

# Informal Briefing on the draft Integrated Budget, 2014-2017

17 June 2013

# Context

- Integrated budget is integral component of the strategic plan
- Key ‘budget tables’
  - Integrated Resource Plan
    - Including information on
      - Institutional Budget
      - Integrated Budget
    - Replacing Financial Plan
  - Integrated Results and Resources Framework

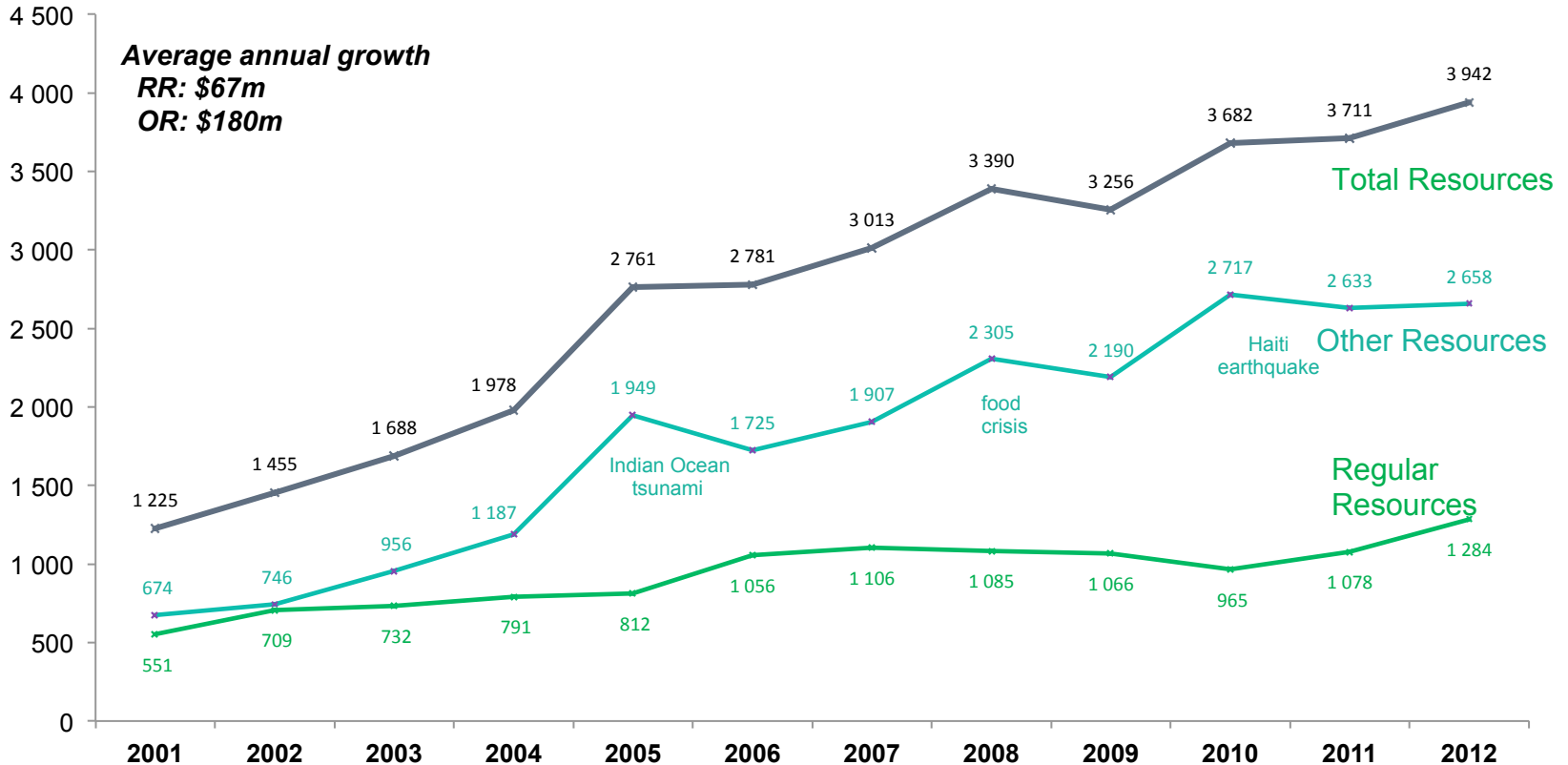
# Presentation Outline

- Review of financial performance, 2012
- Overview of
  - Integrated Resource Plan, 2014-2017
  - Integrated Results and Resources Framework, 2014-2017
  - Integrated Budget, 2014-2017
- Overview of revised cost recovery methodology
- Elements of decision

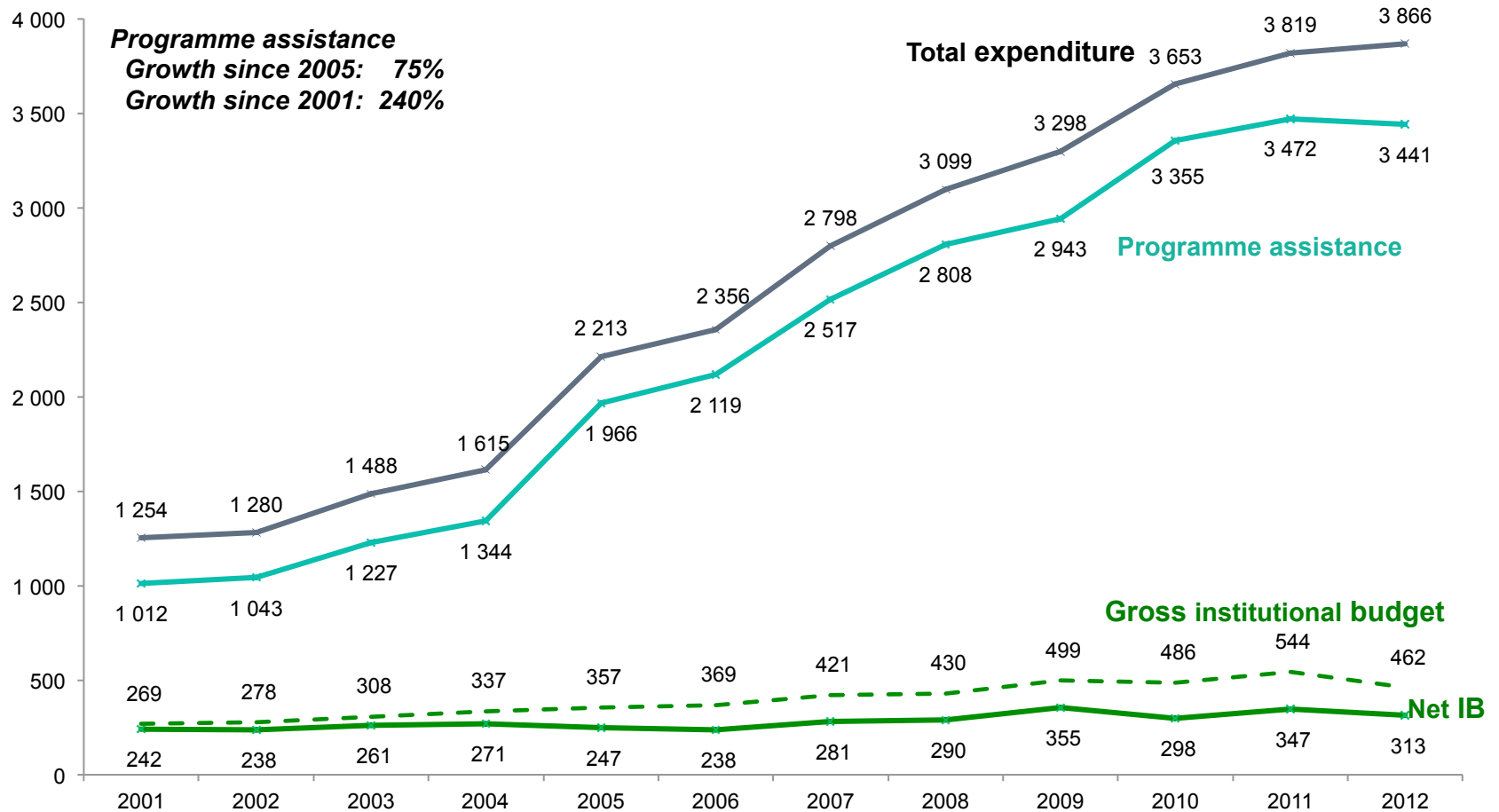
# Financial Review, 2012

	Regular Resources			Other Resources – Regular			Other Resources – Emergency		
	Plan \$m	Actual \$m	%	Plan \$m	Actual \$m	%	Plan \$m	Actual \$m	%
Income	1,160	1,284	111	1,639	1,838	112	752	820	109
Expenditure	1,254	1,178	94	1,700	1,767	104	1,000	921	92

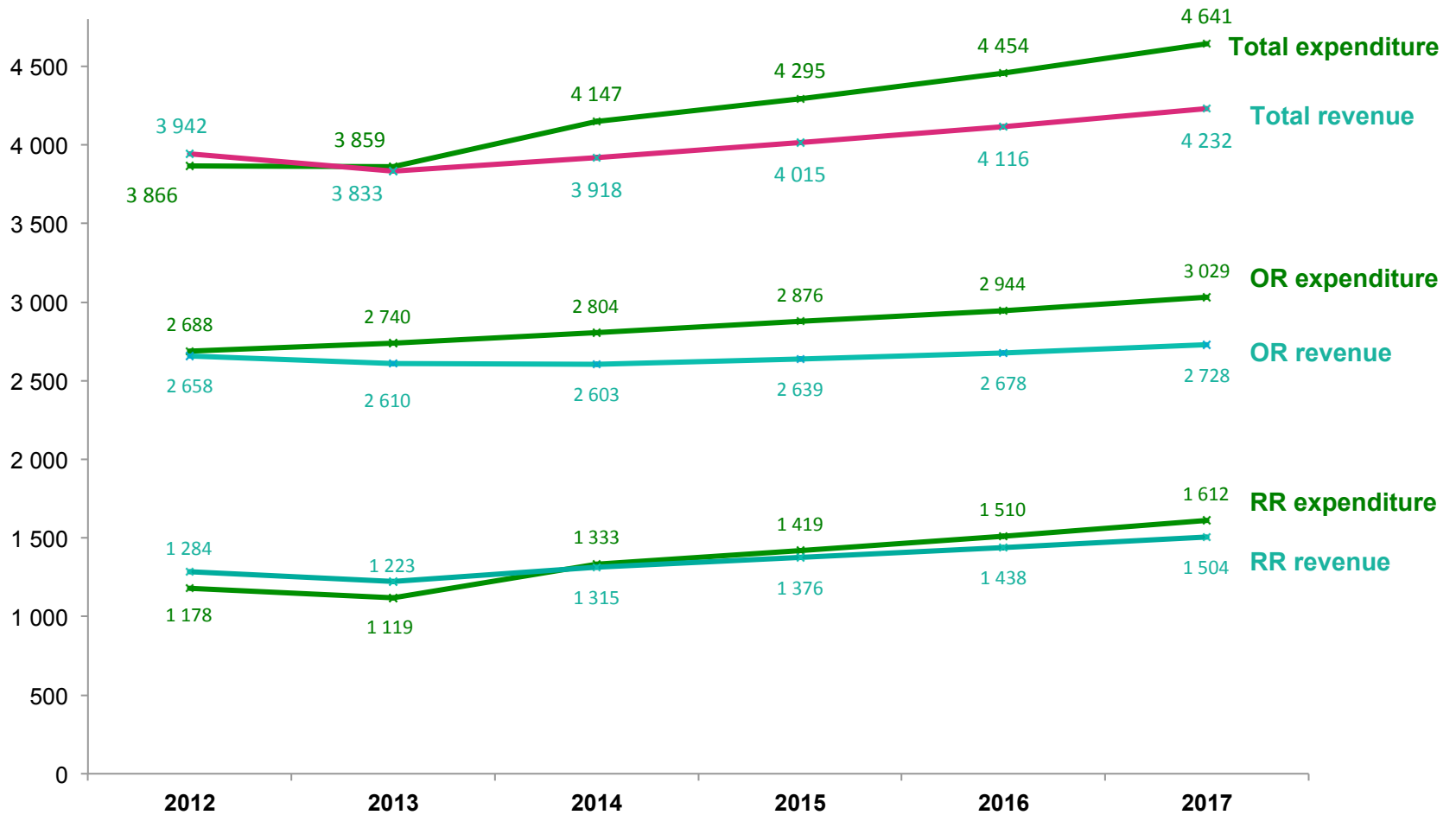
# Historical Income Trend



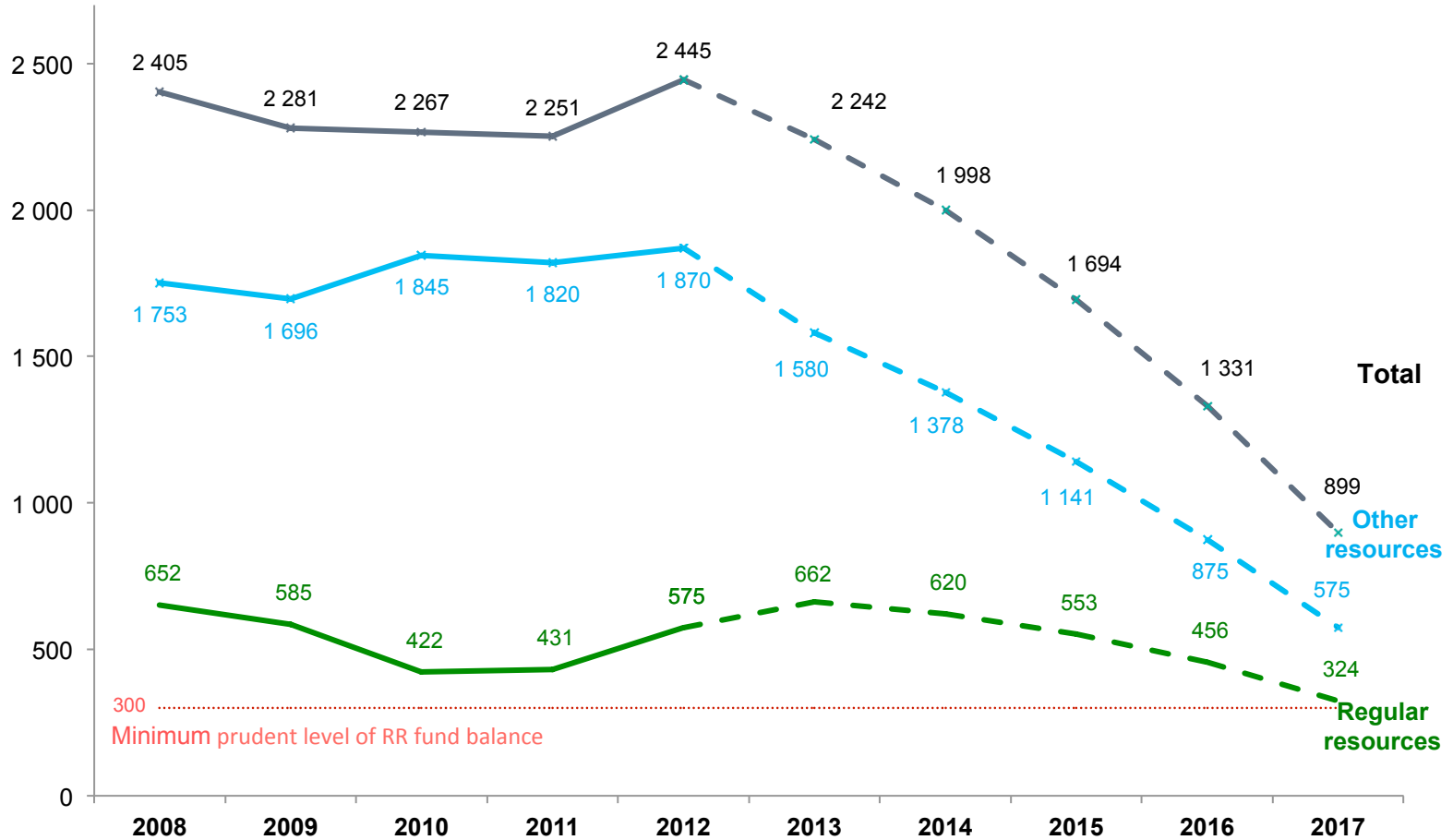
# Historical Expenditure Trend



# Income and Expenditure Projections



# Historical / Projected Fund Balances





# Projected Fund Balances

- Working capital
  - three to six months of planned regular resources expenditures
  - projected RR fund balance \$324m in 2017
- Reserves
  - funding for employee benefits liabilities
    - actuarial valuation of liabilities, \$1,100m
    - funding, \$445m
  - funding methodology reviewed periodically for continuing validity

# Integrated Resource Plan, 2014-2017

	2010-2013 Total Resources  %	2014-2017					
		Regular resources		Other resources		Total Resources	
		\$m	%	Programme \$m	Cost recovery \$m	\$m	%
<b>Resources available</b>		<b>6,198.5</b>	<b>-</b>	<b>12,227.7</b>	<b>-</b>	<b>18,426.2</b>	<b>-</b>
<b>A: Development activities</b>							
A1: Programmes	82.1	4,091.0	69.6	10,713.6	-	14,804.6	84.5
A2: Development effectiveness	3.4	467.4	8.0	100.1	-	567.5	3.2
<b>Sub-total</b>	<b>85.5</b>	<b>4,558.4</b>	<b>77.6</b>	<b>10,813.7</b>	<b>-</b>	<b>15,372.1</b>	<b>87.7</b>
<b>B: UN development coordination</b>	<b>0.0</b>	<b>20.3</b>	<b>0.3</b>	<b>16.3</b>	<b>-</b>	<b>36.6</b>	<b>0.2</b>
<b>C: Management</b>							
C1: Recurring	10.2	642.2	10.9	-	774.2	1,416.4	8.1
C2: Non-recurring	0.1	6.5	0.1	-	12.5	19.0	0.1
<b>Sub-total</b>	<b>10.3</b>	<b>648.7</b>	<b>11.0</b>	<b>-</b>	<b>786.7</b>	<b>1,435.4</b>	<b>8.2</b>
<b>D: Special purpose</b>							
D1: Capital investments	0.4	18.7	0.3	-	36.3	55.0	0.3
D2: Private sector fundraising	3.1	454.0	7.7	-	-	454.0	2.6
D3: Others, procurement services	0.7	174.1	3.0	-	-	174.1	1.0
<b>Sub-total</b>	<b>4.2</b>	<b>646.8</b>	<b>11.0</b>	<b>-</b>	<b>36.3</b>	<b>683.1</b>	<b>3.9</b>
<b>Institutional budget</b>	<b>14.1</b>	<b>1,155.1</b>	<b>19.7</b>	<b>116.4</b>	<b>823.0</b>	<b>2,094.5</b>	<b>11.9</b>
<b>Integrated budget</b>	<b>100.0</b>	<b>5,874.2</b>	<b>100.0</b>	<b>10,830.0</b>	<b>823.0</b>	<b>17,527.2</b>	<b>100.0</b>

# Integrated Resource Plan 2014-2017

- Significant features:
  - Increase in resources available for programmes from \$11.6 billion to \$14.8 billion
    - Substantially to country programmes through allocation system, including increase in minimum annual level for MICs from \$750k to \$850k
  - From total resources
    - 88% to development activities
    - 8% to management activities
  - Integration of
    - Private sector fundraising
    - Other activities, including management of procurement services

# Integrated Results and Resources Framework, 2014-2017

## Programme Outcomes

Outcome		2014-2017			
		RR \$m	ORR \$m	ORE \$m	Total \$m
P1	Improved and equitable access to and use of proven interventions to increase the survival of all mothers and newborns during delivery and the neonatal period, and among children the ability to live free from preventable diseases and disability.	1,227	2,358	746	4,331
P2	Improved and equitable access to and use of proven HIV interventions, to protect children from HIV infection and ensure that children with HIV remain free from AIDS.	245	532	31	809
P3	Improved and equitable access to and use of safe drinking water, adequate sanitation and good hygiene practices and promotion of healthy environments.	450	761	777	1,987
P4	Improved and equitable access to and use of nutritional support to protect children from malnutrition and ensure they reach optimal growth and development.	327	456	528	1,312
P5	Improved and equitable access to and completion of quality, inclusive education with a focus on gender equality and improving learning outcomes.	655	1,902	559	3,115
P6	Improved and equitable prevention of and response to violence, abuse and exploitation of children, with strengthened support for their protection and development by families and communities.	491	913	342	1,745
P7	Improved and equitable access to and use of systems to reduce multidimensional child poverty and exclusion.	695	685	124	1,504
<b>Total</b>		<b>4,091</b>	<b>7,607</b>	<b>3,107</b>	<b>14,805</b>

# Integrated Results and Resources Framework, 2014-2017

## Organizational Effectiveness & Efficiency

Result	Functional Cluster	2014-2017			
		RR	OR		Total
		\$m	Programme \$m	Cost recovery \$m	\$m
<b>Higher quality programmes through results-based management</b>					
Effective policies, technical guidance and technical support accessible and useful to programme staff with results monitored, lessons learned and applied, and related quality assurance systems in place	Technical excellence in policy and programmes	394.1	84.7	-	478.8
Timely and effective response in terms of delivery of quality essential supplies and commodities in UNICEF-assisted programmes in all situations, including in complex humanitarian situations	Technical excellence in procurement and management of supplies	47.5	5.4	-	52.9
Timely, effective and reliable support is provided to humanitarian action at country level, including effective preparedness and response in accordance with the Core Commitments for Children in Humanitarian Action as well as to country programmes that contribute to resilience building and address underlying vulnerabilities to limit the impact of future shocks	Technical excellence in humanitarian action	25.8	10.0	-	35.8
<b>Total development effectiveness</b>		<b>467.4</b>	<b>100.1</b>	<b>-</b>	<b>567.5</b>
<b>Coordination of the UN Development System</b>					
United Nations development system leadership and coordination / leadership of humanitarian clusters under UNICEF responsibility is carried out effectively	UN coherence and cluster coordination	20.3	16.3	-	36.6
<b>Total UN development coordination</b>		<b>20.3</b>	<b>16.3</b>	<b>-</b>	<b>36.6</b>

# Integrated Results and Resources Framework, 2014-2017

## Organizational Effectiveness & Efficiency

Result	Functional Cluster	2014-2017			
		RR	OR		Total
		\$m	Programme \$m	Cost recovery \$m	\$m
<b>Improved management of financial and human resources in pursuit of results</b>					
Independent and effective oversight and assurance are assured on internal controls of the use of UNICEF resources and on the relevance, efficiency, effectiveness, sustainability and impact of programmes assisted	Independent corporate oversight and assurance	17.6	-	21.3	38.9
Effective management, utilization and stewardship are assured of financial and information and communication technology resources, assets and administrative policies, procedures and systems	Corporate financial, information & communication technology and administrative management	93.6	-	113.8	207.3
Strengthened partnerships with Member States, multilateral agencies (and United Nations organizations), and strategic and innovative communications and public advocacy	Corporate external relations and partnerships, communications and resource mobilization	98.0	-	118.7	216.7
Effective and streamlined human resources policy and procedures are in place and implemented, providing quality advisory support to develop and maintain a flexible, highly skilled and motivated workforce	Corporate human resources management	48.4	-	58.7	107.1
Effective leadership and executive direction are assured for implementing results outlined in the Strategic Plan	Corporate leadership and direction	25.8	-	31.2	57.0
Enhanced security measures for staff and premises are in place and a safer environment for UNICEF-assisted programmes is achieved	Staff and premises security	6.0	-	7.3	13.3
Improved accountability is in place for achieving results at country and regional office levels	Field / country office oversight, management and operations support	359.4	-	435.6	795.0
<b>Total Management</b>		<b>648.7</b>	<b>-</b>	<b>786.7</b>	<b>1,435.4</b>

# Integrated Budget – Strategic Shifts

- Significant increase in resources available for programmes
- Strengthening of organizational capacity to deliver higher quality programmes
  - Investment in development effectiveness activities from \$482m to \$568m
  - Provision of specialized technical guidance and oversight support both in HQ and Regional Offices
- Additional contribution to UN development system leadership and coordination
  - Humanitarian cluster coordination, \$16m
  - UN Resident Coordinator System, \$14m

# Integrated Budget – Strategic Shifts

- Continued drive for cost effectiveness within management activities
  - Resources prioritised for
    - Strengthening leadership, oversight and management capacity in country offices
    - Strengthening assurance activities for transfers of cash assistance and performance reporting
    - Provision for organizational effectiveness and efficiency review conclusions and business process simplification
    - Strengthening strategic partnership and advocacy
  - Resources made available
    - Realising benefits of technology and recently implemented ERP, eg establishment of management service centres shared by several countries
    - Implementation of revised cost recovery methodology, including closer alignment of results and resources through ‘cost attribution’
- Capital investment level maintained
  - Priorities
    - technologies supporting collaboration, content management and knowledge sharing
    - security and premises in field locations



# Cost Recovery

- Integrated Budget, 2014-2017 prepared using revised cost recovery methodology
  - More proportional use of RR and OR to fund management and special purpose activities and related costs
  - Larger proportion of RR available for programmes

# Cost Recovery - Proportionality

	Regular Resources \$m	Other Resources \$m	Total Resources \$m
Total integrated budget	5,874.2	11,653.0	17,527.2
<b><i>Proportional use of RR and OR to fund integrated budget</i></b>	<b>34%</b>	<b>66%</b>	<b>100%</b>
Total institutional budget			2,094.5
Less: development effectiveness activities			567.5
Less: UN development coordination			36.6
Less: Critical cross-cutting functions			220.0
Total institutional budget subject to cost recovery			1,270.4
Total institutional budget subject to cost recovery	447.4	823.0	1,270.4
<b><i>Proportional use of RR and OR to fund institutional budget</i></b>	<b>35%</b>	<b>65%</b>	<b>100%</b>
Projected OR expenditure		10,830.0	
Cost recovery		823.0	
Projected cost recovery rate		7.6%	

# Elements of the EB decision

- Approval
  - Integrated Resource Plan as financial framework, 2014-2017
  - Increase in minimum annual level of RR allocations to MICs
  - Global and Intercountry Programme
  - Institutional Budget, including development effectiveness, UN development coordination, management and special purpose (capital investments)
- Note provision, under special purpose, for
  - Private sector fundraising
  - Other activities, including procurement services

