Structured Funding Dialogue

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UNICEF Executive Board
Informal briefing – 18 August 2021
Item 7: Structured dialogue on financing the results of the UNICEF Strategic Plan, 2018-2021
Reference documents: E/ICEF/2021/30; UNICEF/2021/EB/12
Presentation outline

1. Structured funding dialogue: goal
2. Funding compact progress
3. Financing the Strategic Plan
4. Flexible funding strategy: Regular resources and thematic funds
STRUCTURED FUNDING DIALOGUE GOAL

To secure adequate levels of flexible & predictable funding for the Strategic Plan

Through

Improved understanding of funding situations, transparency, trust and mutual accountability

Analysis of needs and challenges with a view to finding solutions

Systematic follow-up to and implementation of funding compact commitments and decisions
2. **FUNDING COMPACT PROGRESS**

Member State and entity-specific commitments (UNICEF)

UNICEF/2021/EB/12
FUNDING COMPACT – PROGRESS IN 2020 (UNICEF/2021/EB/12)

Member State commitments

- Aligning funding to entity requirements
  - 16% RR
  - 11% inter-agency pooled
  - 7% thematic

United Nations commitments

- Accelerating results on the ground
  - 100% CPD alignment with UNSDCFs
  - Evaluation Office engaged in joint and system-wide evaluations
- Improving transparency & accountability
  - Submit disaggregated financial data to CEB
  - Meet IATI standards
  - Publish evaluations
  - Donor recognition

- Facilitating coherence & efficiency
  - 9 cost-recovery waivers

- Increasing efficiencies
  - 50% common premises
  - 80% BOS implementation
  - Mutual recognition
  - Annual reporting on efficiency gains and cost recovery

Status vis-à-vis Funding compact target
- Reached target
- No progress

Direction of progress
- Digressing from target

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**Funding Compact: Member States commitment on core resources**

<table>
<thead>
<tr>
<th>COMMITMENT:</th>
<th>MEMBER STATE PROGRESS FOR UNICEF:</th>
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<tbody>
<tr>
<td>To increase core resources for the United Nations development system</td>
<td>Core resources from Member States to UNICEF as share of overall public sector income (including humanitarian):</td>
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<tr>
<td></td>
<td>Baseline 2018: 13%</td>
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<tr>
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<td>Progress 2019: 11%</td>
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<td>Progress 2020: 16%</td>
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<tr>
<td>SYSTEM-WIDE:</td>
<td></td>
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<tr>
<td>Baseline (2017):</td>
<td>19.4%</td>
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<tr>
<td>Target (2023):</td>
<td>30%</td>
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Source: UNICEF/2021/EB/12.
## Funding Compact: Member States commitment on thematic resources

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<td>To double the share of non-core contributions that are provided through single-agency thematic funds</td>
<td>Thematic funding as a share of total non-core resources from Member States to UNICEF:</td>
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<tr>
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<td>Baseline 2018: 8%</td>
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<td>Progress 2019: 7%</td>
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<td>Progress 2020: 7%</td>
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<th>INDICATOR:</th>
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<tr>
<td>Percentage of non-core resources for development-related activities channelled through single-agency thematic funds</td>
<td>Baseline (2017): 3%</td>
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<td>Target (2023): 6%</td>
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<td>Development-related thematic funding as a share of development-related non-core resources (other resources regular) from Member States to UNICEF:</td>
<td></td>
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<tr>
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<td>Baseline 2018: 14%</td>
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<td>Progress 2019: 12%</td>
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<td>Progress 2020: 11%</td>
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Source: UNICEF/2021/EB/12.
3. FINANCING THE STRATEGIC PLAN

Overview of UNICEF income
Income estimates for the Strategic Plan, 2018–2021

Latest revised financial estimates (June 2021) compared to the SP original financial estimates (Sept 2017):

- Projected RR income reduced by $621 million
- Projected OR income increased by $4 billion

Note: All figures have been rounded and may not add up to the totals.
Risk of less and less flexible resources may fundamentally shift UNICEF to a project-based organization.
Thematic funds have grown but remain a small % of total OR

In the past 5 years:
• $ Thematic funds have increased by 25% (2020 vs. 2014)
• Ratio of thematic funds as % of total OR has remained around 8%

Member States funding compact UNDS commitment: to double agency-specific thematic funds:
• Executive Board approved Strategic Plan, 2018-2021 target of 15% of total OR by 2021 for current SP will not be reached
WHERE DO FLEXIBLE FUNDS COME FROM?

Regular resources in 2020:

- **Public sector**: $592 m (40%)
  - 123 Governments
- **Private sector**: $717 m (49%)
  - 33 National Committees
  - 53 UNICEF country offices
- **Other income**: $162 m (11%)

Total RR: $1,470 million (2020)

Thematic funds in 2020:

- **Public sector**: $225 m (52%)
  - 14 Governments
- **Private sector**: $212 m (48%)
  - 31 National Committees
  - 32 UNICEF country offices

Total thematic: $438 million (2020)

Note: All figures have been rounded and may not add up to the totals.
RR, thematic funds and OR are complementary

**RR** provides **foundational funding** that facilitates the greatest strategic and long-term impact for children.

**OR thematic** gives us the greatest flexibility to use OR where they are **most needed**.

**OR** allows us to **scale up** programme interventions from the **foundation enabled by RR**.

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### Resources

- **Regular resources** (unearmarked) $1,470m (2020)
- **Other resources thematic** (softly earmarked) $438m (2020)
- **Other resources** (fully earmarked) $5,310m (2020)

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**Flexibility**

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<th>LEAST</th>
<th>MOST</th>
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RR is important to closing funding gaps

Expenses by Strategic Plan Goal Area, 2018–2020

Share of RR expenses per Goal Area:
- GA1: 17%
- GA2: 13%
- GA3: 25%
- GA4: 16%
- GA5: 23%

For the least OR funded Goal Areas – 3 (every child is protected from violence and exploitation) and 5 (every child has an equitable chance in life) – UNICEF has compensated for OR underfunding with higher rates of RR allocation.
2018–2021 thematic windows

10 THEMATIC WINDOWS
- HEALTH
- NUTRITION
- HIV & AIDS
- EDUCATION
- CHILD PROTECTION
- WASH
- SAFE & CLEAN ENVIRONMENT
- SOCIAL PROTECTION, INCLUSION & GOVERNANCE
- GENDER EQUITY
- HUMANITARIAN ACTION

3 FUNDING LEVELS per Thematic Window
1. Global
2. Regional
3. Country

GOAL AREAS
- GOAL 1
  Every child survives and thrives
- GOAL 2
  Every child learns
- GOAL 3
  Every child is protected from violence and exploitation
- GOAL 4
  Every child is protected from violence and exploitation
- GOAL 5
  Every child has an equitable chance in life

GLOBAL GOALS
- GOAL 1
- GOAL 2
- GOAL 3
- GOAL 4
- GOAL 5
Thematic funding 2018–2020: contributions by thematic window

87% of thematic funding received for 4 thematic windows:

- 43% – Humanitarian
- 26% – Education
- 10% – Water, sanitation and hygiene (WASH)
- 8% – Child protection
Thematic funding 2018–2020: public and private sector trends

OR contributions received 2018–2020

- 82% Non-Thematic Public Sector
- 11% Thematic Public Sector
- 4% Non-Thematic Private Sector
- 3% Thematic Private Sector

Thematic: $1.2b (8%) of total $15.1b OR received 2018-2020

- 55% from public sector:
  - However, thematic is only 5% ($641m) of total public sector OR ($13b)
  - 18 Governments contributed thematic
- 45% from private sector:
  - However, thematic is 25% ($528m) of total private sector OR ($2.1b)
  - 33 National Committee and 43 UNICEF country offices raised thematic through private sector fundraising campaigns for sudden onset emergencies

• **ORR thematic**: 80% from public sector (Governments)
• **ORE/humanitarian thematic**: 78% from private sector (generated by UNICEF National Committees and country offices)
Thematic funding by global, regional and country levels

52% thematic contributed by donors at global level
• 76% of global thematic received from public sector (for ORR)

Only 5% received for regional-level pools:
• 97% of regional thematic is from private sector (ORE)
• Most for MENARO for Syrian Arab Republic emergency

43% thematic contributed by donors at country level
• 64% of country-level thematic funds from private sector (for ORE)

Distribution of contributions received 2018–2020 for 10 thematic windows at global, regional and country levels

Global $603M 52%
Regional $61.5M 5%
Country $504M 43%
Public sector support to Thematic depends on 4 Governments, focused on ORR:

• 94% of public sector thematic comes from only 4 Governments (Norway, Sweden, Netherlands & Denmark)
• 83% ORR; 17% ORE

Private sector support is much more diversified, focused on ORE:

• 58% of private sector thematic is contributed by 5 National Committees (Germany, United States, United Kingdom, Japan & Norway) 26% ORR; 74% ORE

Note: All figures have been rounded and may not add up to the totals.
4. Flexible funding strategy: RR and thematic funds

Priority to accelerate the implementation of the funding compact
Five key reasons to invest in flexible funding

#1 – Achieve the greatest impact
We count on partners and donors like you who trust UNICEF to direct funds in the way that can achieve the greatest impact.

#2 – Lead and pioneer
Responding effectively to children’s issues requires us to continually pioneer new solutions that work in complex situations. But to be truly innovative, UNICEF must have the flexibility to support new and promising pilot programmes.

#3 – Take the work to scale
Flexible funding helps us expand best practices across over 190 countries and territories, driving progress towards the 2030 Sustainable Development Goals.

#4 – Meet needs throughout the entire childhood and adolescence
Flexible resources allow UNICEF to address the urgent, unfunded needs of children throughout their young lives.

#5 – Before, during and after an emergency
UNICEF is on the ground and equipped to respond immediately when an emergency occurs, enabling us to meet the most urgent needs of children.
Implement integrated (private and public sector) country approach in key markets (through Joint Engagement Plans/Joint Strategic Plans)

New models for fundraising for all audiences and markets.

Rebrand, articulate and communicate the investment case on the impact of flexible resources (including complementarity of RR and the thematic funds)

Targeted marketing with select Governments and high-priority private sector partners to reach stretch targets for RR and thematic funds

UNICEF flexible funding strategy: Accelerating implementation of funding compact

1. Communicate
2. Invest & Innovate
3. Accelerate
4. Integrate
STRATEGY FOR FLEXIBLE FUNDING:

1. COMMUNICATE

Communicating the investment case on the impact of flexible resources

LEADERSHIP
A Call to Action across the organization

CONTENT
2021 content and assets to support the spectrum of flexible funding

CAPACITY-BUILDING
Training for targeted markets, PFP and PPD, and across the organization

RECOGNITION & BENEFITS
Greater recognition for public and private sector partners, including individuals
STRATEGY FOR FLEXIBLE FUNDING:

2. INVEST & INNOVATE

New models for fundraising for all audiences and markets.

CAPACITY
Invest resources in capacity-building and knowledge management in order to strengthen internal UNICEF networks and create opportunity.

INNOVATION
Develop and test new models for investment, creative development, marketing and recognition for different audiences and markets.
STRATEGY FOR FLEXIBLE FUNDING:

3. ACCELERATE

Targeted marketing to key audiences to reach RR and thematic funds stretch targets

PRIORITIZATION
Identifying key partners and markets where opportunity exists for additional growth

OUTREACH
Cultivate new and leverage existing relationships, marketing on digital channels to reach partners, raise awareness, and support fundraising asks

TRACKING
Monitor and optimize outreach efforts towards those partners with greatest returns
STRATEGY FOR FLEXIBLE FUNDING:

4. INTEGRATE

Implement an integrated (public/private) country approach in key markets

HARMONIZATION
Uniting efforts across the organization HQ, ROs, COs and National Committees, including with Governments, national Parliaments and public stakeholders

PLANNING
National Committees, PPD and PFP developing and implementing Joint Engagement Plans adapted to 18 priority markets

TRACKING
Coordination across teams to identify and monitor key indicators

RECOGNITION
Recognize contribution of National Committees to mobilization of public sector resources to UNICEF
VOICES FROM THE FIELD

Why investing in flexible funding achieves the greatest impact for children

Country example: Jordan
What more can we do jointly to increase flexible resources for UNICEF in order to accelerate implementation of the funding compact and achievement of the SDGs?
Thank you.