United Nations E/ICEF/2024/AB/L.6

Economic and Social Council

Distr.: Limited
6 May 2024

Original: English

For information

United Nations Children's Fund
Executive Board
Annual session 2024
11–14 June 2024
Item 15 of the provisional agenda*

Midterm review of the UNICEF integrated budget, 2022–2025

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the Report on the midterm review of the integrated budget for 2022–2025 for the United Nations Children's Fund (UNICEF) (E/ICEF/2024/AB/L.5). During its consideration of the report, the Committee met with the Comptroller and other representatives of UNICEF, who provided additional information and clarification, concluding with written responses dated 18 April 2024.

2. In accordance with UNICEF financial regulations 9.5 and 9.10, the proposed institutional budget and amendments are transmitted to the Advisory Committee for examination and reporting to the Executive Board.

II. Midterm review of the integrated budget for 2022–2025

A. Background and presentation

3. The resources for the revised integrated resource plan for 2022–2025 are estimated at $35.6 billion, including $5.6 billion in regular resources (unearmarked contributions) and $30 billion in other resources (earmarked contributions) comprising $28.2 billion in programmes and $1.8 billion in cost recovery. In comparison, the approved resource plan for 2022–2025 was $25.9 billion, reflecting an increase of $9.7 billion or 37 per cent (E/ICEF/2024/AB/L.5, table 1).

4. The report indicates that the total estimated voluntary resources available for use, inclusive of estimated opening balances, amounted to $38.9 billion, out of which a total of $5.9 billion is from regular resources and a total of $33 billion is from other resources.

* EICEF/2024/10.

5. The total estimated allocation of resources in the 2022–2025 budget is presented in the table below, based on the cost classification category, in line with the harmonized funding framework approved for 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) and UNICEF. The proposed allocation to development activities of 91.8 per cent represents an increase from the previous bienniums where the total allocated to development activities was 89.2 per cent.

Table 1
Integrated resource plan, 2022–2025: Use of resources

Type of activity	*Amount (in millions of United States dollars)*	*Percentage*
Development	32 686.0	91.8
United Nations development coordination	40.1	0.1
Management	1 718.1	4.8
Independent oversight and assurance	101.7	0.3
Special purpose	1 052.3	3.0
Total	**35 598.2**	**100.0**

Source: E/ICEF/2024/AB/L.5, table 1.

6. The proposed revised institutional budget for 2022–2025 amounts to $2.76 billion, which is higher than the approved level by $24 million or 0.9 per cent. The institutional budget will provide funding for 3, 294 posts, of which there is a net increase of 46 posts for the revised budget since 2022 (ibid., paras. 72 and 75).

7. The Report on the midterm review of the UNICEF integrated budget for 2022–2025 (E/ICEF/2024/AB/L.5) provides updates to the integrated resource plan, the Integrated Results and Resources Framework, the institutional budget and cost recovery (sections III-VI). A draft decision for consideration by the Executive Board is provided in paragraph 84 of the report.

8. Upon enquiry, the Advisory Committee was provided with information regarding the implementation of its latest recommendations (which are shown in the annex to this report). The Advisory Committee trusts that comprehensive information on UNICEF responses to the recommendations will be routinely included in all future budget submissions.

9. The Advisory Committee recalls its recommendation that future submissions contain justifications of budget proposals by comparison with actual expenditure figures, broken down by items of expenditure, to enable consideration of the budget. The Committee had also requested that the text and tables related to resource proposals be expanded to include the following detailed information:

(a) A breakdown of expenditures;

(b) An analysis of variances, comparing expenditures against planning estimates;

(c) Detailed staffing plans and tables;

(d) Information on items of expenditure.

10. **The Advisory Committee reiterates its request that UNICEF provide comprehensive information on expenditures and staffing, as supplementary**

information, to facilitate its future consideration of the institutional component of the integrated budget. The Committee is of the view that the supplementary information should include a comparison of expenditure against planning estimates and an analysis of variances.

B. Revised integrated resource plan

11. UNICEF has revised its integrated resource plan for 2022–2025 taking into account actual revenue and expenditures for 2022 and 2023, and revised estimates for 2024–2025. Table 1 (integrated resource plan, 2022–2025) provides information on the use of resources by cost classification category, while table 2 (Integrated Results and Resources Framework, 2022–2025) identifies how total resources available to the organization were initially planned and subsequently revised for each of the outcomes and results.

12. Within the framework of the revised resource plan and taking into account the projected increase in total revenue of 37 per cent (from $25.9 billion to $35.6 billion), UNICEF proposes increasing the planned expenditure for programmes by 37 per cent, from $23.3 billion to $31.9 billion, while increasing the institutional budget by $24.0 million or 0.9 per cent from the initially approved level of $2.74 billion for 2022–2025 (see paras. 16–25 below). Consequently, the proportion of total resources utilized for the institutional budget in the revised plan will decrease from 10.2 to 7.8 per cent (ibid., overview (para. 2) and paras.14–19).

13. Compared with the projected total resources available in the originally approved plan ($26.9 billion, comprising $5.8 billion in regular resources and $21.1 billion in other resources), the revised plan for 2022–2025 projects total available resources of $35.6 billion ($5.6 billion in regular resources and $15.5 billion in other resources). This reflects an increase of $8.7 billion, or 32 per cent, from the approved plan (ibid., para. 14).

14. Upon enquiry, the Advisory Committee was informed that despite overall income growth, UNICEF income trend continues to reflect increasing earmarking and decreasing flexible and predictable funding, contrary to Member States' commitment to reform of the United Nations development system and the funding compact. UNICEF urges Member States to meet their commitments to contribute 30 per cent of their contributions as regular resources and increase thematic and multi-year funding. Shifting funding trends are reshaping the role of UNICEF. With flexible funding shrinking every year and increased earmarking of contributions, UNICEF is becoming increasingly projectized. Regular resources are critical to achieving the UNICEF mandate; they are unearmarked funds that are foundational to deliver results across the Goal Areas of the Strategic Plan. These core resources are contributions that are given without restrictions and can be used flexibly for children wherever the need is greatest. Regular resources provide UNICEF with three critical tools:

(a) The predictability to plan and implement long-term programmes for children;

(b) The flexibility to address challenging and often rapidly changing contexts so as to achieve real, lasting results;

(c) The efficiency that comes from reducing transaction costs and thereby maximizing the resources that can go directly to children.

15. There was a slight increase of $70 million in regular resource contributions in 2023 compared with 2022 ($1,272 million versus $1,202 million). UNICEF believes this positive trend will continue to improve with the support of the donor community.

16. **The Advisory Committee commends UNICEF for increasing the proportion of its total resources for programmes. The Committee notes the ongoing trend of an overall reduction of regular resources as a percentage of the total budget. The Committee encourages UNICEF to seek greater levels of regular resources from its donors.**

17. Upon enquiry, the Advisory Committee was informed that, in 2023, UNICEF experienced a remarkable surge in its digital support base globally, surpassing an impressive milestone of 190 million followers worldwide and marking a 12 per cent increase from the previous year. This notable growth was attributed to the strategic expansion into new communication avenues, such as Threads and WhatsApp channels, which amplified outreach and engagement. While Facebook remained the flagship platform with the largest following, other channels witnessed significant surges, which is indicative of UNICEF adaptability and resonance across diverse demographics. Notably, U-Report saw an 18 per cent increase over 2022, while YouTube, LinkedIn, and TikTok experienced growth rates of 13 per cent, 11 per cent, and 10 per cent, respectively. UNICEF ability to leverage varied platforms with tailored approaches to connect with audiences globally has been instrumental in fostering a robust and engaged digital community dedicated to supporting the organization’s noble cause. **The Advisory Committee notes the efforts made by UNICEF in growing its digital support base. The Committee further encourages UNICEF to diversify its platforms to ensure that its message reaches the widest possible audience.**

III. Institutional budget, 2022–2025

18. UNICEF proposes to increase the institutional budget by $24 million or 0.9 per cent from the initially approved level of $2.74 billion for 2022–2025. In comparison to the overall growth in the revised plan by 32 per cent, the proportion of total resources utilized for the institutional budget in the revised plan will decrease from 10.2 to 7.8 per cent (ibid., paras.14–19). With respect to post changes, it is indicated that the revised institutional budget will provide funding for 3,294 institutional budget posts, of which there is a net increase of 46 posts (ibid., paras. 72 and 75).

19. Upon enquiry, the Advisory Committee was informed that the institutional budget includes five cost categories: management; development effectiveness; United Nations development coordination; independent oversight and assurance; and special purpose. UNICEF is not requesting an increase for the management category. The overall increase of $24 million is for independent oversight and assurance ($9 million) and special purpose ($15 million). Executive Board decision 2023/12 encouraged the management to take steps to further strengthen the evaluation function. The interim Evaluation Pooled Fund created in 2018–2021 was regularized for the integrated budget, 2022–2025 at $21.5 million. In response to requests from the Executive Board to invest more resources in the evaluation function, UNICEF proposes to increase the Evaluation Pooled Fund to $30.5 million. The Committee was provided with the table below showing the trend in the size of the institutional budget since 2014.

Table 2
Institutional budget, 2014–2023

	2014	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*
Total income	**5 169**	**5 009**	**4 884**	**6 027**	**6 060**	**6 400**	**7 219**	**8 122**	**9 326**	**8 920**
Programme budget	4 325	4 546	4 655	5 148	5 201	5 363	5 681	6 404	8 330	7 528
Institutional budget (gross)	**441**	**469**	**484**	**533**	**553**	**597**	**569**	**602**	**612**	**640**
Percentage of institutional budget to total income	**9%**	**9.4%**	**9.9%**	**8.8%**	**9.1%**	**9.3%**	**7.9%**	**7.4%**	**6.6%**	**7.2%**

20. Upon enquiry the Advisory Committee was informed that, while maintaining the same institutional budget level, UNICEF continues to invest in new technologies and data strategies to develop its staff capacity. Below are some areas to highlight:

(a) **Investing in training programmes:** UNICEF allocates a portion of the increased budget to develop comprehensive training programmes tailored to equip staff with advanced technological skills and data management proficiency.

(b) **Development of cutting-edge technology:** This includes the adoption of advanced data analytics tools, cloud-based platforms for data storage and sharing, as well as project management software to optimize workflow efficiency.

(c) **Integration of data-driven decision-making:** This involves the establishment of robust data governance structures, the development of standardized data-collection methodologies, and the utilization of predictive analytics to inform strategic planning and resource allocation.

(d) **Partnerships and collaboration:** This includes engagement with leading technology firms, academic institutions and research organizations to access cutting-edge innovations and knowledge-exchange opportunities.

(e) **Continuous improvement and evaluation:** UNICEF is committed to a culture of continuous improvement, regularly assessing the effectiveness of its technology and data strategy practices through performance metrics, user feedback and internal evaluations.

21. Upon enquiry, the Advisory Committee was informed that UNICEF is continuously adapting agile ways of working across the organization, including at the headquarters level, to protect and promote the rights of every child. In August 2021, UNICEF launched the Headquarters Efficiencies Initiative to assess how the organization’s headquarters presence, resources and capacities – across teams, functions and geographies – could work more efficiently to contribute to the achievement of results for children. The efficiency gains/savings from the initiative will result primarily from moving divisions and teams to lower-cost locations and consolidating services in location-specific common service centres:

(a) Post costs;

(b) Less costly travel;

(c) Lower operational costs;

(d) Not renewing the office leases that are no longer required.

22. Upon enquiry, the Advisory Committee was informed that the flexibility requested would allow UNICEF to have a reserve of senior level posts to be available in a timely and efficient manner where and when needed throughout its dynamic operations, and that the need for this flexibility was immediate and could not be delayed until the submission of the 2018–2021 integrated budget. Upon request, the Committee was provided with information on the evolution of senior positions and the ratios of senior-level posts to total posts over the last decade.

23. The Committee was further informed that, in 2022, UNICEF established the Istanbul Common Services Centre, guided by the continued need to maintain UNICEF in a sustainable position to continue to deliver its mandate in a context of decreasing regular resources, combined with a strong push from donors for increased efficiency in the use of resources. Over the past two years, teams have relocated from New York to lower cost locations. This includes teams from the Office of Global Insight and Policy, Division of Human Resources and the Global Office of Research and Foresight. In 2022, UNICEF initiated the establishment of a New York-based Common Services Centre. The goal of the Centre is to further consolidate and streamline common, location-dependent transactions and processes, with the result that transaction-level tasks will be carried out at a lower cost. This will continue to be the aim in the other new and expanding headquarters locations, and in UNICEF country and regional offices. Common back-office arrangements with other United Nations organizations will also be pursued where there are opportunities for cost-savings. **The Advisory Committee notes the efforts made by UNICEF to seek administrative efficiencies and is of the view that the Executive Director should report to the Executive Board concerning the experience gained from the initiatives undertaken, and requests that detailed information thereon, including quantifiable savings and efficiency gains, be presented to the Executive Board in future budget submissions.**

A. Staffing

24. The midterm review of the UNICEF integrated budget indicates that 84 international posts were added, mainly in headquarters, partially offset by abolition of 38 National Officer and General Service posts in country offices. Upon enquiry, the Advisory Committee was informed that the increase in headquarters positions was largely to respond to the needs of regional and country offices and includes additional human resources, communication and information and communication technology positions that support and benefit UNICEF offices globally, e.g. web platforms that serve as critical communication tools for UNICEF offices. The increase also includes additional positions to strengthen the oversight function, with four positions for the evaluation function and seven for the audit and investigations function. The staffing changes in country offices were made primarily to realign resources following a review by the county offices and their respective regional offices. Funds released as a result of these changes were maintained and repurposed within the respective country office resources. The Advisory Committee was provided with tables showing historical staffing trends at headquarters, regional and country offices. The tables indicate a steady growth in headquarters staffing, from 854 in 2014 to 1,080 in 2024, representing an increase of 26.5 per cent over the 10-year period. **The Advisory Committee recalls its view that, given the organization's activities are intrinsically field-based and programmatic in nature, every effort should be made to enhance the UNICEF field presence and activities through increases in the percentage of posts at the field level. The Committee encourages UNICEF to review its current staffing footprint to have a more field-oriented staffing profile in future budgets.**

B. Geographic representation and gender parity

25. Upon enquiry, the Advisory Committee was informed that in adherence to Article 101 of the Charter of the United Nations, UNICEF strives to recruit staff on as wide a geographical basis as possible, in order to achieve equitable geographic representation within its cadre of International Professional staff. As at 31 December 2023, UNICEF International Professionals were 37.9 per cent from the Western European and Other Group (WEOG) of Member States, 30.3 per cent from African Group, 21.0 per cent from Asia-Pacific Group, 6.3 per cent from Latin American and Caribbean Group (GRULAC) and 4.6 per cent from Eastern European Group (EEG). Compared to 30 June 2021, UNICEF has increased the number of staff members by 12 per cent (from 15,778 to 17,653). Under the expansion of its workforce, the proportion of regional groups within UNICEF changed as follows: a decrease of 2.9 percentage points of WEOG staff was accompanied by an increase of 1.5 percentage points of African Group staff, 0.6 percentage points of Asia-Pacific Group staff, 0.6 percentage point of GRULAC staff and 0.3 percentage points of EEG staff. Analysing both geographical diversity and gender, it is noteworthy that women are the majority among all regional groups, except in the African Group, where they comprise 40.2 per cent of International Professional staff. In 2024, UNICEF will roll out a new 'whole of diversity approach'. The approach will encompass equitable geographic representation, gender parity and strengthened talent outreach to persons with disabilities and individuals of different ages. Headquarters divisions and regional and country offices will develop and use diversity, equity and inclusion road maps to analyse, prioritize and implement strategies to reach under-represented groups. In the context of gender distribution, the Advisory Committee was provided with the table below, which shows overall gender parity across the various staff categories as at 31 December 2023.

Table 3
UNICEF staff, by category and gender, 31 December 2023

Gender	*General Service*	*%*	*International Professional*	*%*	*National Officer*	*%*	*Total*	*%*
Female	2 903	47.80%	2 899	52.73%	3 041	48.52%	8 843	49.57%
Male	3 170	52.20%	2 599	47.27%	3 227	51.48%	8 996	50.43%
Total	**6 073**	**100.00%**	**5 498**	**100.00%**	**6 268**	**100.00%**	**17 839**	**100.00%**

26. **The Advisory Committee notes the efforts to achieve gender balance and trusts that UNICEF will increase its efforts to achieve broader geographical representation among its staff and that further information will be provided to the Executive Board at the time of its consideration of the present report.**

IV. Cost recovery

27. Upon enquiry, the Advisory Committee was informed that the joint cost recovery policy, as established by the Executive Boards of UNDP, UNFPA, UNICEF, and UN-Women, delineates the methodology for determining the notional cost recovery rate. Moreover, the joint Boards have called for a thorough examination of the cost recovery policy to present the revised version to the Executive Boards during their respective second regular sessions in September 2024. All four United Nations agencies are actively involved in discussions regarding the policy review, which will include a reassessment of the categories for cost classification. If adjustments are suggested, the implementation of the new policy, if applicable, will coincide with the

commencement of the new strategic plan period in 2026. The cost recovery policy permits the recuperation of indirect expenses from grants by employing the rates specified within the policy. These indirect expenses support the operations of different divisions and resources across headquarters and regional and country offices, in accordance with the provisions outlined in annex II of the cost recovery policy**. The Advisory Committee looks forward to receiving an update on the review of the cost recovery policy in future budget reports**.

V. Other matters

A. Oversight and governance

28. Upon enquiry, the Advisory Committee was informed that the Joint Inspection Unit report on governance and oversight of the Executive Boards was made available early in 2024 and Member States have initiated consultations on its recommendations. Currently there are no changes to the UNICEF Executive Board governance. This may change when Member States decide on the recommendations made by the Joint Inspection Unit in the report through the appropriate United Nations organs. The UNICEF Executive Board has included this item on its agenda for the annual session of 2024 (11–14 June) as a "for decision" item. UNICEF will support any decisions made by the Member States and will work on any implementation required, including on any changes in governance, especially related to budgetary aspects. **The Advisory Committee also looks forward to the outcome of deliberations of the Executive Board on the recommendations made by the Joint Inspection Unit in its report on Board governance.**

29. Upon enquiry, the Advisory Committee was informed that the main recent assurance findings relate to the management of implementing partners, particularly the upload of documents into e-Tools (the management system for UNICEF implementing partners), and the frequency of spot checks of implementing partners. These issues are not red flags as UNICEF is already implementing various measures to address the concerns raised. UNICEF adopts a risk-based methodology for conducting spot checks, prioritizing the examination of the highest expenditure amounts documented in its financial records. In instances where certain expenditure amounts are not assessed within the same fiscal year, possibly due to being recorded after sample selection, mechanisms are implemented to ensure their review in the subsequent year or years. UNICEF is further revising its guidance, revisiting the criteria on sampling of expenses for review and may update the guidance if necessary. The Committee was further informed that the new findings and recommendations issued from the 2022 year-end audit totalled 30, of which 17 (57 per cent) have been implemented and the related evidence shared with the United Nations Board of Auditors for closure. **In this regard, the Advisory Committee trusts that all outstanding recommendations of the Board of Auditors will be implemented in a timely manner.**

B. Prevention of sexual exploitation and abuse

30. Upon enquiry, the Advisory Committee was informed that in 2022, the UNICEF Office of Internal Audit and Investigations received and reviewed 83 new cases, of which six were closed as substantiated, i.e. an investigation found sufficient evidence to conclude that the alleged perpetrator had engaged in sexual exploitation and abuse. In 2023, OIAI received and reviewed 127 new cases of alleged sexual exploitation and abuse, of which 11 were closed as substantiated, i.e. an investigation found sufficient evidence to conclude that the alleged perpetrator had engaged in sexual exploitation and abuse. The new UNICEF Safeguarding Policy of 4 March 2024

reaffirms the organization's commitment to work in ways to prevent and mitigate risks of sexual exploitation and abuse. The policy complements the 2019 UNICEF Strategy to Prevent and Respond to Sexual Exploitation and Abuse and Sexual Harassment. The 2022 Report of the accountability system of UNICEF (E/ICEF/2022/24) defines accountabilities for safeguarding, inclusive of protection, at headquarters, regional and country level, recognizing the role of UNICEF country representatives, country management teams, regional management teams and divisions and offices in managing safeguarding risks and ensure appropriate measures to prevent any harm to children, including protection from sexual exploitation and abuse of women and children. Good progress has been made in strengthening partner capacities to prevent and mitigate risks related to safeguarding and protection from sexual exploitation and abuse in programming; in raising awareness of protection from sexual exploitation and abuse among UNICEF staff; and ensuring efficient processes for assessing and investigating alleged incidents along with strengthened systems for victim assistance and support. **The Advisory Committee trusts that UNICEF will continue to pursue further efforts to prevent exploitation and abuse to all persons, paying particular attention to prevent any harm to children, including protection from sexual exploitation and abuse, and ensuring the accountability of perpetrators while ensuring protection and support to victims, and that information thereon will be provided to the Executive Board and in future reports.**

C. Financing instrument

31. Upon enquiry, the Advisory Committee was informed the World Bank instrument had been presented as a pilot project and approved by the Executive Board in decision 2021/5 (on the Private Fundraising and Partnerships: 2021 workplan and proposed budget). Approximately $50 million in proceeds to UNICEF from the forward flow arrangement was received and used to finance the growth of private sector fundraising, which, together with other investments, is expected to yield $450 million from private monthly pledge donors in emerging markets over a five-year period. The instrument is an innovative way of collaborating with the World Bank to increase investment in private sector fundraising. It has generated significant resources to repay the interest and the instrument upon its maturity while making substantial resources available to fund UNICEF country programmes. As of the end of September 2023, the 24 countries using funding from the World Bank instrument had cumulative pledge donations of $315.8 million, demonstrating its success as a financial instrument. The UNICEF Financial Advisory Committee has diligently monitored the implementation measures and a comprehensive evaluation is planned at the end of the five-year term to assess the effectiveness and impact of the loan instrument. The World Bank loan instrument marked a significant milestone in the UNICEF financial strategy. However, UNICEF currently does not intend to pursue follow-up borrowing at this stage. The decision to potentially integrate this approach as a regular feature will undergo consultation with the Advisory Committee. **The Advisory Committee looks forward to the outcome of the planned evaluation of the pilot project and trusts that the related lessons learned will be shared with the Committee and the General Assembly in the future.**

D. Collaboration with United Nations development system

32. The Advisory Committee was informed, upon enquiry, that UNICEF is an active member and resident entity of the United Nations country teams. UNICEF country representatives work under the leadership of resident coordinators, who are the highest-ranking United Nations officials in country and ensure inter-agency coordination and decision-making at the country level. The relationship between UNICEF, the United Nations country teams and the resident coordinators is regulated

by the Management and Accountability Framework. UNICEF is expected to fully adhere to its obligations, with the ultimate goal to strive, together with the United Nations country teams, to deliver on development results. UNICEF internal survey data report that since 2020 when surveys on United Nations development system implementation began, the reform has strengthened collaboration with other members of the United Nations country team each year. Furthermore, the survey reports that the reform has also improved the collective United Nations support to achieve national development results each year. **The Advisory Committee notes the initiatives undertaken by UNICEF in coordination with the United Nations resident coordinator system and other entities and encourages UNICEF to continue to collaborate with the resident coordinator system to consolidate child welfare efforts within the United Nations system, as well as to support Member States to implement the 2030 Agenda for Sustainable Development.**

E. Premises

33. The Report on the midterm review of the UNICEF integrated budget, 2022–2025 indicates that the three United Nations buildings in New York City will be owned by UNICEF outright in 2026 (para. 68). Under the broader strategy of United Nations common premises initiatives, UNICEF is proposing an increase of $10 million, from $30 million to $40 million over 2024–2025, to enhance the refurbishment expenses of the three United Nations buildings. Additionally, the organization will cover the restoration costs for a significant portion of the rented premises at 633 Third Avenue, New York, which will be returned to the landlord during the same time frame due to the consolidation of space resulting from the Headquarters Efficiency Initiative. Upon enquiry, the Advisory Committee was informed that the future ownership of the building will provide long-term stability and security for UNICEF and will help the organization to establish a lasting presence in New York. Ownership will also give UNICEF control over the property, with the freedom to make modifications or renovations to suit the organization's needs.

Annex

UNICEF response to the recommendations from 2020 midterm review of the UNICEF integrated budget, 2018–2021

1. Following are the recommendations made by the Advisory Committee on Administrative and Budgetary Questions in 2020. Each recommendation is followed by the UNICEF response.

Recommendation 3

2. **The Advisory Committee trusts that future submissions will contain justifications of budget proposals by comparison with actual expenditure figures, broken down by items of expenditure, to enable consideration of the budget**

UNICEF response

3. The presentation formats utilized for the submission of the midterm revision of the institutional budget adhere to the standardized formats that have been harmonized with those of the United Nations Development Programme, the United Nations Population Fund and the United Nations Entity for Gender Equality and the Empowerment of Women, in accordance with the respective Executive Boards. These presentation formats exclusively encapsulate the planned expenditure projected over the designated period. It is imperative to note that actual expenses incurred are routinely provided to the Executive Board on an annual basis. This dissemination of actual expenditure occurs within the framework of two distinct documents presented at two formal Board sessions: the Annual report of the Executive Director of UNICEF, presented during the annual session; and the UNICEF Strategic Plan: updated financial estimates, presented during the second regular session.

4. Furthermore, justifications for any increases stipulated within the institutional budget are comprehensively furnished as part of the submission process for the Report on the midterm review of the UNICEF integrated budget. Detailed references to the pertinent text containing these justifications can be founding paragraphs 60, 66 and 68 of the Report on the midterm review of the UNICEF integrated budget, 2022–2025

1. Annual report of the Executive Director

2023: http://www.undocs.org/E/ICEF/2023/10

2022: http://www.undocs.org/E/ICEF/2022/10

2021: http://www.undocs.org/E/ICEF/2021/10

2. UNICEF Strategic Plan: updated financial estimates

2023: http://www.undocs.org/E/ICEF/2023/AB/L.6

2022: http://www.undocs.org/E/ICEF/2022/AB/L.8

2020: http://www.undocs.org/E/ICEF/2020/AB/L.7

Note: These reports for earlier years are available on the United Nations Official Document System or from the UNICEF Executive Board website:

https://documents.un.org/

http://www.unicef.org/executiveboard/session-documents

Recommendation 6

5. **The Advisory Committee notes the total projected regular resources and other resources, including earmarked funds, as well as the investment in fundraising, and trusts that updated information will be provided in future budget submissions, including on the evolution of the earmarked funds, efforts to increase unearmarked contributions and any challenges experienced as regards fundraising.**

UNICEF response

6. Section C (paras. 10 to 13) of the midterm review document captures the evolution of UNICEF fundraising efforts. Additional information on the special purpose costs of fundraising is also available in the annual workplan of the Private Fundraising and Partnerships Division (E/ICEF/2024/AB/L.1), which was presented to the Executive Board in its first regular session in February 2024.

Recommendation 10

7. **The Advisory Committee is of the view that both the text and the tables related to resource proposals need to be expanded in future budget submissions, starting with the next midterm review of the 2022–2025 plan, to include the following detailed information:**

(a) A breakdown of expenditure;

(b) An analysis of variances, comparing expenditure against planning estimates;

(c) Detailed staffing plans and tables;

(d) Information on items of expenditure.

8. **The Committee is also of the view that further explanation is required regarding the level of regular resources as compared with other resources (see paras. 3 and 6).**

UNICEF response

9. Please refer to the response to Recommendation 3 above.

Recommendation 17

10. **The Advisory Committee notes the authority of the Executive Director to establish additional director-level positions and is of the view that this authority should be exercised only for field-based posts, and that UNICEF should continue reporting to the Executive Board on a yearly basis (see also paras. 16 and 18).**

UNICEF response

11. The Executive Board, through its decision as part of the submission of the integrated budget for the quadrennium, authorized the Executive Director to create director level posts from the institutional budget (see the relevant text from Executive Board decision 2021/19 below).

> 7. *Authorizes* the Executive Director to establish additional director-level positions, as required, to be funded from within the approved institutional budget, and to report to the Executive Board in the annual report of the Executive Director;

12. UNCIEF complies with the Executive Board decision and continues to report the establishment of such posts as part of the Annual report of the Executive Director.

Recommendation 18

13. **While the Advisory Committee does not object to the establishment of four additional posts at the D-1 level and above, the Committee once more encourages UNICEF to regularly review the scale, complexity and urgency of the emergencies in countries where senior-level posts have been established, in order to determine the continuing requirement for, and appropriate level of, posts at the D-1 level and above, also taking into account the functions and impact of other new senior-level posts. The Committee also recommends that the Executive Board receive an update in the midterm review on the use of the additional posts, and intends to review the matter further in the context of the midterm review.**

UNICEF response

14. Director-level posts are established after great deliberations by senior management on the complexity of the function and need. The Executive Director approves the creation under delegated authority from the Executive Board (see the response to Recommendation 17 above).

Recommendation 26

15. **The Advisory Committee notes the intention of UNICEF to further pursue efficiency gains in terms of common business initiatives and trusts that detailed information thereon, including quantifiable savings and efficiency gains, will be presented to the Executive Board in the midterm review and future budget submissions.**

UNICEF response

16. UNICEF prepares annual reports on efficiencies and also shares a brief summary of the key results in the Integrated Results and Resources Frameworks annexed to the annual report of the Executive Director. Some highlights for 2022 and 2023 from these reports are below.

1. 2022 highlights

17. UNICEF delivered improved efficiencies through a variety of initiatives over the course of 2022, totalling $65.6 million.

18. These savings were generated in the following areas:

(a) Cost savings equivalent to $16.3 million;

(b) Time savings equivalent to $18.8 million;

(c) UNICEF Shared Service Centre equivalent to $30.5 million.

19. In 2022, Supply Division achieved a total of 30,600 hours of time savings (equivalent to $2 million) by using global long-term agreements, resulting in less processing time needed at country and regional office level thanks to the efforts of the centralized headquarters procurement team. Other initiatives, such as reducing office space in Geneva and New York, resulted in approximately $2 million in additional savings.

20. A change in reporting methodology has allowed UNICEF to recognize the recurring savings from its Global Shared Services Centre, resulting in an additional $30.5 million in savings in 2022.

21. UNICEF reduced its overall carbon footprint by 14,495 tons of carbon dioxide (CO_2) equivalent. Implementation of energy efficiency initiatives, including solar leasing and the scale-up of vehicle tracking systems for fuel and fleet management, led to a significant decrease in primary emissions sources. UNICEF established 33 long-term agreements for solar leasing, which has been identified as the best opportunity to accelerate progress towards the United Nations target of a 45 per cent reduction in emissions by 2030 and to boost the sustainability of UNICEF programming. Thirty offices (out of 25 planned) piloted smart energy meters, enabling automatic transfer of data into the UNICEF Environmental Footprint and Accessibility Assessment Tool, reducing errors in manual transfer and the consequent risk of overpayment to the United Nations Framework Convention on Climate Change. The scale up of the green building certification will enable further emissions reductions in the future.

22. In addition, UNICEF also reports on improvements that contribute to overall organizational effectiveness although they do not result in cost or time savings. Such improvements are driving change in country offices, such as enabling the operations functions to provide predictable service delivery via a dedicated a service management solution (the operations and administrative services in the Service Gateway tool), direct submission of consultant invoices, reduced processing times for several services provided by the Global Shared Services Centre, or integrating the job classification function on one platform.

2. 2023 highlights

23. In 2023, a total of $100.7 million was saved:

(a) Internal efficiency cost-savings equivalent to $55.1 million;

(b) Internal efficiency time-savings equivalent to $19.1 million;

(c) UN reform agenda efficiency-savings estimated at $21.1 million;

(d) Consolidating cash delivery operations in Afghanistan savings estimated at $5.4 million.

24. New internal initiatives in 2023 resulted in a total of $5.8 million in savings and ongoing internal initiatives resulted in a total of $68.5 million (as compared to $65.7 million reported in 2022).

25. UNICEF continued to pursue administrative effectiveness and eco-efficiency, in line with the Strategic Plan and the United Nations reform targets. Fifty-four per cent of UNICEF offices were located in United Nations common premises, resulting in cost-savings in rent and facilitating common or shared services between organizations. A vehicle leasing programme and various other innovations were introduced to further pursue simplification and effectiveness.

26. UNICEF is on track to achieve its carbon emissions reduction target. In 2023, UNICEF operations and facilities emitted 49,448 tons of CO_2 equivalent. Approximately 46 per cent of emissions came from air travel, 17 per cent from other travel or mobile (vehicle) sources, 19 per cent from purchased electricity and 15 per cent from stationary combustion (generators).

27. UNICEF invested in energy efficiency initiatives and accelerated reduction of its CO_2 emissions, including through 85 greening projects, 10 of which were related to solar energy implementation. Sixty offices were provided with capacity-building

on sustainable fleet management. As part of efforts to make buildings more resource-efficient and sustainable, 20 offices acquired or started the process of acquiring the Excellence in Design for Greater Efficiencies certification, with 10 additional offices planned to be certified by 2025. UNICEF continued to increase awareness of environmental sustainability, including by introducing sustainability as a core organizational value and encouraging its personnel to pledge to act sustainably.

28. UNICEF established the Central Services Centre to consolidate common transactions and processes, aiming to achieve substantial cost-savings, improve efficiency and enable headquarters divisions to maintain a strategic focus on delivering programmatic work.

29. In 2023, the organization completed the roll-out of eZHACT 2.0, a new cash transfer system designed to streamline transaction and partnership management processes, while focusing on data quality and protection, business values and user experience. The system offers end-to-end management of the harmonized approach to cash transfers, the framework governing United Nations agencies' cash transfers to implementing partners, and is anticipated to save UNICEF over 200,000 hours of staff time annually.

Recommendation 16

30. **The Advisory Committee is of the view that, given that UNICEF activities are intrinsically field-based and programmatic in nature, every effort should be made to enhance the UNICEF field presence and activities (see paras. 17 and 18) through increases in the percentage of posts at the field level.**

UNICEF response

31. UNICEF continues to enhance its field presence and activities. The increased staffing at the headquarters level aims to provide comprehensive support to offices around the globe, leveraging technical expertise and advanced systems to streamline and amplify field activities. These efforts aim to enhance efficiency and effectiveness in delivering vital assistance to children and communities in need. In addition, UNICEF has reduced the cost of headquarters staff by relocating some teams to lower-cost locations.

Recommendation 19

32. **The Advisory Committee notes the efforts to achieve gender balance and trusts that every effort will be made to diversify the staff at all levels from as wide a geographical basis as possible and that an update, including statistics on the progress regarding geographical representation and gender, will be provided in the context of the midterm review.**

UNICEF response

33. As at 31 December 2023, UNICEF has maintained global parity of staff members, with 49.6 per cent women (or 8,726, an increase of 0.7 percentage point from last 2022) and 50.4 per cent men (or 8,927).

34. Among National Officer (NO) staff, women hold 48.5 per cent of positions (a 0.5 percentage point increase since 2022), and there is gender balance by level, as the percentage of women from NO-1 to NO-4 levels ranges from 46 per cent to 56 per cent. Among General Service (GS) staff, 47.8 per cent of positions are held by women (a 0.8 percentage point increase from 2022) – but women continued to be more present in higher-level GS posts: GS-6 (64.7 per cent female) and GS-5 (64.7

per cent female), whereas men hold more junior-level contracts at GS-3 (94.8 per cent male), GS-2 (94.1 per cent male) and GS-1 (100 per cent male), especially in the functional area of transportation (with men mainly employed as drivers).

35. Among International Professional (IP) staff, women hold 52.4 per cent of positions (2,797 posts), while notably holding 45.2 per cent of Director-level D-1 posts and 46.0 per cent of D-2 posts. In October 2022, UNICEF adopted the Temporary special measures to achieve gender parity at the P-5 level to tackle gaps at the P-5 level, in line with the United Nations System-wide Strategy on Gender Parity and the United Nations administrative instruction on Temporary special measures for the achievement of gender parity (ST/AI/2020/5). Such measures facilitated outreach to external talent and the recruitment of external female candidates in functional areas where internal talent is most scarce, and strengthened the consideration of female candidates in the most unbalanced functional areas at the P-5 level. The measures were initially in place until December 2021 and then extended until June 2022. Gender parity was achieved and maintained in 2023, with 48 per cent women in P-5 posts.

36. By monitoring staff movements, UNICEF observed that the ratio of separation of senior women was higher than among senior men – a trend spotted in 2019 that continued throughout 2022. The 2023 data show that, overall, 53 per cent of resignations were by women, mostly driven by resignation in the GS cadre by women (60 per cent) while in the IP and NO cadres more men than women resigned (53 per cent of men). Combining this observation with the insights from a system for exit interviews after separation that was implemented in November 2020, it is apparent that mobility and relocation and heavy workloads have a negative impact on retention of women in the organization.

37. Efforts are also being made to address gender disparities at the country office level for national staff, and particularly in the most gender-unequal countries and in emergency duty stations. With support from headquarters, country offices are using strategies to recruit more women. These include, among others, targeted talent outreach, improvements in the workplace culture (including promoting gender-responsiveness) and, in emergencies where talent is especially scarce, the creation of junior positions as paid trainees and recruitment of female United Nations Volunteers to build strong pipelines of female talent that can potentially lead to staff employment. Some local examples of these initiatives include Nepal, where women from historically-marginalized groups are being hired as paid trainees in an annual formative programme; and Nigeria, where UNICEF has hired women drivers by targeting private transportation companies such as Uber and Bolt.

38. There are still significant gender disparities across UNICEF regions. Within the IP cadre, the most unbalanced regions are West and Central Africa and Latin America and the Caribbean, where men occupy 46 per cent and 45 per cent of posts, respectively; and Europe and Central Asia, where women occupy 57 per cent of posts. In addition, while 62 per cent of staff at headquarters are women, 66.9 per cent of staff in emergency duty stations are men.

39. The representation of women progressively decreases as the duty station hardship classification increases. By duty station classification, women make up 62.6 per cent of staff in H (headquarters) duty stations, 61.9 per cent in A, 51.5 per cent in B, 46.0 per cent in C, 38.6 per cent in D, 33.1 per cent in E duty stations.

Recommendation 20

40. **The Advisory Committee notes the progress made to phase out non-staff contracts in the UNICEF workforce and encourages UNICEF to further reduce**

its reliance on non-staff personnel, particularly the use of long-standing full-time consultants at headquarters locations. The Advisory Committee recommends that UNICEF continue to provide updated figures on the use of non-staff personnel in the UNICEF workforce as part of the midterm review and in future budget submissions.

UNICEF response

41. UNICEF has taken concrete action to reduce its reliance on non-staff personnel for staff functions. In December 2022, UNICEF revised its procedure on consultants and individual contractors. The revision formally initiated the phase-out of time-based consultants (individual contractors) and reinforced that all critical positions of a continuous nature (with staff-like functions) are to be hired as staff (on temporary or fixed-term appointments). Since the revision, only expert deliverable-based consultants have been hired to contribute to specific, time-based projects with clearly defined and finite deliverables.

42. In contrast to the data last shared with the Committee in June 2021, the data below clearly show the reduction in the number of individual contractors employed by UNICEF since the implementation of the revised procedure.

Table
UNICEF consultants and individual contractors, 2021 and 2023

Date	*Number of consultants*	*Number of individual contractors*
June 2021	3 550	1 169
December 2023	3 056 (~14% decrease)	6 (~99% decrease)

43. As of December 2023, UNICEF had contracted 3,056 consultants and 4 individual contractors in the field, and 830 consultants and 2 individual contractors, at headquarters. A total of 1,537 consultants had a contract duration of 10 to 12 months and 859 of over 12 months, with some consultants holding multiple contracts.