Financing the results in the Strategic Plan, 2014-17

Structured dialogue

Olav Kjorven
Director, Public Partnerships
Executive Board informal
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Presentation outline

1. The SDGs – an exciting opportunity
2. ‘Fit for Purpose’ through adequate funding
3. Partnership engagement
Financing the SDGs: multi-stakeholder approach
➢ ‘Fit for Purpose’ through adequate funding
UNICEF revenue outpaces ODA

Overall UNICEF revenue in 2014 surpassed USD5bn for first time

UNICEF public-sector revenue increased by 173% over last decade, vs. 68% for ODA

Currency exchange variations mainly affected private-sector revenue

UNICEF revenue by funding source, 2004-14*

* Does not include Other Revenue; Private Sector includes Global Programme Partnerships
Share of Regular Resources continues to slide

RR share of total revenue slid to just over $\frac{1}{4}$, down from $\frac{1}{2}$ at the turn of the new millennium

Private sector RR fell by $17$m, impacted by the USD appreciation

Projected RR for 2015 indicates a drop of $86$m or 6% over 2014

UNICEF revenue by funding type, 2004-14
**Challenged flexible earmarked funding**

**QCPR:** *Encourages* Member States making non-core contributions to reduce transaction costs, assign resources …at the beginning of the annual planning period, with multi-year duration, streamlined and harmonized reporting and evaluation, and priority to pooled funds.

**UNICEF thematic funding, 2006-14**

Declining thematic funds since 2010, by $18m in 2014 vs. 2013, to 8.9% of OR

Gender pool went unfunded
Highly volatile revenue based on major global emergencies, with 2014 dominated by the Ebola crisis, CAR, Iraq, South Sudan and Syria

Exponential increase in needs throughout 2014 to $3.1 billion, leaves UNICEF appeals only 50% funded despite record revenue

Currently, as of mid August 2015, overall funding gap for L2/L3 and large underfunded emergency appeals is just over 50%
High concentration of UNICEF resources

While UNICEF continues to broaden its donor base, diversification of risk remains, with over 76% of overall 2014 revenue derived from the top 20 resource partners

Top 20 OR resource partners, 2014 (USD)

<table>
<thead>
<tr>
<th>Partner</th>
<th>RR</th>
<th>ORR</th>
<th>ORE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 United States</td>
<td>132,000,000</td>
<td>228,971,624</td>
<td>311,266,969</td>
<td>672,238,593</td>
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<tr>
<td>2 United Kingdom</td>
<td>66,390,087</td>
<td>252,342,695</td>
<td>171,024,721</td>
<td>489,757,503</td>
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<tr>
<td>3 European Commission</td>
<td>-</td>
<td>249,849,853</td>
<td>105,467,882</td>
<td>355,317,735</td>
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<td>4 United States NatCom</td>
<td>23,841,813</td>
<td>229,079,311</td>
<td>16,603,363</td>
<td>269,524,487</td>
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<tr>
<td>5 UNOCHA (Bilateral + CERF)</td>
<td>-</td>
<td>16,000</td>
<td>216,098,404</td>
<td>216,114,404</td>
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<td>6 Norway</td>
<td>72,184,793</td>
<td>115,084,655</td>
<td>10,944,910</td>
<td>198,214,358</td>
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<td>7 Germany</td>
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<td>21,041,469</td>
<td>156,853,201</td>
<td>193,739,110</td>
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<td>8 Sweden</td>
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<td>46,725,257</td>
<td>191,102,367</td>
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<td>9 Canada</td>
<td>14,660,633</td>
<td>15,392,327</td>
<td>79,074,227</td>
<td>189,127,188</td>
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<td>10 Japan</td>
<td>21,762,701</td>
<td>52,806,546</td>
<td>99,440,847</td>
<td>174,010,094</td>
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<td>11 Netherlands</td>
<td>33,195,021</td>
<td>85,319,194</td>
<td>27,887,244</td>
<td>146,401,459</td>
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<td>12 Japan NatCom</td>
<td>95,239,937</td>
<td>10,474,958</td>
<td>16,747,168</td>
<td>122,462,062</td>
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<td>13 Australia</td>
<td>58,443,220</td>
<td>49,390,550</td>
<td>11,576,070</td>
<td>119,409,841</td>
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<td>14 UNDP (MDTF + DaO)</td>
<td>-</td>
<td>52,480,601</td>
<td>64,847,180</td>
<td>117,327,781</td>
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<td>15 Germany NatCom</td>
<td>62,903,886</td>
<td>16,436,083</td>
<td>17,853,951</td>
<td>97,193,920</td>
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<td>16 Republic of Korea NatCom</td>
<td>72,427,949</td>
<td>14,080,254</td>
<td>3,883,950</td>
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<td>17 United Kingdom NatCom</td>
<td>14,890,178</td>
<td>50,990,162</td>
<td>20,806,876</td>
<td>86,687,216</td>
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<td>18 Global Partnership for Education</td>
<td>-</td>
<td>76,446,673</td>
<td>-</td>
<td>76,446,673</td>
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<td>19 France NatCom</td>
<td>45,542,601</td>
<td>14,911,445</td>
<td>5,004,216</td>
<td>65,458,262</td>
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<td>20 Sweden NatCom</td>
<td>41,627,310</td>
<td>16,910,592</td>
<td>6,018,468</td>
<td>64,556,370</td>
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<td><strong>Total</strong></td>
<td><strong>850,722,517</strong></td>
<td><strong>1,696,634,156</strong></td>
<td><strong>1,388,124,902</strong></td>
<td><strong>3,935,481,575</strong></td>
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➤ Partnership engagement
Building a shared agenda: the EU case

- Key priorities in the new EU Human Rights and Democracy Action Plan (2015-2020)
  - Strengthen child protection systems
  - Empower women & girls
  - Prioritise Children and Armed Conflict (CAAC)
  - Prevent Youth radicalisation

- POLICY COHERENCE: EU internal – external policies & across ALL policy areas (trade, security, migration)

- RIGHTS – BASED APPROACH to development cooperation (RBA)
Innovative approaches to expand financing

IFMs span the breadth of UNICEF’s Strategic Plan result areas:

- **Power of Nutrition**: catalytic financing facility for nutrition that aims to unlock $1 billion of new private and public financing to support countries scale up high impact programming

- **UNITLIFE**: IFM under exploration to leverage revenues from the extractive industries sector to fight chronic malnutrition in sub-Saharan Africa

- **Child Protection Partnership**: fund with universal reach in exploratory development targeted at ending violence against children

- **Education in Emergencies**: fund or platform under exploration for financing education in emergencies and protracted crises

- **Blended WASH finance**: exploratory blending of ‘grant’ funding to UNICEF with World Bank finance for the most vulnerable in Africa
MICs lead private sector revenue growth

Market ranking by growth in private-sector revenue*

6% NatComs PSFR Net Revenue 5 years average annual growth rate (CAGR)

31% Country Offices PSFR Net Revenue 5 years average annual growth rate (CAGR)

#10 BRAZIL $3.4 million
#9 SWITZERLAND $5.2 million
#8 SWEDEN $5.7 million
#7 CANADA $6.6 million
#6 SPAIN $7.3 million
#5 ARGENTINA $7.6 million
#4 SOUTH KOREA $9.0 million
#3 UNITED KINGDOM $22.6 million
#2 GULF AREA $26.0 million
#1 UNITED STATES $91.8 million

* Includes licensing and excludes Emergency Revenue. At constant US$ of 31 December 2013 exchange rates.
Mobilizing flexible and predictable resources for children - the Post-2015 moment

• UNICEF enjoys strong support from resource partners, driven by shared commitments and results for children

• The Post-2015 agenda looks to the rights of all children everywhere, with a focus on the most vulnerable, in line with the Strategic Plan

• In remaining ‘fit for purpose’ to deliver on the Strategic Plan and its alignment with the SDGs, and in order to fulfil the QCPR mandates on the structured dialogue, UNICEF needs to be adequately funded

• Flexible funding that is aligned with the Strategic Plan – such as Regular Resources and thematic funds – and comes from a broad donor base represents a vote of confidence in the organization’s mandate and work, and reduces transaction costs

• There is an urgency to accelerate partnerships to fund humanitarian crises. In 2014, UNICEF responded to 294 humanitarian situations in 98 countries. The needs are huge and growing

• Ever-stronger collaboration with partners for a world fit for children
Thank you