the Rights of the Child

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Current UNICEF approaches to children in High Income Countries

- National Committees in 35 countries conduct child rights education and advocacy in addition to raising funds for UNICEF programmes around the world
- Various Global and Regional Programme activities contribute to results for children in high income countries, such as the "UNICEF Innocenti Report Card" and the recent "Hidden in Plain Sight: A Statistical Analysis of Violence Against Children".
- UNICEF promotes child participation and voice from all countries.
- Some programmatic innovations from developing countries have been adopted to support children in rich countries, such as family reunification software.
- Most HICs have signed the Convention on the Rights of the Child.

These established forms of engagement with HICs do not always respond fully to the needs and opportunities of countries transitioning from MIC status to HIC status.

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Why focus on MICs transitioning to HICs?

Special needs and special opportunities:

- Simultaneously dealing with children left behind and new challenges of affluence. Modest UNICEF technical and financial investments in these countries can contribute to significant results, as many relevant governments have both the funding and the capacity to scale up success.

- Positive synergies between ongoing programme engagement in these countries and building new strategic partnerships for children - in these countries, regionally and globally.

- Innovations and evidence from ‘new’ HICs are particularly relevant to other programme countries – and new HICs often welcome facilitation of horizontal cooperation.

- EB asks UNICEF to diversify its funding base – with a particular focus on private and public donors from new HICs. Strong synergies between ongoing programme work and increasing fundraising from both public and private sources.

Proposed pre-conditions for continuing country programmes

Three proposed pre-conditions for first CPD as a HIC:

1. Government requests UNICEF to continue its programming engagement.
2. In consultation with relevant government, UNICEF determines that we can add value, for example: monitoring and advocating for child rights, innovation and evidence building, facilitating horizontal cooperation.
3. Government pledges that the country (public and/or private sources) will contribute core resources to UNICEF over the course of a new CPD that match 100% of country programming RR that UNICEF invests in the new country programme.

For second CPD as a HIC, government also pledges to at least match leadership and operational costs – so there is a ‘net gain’ to RR and operations budgets for LDCs and Sub-Saharan African countries

Financial Considerations

UNICEF's Strategic Plan and Integrated Budget allocate 95% of Programme Regular Resources to countries (88% indicatively distributed via formula and 7% via Executive Director's set-aside, with a replenishing emergency fund) and 5% to Global and Regional Programme.

The formula is based on three core criteria – child population, under-five mortality rate, and GNP per capita. It also prioritizes distribution of resources to low income countries, with at least 60% to least developed countries and at least 50% to Sub-Saharan African countries.

The formula provides countries with a planning level but actual RR allocations are approved by the Executive Board through the approval of individual Country Programme Documents.

In 2014 and 2015 – UNICEF allocating 66% of RR to LDCs and 63% to Sub-Saharan African countries

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Financial implications (continued)

No impact on approved Strategic Plan / Integrated Budget. Consistent with fundraising plans.

No immediate impact on level of RR being allocated to LDCs and Sub-Saharan Africa – relevant countries that are now upper MICs are already receiving RR. Proposed maximum allocation of $850,000 per year equivalent to current minimum allocation to MICs.

In 2016, if two HIC CPDs receive RR, it represents 0.37% of RR. Over the next ten years, if 20 countries transition, still less than 4% of RR – which in turn is at least fully matched from the countries themselves.

Potential for <u>increasing</u> the absolute amount of RR that goes to LDCs and Sub-Saharan countries over time, as MICs become 'net contributors' to RR in five years or less. Modest positive impact at first, potentially more significant over time.

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Programmatic implications

Ongoing support to new HICs as they strive to realize the rights of their children, especially the most disadvantaged.

Strong potential for increasing innovations and evidence.

Strong potential for effective horizontal cooperation.

Important first step towards universal approach anticipated in emerging SDGs.

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Concerns re categorization of RR contributions

- Some Member States have raised concerns about whether OECD DAC would still categorize their RR contributions to UNICEF as ODA, if some RR is used in HICs.

- OECD policy states: “For DAC purposes, aid contributions qualify for recording as multilateral assistance only if they are made to an international institution whose members are governments and who conduct all or a significant part of their activities in favour of developing (or transition) countries…”

- Email feedback from OECD confirms an informal guideline that 90% or more of multilateral programme budgets should be directed towards “developing or transition countries” for contributions to the multilateral to be considered ODA.

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Proposed decision point

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Welcomes proposed criteria for continuing a programming presence and proposed emphases of such a country programme or multi-country programme, as outlined in para 10 of document E/ICEF/2015/P/L.6;

Welcomes proposed financing arrangements for such country programmes or multi-country programmes as outlined in paras 19 through 22 of E/ICEF/2015/P/L.6, noting that final funding allocations will be authorized on a case by case basis by the submission of relevant documentation to the Executive Board and noting further that UNICEF will determine what amendments, if any, to the Financial Regulations and Rules of UNICEF are necessary in order to facilitate the application by donors of relevant OECD DAC definitions of Official Development Assistance and will report these to the Executive Board at the annual session for 2015.

Invites UNICEF to work with relevant countries to prepare country programme documents or multi-country programme documents consistent with the framework outlined in UNICEF document E/ICEF/2015/P/L.6, for consideration and eventual decision by the Executive Board;

Notes the intention of the Executive Board to review this policy and experience with its implementation within 10 years.

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Thank you

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