Introduction

What is thematic funding and why is it important?

Thematic contributions are soft-earmarked pooled funds categorized as Other Resources (OR) to support the achievement of results in one of the Focus Area in UNICEF’s Medium Term Strategic Plan (MTSP).

Thematic contributions for the MTSP Focus Areas are received against programmes approved by UNICEF’s Executive Board, and thematic humanitarian contributions are received against valid humanitarian appeals.

The flexibility of thematic funding allows UNICEF to respond more effectively, and it facilitates longer term planning, sustainability and savings in transaction costs leaving more resources for UNICEF programmes.

Three levels of thematic funding

**Global** – Donors determine the Focus Area (theme) and allow UNICEF the flexibility to allocate funds for individual country programmes according to priority needs. Headquarters and Regional Offices can also receive smaller amounts for cross-cutting work, advocacy and programme development in support of country allocations.

**Regional** – Donors specify both the Region and Focus Area (theme) where the funds can be utilized. The UNICEF Regional Office determines which country programmes within the region that will receive funding. The Regional Office is also eligible for a smaller share of these funds.

**Country** – Donors stipulate both the Country and Focus Area (theme) where the funds can be utilized. Donors can choose to fund more than one Focus Area or provide thematic funding for the entire country programme and cover all five Focus Areas.
Why thematic funding?

For UNICEF - Increased flexibility and predictability

- As regular resources are declining, thematic funding is needed, as a second best option to regular resources.

- Facilitates programme funding in a more strategic manner, with no earmarking other than to the MTSP focus area UNICEF allocates resources to areas of highest needs, including critically under-funded country programme areas.

- Secures volume and predictability of funding for UNICEF, while reducing transaction costs and freeing resources:
  ◊ No specific proposals are prepared.
  ◊ Shared thematic donor reports reduce the burden of preparing individual project reports.
  ◊ Simplifies the management of funds since there is only one large fund instead of individual donor funds.

- Allows for multi-year spending in support of improved planning and sustainability.

- Channels humanitarian funds in a less rigid manner to respond to UNICEF’s Core Commitments for Children in Humanitarian Action.

For Donors – Alignment with the principles of Good Multilateral Donorship

- Supports the aims of the Paris Declaration on Aid Effectiveness by strengthening UNICEF’s programme based approach anchored in programme country priorities.

- Encourages strategic policy dialogues over detailed project implementation monitoring.

- Gives donors a welcome possibility of soft earmarking and supports a flexible response for UNICEF, when implementing the MTSP.

- Simplified allocation procedure and lesser administrative burden for donors.

- Opportunities of joint donor collaboration and dialogue around UNICEF Focus Areas.

The 2007 Triennial Comprehensive Policy Review report specifically mentions thematic funding in the context of innovative approaches to improve the predictability of funding for development activities.
What are the main characteristics of thematic funding?

- **Non-restricted use within the designated MTSP Focus Area** at either global, regional or country level. No further earmarking within the Focus Area or specific conditions can be tied to the allocation.

- **Funds are pooled together with other contributions for the same theme.** Expenditure is not tracked individually by donor.

- Only one annual **Thematic Report** for each Focus Area for each level (global, regional, country) prepared for all donors that have provided thematic funding within that theme and level. Only one annual **Thematic Emergency Report** is prepared for all donors that have provided thematic funding for humanitarian response activities at a specific level.

- **No separate financial report** on the utilization of the donor’s individual contribution.

- **Lower recovery cost** – Five percent (instead of the regular seven per cent for non-thematic contributions)

- **Longer duration.** A maximum validity period of 7 years for thematic contributions and 4 years for thematic contributions for humanitarian response.
  **The current thematic MTSP pool has a shorter validity period in order to coincide with the end of the MTSP period (December 2013).**

- **Donor proposals not required** because the MTSP and country programme documents already specify what UNICEF intends to undertake in the focus area.

**Reference:**


If there is no proposal required, what are the documents that we share with the donor?

Global/Regional thematic funding

◊ **UNICEF Medium Term Strategic Plan** (2006-2013). Outlines measurable outcomes that provide strategic direction to country offices and key performance indicators across a series of financial, operational and human resource outputs.

Country specific thematic funding

◊ **Country Programme Document (CPD)** – Outlines operationalization of key programme strategies and normative principles in the specific country context.
◊ **Summary CPD results matrix** – An annex to the CPD that outlines key strategic improvements in the country situation to which the UNICEF assisted Country Programme will contribute.
◊ **UNDAF results matrix** – Outlines the strategic direction and expected results of the UN in a country, which are delivered through various tools.
◊ **Country Programme Action Plan (CPAP)** – A formal agreement between the Government and UNICEF stipulating responsibilities during the period of the approved Country Programme.
◊ **United Nations Development Action Plan** – UN Country Team decides to prepare this document instead of a UN system agency-specific CPAP.
◊ Medium Term Review from previous programme cycle.
◊ Situation Assessment and Analysis.

How does UNICEF evaluate progress in the Focus Area?

The use of MTSP indicators, Country Programme related indicators, Demographic and Health Surveys as well as other reliable data collection mechanisms are good sources for measuring progress.

The use of results-based programming and management tools such as ‘performance management dash-boards’, where global and real-time data-sets support the monitoring of available resources and programme implementation.

The use of evaluations at global, regional and/or country level also help examine UNICEF’s work in a specific Focus Area.
What can the donor expect in a thematic report?

The format of the report is based on the UNDG Standard Progress Report.

Global Level Thematic Reports:

<table>
<thead>
<tr>
<th>Donors will receive:</th>
<th>The 5 Focus Areas Thematic contributions:</th>
<th>Humanitarian Thematic contributions:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For each theme a single consolidated annual global report on UNICEF programme results for the entire theme.</td>
<td>A single consolidated annual global report on UNICEF results for the entire humanitarian response.</td>
</tr>
<tr>
<td>Prepared by:</td>
<td>Sections in UNICEF New York Headquarters responsible for each MTSP Focus Area will compile an Annual Global Thematic Report based on input from field and Regional Offices.</td>
<td>The Office of Emergency Operations (EMOPS) compile one Global Thematic Humanitarian Report.</td>
</tr>
<tr>
<td>Due date:</td>
<td>End of April every year.</td>
<td>End of April every year.</td>
</tr>
<tr>
<td>Report components:</td>
<td>A comprehensive narrative report with analysis of results. Summary of resources, including allocation and expenditure for all funding sources for the focus area. Summary of financial implementation for the focus area including expenditures by Key Results Area.</td>
<td>A comprehensive narrative report on UNICEF in humanitarian action and post-crisis recovery. Results by Programme Commitments. Results by Operational Commitments. Financial implementation.</td>
</tr>
</tbody>
</table>
**Regional Level Thematic Reports:**

<table>
<thead>
<tr>
<th>Donors will receive:</th>
<th>For each theme a single consolidated annual regional report on UNICEF programme results for the entire theme.</th>
<th>A single consolidated annual report on UNICEF humanitarian response per regional appeal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared by:</td>
<td>The Regional Office that has received the region specific thematic funding will produce an Annual Consolidated Report for the funding received for each specific Focus Area.</td>
<td>The Regional Office that has received the region specific thematic humanitarian funding will produce a Consolidated Emergency Report for the funding received during a calendar year for the emergency appeal.</td>
</tr>
<tr>
<td>Due date:</td>
<td>End of March every calendar year.</td>
<td>End of March every calendar year.</td>
</tr>
<tr>
<td>Report components:</td>
<td>A comprehensive narrative report with <strong>analysis of results.</strong> Summary of <strong>resources</strong>, including allocation and expenditure for all <strong>funding sources</strong> for the focus area. <strong>Summary of financial implementation for the focus area including expenditures by Key Results Area.</strong></td>
<td>A comprehensive narrative report on UNICEF in <strong>humanitarian action and post-crisis recovery.</strong> Results by <strong>Programme Commitments.</strong> Results by <strong>Operational Commitments.</strong> <strong>Financial implementation.</strong></td>
</tr>
</tbody>
</table>

**UNICEF’s seven Regional Offices:**

Central and Eastern Europe/Commonwealth of Independent States (CEE/CIS)  
West and Central Africa (WCARO)  
Eastern and Southern Africa (ESARO)  
Middle East and North Africa (MENA)  
East Asia and the Pacific (EAPRO)  
South Asia (ROSA)  
Americas and the Caribbean (TACRO)
**Country Level Thematic Reports:**

<table>
<thead>
<tr>
<th></th>
<th>The 5 Focus Areas Thematic contributions:</th>
<th>Humanitarian Thematic contributions:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Donors will receive:</strong></td>
<td>For each theme a single consolidated annual country report on UNICEF programme results for the entire theme.</td>
<td>A single consolidated annual report on UNICEF humanitarian response per regional appeal.</td>
</tr>
<tr>
<td><strong>Prepared by:</strong></td>
<td>The Country Office receiving the region specific thematic funding produces an Annual Consolidated Report for the funding received for each specific Focus Area.</td>
<td>The Country Office receiving the region specific thematic funding produces a Consolidated Emergency Report for the funding received during a calendar year for the emergency appeal.</td>
</tr>
<tr>
<td><strong>Due date:</strong></td>
<td>End of March every calendar year.</td>
<td>End of March every calendar year.</td>
</tr>
<tr>
<td><strong>Report components:</strong></td>
<td>A comprehensive narrative report with analysis of results achieved in the specific Focus Area, including progress related to expected outcomes and outputs. Analysis of major key results areas for the Focus area. Lessons learned and implementation constraints. Approved budget and summary of all resources (core and non-core) available for the Focus Area, identified by donor. Key partnership and inter-agency collaboration. Summary of financial implementation for the Focus Area including expenditures by Key Results Area.</td>
<td>Summary of situation analysis and summary of resources. Thematic expenditure by organizational target. Critical and analytical assessment on results, including UN Coherence, constraints and successes. Financial implementation.</td>
</tr>
</tbody>
</table>

**Financial Statements:** A Statement of Account is issued for each one of the five focus areas and for thematic humanitarian. The statement of account (signed aggregate financial income report) is issued by the Comptroller (in June of the following calendar year) giving the consolidated amount received per donor for each Focus Area (theme) and the total expenditure per Focus Area budget allotments.
What is the duration and validity period of thematic funding?

The existing thematic pool covers 2010-2013. The validity period of this pool has been recently shortened to coincide with the end of the MTSP period (31 December 2013) with the possibility of a one year extension to ensure full utilization of the funds.

Thematic humanitarian pools have a three year cycle and a maximum validity period of four years to allow all thematic humanitarian contributions to have a minimum of two years to fully utilize the funds received.

A new thematic humanitarian pool has been created for Thematic Humanitarian contributions received from 2012 through 2014, and will expire on 31 December 2015.

What are the criteria for the allocation of Global Thematic funds?

Allocation of Global thematic funds is decided by an internal senior-level committee. The highest priority is given to:

• Countries that are furthest from achieving MTSP targets and relevant MDGs.
• Countries that receive minimal programme funds, difficult to fundraise for and heavily reliant on Regular Resources (RR) funding including specifically small programmes in middle income countries.
• COs with a good implementation record and capacity to achieve results in a timely manner.
• Contribution to sharpening the equity-based.

Allocation of Global Humanitarian thematic funds is decided by an internal senior-level committee that gives highest priority to:

• Humanitarian needs
• Priorities identified in the appeals
• Funding gaps in the appeals

While the focus remains on funding Country Offices, Global Thematic funds are also made available to Regional Offices and Headquarters, within certain limits, for cross-cutting work, advocacy and programme development in support of country allocations.