

UNICEF's Resource Development Architecture

Key Trends and Challenges

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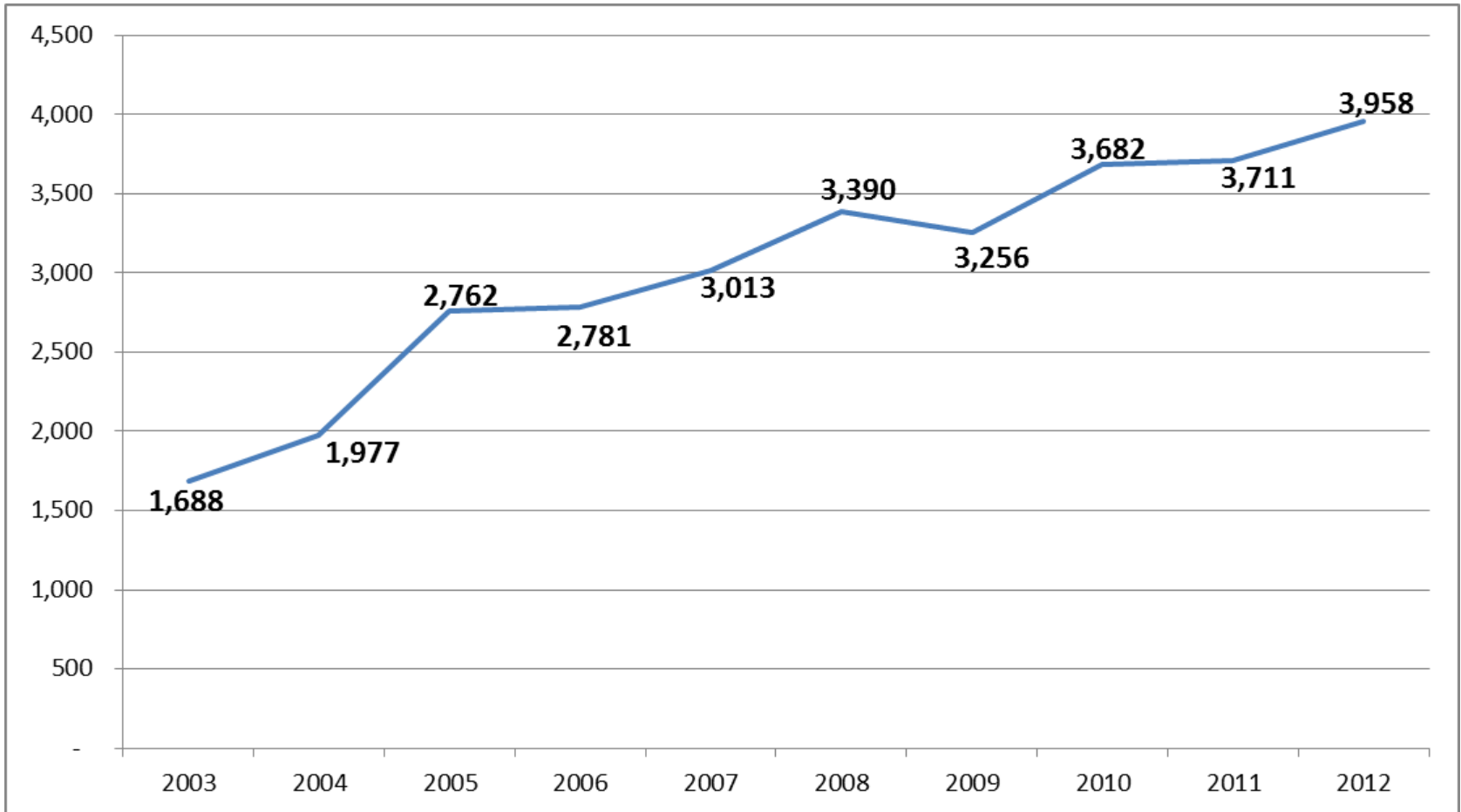
Presentation Outline

1. Review of key funding trends
2. Predictability of core resources for UNICEF's mandate
3. Quality non-core resources: UNICEF thematic funds
4. Non-core emergency funding: underfunded crises
5. Multiplicity of funding sources for a broad donor partner base

UNICEF Total Revenue: 2003 – 2012

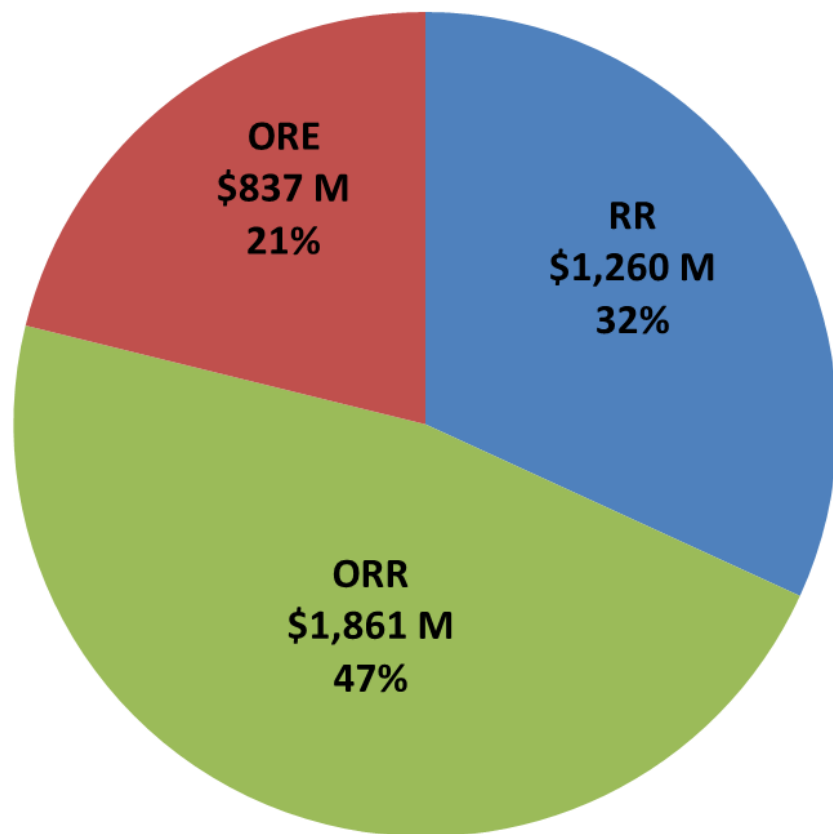
(USD millions)

- UNICEF is 100% voluntarily funded



Total UNICEF Revenue by Funding Type: 2012

(USD)



Regular Resources (RR)

Un-earmarked, core resources

Other Resources (OR)

Earmarked, non-core contributions of which there are two types: Other Resources-Regular (ORR) for programmes that are restricted to a particular programme, geographic area, or strategic priority; and Other Resources-Emergency (ORE) to fund an emergency response

Un-earmarked regular resources – highest quality funding to UNICEF

- **Regular resources:**
 - Provide the highest quality and flexibility of funding and help ensure the organization's independence, neutrality and role as a trusted partner, with adequate highly-skilled capacity at country level, for country-driven, innovative, and efficient programme activities
 - Enable quick and flexible responses to changing circumstances – allowing the channeling of resources to programme areas where most needed and to new emerging challenges, exploration of innovative approaches, and new partnerships

Regular resources narrow the gaps in MDGs achievement by investing in the most vulnerable

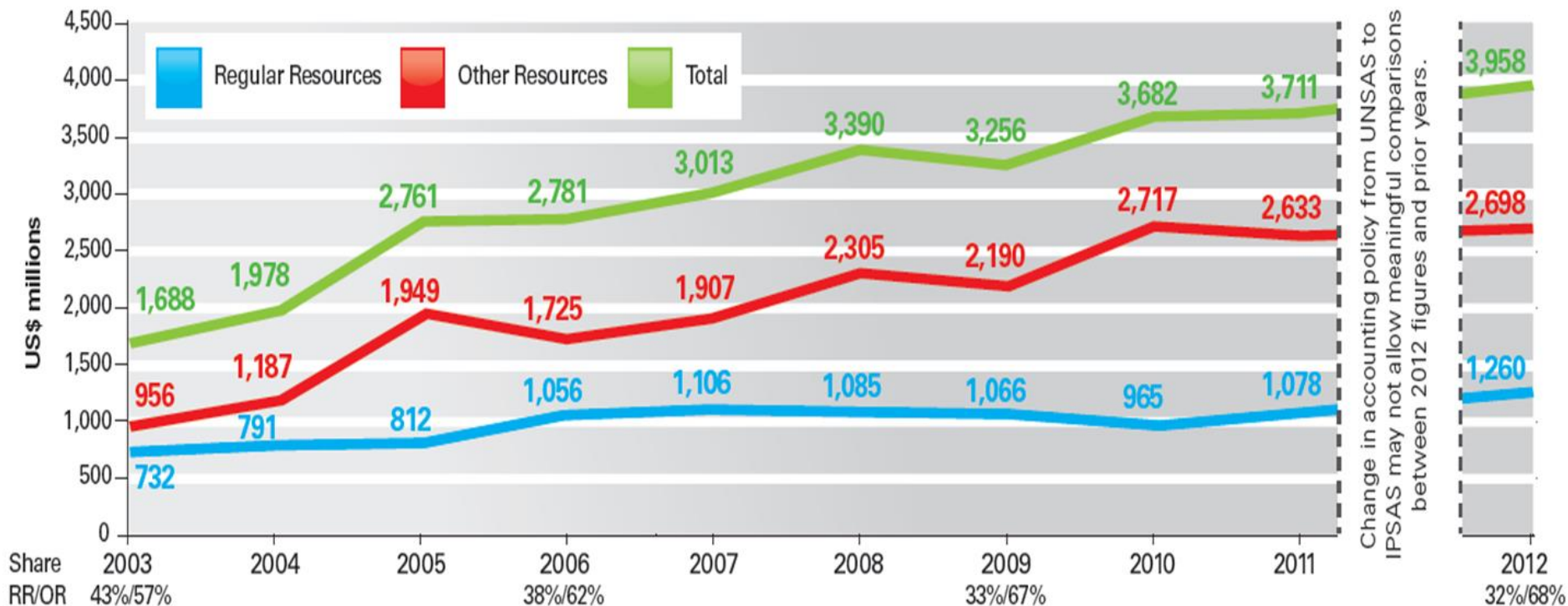
- UNICEF utilizes a formula approved by its Executive Board that ensures LDCs receive at least 60% of regular resources and countries in Sub-Saharan Africa receive at least 50%
- In 2012, UNICEF allocated 91% of core programme assistance to priority countries based on under-5 child mortality rates, GNI per capita, and size of the child population

2012: Regular resource programme assistance expenditure: Top 10

COUNTRIES AND TERRITORIES	U5MR (/1,000 live births)	GNI/CAPITA (USD)	CHILD POPULATION ('000)	TOTAL RR EXPENDITURE (USD million)
Nigeria	143	1,180	77,907	52.7
Democratic Republic of the Congo	170	180	35,056	50.5
India	63	1,340	447,309	38.9
Afghanistan	149	330	16,781	33.3
Ethiopia	106	380	40,380	29.6
Uganda	99	490	18,471	24.4
Niger	143	360	8,611	16.6
Pakistan	87	1,050	73,227	16.4
Myanmar	40	1,005	14,937	16.3
United Republic of Tanzania	76	530	22,964	14.5

Revenue by Funding Type: 2003-2012

UNICEF's share of regular resources has followed an overall trend of decline



The risk to UNICEF of declining regular resources

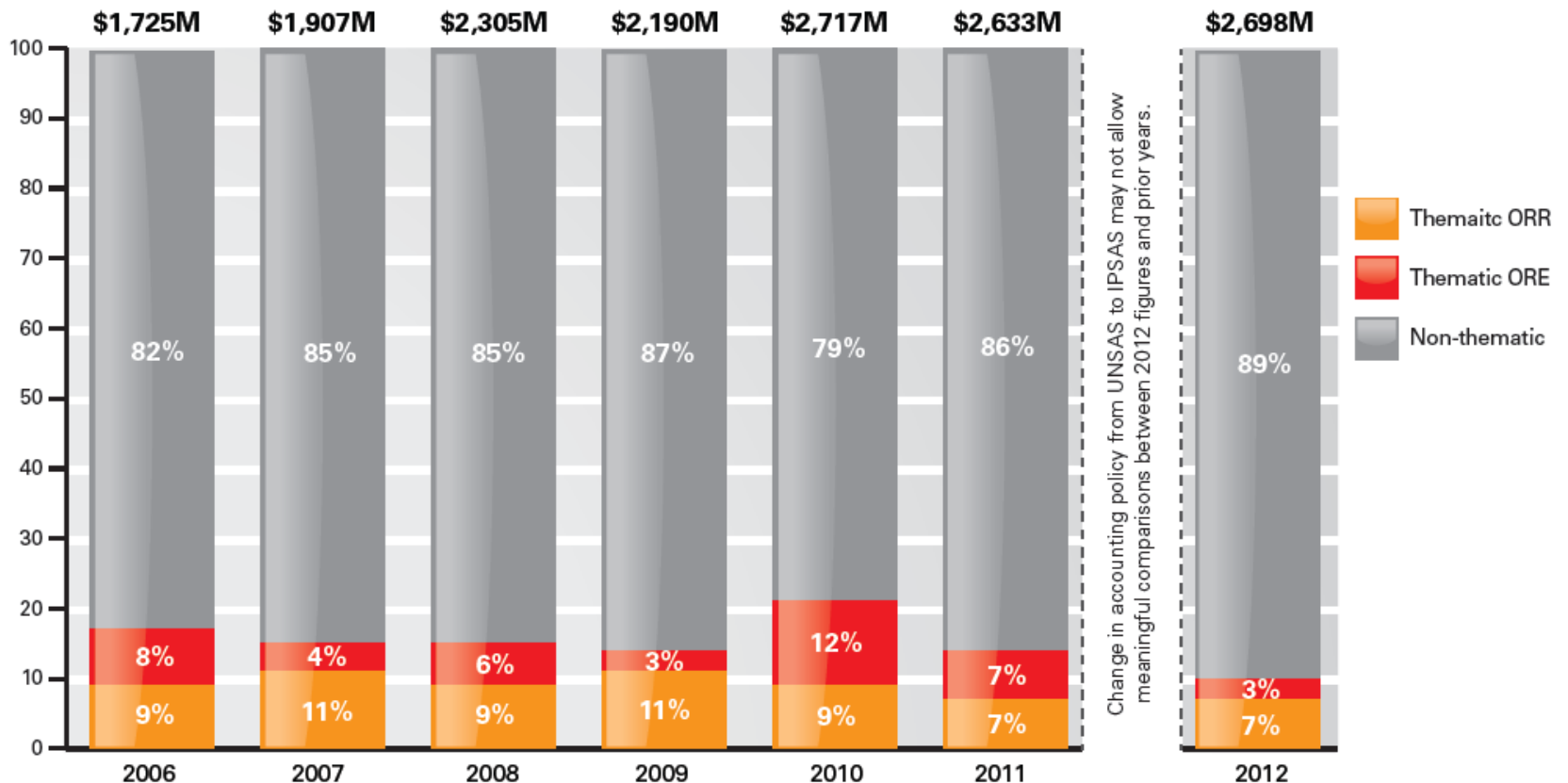
- As recognized by the Quadrennial Comprehensive Policy Review (QCPR), a reduced regular resource base:
 - Decreases the proportion directly regulated by UNICEF's Executive Board
 - Compromises UNICEF's ability to deliver on its mandate and complete the plan of work outlined by its Board and UN General Assembly
 - Risks curtailing UNICEF's global presence
 - Reduces the organization's capacity to provide continued leadership and innovation on child-related priorities, including during emergencies
 - Increases fragmentation and programmatic gaps
 - Risks changing the very character of UNICEF

Quality other resource thematic funds

- UNICEF thematic funds are the best alternative to regular resources, as promoted by the QCPR:
 - Pooled contributions from all donors
 - Earmarked only up to Strategic Plan focus area / outcome area
 - Funding at either Global, Regional or Country level
 - Expenditure tracked for overall pooled contributions
 - Consolidated annual narrative report / financial statement per focus area
 - Lower recovery rate accounting for reduced transaction costs

Thematic Contributions, 2006-12

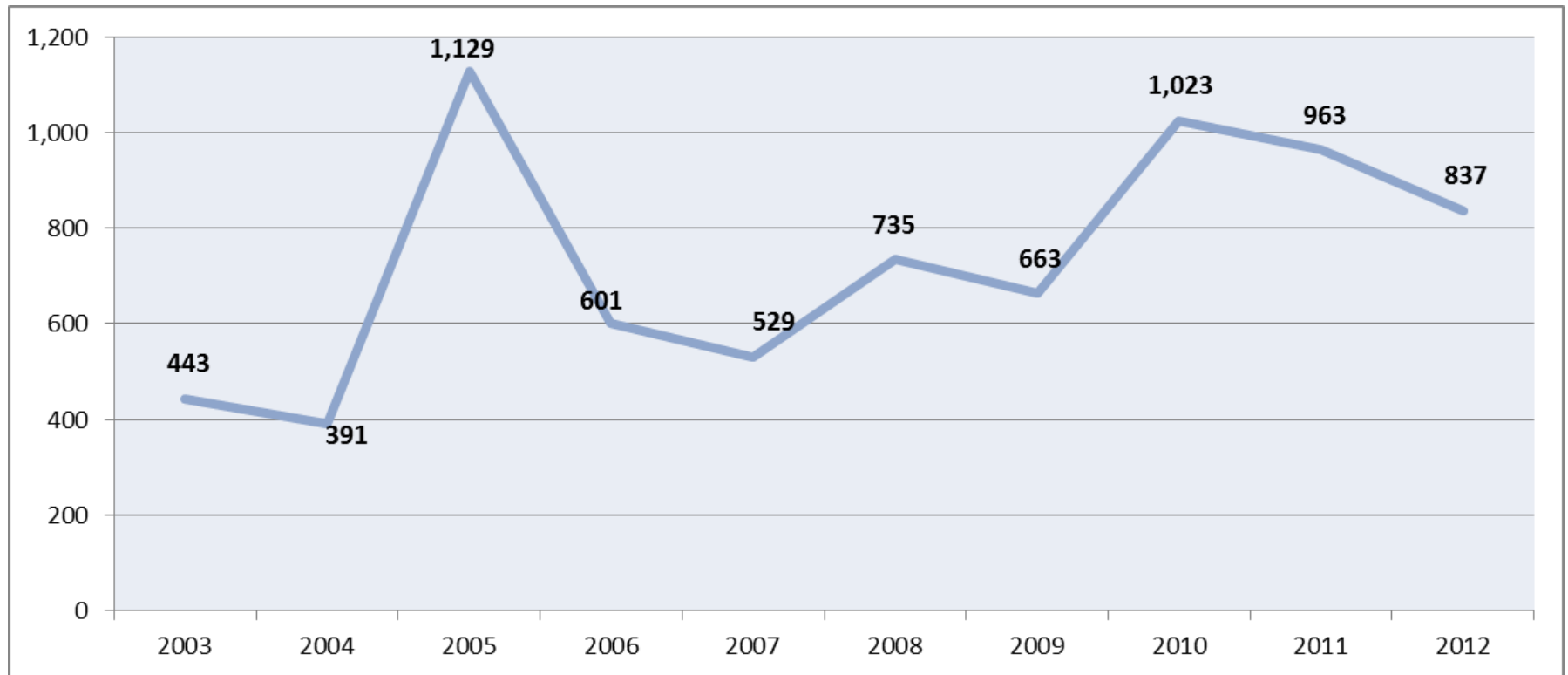
- Thematic funding constituted only 11 per cent of total OR income in 2012. This is a worrying trend and UNICEF looks to work with its donor partners to reverse the trend in seeking to also enhance efficiency in its funding, programme implementation, and quality results reporting



Other Resources – Emergency, 2003-2012

(USD millions)

- Highly volatile income trend dependent on major global emergencies, e.g.
 - a) 2004/05: East Asia Tsunami;
 - b) 2010: Haiti earthquake and Pakistan floods;
 - c) 2011: Horn of Africa crisis



Funding Gaps by Type of Emergency Appeal, 2013 YTD (US\$)

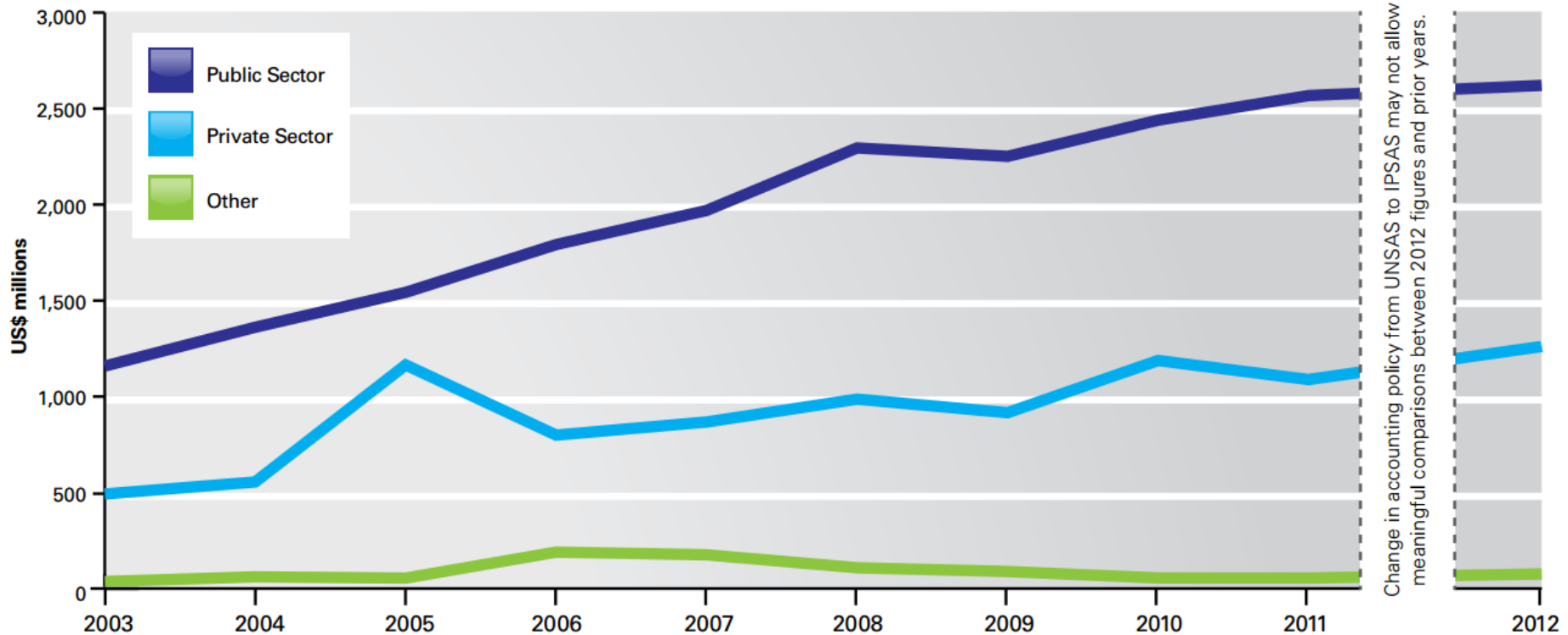
Appeal Type	Target	Funding Gap	% UnFunded
FLASH	6,764,150	3,089,986	46%
HAC	1,738,288,529	1,043,658,019	60%
OTHER	5,810,400	0	0%
Total	1,750,863,079	1,046,748,005	60%

- Significant underfunded rates for emergencies included:
 - HAC:** Angola (78%); Burkina Faso (86%); CAR (79%); Chad (80%); Colombia (71%); EAPRO (100%); Eritrea (87%); ESARO (87%); Kyrgyzstan (100%); Lesotho (89%); Madagascar (100%); ROSA (100%); Yemen (71%); Zimbabwe (89%)
 - Flash Appeals:** Congo (76%)

Strong contribution from the private sector

In 2012, Private sector revenue was \$1,261m or 32 per cent of the total UNICEF revenue, including 24 per cent from National Committees, 6 per cent from Global Programme Partners and Partnerships, and 2 per cent from UNICEF country office fundraising

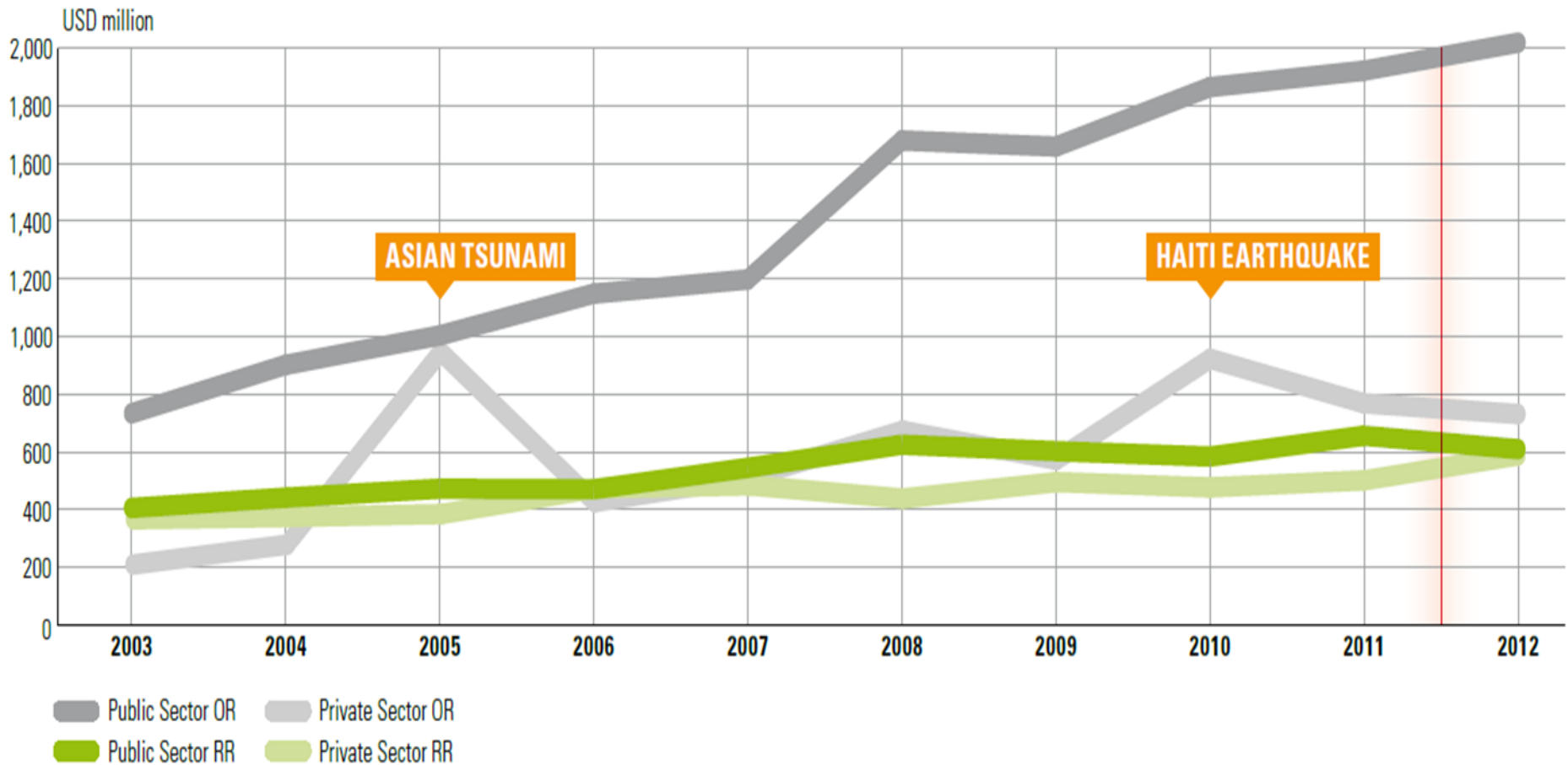
UNICEF Contributions Trend by Donor Category, 2003-12



Change in accounting policy from UNSAS to IPSAS may not allow meaningful comparisons between 2012 figures and prior years.

Resources: Public vs. Private, 2003-12

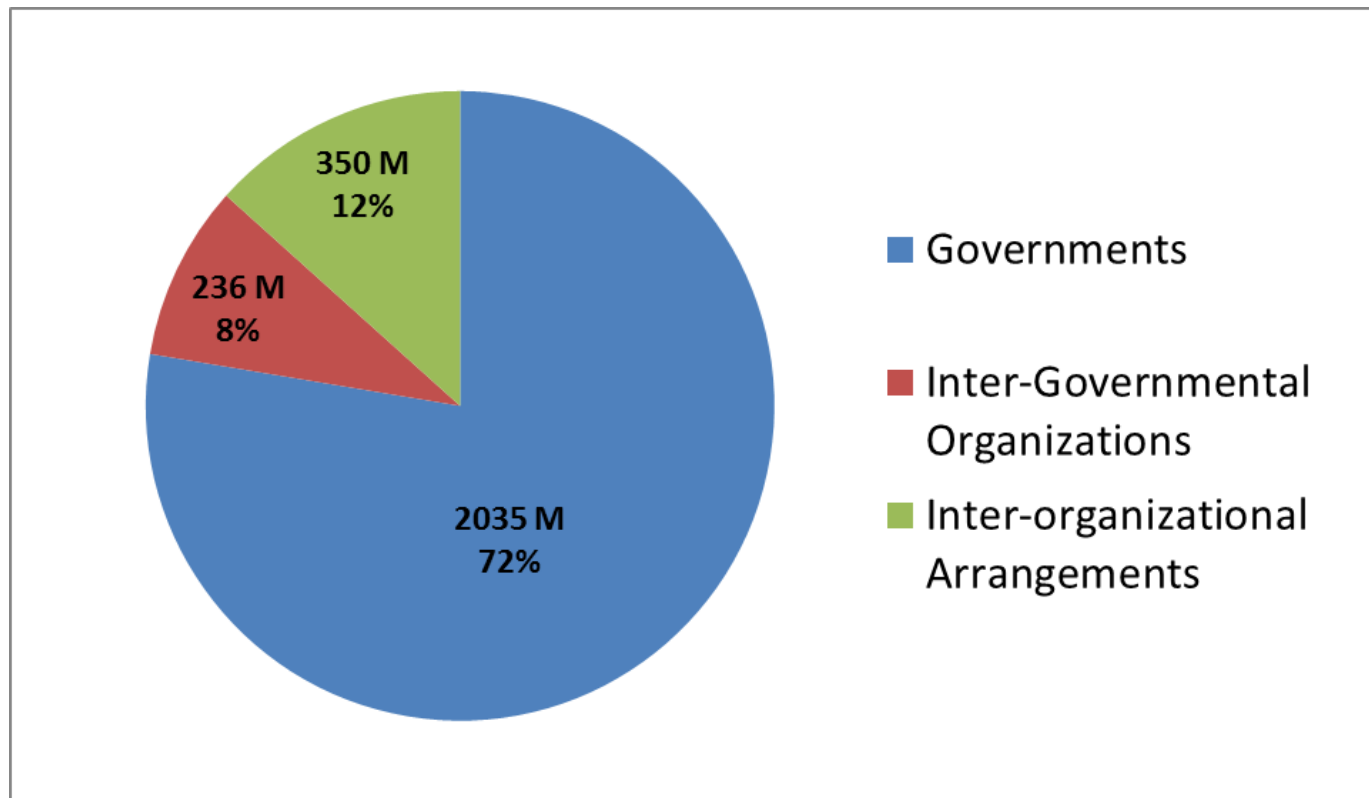
(USD millions)



Revenue from Public Sector, 2012

(USD millions)

- UNICEF explores multiple funding modalities constituting the new aid architecture in order to secure adequate, predictable and quality funding to fulfil its mandate and achieve the targets of its Strategic Plan



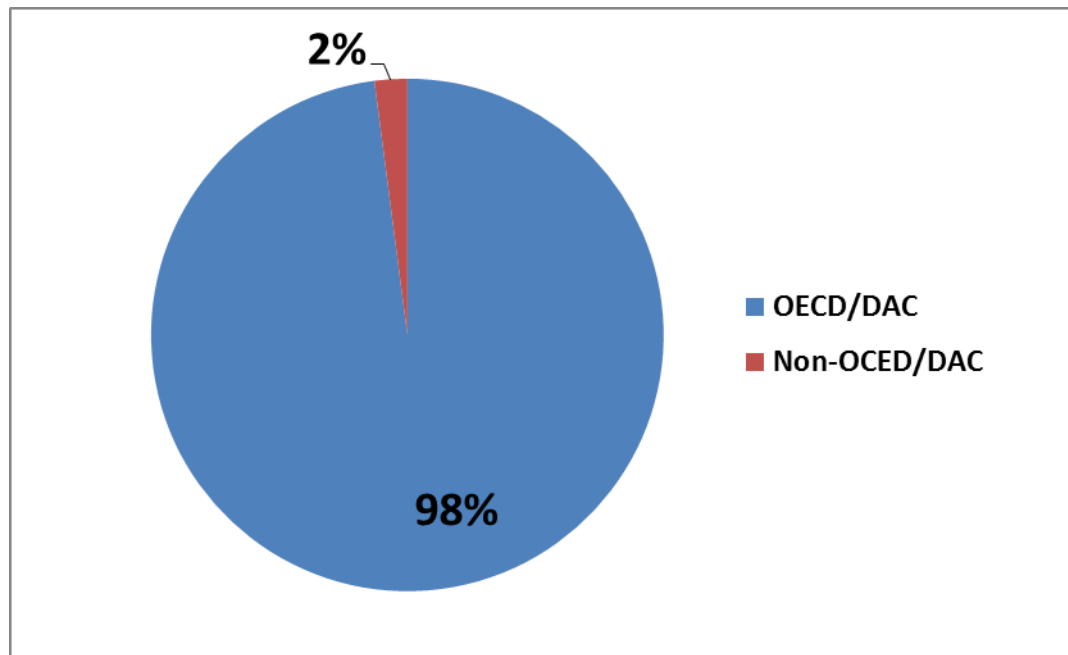
Top 10 Government Donor Partners, 2012

(USD)

Rank	Donors	Regular Resources (US\$)	Rank	Other Resources (regular) (US\$)	Rank	Other Resources (emergency) (US\$)	Rank	Total (US\$)
1	United Kingdom	63,492,400	4	213,791,582	1	57,218,787	3	334,502,769
2	United States of America	131,755,000	1	115,989,899	3	86,352,545	2	334,097,444
3	Norway	80,545,500	2	141,049,325	2	12,688,570	9	234,283,395
4	Japan	17,300,374	12	59,116,958	6	120,994,614	1	197,411,946
5	Canada	18,000,000	11	113,957,010	4	47,559,465	4	179,516,475
6	Sweden	69,974,400	3	59,040,371	7	32,317,050	6	161,331,821
7	Netherlands	42,288,520	5	73,603,394	5	8,571,427	11	124,463,341
8	Australia	35,594,944	6	33,714,951	8	18,707,638	7	88,017,533
9	Germany	8,076,870	14	12,528,910	11	39,997,163	5	60,602,943
10	Denmark	29,054,750	7	10,409,093	13	14,448,672	8	53,912,515

DAC vs. Non-DAC Donor Partners, 2012

- A broad donor base helps ensure impartial, neutral assistance, and decreases dependencies to implement UNICEF's mandate
- UNICEF is committed to supporting South-South cooperation, through which developing countries are becoming supporters and contributors to other countries' development, particularly in capacity building



Top 10 Non-DAC Donor Partners, 2012 (USD)

Rank	Donors	Regular Resources	Other Resources - Regular	Other Resources - Emergency	Total
1	Saudi Arabia	1,000,000	7,600,013	5,360,962	13,960,976
2	United Arab Emirates	100,000	4,994,974		5,094,974
3	Brazil		3,445,044	1,200,000	4,645,044
4	Russian Federation	1,000,000	500,000	1,000,000	2,500,000
5	India	772,540	812,580		1,585,120
6	China	1,300,000			1,300,000
7	Libya		1,028,152		1,028,152
8	Oman		998,211		998,211
9	Kuwait	200,000		250,000	450,000
10	Malaysia	284,000	100,000		384,000

Key take-away considerations

- UNICEF enjoys strong donor partner support, driven by a close alignment of development and humanitarian priority outcomes for children, as well as an operational model based on optimizing efficiencies and effectiveness
- In remaining at the forefront of its mandate and work, and in line with the QCPR Resolution, UNICEF and donor partners need to work together to address a number of key quality resource development opportunities:
 - Improve the absolute level and share of regular or core resources
 - Grow quality earmarked resources, such as thematic funding
 - Reduce transaction costs through e.g. coherent / harmonized reporting, evaluations, etc.
 - Cover unfunded gaps in ongoing or new humanitarian crises
 - Broaden the donor base, to also improve burden-sharing
- UNICEF looks forward to continuing to closely engage with donor partners in our shared commitments, results and risks for children around the world



Thank you!