Update on the World Bank Financial instrument to facilitate sustained investment in private sector fundraising

Thomas Asare
Comptroller, UNICEF

UNICEF Executive Board – 2021 annual session (1–4 June 2021)

Item 13: Update on the World Bank instrument to facilitate sustained investment in private sector fundraising
Reference document: (UNICEF/2021/EB/8)
01. Results of the UNICEF consultations with the 18 emerging market countries as well as other relevant actors of the United Nations system.

02. An updated comprehensive risk management matrix.


04. Information on the principal amount, interest costs and other associated fees.

05. Written assessment of the need to update the UNICEF financial regulations and rules.

06. Affirmation that the conditions of this instrument are made fully transparent to potential investors.
### Principal amount, interest costs and associated fees

- The principal amount is US$ 50M
- Overall one-off issuance-related cost of US$112K
- The total interest cost amounts to US$ 4.77M for the five-year cycle (Annual payment of US$954K)
- The effective interest rate payable is 1.9 percent

### Conditions of instrument disclosed to investors

- Conditions of the instrument were fully disclosed to the investors of the bond
- The Notes are linked to the receipt by UNICEF of monthly pledge donations
- Noteholders have no rights to require IBRD to enforce its rights against UNICEF

### Opinion of UN Office of Legal Affairs

- UNICEF’s legal and financial interests appear to be well protected by the forward flow agreement
- If UNICEF desires to engage in further transactions of similar nature:
  - UNICEF should first seek the approval of the General Assembly
  - UNICEF would have to amend the Financial Regulations and Rules to provide for such transactions

### Updated comprehensive risk Management

- Comprehensive risk management matrix related to the financial instrument updated
- Details provided in para 17 of EB document UNICEF/2021/EB/8
Thank you.