

**Joint note of UNDP, UNFPA and UNICEF**  
**Status of the road map to an integrated budget**  
**Joint Informal Consultation of Executive Boards**  
**24 June 2011**

*Summary:*

At their first regular sessions of 2010, the UNICEF and UNDP/UNFPA Executive Boards considered and welcomed the joint information note of UNDP, UNFPA and UNICEF on the road map to an integrated budget dated 15 December 2009.

The current note provides a status on the road map to an integrated budget in meeting the substantive milestones and timelines, and proposes some modifications to the remaining timelines. More specifically, it is proposed to informally provide the Executive Board at its Second Regular Session 2012 with the following information: a) results of the joint review of the impact on harmonized cost recovery rates within the context of the integrated budget and new Strategic Plans from 2014 onwards; b) a mock integrated budget; and c) steps taken and progress achieved towards the integrated budget.

Through this note, all three Agencies renew their readiness and commitment to present an integrated budget from 2014 onwards and to continue joint consultations with the Executive Board.

## Road map to an integrated budget effective 2014

Date	Follow-up actions to Executive Board decisions	Expected Executive Board feedback	Status as of June 2011
<b>First regular session 2010 of the respective Executive Boards (January)</b>	The present information note will be presented at the first regular session of the respective Executive Boards.	Feedback and guidance; take note	<ul style="list-style-type: none"> <li>• <b>Completed as scheduled</b></li> <li>• See UNDP/UNFPA decision 2010/2 and UNICEF decision 2010/5</li> </ul>
January to June 2010	<p>The organizations will jointly review existing cost definitions and classifications of activities and associated costs, including those related to cost recovery, and fixed and variable indirect costs. The scope of the review will include all costs, and will not be limited to the costs traditionally included in the biennial support budgets. The expected outcome of the review is a comprehensive and harmonized proposed set of cost definitions and classification of activities and associated costs.</p> <p>Organizations will jointly review the results-based budgeting models and methodologies of selected United Nations organizations and bilateral donors to identify best practices.</p> <p>Benefiting from the outcome of the above-mentioned review, the organizations will begin work on an improved methodology for linking the institutional and management results in their respective strategic plans to the resource requirements.</p>	Feedback and guidance through informal consultations, March-June 2010	<ul style="list-style-type: none"> <li>• <b>Completed as scheduled.</b></li> <li>• Joint reviews done and joint Informals held as planned.</li>   <li>• <b>Completed as scheduled.</b></li> <li>• Joint reviews done and joint Informals held as planned.</li>   <li>• <b>Completed as scheduled.</b></li> <li>• Improved methodology developed and discussed with EB through Informals.</li> </ul>

Date	Follow-up actions to Executive Board decisions	Expected Executive Board feedback	Status as of June 2011
	The organizations will brief the Executive Boards on the results of the review through joint informal sessions in June 2010.		<ul style="list-style-type: none"> <li>• <b>Completed as scheduled.</b></li> <li>• Joint informal held as planned.</li> </ul>
<b>Second regular session 2010 of the Executive Boards (September)</b>	<p>Organizations will submit a joint report to the second regular session 2010 of the Executive Board describing:</p> <p>(a) Proposed cost definitions and classifications of activities and associated costs for inclusion in their 2012-2013 budget documents; and</p> <p>(b) Results of the review of results-based budgeting models and methodologies and the implications for improved linkages between the institutional and management results in the strategic plans and the resources required to achieve the results.</p>	Guidance through a formal decision	<ul style="list-style-type: none"> <li>• <b>Completed as scheduled.</b></li> <li>• See EB documents UNDP-UNFPA/2010/1, and UNICEF E-ICEF/2010/AB/L.10</li> <li>• See UNDP/UNFPA decision 2010/32, and UNICEF decision 2010/20.</li> </ul>
<b>Amendment (not part of the original Joint Road Map): First regular session 2011 of the respective Executive Boards (January)</b>	Through UNDP/UNFPA Decision 2010/32 the respective Executive Boards requested UNDP and UNFPA, together with UNICEF, to prepare an informal mock-up document to illustrate the format of the 2012-2013 budget, in line with decisions 2009/22 and 2009/26, that will ensure comprehensive, transparent linkages to the institutional and management results frameworks of the respective strategic plans, for discussion at the first regular session 2011.		<ul style="list-style-type: none"> <li>• <b>Completed as scheduled.</b></li> <li>• See Joint Informal Note of UNDP, UNFPA, and UNICEF presented at the First Regular Session 2011 on the road map to an integrated budget: cost classification and results-based budgeting</li> <li>• See UNDP/UNFPA decision 2011/10 and UNICEF decision 2011/6.</li> </ul>

Date	Follow-up actions to Executive Board decisions	Expected Executive Board feedback	Status as of June 2011
September 2010 to June 2011	<p>Organizations will conduct reviews of their strategic plans, which will likely include revised institutional and management results for the period 2012-2013.</p> <p>Organizations will jointly review the effect of cost definitions and classifications of activities on the harmonized cost recovery rates, also taking into account the progress of the United Nations Development Group High-Level Committee on Management Working Group on Cost Recovery Policy.</p>	Feedback and guidance through informal consultations	<ul style="list-style-type: none"> <li>• <b>Completed as scheduled.</b></li> <li>• For UNDP, see DP/2011/22 - Midterm Review of the Strategic Plan, Annex III - Revised Development Results Framework and Institutional Results Framework for 2012-2013.</li> <li>• For UNDP, See decision 2011/14.</li> <li>• UNFPA mid-term review of the Strategic Plan will be tabled in September 2011 and will contain revised results frameworks.</li> <li>• In line with EB decision 2011/6, UNICEF has translated its relevant Key Performance Indicators in the updated results matrix (E/ICEF/2010/10) into high level, organizational outputs for use in the 2012-2013 budget as an interim measure until it presents the 2014-2017 strategic plan.</li> <li>• <b>In Progress</b></li> <li>• Broad level validation of current cost recovery policies performed. Existing rates remain effective for 2012-2013.</li> </ul>

Date	Follow-up actions to Executive Board decisions	Expected Executive Board feedback	Status as of June 2011
	<p>Organizations will prepare their budget documents for 2012-2013, taking into account guidance provided by the Executive Boards at the second regular session 2010 and the annual session 2011. The budget documents will ensure comprehensive, transparent linkages to the institutional and management results frameworks of the strategic plans.</p> <p>Organizations will formally consult with the Advisory Committee on Administrative and Budgetary Questions on their 2012-2013 budget proposals and hold informal consultations with the Executive Boards as required.</p> <p>Organizations will assess the steps towards the introduction of the integrated budget effective 2014, building upon the cost classification methodology and results-based budgeting review presented at the second regular session 2010 of the Executive Boards (September).</p>		<ul style="list-style-type: none"> <li>• <b>Completed as scheduled for UNDP and UNICEF.</b></li> <li>• UNFPA will present a draft budget document for the September 2011 session and a final budget document in January 2012 as per EB decision 2011/27.</li> <li>• <b>On Schedule</b></li> <li>• ACABQ meeting for UNDP and UNICEF scheduled in July 2011. UNFPA will be scheduled in advance of the January 2012 EB.</li> <li>• A joint ACABQ informal and individual EB Informals held. Additional individual EB Informals have/will be scheduled.</li> <li>• <b>On schedule.</b></li> <li>• Steady progress on the steps towards an integrated budget has been made in line with the substantive milestones set out in the joint road map. Further discussions and work are planned according to the proposed schedule below leading to an integrated budget proposal from 2014 onwards.</li> </ul>

Date	Follow-up actions to Executive Board decisions	Expected Executive Board feedback	Status as of June 2011
<p><b>Second regular session 2011 of the Executive Boards (September)</b></p>	<p>Organizations will submit their 2012-2013 budget documents to the respective Executive Boards for approval. These will include the results of the joint review of the impact of cost definitions and classifications of activities on the harmonized cost recovery rates.</p> <p>Organizations will submit a joint preliminary briefing note on steps taken and progress achieved on the integrated budget effective 2014.</p>	<p>Approval</p> <p>Take note</p>	<ul style="list-style-type: none"> <li>• <b>On schedule.</b></li> <li>• <b>Results of the joint review on the harmonized cost recovery rates within the context of the integrated budget and new Strategic Plans. New timeline proposed for September 2012 in line with ongoing consultations with EB members.</b></li> <li>• <b>On schedule.</b></li> <li>• The present document serves as the ‘joint preliminary briefing note’ to be discussed at a Joint Informal session to be held on 24 June 2011.</li> </ul>
<p>September 2011 to April 2012</p>	<p>Organizations will prepare a mock integrated budget, and carry out joint informal consultations with the respective Executive Boards in March 2012.</p>	<p>Feedback and guidance through informal consultations</p>	<ul style="list-style-type: none"> <li>• <b>New timeline proposed: September 2012 in line with ongoing consultations with EB members.</b></li> </ul>
<p><b>Annual session 2012 of the Executive Boards (June)</b></p>	<p>Organizations will submit a joint report on steps taken and progress achieved towards an integrated budget, effective 2014, including a mock integrated budget.</p>	<p>Guidance through a formal decision</p>	<ul style="list-style-type: none"> <li>• <b>New timeline proposed: September 2012 in line with ongoing consultations with EB members.</b></li> </ul>
<p>September 2012 to June 2013</p>	<p>Organizations will prepare proposed integrated budgets, effective 2014, in support of the new strategic plans and carry out informal consultations with the respective Executive Boards in May 2013.</p>	<p>Feedback and guidance through informal consultations</p>	<ul style="list-style-type: none"> <li>• <b>On schedule</b></li> </ul>

Date	Follow-up actions to Executive Board decisions	Expected Executive Board feedback	Status as of June 2011
<b>Second regular session 2013 of the Executive Boards (September)</b>	Organizations will submit their strategic plans and integrated budgets to the respective Executive Boards for approval.	Approval	<ul style="list-style-type: none"> <li>• <b>On schedule</b></li> </ul>