United Nations E/ICEF/2026/AB/L.6

Economic and Social Council

Distr.: Limited
6 July 2026

Original: English

For decision

United Nations Children's Fund
Executive Board
Second regular session 2026
1–4 September 2026
Item 10 of the provisional agenda*

UNICEF Strategic Plan: updated financial estimates, 2026–2029

Summary

A four-year financial framework, which forms part of the UNICEF Strategic Plan, is presented in accordance with Executive Board decision 2025/23. The financial plan is reviewed and revised annually on a rolling basis.

UNICEF total income[a] for the period 2026–2029 is projected to reach $26.0 billion, consistent with the resource plan approved in the UNICEF integrated budget, 2026–2029 (E/ICEF/2025/AB/L.6) presented to the Executive Board in 2025. The projections are based on analysis of official development assistance (ODA) trends, consultations with major donors, including Governments, private sector partners and National Committees for UNICEF, and reflect the continued application by UNICEF of a prudent and risk-informed financial planning approach amid ongoing geopolitical, economic and security uncertainties.

Total income for 2026 is projected at $6.46 billion, representing a 20 per cent decline compared with 2025 actual income, with income levels expected to remain relatively stable in 2027 and 2028 and to increase marginally by 1 per cent in 2029. Total 2026 expenditure is estimated at $6.78 billion, exceeding the projected income by approximately $323 million. The additional expenditure will be funded from accumulated balances of regular and other resources.

In an increasingly constrained ODA landscape marked by significant funding reductions, the financial sustainability of UNICEF will hinge on sustained high-level donor commitment to safeguarding investments for children, alongside the continued proactive diversification of income streams. UNICEF will continue to prioritize high-need and fragile contexts while demonstrating results, value for money and comparative advantage to safeguard delivery capacity and maximize sustainable outcomes for children.

* E/ICEF/2026/25.

The present financial framework of income and expenditure estimates provides a basis for determining the regular resources programme submissions to be approved by the Executive Board in 2027. Allocations of regular resources for country programmes will continue to be managed through the system for the allocation of regular resources for programmes, as agreed by the Executive Board in its decisions 2008/15 and 2013/20. UNICEF will also continue to maintain prudent liquidity levels in regular resources over the period of the Strategic Plan, as requested by the Executive Board in its decision 2020/22.

UNICEF recommends that the Executive Board approve the framework of planned financial estimates for the period 2026–2029, and approve the preparation of programme expenditure submissions to the Executive Board of up to $1.50 billion from regular resources in 2027, subject to the availability of resources and the continued validity of the planned financial estimates. UNICEF also recommends that the Executive Board approve an increase the minimum annual allocation of regular resources for each country programme from $850,000 (decision 2013/20) to $1,100,000, starting in 2027.

Elements of a draft decision for the consideration of the Executive Board are included in section V.

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[a] Defined as contributions received from Governments, inter-organizational arrangements, Global Programme Partnerships and intergovernmental organizations, and revenue from the private sector.

Contents

I. Overview

1. The present document outlines the four-year financial plan for the period 2026–2029, which forms part of the UNICEF Strategic Plan, in accordance with Executive Board decision 2025/23, and is reviewed and revised annually on a rolling basis. The financial plan is preceded by a review of the financial performance of UNICEF in the prior year. The purpose of the review is to provide key high-level information on income, expenditure and liquidity as a baseline to the financial plan.

2. UNICEF has revised its financial estimates for the period 2026–2029 to consider actual income and expenditure for 2025 and the revised estimates for 2026–2029. Based on the latest income projections, planned expenditures for the period 2026–2029 were revised. UNICEF prepared its financial framework based on the latest available information and adopted a conservative financial outlook for the period 2026–2029, while closely monitoring the complex global economic and political developments.

3. The estimated amount of regular resources for programme proposals to be submitted for approval by the Executive Board in 2027 is $1.50 billion for country programme cycles that start in 2028. The level of planned programme expenditure will be continuously reviewed and adjusted based on updated information on projected income.

II. Introduction

4. A four-year financial plan forms part of the UNICEF Strategic Plan, in accordance with Executive Board decision 2025/23, and is reviewed and revised annually on a rolling basis.

5. The financial plan is preceded by a review of the financial performance of UNICEF in the prior year. The purpose of the review is to provide key high-level information on projected income, expenditure and liquidity as a baseline to the financial plan.

III. Financial review, 2025

A. Income

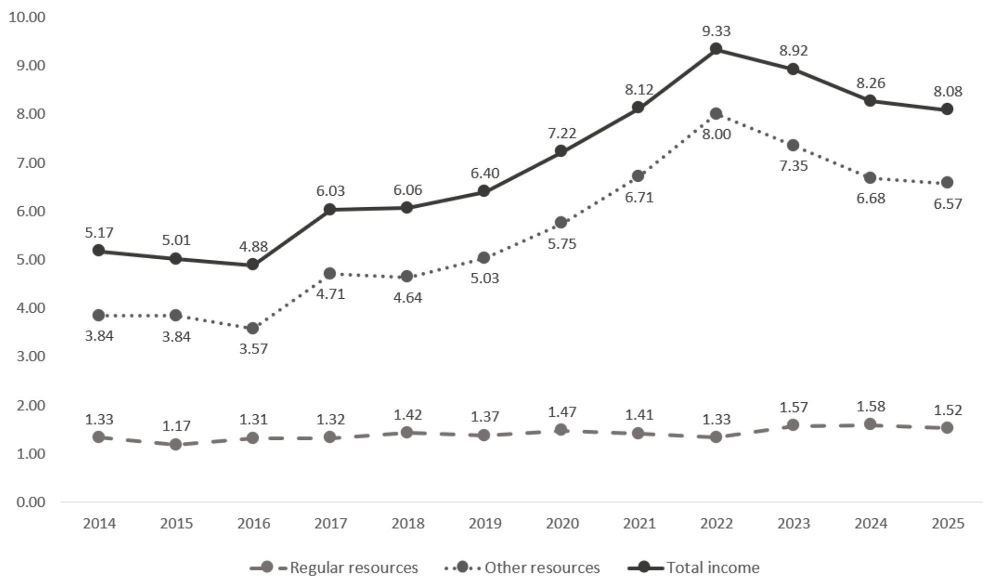
6. The UNICEF Strategic Plan, 2022–2025 was implemented during one of the most complex and volatile periods for UNICEF, shaped by recovery from the COVID-19, an increase in conflicts and humanitarian crises, growing violations of children’s rights, large-scale displacement, climate-related shocks, and significant shifts in the global official development assistance (ODA) landscape, requiring sustained agility and resilience. While income reached record levels in 2022 and remained historically high throughout the cycle, the latter years marked a turning point, with increasing evidence of structural contraction in development financing and reduced predictability. Income estimates evolved significantly over the period: from $25.9 billion total income approved by the Executive Board in the original Strategic Plan in September 2021 to a midterm revision of $35.6 billion in June 2024, and the final estimate of $33.2 billion in September 2025, highlighting both strong resource mobilization and emerging constraints, particularly the growing reliance on earmarked funding. Actual income for the Strategic Plan, 2022–2025 reached $34.6 billion, including $6.0 billion in regular resources and $28.6 billion in other resources.

7. In early 2025, UNICEF experienced an unprecedented external shock to its public sector income outlook. Initial projections pointed to a 26 per cent contraction in total public sector resources relative to 2024 actuals, with regular resources

expected to decline by 50 per cent – levels not seen in nearly two decades. Overall UNICEF income was projected during that time to fall by approximately 20 per cent.

8. Despite these historic headwinds, UNICEF income outperformed conservative projections and reached $8.08 billion in 2025, a 2 per cent decrease from 2024. This apparent resilience, however, largely reflects timing effects and one-off factors rather than a substantive improvement in the funding environment. It also masks a growing structural divergence: public sector regular resources fell to the lowest level in UNICEF history, while private sector regular resources reached an unprecedented peak. Core and earmarked contributions from Organisation for Economic Co-operation and Development/Development Assistance Committee Governments declined, in line with broader global ODA trends.

UNICEF income, 2014–2025
(*in billions of United States dollars*)



9. Public and private donors and partners accounted for 96 per cent of total income, with the remaining 4 per cent ($352 million) generated from other sources.

10. Public sector income remained the primary source of UNICEF income in 2025, amounting to $5.52 billion, or 69 per cent of total income. Despite a 9 per cent decline compared to 2024, the aggregate levels were largely maintained through multi-year agreements, reimbursements, and other temporary mitigating factors. However, this headline stability masks a continued weakening of core public sector funding, with regular resources declining to 6 per cent of total public sector income – the lowest proportion on record.

11. Private sector income totalled $2.21 billion in 2025, representing 27 per cent of total income and a strong 20 per cent increase compared with 2024. This strong performance reflects continued expansion across diverse private fundraising streams. Although this trend supports greater diversification of the funding base of UNICEF, it does not compensate for the structural erosion of public sector core resources.

12. Total regular resources income (i.e. non-earmarked or “core” funds) reached $1.52 billion in 2025, a decrease of 4 per cent compared with 2024 actual income ($1.58 billion). While the overall decline in regular resources is only $67 million, the split between public and private has changed dramatically. Private sector regular resources rose to a record $812 million, representing more than half (54 per cent) of

total regular resources, driven by strong results from National Committees for UNICEF and country offices and multi-country clusters with private sector fundraising operations. By contrast, public sector regular resources declined sharply, by 31 per cent, to $353 million between 2024 and 2025, reducing its share to just 23 per cent of total regular resources and 6 per cent of total public sector income. This trajectory moves further away from the 30 per cent benchmark set under the funding compact and highlights the urgent need for renewed Member State commitment to sustaining core funding.

13. Other income from investments, licensing and procurement services cost recovery has continued to complement voluntary contributions over the past three years, accounting for an increasing share of total regular resources income: 19 per cent in 2023 ($299 million), 22 per cent in 2024 ($346 million), and 23 per cent in 2025 ($352 million).

14. Other resources (regular) contributions were $4.34 billion and other resources (emergency) were $2.23 billion. An increase of $220 million (5 per cent) in other resources (regular) contrasted with a decline of $332 million (13 per cent) in other resources (emergency).

15. Humanitarian financing remained significantly below escalating requirements. By end 2025, UNICEF had mobilized $2.96 billion against its Humanitarian Action for Children appeal, representing only 31 per cent coverage and a slight decline from 2024 levels. This sustained funding gap continues to constrain UNICEF capacity to deliver timely, adequate and scalable responses in increasingly complex and protracted crisis settings.

16. Public sector partners remained the primary source of humanitarian funding, providing 92 per cent of the total humanitarian contributions in 2025. The top 10 emergency resource partners – entirely from the public sector – accounted for 78 per cent of the total other resources (emergency) contributions in 2025, underscoring a high concentration among a small group of donors. However, this predominant share did not translate into flexible funding. Public sector partners contributed only 29 per cent of humanitarian thematic funding. Humanitarian thematic funding only accounted for 10 per cent of total emergency contributions and continued to decline. Moreover, 51 per cent of these humanitarian thematic contributions were earmarked to four appeals (the State of Palestine, Myanmar, Ukraine and refugee response, and the Sudan), further limiting flexible humanitarian action.

17. Despite its importance, thematic funding continued in a downward trend, reaching $331 million in 2025, compared to $361 million in 2024 – the lowest level in a decade. Both public and private sector thematic contributions declined, with public sector contributions totalling $134 million and private sector contributions amounting to $197 million, a decrease of 11 per cent and 6 per cent, respectively, from 2024 levels. With regard to the public sector, it is not only the lower volume but also the decreasing donor base that is concerning. Public sector contributions came from 14 Governments, a decrease from 19 in 2024. From the private sector, 31 National Committees for UNICEF and 45 country offices provided contributions – continuing to comprise 60 per cent of total thematic funding.

18. Overall, 2025 income trends indicate a growing imbalance in the UNICEF funding structure, marked by continued declines in flexible resources and an increasing dependence on earmarked funding.

B. Expenditure

19. Total expenditure amounted to $8.15 billion in 2025, a modest increase of $52 million (less than 1 per cent) compared with 2024 ($8.10 billion). Programme and

development effectiveness expenditures of $7.40 billion represented 91 per cent of total UNICEF expenditure in 2025. Additional analysis of 2025 financial performance was provided in the Annual report for 2025 of the Executive Director of UNICEF (E/ICEF/2026/10), and the Report on the implementation of the Integrated Results and Resources Framework of the UNICEF Strategic Plan, 2022–2025 (UNICEF/2026/EB/7), and further details will be provided in chapters IV and V of the UNICEF financial statements for 2025.

C. Trust funds (procurement services)

20. In 2025, UNICEF procurement services continued to play a critical role in supporting Governments and partners to access essential supplies at scale, delivering $2.90 billion worth of goods and services across 113 countries. This included engagement with a broad range of partners, notably 87 self-financing Governments, as well as United Nations agencies, international financial institutions, and global health partnerships such as Gavi, the Vaccine Alliance and the Global Fund to Fight AIDS, Tuberculosis and Malaria. The service enabled countries to bridge financing gaps, secure timely access to critical supplies, and strengthen national systems through mechanisms such as pre-financing and tailored contracting arrangements. The 2025 closing balance for the procurement services trust fund was $1.22 billion, a 15 per cent decrease compared with a $1.43 billion closing balance in 2024.

21. Procurement services remained a critical instrument for enhancing the efficiency, affordability and reliability of supply chains in both development and humanitarian contexts, while providing UNICEF with opportunities to leverage its scale to influence global markets for vaccines and other child-related products and generate savings for partners and the organization.

D. Reserves and liquidity

Funds and reserves

22. Funds and reserves amounted to $1.57 billion as at 31 December 2025. They comprise reserves for after-service staff liabilities ($1.41 billion), procurement services ($2 million), the Working Capital Fund ($89 million), the Dynamo Revolving Fund ($36 million) and the Cost Recovery Fund ($39 million).

Regular resources reserve

23. In line with Executive Board decision 2020/22 to maintain the level of liquidity in regular resources at a minimum threshold equivalent to three months of expenditure, UNICEF continues to closely monitor financial risks and preserve adequate reserves. In the context of heightened global economic and geopolitical uncertainty affecting resource mobilization and financial predictability, UNICEF closed 2025 with a regular resources balance of $853 million, exceeding the minimum required level, thereby strengthening its capacity to manage risks, absorb potential shocks, and ensure continuity of operations.

IV. Planned financial estimates for the period 2026–2029

24. This section presents UNICEF projected financial resources for the period 2026–2029, including income and expenditure forecasts and the resulting closing balances for both regular and other resources, as well as estimates for procurement services trust funds. In accordance with Executive Board decision 2025/23, the presentation of these estimates follows the format of the integrated resource plan as set out in the UNICEF integrated budget, 2026–2029. The planned use of resources

is further aligned with the revised harmonized cost-classification categories and definitions adopted jointly by UNICEF, the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) under the updated joint cost-recovery policy, effective 1 January 2026, in line with Executive Board decision 2024/25.

25. The financial projections establish a framework for the annual phasing of estimated regular resources expenditures and provide the financial context underpinning future programme submissions to the Executive Board.

A. Income

26. In light of the sharp decline in ODA, ongoing budgetary, security-related and political pressures, heightened global uncertainty, and widespread insecurity, UNICEF continues to maintain a conservative financial outlook. The UNICEF Strategic Plan, 2026–2029 has therefore been developed on a deliberately prudent basis, incorporating an assumed reduction of approximately 20 per cent relative to actual income levels in 2022–2025. Projections for 2026 public and private sector income estimates remain unchanged, reflecting the sustained application by UNICEF of a risk-informed financial planning approach that prioritizes operational resilience, protects core capacities, and preserves flexibility to respond to evolving humanitarian and development needs.

27. Based on analysis of ODA, historical and emerging funding trends, and consultations with major donors – including Governments, private sector partners and National Committees for UNICEF – total income for 2026 is projected to remain generally aligned with the originally planned level, at $6.46 billion. This represents a 20 per cent decline compared with 2025 actual income. Annual income is expected to remain broadly stable in 2027 and 2028, and to increase marginally – 1 per cent – in 2029.

28. In the context of a constrained ODA environment and the severity of announced and prospective funding reductions, the sustainability of UNICEF income will depend not only on intensified and diversified resource mobilization, but critically on donors' continued commitment to protect ODA allocations for children. Clear demonstration of results, value for money, and the UNICEF comparative advantage remains essential to inform donor decision-making amid competing fiscal and political pressures. Within these constraints, available resources will be strategically prioritized towards country programmes of cooperation – particularly in high-need and fragile contexts – to mitigate the impact of funding cuts, safeguard delivery capacity, and maximize measurable and sustainable outcomes for children.

29. Other resources income is projected to decline by 22 per cent in 2026 compared with the 2025 actual income. It is further projected to marginally increase by 1 per cent during the period 2027–2029, year on year. The share of private sector other resources contributions to UNICEF total other resources income is expected to increase from 30 per cent in 2026 to 33 per cent in 2029, while the share of public sector other resources is projected to decrease marginally, from 66 per cent in 2026 to 64 per cent in 2029.

30. Total regular resources income is projected to decrease by 14 per cent in 2026 compared with the 2025 actual income. It is expected to further decrease by 2 per cent in 2027, decrease by 1 per cent in 2028, and remain flat in 2029. Regular resources from voluntary contributions are projected to decrease sharply, by $147 million in 2026 compared to the 2025 actual income, and then gradually by an additional $15 million during 2027–2029, year on year. Other income from investments, licensing

and procurement services cost recovery is projected to gradually decrease, from $287 million in 2026 to $199 million in 2029, and remains an unpredictable and volatile funding source for UNICEF, as it is heavily influenced by global economic conditions.

31. The sustained decline in regular resources, compounded by heightened earmarking and continued pressure on thematic funding, is progressively eroding the financial flexibility of UNICEF in an increasingly constrained ODA environment. Against a backdrop of significant and, in many cases, structural reductions in public sector funding, this trend risks limiting the ability of UNICEF to respond rapidly to emerging crises, sustain operations in fragile and underfunded contexts, and maintain essential investments in prevention, preparedness and systems strengthening. Reversing this trajectory is critical to preserving UNICEF capacity to deliver timely, needs-based and scalable interventions amid deepening global shocks and humanitarian needs. At this juncture of intensified fiscal pressure on ODA, reinforcing the central role of regular resources and flexible funding is essential to safeguarding the mandate and multilateral character of UNICEF. While private sector contributions continue to grow and contribute to diversification, they cannot replace the predictable, unearmarked support provided by Member States, particularly in enabling equitable allocation based on needs and risk. Sustained and collective efforts are therefore required to strengthen advocacy for flexible public sector funding, demonstrate results and value for money, enhance transparency and results-based reporting, and engage partners in mitigating the impact of ODA cuts – rebuilding a more balanced and resilient funding structure that underpins long-term planning and maximizes impact for the most vulnerable children. Estimates of regular and other resources income are provided in table 1 (annex).

B. Expenditure

32. Based on the latest income projections, which remain broadly unchanged from those presented to the Executive Board in September 2025, planned expenditures for the period 2026–2029 have been marginally increased, from $28.0 billion to $28.1 billion, primarily to reflect a minor rollover of budgets from the prior cycle.

33. Total expenditure in 2026 is estimated to decrease by 17 per cent, to $6.78 billion, compared with 2025 actual expenditure of $8.15 billion, in line with the projected decrease in income.

34. As shown in table 2 of the annex, the total estimated annual expenditure for the planning period of 2026–2029 will slightly exceed the projected annual income. To cover these shortfalls, the surplus balance accumulated from previous years, where the actual income exceeded the planned amounts, will be utilized.

Regular resources expenditure

35. The main components of estimated regular resources expenditure for the period 2026–2029 are: (a) development and humanitarian activities, with subcategories: (i) programmes; and (ii) development effectiveness activities; (b) United Nations development coordination activities; and (c) enabling functions, with subcategories: (i) management activities; (ii) independent oversight and assurance activities; and (iii) special-purpose activities.

Programmes

36. Regular resources and thematic funds enable UNICEF to deliver sustainable, high-impact results for children by providing the flexible funding needed to strengthen essential systems, reach the most vulnerable, and respond in complex environments. For example, in Nicaragua, UNICEF-supported community health

initiatives with regular resources reached 220,000 children and contributed to a 25 per cent reduction in child mortality since 2020. In Kyrgyzstan, sustained policy engagement helped to secure a $73 million annual government commitment for a universal child benefit that reached 450,000 children aged 0–3 years old. In the United Republic of Tanzania, investments in new sanitation solutions helped to increase access for more than 350,000 people and accelerated national sanitation coverage. In Myanmar, life-saving protection services reached more than 410,000 people with explosive ordnance risk education and provided comprehensive assistance for child survivors of conflict-related injuries.

37. Based on the income projections presented in table 1 and the regular resources estimated yearly expenditures for programmes in table 4, UNICEF slightly increased planned regular resources expenditure for the period 2026–2029, which remains within affordable levels. Global and regional programme expenditure remained unchanged and will be revisited during the midterm review in 2028.

38. The allocation of regular resources to country programmes will continue to adhere to the allocation system, as approved by the Executive Board in decisions 2008/15 and 2013/20. The minimum annual allocation for each country programme has been adjusted periodically. It was set to $600,000 (decision 1997/18), then $750,000 (decision 2008/15), and then $850,000 (decision 2013/20). Periodic adjustments are vital to maintain sufficient levels of regular resources for viable programming given inflation. As such, UNICEF proposes to increase the minimum annual allocation for each country programme to $1,100,000 starting in 2027.

39. As illustrated in table 4, at the beginning of 2026, regular resources expenditures for ongoing country programmes were estimated at $1.81 billion for the period 2026–2029. Regular resources for programmes proposed to the Executive Board for approval in 2026 total $1.03 billion for programme cycles that start in 2027.

40. The estimated amount of regular resources for country programme documents to be approved by the Executive Board in 2027 is $1.50 billion for programme cycles that start in 2028. The level of planned programme expenditure will be continuously reviewed and adjusted based on updated information on projected income.

Institutional budget

41. The budget for development effectiveness, United Nations development coordination, management, independent oversight and assurance activities, and special purpose (capital investment) costs is referred to as the institutional budget. It is funded from regular resources, other resources and cost recovery.

42. At its second regular session of 2025, the Executive Board approved a four-year institutional budget of $2.50 billion for the period 2026–2029 to support implementation of the UNICEF Strategic Plan, 2026–2029, which is maintained at the approved level in the current updated financial estimates.

Evaluation function

43. In 2025, evaluations informed organizational reforms, programme design, humanitarian response and national policy decisions, while advancing evidence on “what works” for children at scale. At the same time, the function faced challenges arising from the current constrained funding environment, including reduced resource envelopes, staffing cuts, delayed evaluations, and pressure on evaluation coverage and independence.

44. In the context of the ongoing cost-reduction exercise, the proposed budgets for the Evaluation Office ($8.6 million) and the Evaluation Pooled Fund ($27.6 million)

for 2026–2029 remain unchanged from the levels presented in the integrated budget submitted to the Executive Board in September 2025. The institutional budget aims to provide the minimum capacity needed for an effective evaluation function and funds some 33 evaluation positions at headquarters and in regional offices. Funding of evaluation activity at the country level is mostly from country programme resources including regular resources, other resources (regular) and other resources (emergency). The Evaluation Office budget in 2025 was $9 million, including the core budget of $8.7 million and funding of $0.3 million from global thematic funds. The core budget of $8.7 million includes $3.8 million from the Evaluation Pooled Fund. A more detailed account of expenditure across the evaluation function was presented in the Annual report for 2025 on the evaluation function in UNICEF (E/ICEF/2026/17) at the annual session of 2026.

45. Prioritizing evaluation within other resources-funded programmes remains a challenge. Although UNICEF policy targets allocation of 1 per cent of programme expenditure to evaluation, the ratio remained at 0.57 per cent in 2025, reflecting continued underinvestment in evaluation within earmarked funding streams. UNICEF will continue to strengthen the systematic inclusion of evaluation components in funding proposals, enhance partner engagement to secure adequate financing, and prioritize investments in Multiple Indicator Cluster Surveys to support robust evidence-based decision-making.

Cost recovery

46. The integrated budget, 2026–2029, and updated financial estimates have been prepared using the cost-recovery methodology and rates in line with the revised joint comprehensive cost-recovery policy approved in Executive Board decision 2024/25. This policy lists cost-classification categories, methodology and rates effective 1 January 2026. The revised cost-recovery policy acknowledges the criticality of ensuring the recovery of all direct and indirect costs to programmes and projects.

47. In 2025, 88 per cent of management, independent oversight and assurance, and special-purpose (capital investment) activities were funded by cost recovery. The proportion of regular resources funding to institutional budget represented 35 per cent, thereby increasing funding available for country programme delivery.

48. UNICEF, with UNDP, UNFPA and UN-Women, will provide the next annual update on reduced cost-recovery rates in the joint report during the presentation of the agenda item on the Structured dialogue on financing the results of the UNICEF Strategic Plan, 2022–2025, at the second regular session of 2026.

49. UNICEF will continue to present the calculation of the notional cost-recovery rate in a harmonized manner with UNDP, UNFPA and UN-Women and in accordance with the relevant Executive Board decisions on the harmonized cost-recovery methodology, as part of its Midterm Review and Integrated Budget submissions to the Executive Board.

Other resources expenditure

50. The projections of expenditure funded by other resources, presented in table 5, reflect efforts to accelerate programme implementation. The estimated other resources programme expenditure has been revised in line with the projected other resources income for the period 2026–2029.

C. Sufficiency of reserves for staff liabilities

51. UNICEF maintains reserves to fund its employee benefits liabilities, which comprise after-service health insurance and end-of-service entitlements.

52. Following discussions with the Executive Board and the implementation of the International Public Sector Accounting Standards that require the full reporting of after-service staff liabilities in corporate financial statements, UNICEF has implemented a robust funding strategy for those liabilities. The strategy ensures that, over time, sufficient reserves for those liabilities are accumulated through the funding sources to which post costs are appropriately attributed, supplemented by additional resource transfers when year-end balances permit. UNICEF carries out a full actuarial valuation on a biennial basis, with the last one carried out as at 31 December 2025. Actuarially measured liabilities related to after-service health insurance and end-of-service entitlements amounted to $1.39 billion as at 31 December 2025. In addition, liabilities related to the Future Focus Initiative restructuring exercise amounted to $119 million, including restructuring provisions and termination indemnity obligations newly recognized during the year, together with other separation expenses. Accumulated reserves as at the end of 2025 were $1.41 billion, representing 93.4 per cent coverage of actuarially measured liabilities. This exceeds the UNICEF funding strategy target of 80 per cent coverage by 2025. It is important to note that the level of liabilities could increase in the future due to factors beyond the control of UNICEF.

53. UNICEF will continue to monitor the effectiveness of the strategy, make appropriate adjustments as financial variables change, and provide yearly updates to the Executive Board in the UNICEF Strategic Plan: updated financial estimates document.

D. Regular resources reserves and funds

54. UNICEF maintains a regular resources reserve in compliance with Executive Board decision 2020/22, which encourages UNICEF to maintain a reserve at a minimum of three months of expenditure. The regular resources reserve will be drawn down to stabilize UNICEF continued operations against a sudden interruption of resource availability, such as an unexpected shortfall in regular resources income.

55. In line with Executive Board decision 2020/13, the Board approved the establishment of the Working Capital Fund (table 7 of the annex provides information on the 2025 actual and 2026–2029 plan) under the regular resources sub-account, funded by allocating a portion of the investment income as an internal financing mechanism. The Working Capital Fund was fully capitalized, at $120 million, at the end of 2025. The Executive Board approved that the Executive Director, with the advice of the Comptroller, can advance funds from the revolving Working Capital Fund to offices and divisions for the implementation of country programmes to ensure the continued financing of projects within established risk-management parameters, on the condition that the funds be repaid within the period set.

56. In addition, table 8 of the annex presents the status of the Dynamo Revolving Fund endorsed by the Executive Board in 2021 (E/ICEF/2021/AB/L.1/Add.1). Based on the income projections, UNICEF anticipates that the Dynamo Revolving Fund will be fully capitalized by the end of 2026. This fund provides a targeted and sustainable investment mechanism for UNICEF country and regional offices to drive private sector fundraising growth. The Dynamo Revolving Fund is financed from the UNICEF regular resources allocations, repayments from Dynamo recipient countries, as well as additional contributions from public and private sector partners. The countries access the funds with interest-free terms but with the obligation to repay the

principal amount in three years from the receipt of funds. The repaid funds will be used to recapitalize the fund annually and in line with budget-approved ceilings.

57. Table 9 shows the status of the Cost Recovery Fund. This Fund was established by UNICEF in 2023 and includes the cost-recovery income that exceeded the total value of the institutional budget components funded by cost recovery. Similar to the approach taken by UNFPA, the Cost Recovery Fund is used to bridge resource gaps that result from unplanned increases in other resources expenditure.

E. Future Focus Initiative

58. The Future Focus Initiative, launched in March 2025, has progressed from the design phase to active implementation and represents one of the most significant organizational transformation efforts by UNICEF aimed at enhancing efficiency, strengthening technical expertise, and improving proximity to programme delivery.

59. Significant progress has been achieved across the six Future Focus Initiative workstreams. Approximately 70 per cent of headquarters posts previously located in New York and Geneva are being relocated to lower-cost duty stations, with most relocations expected to be completed between January and June 2026. Four Centres of Excellence, in Nairobi, Bangkok, Amman and Panama City, are advancing as planned, with recruitment completed for more than 80 per cent of positions through the Global Ring-fenced Recruitment Exercise and phased operationalization expected during 2026. Additional organizational changes include the establishment of the new Office of Strategy and Evidence – Innocenti in Florence, Italy, strengthening of common service centres, and consolidation of regional offices from seven to five.

60. The Future Focus Initiative is expected to achieve the targeted savings and help UNICEF to remain within the quadrennial budget submitted to the Executive Board in September 2025. When compared to the baseline prior to the reduction in budget, the savings in core resources (institutional budget and Global and Regional Programme regular resources combined) is approximately $640 million, including $494 million from headquarters and regional office efficiencies and $144 million from country office measures. Savings are primarily driven by position reductions ($550 million) and complemented by $90 million in non-post cost reductions.

61. As at March 2026, the staffing restructuring exercise has resulted in a net reduction of 2,542 (or 15 per cent) in fixed-term positions. There were 4,309 abolished fixed-term posts and 1,989 newly established posts, leading to a net remaining structure of 14,892 posts. Of the 2,956 staff affected by abolished posts, 1,317 staff members (45 per cent) had already been reassigned to new positions, while 998 staff (34 per cent) had separated, including 302 retirements or early retirements. An additional 331 staff members were placed on special leave without pay.

62. Key activities still under implementation include completion of remaining staff relocations and recruitment processes, workforce planning reviews, and continued monitoring of operational and financial impacts of the reforms. UNICEF also plans to continue to provide updates on implementation progress and budget implications.

V. Draft decision

63. UNICEF recommends that the Executive Board adopt the following draft decision:

The Executive Board

1. *Takes note* of the planned financial estimates for the period 2026–2029, as contained in document E/ICEF/2026/AB/L.6, as a flexible framework for supporting UNICEF programmes;

2. *Approves* the integrated resources framework of planned financial estimates for the period 2026–2029, and the preparation of country programme expenditure submissions to the Executive Board of up to $1.50 billion from regular resources in 2027, subject to the availability of resources and the continued validity of these planned financial estimates;

3. *Also approves* an increase in the minimum annual allocation of regular resources for each country programme from $850,000, as set forth in its decision 2013/20, to $1,100,000, starting in 2027;

4. *Requests* UNICEF to continue to provide annual updates to the Executive Board on the progress of funding its reserves for staff liabilities.

Annex

Tables: Planned financial estimates[1]

1. UNICEF income estimates
2. Integrated resources plan: regular and other resources
3. UNICEF planned financial estimates: regular resources
4. Regular resources: yearly phasing of estimated expenditures for programmes
5. UNICEF planned financial estimates: other resources
6. UNICEF planned financial estimates: trust funds (procurement services activities)
7. Working Capital Fund
8. Dynamo Revolving Fund
9. Cost Recovery Fund

[1] Rounding differences may impact the totals reported in tables 1 to 9.

Table 1
UNICEF income estimates
(*in millions of United States dollars*)

	Plan 2025	*Actual 2025*	*Estimate 2026*	*Plan*		
				2027	*2028*	*2029*
Regular resources						
Governments	263	353	263	263	263	263
Private sector	740	812	755	770	786	801
Other income	340	352	287	249	218	199
Total – regular resources	**1 343**	**1 517**	**1 305**	**1 282**	**1 267**	**1 263**
Growth percentage	*(15)%*	*(4)%*	*(14)%*	*(2)%*	*(1)%*	*(0)%*
Other resources (regular)						
Governments	1 107	1 742	1 107	1 107	1 107	1 107
Global Programme Partnerships	835	834	835	835	835	835
Private sector	864	1 143	903	943	986	1 030
Inter-organizational arrangements	872	622	872	872	872	872
Subtotal – other resources (regular)	**3 678**	**4 341**	**3 718**	**3 758**	**3 801**	**3 845**
Growth percentage	*(11)%*	*5%*	*(14)%*	*1%*	*1%*	*1%*
Other resources (emergencies)						
Governments	1 269	1 807	991	991	991	991
Global Programme Partnerships	-	20	-	-	-	-
Private sector	299	254	299	299	299	299
Inter-organizational arrangements	145	145	145	145	145	145
Subtotal – other resources (emergencies)	**1 712**	**2 227**	**1 434**	**1 434**	**1 434**	**1 434**
Growth percentage	*(33)%*	*(13)%*	*(36)%*	*0%*	*0%*	*0%*
Total – other resources	**5 391**	**6 568**	**5 151**	**5 192**	**5 235**	**5 279**
Growth percentage	*(19)%*	*(2)%*	*(22)%*	*1%*	*1%*	*1%*
Total income	**6 734**	**8 084**	**6 457**	**6 474**	**6 501**	**6 542**
Growth percentage	*(19)%*	*(2)%*	*(20)%*	*0%*	*0%*	*1%*

Table 2
Integrated resources plan: regular and other resources
(*in millions of United States dollars*)

	Plan 2025	Actual 2025	Estimate 2026	Plan 2027	Plan 2028	Plan 2029
1. Resources available						
Opening balance	4 134	4 134	3 980	3 606	3 123	2 491
Income						
Contributions	6 394	7 733	6 170	6 225	6 283	6 343
Other income	340	352	287	249	218	199
Total income	6 734	8 084	6 457	6 474	6 501	6 542
Tax reimbursement adjustment	*(21)*	*(31)*	*(21)*	*(21)*	*(21)*	*(21)*
Transfer to Working Capital Fund	*(20)*	*(20)*	–	–	–	–
Transfer to Dynamo Revolving Fund	*(30)*	*(30)*	*(30)*	–	–	–
Transfer to after-service staff liabilities	–	–	–	–	–	–
Total available	**10 796**	**12 137**	**10 386**	**10 060**	**9 603**	**9 012**
2. Use of resources						
A. Development and humanitarian activities						
A.1 Programmes	6 260	7 189	5 983	6 110	6 253	6 400
Country	*5 773*	*6 768*	*5 710*	*5 842*	*5 979*	*6 119*
Global and regional	*487*	*421*	*273*	*268*	*274*	*281*
A.2 Development effectiveness	214	207	146	154	163	172
Subtotal (A)	**6 474**	**7 396**	**6 129**	**6 264**	**6 416**	**6 572**
B. United Nations development coordination	**11**	**10**	**10**	**10**	**10**	**10**
C. Enabling functions						
C.1 Management activities	388	413	377	394	414	434
C.2 Independent oversight and assurance activities	28	28	22	23	24	25
C.3 Special purpose activities						
C.3.1 Capital investments	40	39	29	29	29	29
C.3.2 Private sector fundraising	272	266	214	217	220	224
Subtotal (C)	**727**	**745**	**641**	**663**	**687**	**712**
Institutional budget (A.2+B+C.1+C.2+C.3.1)	**680**	**696**	**583**	**609**	**639**	**670**
Integrated budget (A+B+C)	**7 212**	**8 151**	**6 780**	**6 937**	**7 113**	**7 294**
New amounts from / (to) reserves	**-**	**(5)**	–	–	–	–
Closing balance of resources (excluding reserves)	**3 584**	**3 980**	**3 606**	**3 123**	**2 491**	**1 719**
Funds and reserves						
After-service staff liabilities	1 364	1 408	1 450	1 493	1 538	1 584
Procurement services	2	2	2	2	2	2
Working Capital Fund	50	89	79	69	59	59
Dynamo Revolving Fund	24	36	67	65	58	54
Cost Recovery Fund	20	39	24	9	–	–
Total	1 459	1 574	1 621	1 638	1 657	1 699

Table 3
UNICEF planned financial estimates: regular resources
(*in millions of United States dollars*)

	Plan 2025	*Actual 2025*	*Estimate 2026*	*Plan* 2027	*Plan* 2028	*Plan* 2029
1. Resources available						
Opening balance	892	892	853	795	735	640
Income						
Contributions	1 003	1 165	1018	1 033	1 049	1 064
Other income	340	352	287	249	218	199
Total income	1 343	1 517	1 305	1 282	1 267	1 263
Tax reimbursement adjustment	*(21)*	*(31)*	*(21)*	*(21)*	*(21)*	*(21)*
Transfer to Working Capital Fund	*(20)*	*(20)*	–	–	–	–
Transfer to Dynamo Revolving Fund	*(30)*	*(30)*	*(30)*	–	–	–
Transfer to after-service staff liabilities	–	–	–	–	–	–
Total available	**2 164**	**2 328**	**2 107**	**2 057**	**1 981**	**1 882**
2. Use of resources						
A. Development and humanitarian activities						
A.1 Programmes	1 060	1 046	928	918	915	915
Country	*973*	*958*	*870*	*872*	*869*	*869*
Global and regional	*87*	*88*	*58*	*46*	*46*	*46*
A.2 Development effectiveness	184	180	146	154	163	172
Subtotal	**1 244**	**1 226**	**1 074**	**1 072**	**1 078**	**1 087**
B. United Nations development coordination	**10**	**10**	**10**	**10**	**10**	**10**
C. Enabling functions						
C.1 Management activities	81	46	74	82	91	102
C.2 Independent oversight and assurance activities	8	3	4	5	5	6
C.3 Special purpose activities						
C.3.1 Capital investments	20	4	6	6	6	7
C.3.2 Private sector fundraising	187	186	144	147	150	154
Subtotal (C)	**295**	**239**	**228**	**240**	**253**	**268**
Institutional budget (A.2+B+C.1+C.2+C.3.1)	**303**	**243**	**240**	**256**	**275**	**296**
Integrated budget (A+B+C)	**1 550**	**1 475**	**1 312**	**1 322**	**1 341**	**1 365**
Closing balance of resources (excluding reserves)	**614**	**853**	**795**	**735**	**640**	**518**
Funds and reserves						
After-service staff liabilities	1 364	1 408	1 450	1 493	1 538	1 584
Procurement services	2	2	2	2	2	2
Working Capital Fund	50	89	79	69	59	59
Dynamo Revolving Fund	24	36	67	65	58	54
Cost Recovery Fund	20	39	24	9	–	–
Total	1 459	1 574	1 621	1 638	1 657	1 699

Table 4
Regular resources: yearly phasing of estimated expenditures for programmes
(*in millions of United States dollars*)

	2026	*2027*	*2028*	*2029*	*Beyond 2029*	*Total recommendations*
Programme						
1. Country programmes approved in prior years	747	546	243	168	100	1 805
2. New country programmes to be submitted to the 2026 Executive Board sessions	n/a	206	206	206	412	1 030
3. New country programmes to be prepared for submission to the 2027 Executive Board sessions	n/a	n/a	300	300	899	1 498
4. New country programmes to be prepared for submission to the 2028 Executive Board sessions	n/a	n/a	n/a	75	300	375
5. Amount set aside	61	60	60	60	..	..
Subtotal	**808**	**813**	**809**	**809**	**..**	**..**
6. Additional emergency requirements	60	60	60	60	..	..
Subtotal	**868**	**873**	**869**	**869**	**..**	**..**
7. Global and regional programme	58	46	46	46	..	..
Total: programme	**926**	**918**	**915**	**915**	**..**	**..**

Table 5
UNICEF planned financial estimates: other resources
(*in millions of United States dollars*)

	Plan 2025	Actual 2025	Estimate 2026	Plan 2027	Plan 2028	Plan 2029
1. Resources available						
Opening balance	3 241	3 241	3 128	2 811	2 388	1 851
Income						
Contributions	5 391	6 568	5 151	5 192	5 235	5 279
Total income	5 391	6 568	5 151	5 192	5 235	5 279
Total available	**8 632**	9 809	8 279	8 003	7 623	7 130
2. Use of resources						
A. Development and humanitarian activities						
A.1 Programmes	5 200	6 144	5 055	5 192	5 338	5 485
Country	*4 800*	*5 810*	*4 840*	*4 970*	*5 110*	*5 250*
Global and regional	*400*	*333*	*215*	*222*	*228*	*235*
A.2 Development effectiveness	30	26	–	–	–	–
Subtotal	**5 230**	**6 170**	**5 055**	**5 192**	**5 338**	**5 485**
B. United Nations development coordination	**1**	**0**	**–**	**–**	–	–
C. Enabling functions						
C.1 Management activities[a]	307	367	302	312	323	333
C.2 Independent oversight and assurance activities[a]	20	25	17	18	19	19
C.3 Special purpose activities						
C.3.1 Capital investments[a]	20	34	23	23	22	22
C.3.2 Private sector fundraising	85	80	70	70	70	70
Subtotal (C)	**432**	**506**	**413**	**423**	**434**	**444**
Institutional budget (A.2+B+C.1+C.2+C.3.1)	**377**	**453**	**343**	**353**	**364**	**374**
Integrated budget (A+B+C)	**5 662**	**6 677**	**5 468**	**5 615**	**5 772**	**5 929**
New amounts from / (to) reserves		**(5)**				
Closing balance of resources (excluding reserves)	**2 970**	**3 128**	**2 811**	**2 388**	**1 851**	**1 201**

[a] Amounts reflect the use of other resources cost recovery to fund management, independent oversight and assurance activities, and capital investments.

Table 6[1]
UNICEF planned financial estimates: trust funds (procurement services activities)
(*in millions of United States dollars*)

	Plan 2025	*Actual 2025*	*Plan*			
			Estimate 2026	*2027*	*2028*	*2029*
1. Opening balance	1 432	1 432	1 216	1 016	1 016	1 016
2. Receipts	2 560	2 681	2 000	2 000	2 000	2 000
3. Disbursements	2 560	2 897	2 200	2 000	2 000	2 000
4. Closing balance	1 432	1 216	1 016	1 016	1 016	1 016

[1] Data are presented on a budgetary basis.

Table 7
Working Capital Fund
(*in millions of United States dollars*)

			Plan			
Working Capital Fund	*Plan 2025*	*Actual 2025*	*2026*	*2027*	*2028*	*2029*
Opening balance	64	64	89	79	69	59
Add: Transfer to Working Capital Fund	20	20	–	–	–	–
Less: Budget issued	64	52	70	70	70	70
Add: Budget reimbursed	30	57	60	60	60	70
Ending budget balance	50	89	79	69	59	59

Table 8
Dynamo Revolving Fund
(*in millions of United States dollars*)

			Plan			
Dynamo Revolving Fund	*Plan 2025*	*Actual 2025*	*2026*	*2027*	*2028*	*2029*
Opening balance	21	21	36	67	65	58
Add: Transfer to Dynamo Revolving Fund	30	30	30	–	–	–
Less: Budget issued	45	46	44	50	51	53
Add: Budget reimbursed	19	31	44	48	45	49
Ending budget balance	24	36	67	65	58	54

Table 9
Cost Recovery Fund
(*in millions of United States dollars*)

Cost Recovery Fund	*Plan 2025*	*Actual 2025*	*Plan*			
			2026	*2027*	*2028*	*2029*
Opening balance	41	41	39	24	9	0
Add: Transfer to Cost Recovery Fund	–	–	–	–	–	–
Less: Budget issued	21	2	15	15	9	0
Add: Budget reimbursed	0	0	0	0	0	0
Ending budget balance	20	39	24	9	0	0