



UNICEF - Preliminary Assessment of the Financing Instrument

Key Findings

Presentation Slides

June 2023



Background and Project Overview


The Instrument was issued in 2021 by the International Bank of Reconstruction and Development (“IBRD”)



It provided UNICEF with **US\$50 million** in funding



Facilitated via a **Forward Flow Agreement (“FFA”)** with the IBRD



Repayable in full before **March 2026**




Funding from the Instrument was deployed to **24 Country Offices (“COs”)**



Investment in private sector fundraising (“PSFR”)



KPMG undertook both a qualitative and quantitative analysis



22 stakeholder interviews were conducted



Key Findings



The impact of the Instrument on fundraising activities and performance

Overall, preliminary feedback on the Instrument has been positive. There is wide acknowledgement across both internal and external partners consulted that the Instrument has enabled enhanced fundraising and increased donors or donor income.



UNICEF's performance against key terms of the Agreement with the IBRD

Based on our analysis and stakeholder interviews, no issues were noted regarding UNICEF's conformance with key terms of the FFA to date.

Key Findings



UNICEF's assessment and management of risks emanating from the Instrument

UNICEF appears to have managed the key risks related to the Instrument in an appropriate manner and generally appears to be well-placed to manage risks relating to a similar instrument in the future.

Key Findings



The experiences of analogous organizations

UNICEF's involvement in the issuance of the Instrument is pioneering. Third party stakeholders noted the issuance was possible because of UNICEF's strong fundraising track record and brand. Overall, we note that a number of analogous organizations are pursuing blended finance instruments and other innovative financing approaches that tap into debt and equity capital. Based on this trend and other analysis performed, a financing model such as the Instrument appears to be a viable option to support UNICEF's PSFR goals (in line with the Executive Board proposal and subsequent approval of the Instrument in 2021), to the extent that such a model is authorized for use.

Key Findings



Overall assessment and recommendation on the usefulness of the Instrument in financing PSFR for UNICEF

Though a few improvement points were noted, COs agreed that the Instrument provided key financing that has been vital to their fundraising operations. The findings to date appear to be in line with expectations of the Instrument's performance 12 to 24 months after the deployment of funding. We believe significant value would be derived from revisiting Key Performance Indicators once the data is available to validate these preliminary findings. As noted by the United Nations Office of Legal Affairs and others, any subsequent debt issuances would require the authorization of the United Nations General Assembly.



Important Notice & Limitations

This summary presentation should be read in conjunction with our full report of the same name dated 26 April 2023.

This summary presentation and our full report are being provided in accordance with the terms of our proposal to UNICEF dated 22 December 2022. Pursuant to an institutional contract with UNICEF effective 10 January 2023, KPMG was retained to assist in a preliminary assessment of the implementation of the World Bank instrument to facilitate sustained investment in private sector fundraising (referred to throughout this presentation and the report as the “Instrument”). This presentation and the report are subject to the terms, conditions, qualifications and restrictions contained in our Long-Term Agreement (LTA) #42106652 and herein.

In preparing this presentation and the accompanying report, we have relied upon information gathered through desktop searches, database searches and via conversations and communications with individuals within UNICEF and its partners. We have not independently verified the accuracy or completeness of the information or conducted an audit, nor are we providing any other form of review or assurance. We have also not analyzed legal or regulatory compliance as part of the assessment. Stakeholder feedback presented in this presentation or the report is not verbatim and is only intended to provide a summary record of the views of the stakeholders interviewed. In certain instances, stakeholder views have been grouped and analyzed to identify common themes across groups.

Given the Instrument is not yet mature, there is limited history on its performance, and likewise limited availability of data which clearly distinguishes the attributable impact of the Instrument on fundraising or programme beneficiaries. These limitations mean that the full impact of the Instrument cannot yet be measured and assessed, though we have noted preliminary feedback and results throughout this presentation and the report where possible to do so given the data available. We recommend that an additional assessment be performed at the Instrument’s conclusion, or at another appropriate time as determined by UNICEF once additional data becomes available.

This presentation and the accompanying report have been prepared for UNICEF’s management and Executive Board. KPMG accepts no liability from any third party that places reliance or bases decisions upon this presentation or the report.

This presentation and the accompanying report only provide indicative advice and analysis to support UNICEF’s consideration as to future action.

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