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Report on the midterm review of the UNICEF integrated budget, 2022–2025

Summary

Pursuant to decision 2021/19, the midterm review of the integrated budget, 2022–2025 is being presented to the Executive Board.

As an integral part of the UNICEF Strategic Plan, 2022–2025 ([E/ICEF/2021/25](#)), the UNICEF integrated budget, 2022–2025 should be considered in conjunction with the report on the midterm review of the Strategic Plan, 2022–2025 and annual report for 2023 of the Executive Director of UNICEF ([E/ICEF/2024/11](#)) and its addenda.

Elements of a draft decision on the revised integrated resource plan, institutional budget and Global and Regional Programme are provided in section VIII.

* [E/ICEF/2024/10](#).



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I. Overview

1. This document presents the midterm review of the UNICEF integrated budget, 2022–2025, which is an integral part of the midterm review of the UNICEF Strategic Plan, 2022–2025 and annual report for 2023 of the Executive Director of UNICEF (E/ICEF/2024/11) and its addenda.
2. UNICEF has revised its integrated resource plan for 2022–2025 to consider actual income and expenditures for 2022 and 2023 and revised estimates for 2024–2025. Within the framework of the revised plan and taking into account the projected increase in total income of 37 per cent, from \$25.9 billion to \$35.6 billion, UNICEF proposes increasing the planned expenditure for programmes by the same 37 per cent to \$31.9 billion, as compared with the initial plan of \$23.3 billion. At the same time, UNICEF proposes a modest increase of \$24.0 million in the institutional budget, to \$2.76 billion, compared with the initially approved level of \$2.74 billion for the period 2022–2025. Compared with the initially approved integrated resource plan, the proportion of total resources utilized for the institutional budget in the revised plan will decrease from 10.2 per cent to 7.8 per cent.
3. From the resources available for programmes, UNICEF proposes increasing the approved budget for the Global and Regional Programme (regular resources (RR)) from \$235.0 million to \$265.0 million.

II. Introduction

4. The UNICEF Strategic Plan, 2022–2025 contains a single results framework architecture for UNICEF, comprising 5 Goal Areas, 5 cross-cutting programmes, 18 result areas, 9 change strategies and 5 enablers.
5. The Integrated Results and Resources Framework indicates how the resources available to UNICEF are linked to the Strategic Plan goals and the organization's efforts to improve effectiveness and efficiency.
6. UNICEF uses an integrated resource plan for the presentation of budgetary information, defined cost-classification categories, as well as cost-recovery methodologies and approaches to cost attribution that have been approved for harmonized use by the Executive Boards of UNICEF, 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).

III. Integrated resource plan

7. This section provides information on the revised integrated resource plan for 2022–2025 compared with the approved integrated resource plan for 2022–2025. The revised plan is based on 2022 and 2023 actual expenditures and 2024–2025 revised estimates.

A. Comparison of approved and revised integrated resource plan, 2022–2025

8. Total income in the revised plan is projected to exceed the approved plan by 37 per cent, at \$35.6 billion, as compared with the approved plan of \$25.9 billion. From the resources available for programmes, UNICEF proposes increasing the approved budget for the Global and Regional Programme by \$30 million, from \$235.0 million to \$265.0 million, from RR to support cross-cutting programmes in upper-middle-income and middle-income countries. UNICEF also proposes a modest increase of

\$24.0 million in the institutional budget, from the initially approved \$2.74 billion to \$2.76 billion, to strengthen monitoring and evaluation activities and to boost capital investments.

B. Integrated resource plan, 2022–2025

9. Table 1 provides information on the total available resources and the use of resources for all cost classification categories for the period 2022–2025. The table presents the integrated resource plan, 2022–2025, as approved by the Board (in document [E/ICEF/2021/AB/L.6](#)) and the proposed revised integrated resource plan, 2022–2025.

C. Resources available

10. At the onset of the current Strategic Plan, the anticipated economic rebound following the coronavirus disease (COVID-19) pandemic has been significantly impeded by a series of global challenges. These include the conflict in Ukraine, instability in the Middle East, including the Gaza crisis, compounded multiple emergencies, disruptions to the supply chain, pronounced inflationary pressures, and considerable foreign exchange volatility. Total resources available in the originally approved plan were projected to be \$28.1 billion, comprising \$6.1 billion in RR and \$22.0 billion in other resources (OR). Despite the challenging political and economic situation in 2022 and 2023, UNICEF income surpassed the \$9.3 billion mark in 2022 and was \$8.9 billion in 2023. The revised plan projects total available resources of \$38.9 billion, of which \$5.9 billion is RR and \$33.0 billion is OR. The 38 per cent growth (\$10.8 billion) in total available resources is comprised of a decrease of 11 per cent (\$0.6 billion) in RR contributions, partially offset by an increase of 69 per cent in other income (\$0.5 billion) and an increase of 49 per cent in OR (\$9.8 billion).

11. The income trend continues to reflect increasing earmarking. In 2022, RR was impacted by the foreign exchange rate, and while the situation improved in 2023 and some Governments increased their RR contributions, due to a much faster pace of growth in OR, the RR ratio to total income remains a concern. Based on the experience in the past few years and looking ahead, exponential growth in OR, accompanied by the concentration of heavily earmarked funding in a small number of countries and sectors, is expected to continue. While official development assistance has been resilient and steady, driven by sudden onset emergencies and humanitarian needs, political changes in some donor Governments are putting pressures on such assistance. Furthermore, given that 2024 is a historic election year, with elections in more than 50 countries, this could add to the geopolitical and economic instability and should be closely monitored.

12. In the current environment, RR are even more critical to meet the needs and rights of all children – they allow UNICEF to reach children at scale through its country programmes, facilitate sustainability of impact, and enable innovation and rapid response to in-country or regional situations, including emergencies. Transaction costs are minimized, which maximizes the resources that can go directly to children. UNICEF has developed new strategies to accelerate RR mobilization, which include an organization-wide effort to increase visibility and recognition of the critical impact of RR, and more targeted approaches to rally more partners around RR.

13. The projected RR reserve as at end 2025 is compliant with Executive Board decision 2020/22, which requires UNICEF to maintain an RR reserve at a minimum of three months of projected expenditure. The purpose of the RR reserve is to protect UNICEF continued operations against sudden interruption of resource availability, such as an unexpected shortfall in RR income. Each year, in connection with the

preparation of the updated financial estimates, UNICEF reviews the projected RR reserve and ensures that it continues to comply with the minimum requirement.

D. Use of resources

14. The approved plan projected total use of resources for the period 2022–2025 of \$26.9 billion, comprising \$5.8 billion in RR and \$21.1 billion in OR (including cost recovery). The revised plan, 2022–2025, forecasts total use of resources of \$35.6 billion, representing an increase of \$8.7 billion (32 per cent) compared with the approved plan.

15. Of the \$35.6 billion, UNICEF proposes utilizing \$32.7 billion for development activities (an increase of 36 per cent), \$40.1 million for United Nations development coordination activities (no change from original plan), \$1.7 billion for management activities (same level as original plan), a \$9.0 million increase for independent oversight and assurance activities (\$101.7 million), and a \$15 million increase for capital investments special purpose activities (\$130.0 million). Compared with the approved plan, the proportion of total resources utilized for development activities in the revised plan is proposed to increase from 89.2 to 91.8 per cent. The proportion of total resources utilized for management activities is proposed to decrease from 6.4 to 4.8 per cent.

16. From the resources available for programmes, UNICEF proposes to increase the approved budget for the RR-funded Global and Regional Programme, 2022–2025, from \$235.0 million to \$265.0 million, and to maintain the same level for the ceiling funded from OR of \$1.4 billion, subject to the receipt of OR contributions.

17. UNICEF proposes a modest increase of \$24 million in the institutional budget to strengthen independent oversight and assurance activities and to boost capital investments within special purpose. The proposed institutional budget of \$2.8 billion comprises the following: \$772.4 million for development effectiveness; \$40.1 million for United Nations development coordination; \$1.7 billion for management; \$101.7 million for independent oversight and assurance activities; and \$130 million for capital investments within special purpose.

18. Compared with the approved budget, 2022–2025, the proportion of total resources utilized for the institutional budget within the integrated budget is projected to decrease from 10.2 to 7.8 per cent.

19. The resource requirements proposed under private sector fundraising comprise the direct investment costs supporting the fundraising and advocacy activities of the National Committees for UNICEF and the UNICEF country offices. The appropriation for these resource requirements is presented for approval to the Executive Board on an annual basis, in conjunction with the Private Fundraising and Partnerships workplan and budget.

E. Sufficiency of reserves for staff liabilities

20. UNICEF maintains reserves to fund its employee benefits liabilities, which comprise after-service health insurance and end-of-service entitlements.

21. Following discussions with the Executive Board and the implementation of International Public Sector Accounting Standards, which require the full reporting of after-service staff liabilities in corporate financial statements, UNICEF is implementing a robust funding strategy for those liabilities. The strategy ensures that, over time, the reserve for those liabilities is accumulated from the funding sources to which post costs are correctly attributed. Based on the latest actuarial valuation, the actuarial liability as at 31 December 2023 was \$1.3 billion and accumulated reserves

were \$1.2 billion. As noted in the updated financial estimates, UNICEF intends to transfer \$80 million from RR to the reserve for after-service staff liabilities. The reserve is projected to reach \$1.32 billion in 2025, and assuming that the liability remains unchanged, this will result in funding reaching 92 per cent by 2025. It is important to note that the level of liabilities may increase in the near future, as indicated by the recent trends observed in actuarial valuation.

22. UNICEF will continue to monitor the effectiveness of the strategy, make appropriate adjustments as financial variables change, and provide updates to the Board in the updated financial estimates.

Table 1
Integrated resource plan, 2022–2025 (in millions of United States dollars)

	<i>Approved, 2022–2025</i>						<i>Revised, 2022–2025</i>							
	<i>Regular resources</i>		<i>Other resources</i>		<i>Total resources</i>		<i>Trust funds</i>	<i>Regular resources</i>		<i>Other resources</i>		<i>Total resources</i>		<i>Trust funds</i>
			<i>Programmes</i>	<i>Cost recovery</i>						<i>Programmes</i>	<i>Cost recovery</i>			
	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>
1. Resources available														
Opening balance	375.5		1 939.6	-	2 315.1		1 179.4	523.2		3 093.3	-	3 616.6		4 721.8
Income														
Contributions	5 610.0		20 044.0	-	25 654.0		-	4 984.0		29 864.3	-	34 848.3		-
Other income	294.0		-	-	294.0		-	791.6		-	-	791.6		-
Total income	5 904.0		20 044.0	-	25 948.0		-	5 775.7		29 864.3	-	35 640.0		-
Tax reimbursement adjustment	(83.7)		-	-	(83.7)		-	(87.4)		-	-	(87.4)		-
Transfer to Working Capital Fund	(60.0)				(60.0)			(80.0)				(80.0)		
Transfer to Dynamo Fund								(118.7)				(118.7)		
Transfer to after-service staff liabilities								(80.0)				(80.0)		
Trust fund receipts			-	-	-		8 427.4			-	-	-		8 505.9
Total available	6 135.8		21 983.6	-	28 119.5		9 606.8	5 932.8		32 957.6	-	38 890.5		13 227.8
2. Use of resources														
A. Development														
A.1 Programmes	3 809.2	65.7%	19 449.4	-	23 258.6	86.3%	8 427.4	4 040.2	72.7%	27 873.5	-	31 913.6	89.6%	11 426.7
Country programmes	3 574.2	61.7%	18 002.7	-	21 576.9	80.1%	-	3 775.2	68.0%	26 426.8	-	30 202.0	84.8%	-
Global Programme	235.0	4.1%	1 446.7	-	1 681.7	6.2%	-	265.0	4.8%	1 446.7	-	1 711.7	4.8%	-
A.2 Development effectiveness	721.9	12.5%	50.6	-	772.5	2.9%	-	626.6	11.3%	72.5	73.3	772.4	2.2%	-
Subtotal	4 531.1	78.2%	19 500.0	-	24 031.1	89.2%	8 427.4	4 666.8	84.0%	27 945.9	73.3	32 686.0	91.8%	11 426.7

	Approved, 2022–2025							Revised, 2022–2025							
	Other resources				Total resources			Other resources				Total resources			Trust funds
	Regular resources		Programmes	Cost recovery				Regular resources		Programmes	Cost recovery				
	\$m	%			\$m	\$m	\$m	%	\$m			\$m	\$m	%	\$m
B. United Nations development coordination	40.1	0.7%	-	-	40.1	0.1%	-	37.6	0.7%	2.6	-	40.1	0.1%	-	
C. Management	515.1	8.9%	3.9	1 199.0	1 717.9	6.4%	-	109.5	2.0%	10.6	1 598.0	1 718.1	4.8%	-	
D. Independent oversight and assurance	18.3	0.3%	0.8	73.6	92.7	0.3%	-	17.5	0.3%	0.2	84.1	101.7	0.3%	-	
E. Special purpose															
E.1 Capital investments	22.6	0.4%	-	92.4	115.0	0.4%	-	86.9	1.6%	-	43.1	130.0	0.4%	-	
E.2 Private sector fundraising	668.2	11.5%	276.5	-	944.7	3.5%	-	636.3	11.5%	285.9	-	922.3	2.6%	-	
Subtotal	690.9	11.9%	276.5	92.4	1 059.7	3.9%	-	723.3	13.0%	285.9	43.1	1 052.3	3.0%	-	
Institutional budget (A.2+B+C+D+E.1)	1 317.9	22.7%	55.3	1 365.0	2 738.2	10.2%	-	878.0	15.8%	85.7	1 798.5	2 762.3	7.8%	-	
Integrated budget (A+B+C+D+E)	5 795.4	100.0%	19 781.2	1 365.0	26 941.6	100.0%	8 427.4	5 554.6	100.0%	28 245.1	1 798.5	35 598.2	100.0%	11 426.7	
3. New amounts from/(to) other funds											(56.0)	(56.0)			
4. Closing balance of resources	340.4		837.5		1 177.9		1 179.4	378.3		2 858.0		3 236.2		1 801.0	

IV. Integrated Results and Resources Framework

23. The UNICEF Strategic Plan, 2022-2025 remains the primary results framework for assessing results achieved by UNICEF.

24. The UNICEF Strategic Plan, 2022–2025 contains a single results framework architecture for UNICEF, comprising 5 Goal Areas, 5 cross-cutting programmes, 18 result areas, 9 change strategies and 5 enablers.

25. Table 1 provides information on the proposed use of resources by cost classification category. Table 2 identifies how total resources available to the organization were initially planned and subsequently revised for each of the Goal Areas and results.

Table 2
Integrated Results and Resources Framework, 2022–2025 (in millions of United States dollars)

Goals	Functional cluster	Approved, 2022–2025				Revised, 2022–2025			
		Other resources			Total resources	Other resources			Total resources
		Regular resources	Programme	Cost recovery		Regular resources	Programme	Cost recovery	
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Programmes		3 809.2	19 449.4		23 258.6	4 040.2	27 873.5		31 913.6
Goal Area 1 – Every child, including adolescents, survives and thrives, with access to nutritious diets, quality primary health care, nurturing practices and essential supplies		1 523.7	7 779.7		9 303.4	1 616.1	11 149.4		12 765.5
Goal Area 2 – Every child, including adolescents, learns and acquires skills for the future		799.9	4 084.4		4 884.3	848.4	5 853.4		6 701.9
Goal Area 3 – Every child, including adolescents, is protected from violence, exploitation, abuse, neglect and harmful practices		438.1	2 236.7		2 674.7	464.6	3 205.4		3 670.1
Goal Area 4 – Every child, including adolescents, has access to safe and equitable water, sanitation and hygiene services and supplies, and lives in a safe and sustainable climate and environment		723.8	3 695.4		4 419.1	767.6	5 296.0		6 063.6
Goal Area 5 – Every child, including adolescents, has access to inclusive social protection and lives free from poverty		323.8	1 653.2		1 977.0	343.4	2 369.2		2 712.7
Organizational effectiveness and efficiency									
1. Higher quality programmes through results-based management		721.9	50.6		772.5	626.6	72.5	73.3	772.4
	Technical excellence in policy and programmes	626.4	50.6		560.6	41.3	73.3		675.2
	Technical excellence in procurement and management of supplies	63.1	-		63.1	33.9	31.0		64.9
	Technical excellence in humanitarian action	32.3	-		32.3	32.1	0.2		32.3
2. Improved management of financial and human resources in pursuit of results		515.1	3.9	1 199.0	1 717.9	109.5	10.6	1 598.0	1 718.1
	Leadership and corporate direction	12.4	-	50.2	62.6	5.1	1.0	56.5	62.6
	Corporate financial, information and communications technology and administrative management	53.5	-	216.8	270.2	63.0	-	207.3	270.3

Goals	Functional cluster	Approved, 2022–2025				Revised, 2022–2025			
		Other resources			Total resources	Other resources			Total resources
		Regular resources	Programme	Cost recovery		Regular resources	Programme	Cost recovery	
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Staff and premises security	4.3	-	17.5	21.8	15.5	-	6.3	21.8
	Corporate external relations and partnerships, communication and resource mobilization	55.9	-	226.7	282.6	-	-	282.6	282.6
	Corporate human resources management	20.3	3.9	82.2	106.3	-	3.9	102.5	106.4
	Country office oversight, management and operations support	368.7	-	605.8	974.5	26.0	5.7	942.8	974.4
3.	Coordination of the United Nations development system	40.1	-	-	40.1	37.6	2.6	-	40.1
4.	Independent oversight and assurance	18.3	0.8	73.6	92.7	17.5	0.2	84.1	101.7
	Special purpose	690.9	276.5	92.4	1 059.7	723.3	285.9	43.1	1 052.3
	Capital investments	22.6	-	92.4	115.0	86.9	-	43.1	130.0
	Private sector fundraising	668.2	276.5	-	944.7	636.3	285.9	-	922.3
	Total use of resources	5 795.4	19 781.2	1 365.0	26 941.6	5 554.6	28 245.1	1 798.5	35 598.2

A. Planned use of resources for Strategic Plan goals

26. The proportions by the five Goal Areas will remain as presented to the Executive Board at the start of the Strategic Plan: Every child survives and thrives will continue to receive 40 per cent of total programme investment; Every child learns, 21 per cent; Every child is protected from violence and exploitation, 11.5 per cent; Every child lives in a safe and clean environment, 19 per cent; and Every child has an equitable chance in life, 8.5 per cent.

B. Country programmes

27. Resources for country programmes include both RR and OR. The revised plan proposes \$30.2 billion for the period 2022–2025, which is a 40 per cent increase from the original plan of \$21.6 billion. This revised plan is consistent with the estimates included in the updated financial estimates presented to the Board in September 2023.

C. Global and Regional Programme

28. UNICEF proposes to increase the approved budget for the Global and Regional Programme, 2022–2025, from \$235.0 million funded from RR to \$265.0 million, and to maintain the same level for the ceiling funded from OR of \$1.4 billion, subject to the receipt of OR contributions. The increase is to support cross-cutting programmes in upper-middle-income and middle-income countries.

29. Global and Regional Programme resources contribute to each of the outcome areas of the Strategic Plan by: (a) creating and disseminating global and regional public goods, including monitoring and analysing the situation of children for global accountability; (b) contributing to and strengthening relevant global and regional policy and coordination systems; and (c) contributing to the relevant global evidence base and normative guidelines.

D. Allocation of resources to organizational effectiveness and efficiency results

30. Resources for organizational effectiveness and efficiency results are presented in accordance with the harmonized cost classification and the joint comprehensive cost-recovery policy approved by the Executive Board in its decision 2020/24.

31. Resources allocated to organizational units are grouped into functional clusters, which provide the link between results and resources. The functional clusters for management activities are harmonized among UNDP, UNFPA, UN-Women and UNICEF. Development effectiveness activities are more closely associated with the programme outcomes and delivery modalities of each entity and are therefore not harmonized among them.

32. Within UNICEF, resources for development effectiveness are allocated to three functional clusters that focus on technical excellence: technical excellence in policy and programmes; technical excellence in humanitarian action; and technical excellence in the procurement and management of supplies.

33. The paragraphs below provide a summary update, organized the by four results and then by functional clusters within each result.

Result 1: Higher-quality programmes through results-based management

Cluster:	Technical excellence in policy and programmes
Resources:	\$675.2 million

34. Comprising the Programme Group, the Division of Data Analytics, Planning and Monitoring (including the Safeguarding Office), Office of Innovation, UNICEF Innocenti – Global Office of Research and Foresight, and the technical advisers in the regional offices, this cluster is responsible for programme policy, guidance tools, technical support and quality assurance for the achievement of the Strategic Plan programme goals. The cluster draws on research, lessons from evidence-based interventions and insights from practical programming experience.

35. The Programme Group (previously named Programme Division) has been providing global programme leadership to achieve results for the most disadvantaged and excluded children everywhere within the overall framework of the UNICEF Strategic Plan, and in response to the universal scope of the Sustainable Development Goals and the rights of children as enshrined in the Convention on the Rights of the Child. Further, the Group contributes to UNICEF support of Member States in implementing their international commitments related to the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention on the Rights of Persons with Disabilities. The Programme Group focuses on strategic actions that enhance and assure UNICEF programme excellence in all contexts, that project UNICEF global technical leadership, and that shape the global environment in favour of actions that protect and promote children's rights everywhere. Working with other headquarters and regional offices, Programme Group leads the UNICEF global programme function and provides countries with technical assistance and programme guidance, including through efforts facilitated by the Global Technical Teams, and through partnerships with key United Nations and civil society stakeholders. This work includes supporting countries to leverage evidence, partnerships and innovations that can be adapted and taken to scale in different country contexts – including humanitarian settings and low-, middle- and high-income countries. Programme Group collaborates with other offices on areas of work, including relations with United Nations inter-agency and intergovernmental bodies and entities, evidence-based decision-making and advocacy, financing for children, humanitarian programme response, planning for global evaluations and others.

36. The Division of Data, Analytics, Planning and Monitoring guides UNICEF evidence-informed analysis, strategic planning, monitoring and reporting. The Division enables UNICEF to deliver results based on data, evidence and analysis and the application of human rights- and results-based management approaches. The Division's priorities for the period 2022–2025 remain: (i) strengthening the data and analytics function to inform UNICEF decision-making and contribute to positioning UNICEF as a global knowledge leader to achieve results for children at scale and with speed; (ii) transforming monitoring, improving risk management and safeguarding, and strengthening partnership in programming across all contexts; (iii) enhancing UNICEF programme effectiveness and efficiency through improving the quality of programming, including by leveraging data, technology and digital transformation to deliver results for children at scale; and (iv) reinforcing organizational change management, knowledge management, learning and adaptation to enhance performance and results.

37. The Safeguarding Office continues the important work of child safeguarding. Good progress has been made recently in advancing safeguarding within UNICEF, particularly reflected in improved capacity to prevent and respond to safeguarding

cases with partners at country level (especially in humanitarian contexts). A new Safeguarding Policy is in development to replace the previous policy and regulatory framework and accelerate safeguarding in practice throughout the organization. The aim is to ensure that UNICEF systems minimize the threat of collateral harm to children and communities arising from their contact with UNICEF or the work of the organization, in accordance with best international standards and practices in relation to safeguarding.

38. The Office of Innovation fosters a culture of innovation and is being strengthened, primarily from other resources, to accelerate the pace at which innovations for children are scaled up and delivered against the Sustainable Development Goals. The priorities for 2024–2025 continue to include (i) reinforcing UNICEF programme leadership on innovation for children and young people; (ii) renewing the role of UNICEF as an implementer of at-scale innovations for children and young people; and (iii) establishing UNICEF as a thought leader on innovation to meet the needs of children and young people.

39. UNICEF Innocenti – Global Office of Research and Foresight was created in September 2022 from the merger of the Office of Research – Innocenti and the Office of Global Insight and Policy. The merger brought together the organization’s leading research, foresight and anticipatory policy expertise to establish a single unified office. The Office priorities for 2024–2025 include those in the areas of foresight, research and leading global disclosure. In the area of foresight, the priorities for 2024–2025 include: (i) continue enabling UNICEF, partners, children and young people to be more cognizant and responsive to global factors and trends that affect its work and the lives of children; and (ii) enhancing understanding of, and effective action on, the next generation of issues that directly affect children and frontier approaches to child advocacy, policy and programming. In the area of research, the key outcomes are for UNICEF and its partners to (i) utilize research to better inform and implement policies and programmes for children and child rights; and (ii) UNICEF Innocenti to conduct rigorous, ethical research on unresolved and emerging issues affecting children globally, using both primary and secondary data, synthesis and analysis that represent the voices of children and families themselves. The priorities for 2024–2025 on leading global discourse include: *The State of the World’s Children* and other strategic editorial projects such as the Global Outlook reports, Report Cards including thematic flagship reports, commentaries, briefings, and cross-issue analyses that position UNICEF and the Office as thought leaders. With a child- and youth-focused perspective to convening thought leadership and global discourse, the Office intends to drive richer debate and awareness of child issues in the public sphere.

Cluster:	Technical excellence in procurement and management of supplies
Resources:	\$64.9 million

40. The Supply Division will continue to make critical contributions to the attainment of UNICEF Strategic Plan results in child health; nutrition; education; water, sanitation and hygiene; and disability- and gender-integrated programming, with the ultimate goal of advancing equitable access to essential supplies and services for every child and adolescent, and their families.

41. Priorities will include sustained and strengthened emergency preparedness and response to ensure that supplies are delivered in a timely manner at the onset of an emergency; supporting partners to strengthen their supply chain systems, including improved supply chain resilience; increased national and regional procurement and

production as an integral part of the localization agenda; the digitalization of supply chains, applying management best practices to support key organizational changes and an acceleration of efforts to improve sustainability in UNICEF-supported supply chains, systems and operations.

Cluster:	Technical excellence in humanitarian action
Resources:	\$32.3 million

42. The Office of Emergency Programmes provides strategic support to country offices preparing for and responding to humanitarian crises and, in collaboration with regional offices, ensures that they have the right capacities to respond effectively to the revised Core Commitments for Children in Humanitarian Action. The Office leads efforts to ensure that the role of UNICEF in complex emergencies and natural disasters is clearly defined and that all levels of the organization are prepared to deliver on this mandate.

43. In 2024–2025, the Office will further strengthen preparedness and risk analysis and security management; invest in mainstreaming humanitarian cash transfer programmes; improve emergency procedures; improve accountability to affected people through strong feedback mechanisms; and implement an organizational strategy on localization of humanitarian response that puts anti-racism and anti-discrimination at its centre.

Result 2: Improved management of financial and human resources in pursuit of results

Cluster:	Leadership and corporate direction
Resources:	\$62.6 million

44. The Office of the Executive Director provides vision, voice, direction and oversight, with a focus on accountability, partnerships, advocacy and improved quality and reach of programming outcomes and results for children and young people. The Office has played an essential role towards strengthening the organizational culture to support staff and ensure workplaces where everyone feels safe, valued and respected, and where actions are taken to encourage staff to live UNICEF core values in their daily behaviours as well as promote greater understanding and accountability. This includes attention to diversity, intersectionality, and the experiences of underrepresented groups throughout UNICEF. In 2024, this latter function will be shifted to the Division of Human Resources.

Cluster:	Corporate financial, information and communication technology and administrative management
Resources:	\$270.3 million

45. Throughout 2022–2023, the Division of Financial and Administrative Management strategically enhanced its operations to address the challenges posed by the COVID-19 pandemic and significant global conflicts. These efforts focused on five strategic priorities: financial leadership, administrative services, funds management, investments and results-based management. As part of its commitment to these priorities, the Division implemented digital payment solutions to streamline cash transfers to beneficiaries, sanctioned the integration of 45 new financial service providers, and broadened the application of prepayment cards. Furthermore, the Division played a pivotal role in supporting common premises initiatives,

promulgated the UNICEF Anti-Money Laundering and Countering the Financing of Terrorism Policy, and ensured effective hedging of currencies and management of foreign exchange exposures. Looking ahead to 2024–2025, the Division aims to scale up support for UNICEF offices, advance the realignment of programme and operations functions, and strengthen oversight of premises, facilities and travel policies to reduce carbon footprints and enhance accessibility.

46. The Information and Communication Technology Division digital transformation strategy for 2022–2025 has been driven by four focus areas: normative and policy; management efficiency and effectiveness; digital programmes; and digital partnerships, communications and resource mobilization. Cross-cutting aspects will include digital data protection and privacy, cybersecurity and innovative use of technology. Underpinning these focus areas are four enablers: engaged and skilful information and communication technology staff who foster a collaborative culture; trusted partnerships with key stakeholders, including the Information and Communication Technology Board; clear accountability and nimble and transparent processes; and a robust, secure and evolving technology infrastructure.

47. In 2024–2025, the Information and Communication Technology Division will focus on the continued modernization of core information systems and also plans to establish a robust data infrastructure to support emerging technologies such as artificial intelligence. Efforts will be made to enhance real-time decision-making capabilities and provide technology support to regional and country offices. Future goals include continued collaboration efforts towards expanding UNICEF digital fundraising efforts, extending cash transfers to more beneficiaries, and improving humanitarian preparedness. The Division also aims to enhance last-mile monitoring, bolster cyber defences, introduce next-generation enterprise resource planning and talent management systems, and ensure the ethical and responsible use of artificial intelligence.

Cluster:	Staff and premises security
Resources:	\$21.8 million

48. The Office of Emergency Programmes coordinates UNICEF global security activities in close consultation with the United Nations Department of Safety and Security and other United Nations security management entities. Key activities include monitoring and assessing global threats and risks; providing guidance to UNICEF on security risk management; and developing policies and procedures aimed at creating an enabling environment for successful programme delivery, while maintaining the safety and security of UNICEF staff and assets.

Cluster:	Corporate external relations and partnerships, communication and resource mobilization
Resources:	\$282.6 million

49. The Public Partnerships Division has continued to strengthen and broaden the partnership base and engage in policy advocacy with Member States. This advocacy work has helped to advance the Sustainable Development Goals in relation to children, place children’s rights on the sociopolitical agenda and, among other developments, led to the meaningful participation of children and youth in intergovernmental forums such as the United Nations General Assembly.

50. The key priorities for resource mobilization in 2024–2025 continue to include: (i) accelerate RR beyond the Strategic Plan financial estimates forecast towards the funding compact commitment of core resources representing at least 30 per cent of total contributions; and (ii) further tap into the growth potential of international

financial institutions and global programme partnerships. With regard to advocacy, the overall aim is to influence decision makers, partners and key audiences to take action and maximize results for children, with a focus on the five Goal Areas of the Strategic Plan in line with the Sustainable Development Goals.

51. The Division of Communication has been renamed the Division of Global Communication and Advocacy. The Division drives advocacy and communication efforts to realize the rights of every child, especially the most marginalized, in every country. Through evidence-based advocacy and a strong voice at the global level, UNICEF has continued to advocate on a number of thematic priorities including immunization, nutrition, education, mental health, and climate, as well as the protection of child rights in humanitarian emergency situations. UNICEF communication and advocacy engaged various stakeholders and the number of its digital supporters went above 190 million as of December 2023. Internal communications and staff engagement continued to be a focus area and priority for the Division during the reporting period.

52. The Private Fundraising and Partnerships Division is responsible for the strategic framework that informs UNICEF cooperation with its National Committees. Included in this functional cluster are activities related to leading and coordinating UNICEF cooperation with the National Committees as well as private sector strategy development and implementation. The resources supporting revenue-generation and influence-building activities in National Committees and country offices are included under “special purpose”.

Cluster:	Corporate human resources management
Resources:	\$106.4 million

53. In addition to the cross-cutting areas of learning and development, staff well-being and occupational health and safety, and policy, the Division of Human Resources revised its priorities and published the OneHR strategy for the period 2022–2025. The strategy aims to further build an adaptive and capable people-centred OneHR community that actively works with partners to accelerate results for the children that UNICEF serves. The main focus is around the following four strategic results areas: people-centric human resources professionals are appropriately skilled; the global HR delivery model is adequately designed, communicated and resourced; there is a psychologically safe, diverse and inclusive working environment; and OneHR contributes to high-performing teams.

Cluster:	Field/country office oversight, management and operations support
Resources:	\$974.4 million

54. Senior leaders in each UNICEF country and regional offices contribute to the delivery of this result through representation and cooperation with national and local leaders and partner organizations. Also included in this cluster is the Global Shared Services Centre, which carries out much of the transactional work that would otherwise be done by individual offices and has contributed to operational efficiencies through process improvements. In 2022–2023, the Centre took on the transactional work of job classification, global learning and Agora. For 2024–2025, the Centre will aim to take additional transactional and administrative work where there is potential for further efficiencies, and will build on strengthening its core functions to drive innovation and service excellence, establish enhanced stakeholder engagement, advocate, mitigate and roll out changes.

55. Additional activities include continuing to support the resident coordinator system and coordination structures at the country level; implementing the Management Accountability Framework; and advancing stronger business operations including through joint tenders for procurement, the Business Operations Strategy, common back offices, common premises and mutual recognition. As part of the common premises agenda, UNICEF will improve accessibility for persons with disabilities. UNICEF will continue to advance energy efficiency and environmental sustainability to meet the 2030 carbon emissions reduction targets, optimize operating costs, and maintain business continuity using clean power sources in the hardest-to-reach areas.

Result 3: Coordination of the United Nations development system

Cluster:	United Nations coherence and cluster coordination
Resources:	\$40.1 million

56. This cluster includes coordination work carried out by the Office of Emergency Programmes as well as the UNICEF contribution to the resident coordinator system. The estimated contribution for 2022–2025 is \$33.6 million.

57. The Office of Emergency Programmes is responsible for the coordination of partners for the humanitarian clusters for water, sanitation and hygiene, nutrition and education, along with the global Child Protection Area of Responsibility. The Office is also responsible for establishing inter-agency humanitarian partnerships, developing humanitarian policies, and providing operational support and building capacity for timely and predictable responses to crises.

Result 4: Independent oversight and assurance

58. The approved budget for independent oversight and assurance activities, as reflected in the integrated budget, 2022–2025, was \$92.7 million: \$71.2 million for the Evaluation Office and the Office of Internal Audit and Investigations and \$21.5 million for the Evaluation Pooled Fund. UNICEF proposes an increase of \$9 million for the Evaluation Pooled Fund to strengthen evaluation activities. The proposed revised budget, reflecting the increase of \$9 million, is \$101.7 million.

Cluster:	Corporate oversight and assurance
Resources:	\$60.9 million – Office of Internal Audit and Investigations \$10.3 million – Evaluation Office \$30.5 million – Evaluation Pooled Fund

59. The corporate evaluation function guides programming and decision-making by providing an independent and impartial assessment and validation of the organization’s strategic choices, programme performance and results for children, and feedback on lessons learned, operational effectiveness and efficiency. The Evaluation Office oversees the corporate evaluation function, including implementation of evaluation activities by decentralized organizational units. The Office also participates in joint evaluation activities with other United Nations organizations and contributes to the development of national evaluation capacity.

60. The interim Evaluation Pooled Fund created in 2018–2021 was regularized for the integrated budget, 2022–2025 at the level of \$21.5 million. In response to requests from the Executive Board to invest more resources in the evaluation function, UNICEF proposes to increase the Pooled Fund to \$30.5 million.

61. For 2024–2025, the Evaluation Office will focus on: (i) continuing to deliver credible and independent corporate evaluations; (ii) new methods and innovations for better use of evaluation evidence for organizational accountability and learning, including through heightened attention to strategic communication and to strengthened monitoring of management responses and meaningful action; (iii) enhancing evaluation quality and capacity at country level, both within UNICEF and partner Governments; (iv) scaling up impact evaluation to enhance knowledge of “what works” (and what does not); (v) expanded capacity to meet increasing demand for humanitarian and institutional effectiveness evaluation; and (vi) to undertake more evaluation synthesis, particularly in partnership with other United Nations agencies to aggregate individual findings and insights at a more strategic level and facilitate more outcome-level reporting.

62. The Office of Internal Audit and Investigations provides independent assurance, investigative and consulting services. It also promotes accountability, integrity and ethical behaviour. The strategic focus of the Office for 2024–2025 is to continue providing adequate assurance coverage and investigative services, serving as a catalyst for smarter organizational risk management, and increasing donor confidence in UNICEF as a trusted steward of their funds and ensuring that they are used for their intended purposes.

63. The Office of Internal Audit and Investigations continues to improve its abilities to gather high-quality risk intelligence and use it to ensure that its assurance activities are addressing the most significant risks to the organization. The Office will continue to allocate all available resources for assurance activities to the areas deemed highest risk while also allocating remaining resources to areas identified as medium or low risk. It will implement a three-year information and communication technology audit strategy to increase its assurance coverage in this critical area. It will also work to expand its assurance focus on cross-cutting thematic areas subject to availability of resources.

64. Reports of allegations of misconduct, including sexual exploitation and abuse as well as fraud, requiring review and/or investigation continue to grow exponentially. This has led to a strain on the resources of the Investigations Section. In addition, over the past two years, the Office of Internal Audit and Investigations has had to redirect resources to support various corporate initiatives and engagements with management and key interlocutors on a range of significant risk management and other policy issues, including donor relations, the anti-fraud framework, protection from sexual exploitation and abuse, as well as the development of the UNICEF Policy on Safeguarding.

E. Special purpose

65. The approved budget for special purpose activities, as reflected in the integrated budget, 2022–2025, was \$1.1 billion, comprising capital investments of \$115.0 million and private sector fundraising activities of \$944.7 million. UNICEF proposes an increase of \$15.0 million for capital investments and a decrease of \$22.5 million in private sector fundraising due to alternative funding mechanisms available to complement the original budget.

Cluster:	Capital investments
Resources:	\$130.0 million

66. UNICEF is proposing to raise the budget for technology-support investments from \$60 million to \$65 million. This \$5 million increment aims to enhance the ability of UNICEF to safeguard information technology infrastructure and implement key audit recommendations concerning information technology security.

67. The funding to support compliance with the United Nations Minimum Operating Security Standards is proposed to remain at \$25.0 million. The use of these resources will continue to focus on systematic identification of vulnerable offices and prioritization of additional security investments in country offices for sustained and continued operations.

68. Regarding funding for capital expenditure linked to premises maintenance and management and the pursuit of the broader strategy of United Nations common premises initiatives, UNICEF is proposing an increase of \$10 million, from \$30 million to \$40 million. The additional funding will enhance the refurbishment expenses of the three United Nations buildings, which UNICEF will own outright in 2026. Additionally, it will cover restoration costs for a significant portion of the rented building at 633 Third Avenue, New York, which will be returned to the landlord during the same time frame. Furthermore, the funding will also support initiatives of eco-efficiency and inclusive accessibility.

Cluster:	Private sector fundraising
Resources:	\$922.3 million

69. This cluster includes activities in support of private sector fundraising initiatives of the National Committees for UNICEF and UNICEF country offices. The budget for these is presented to the Executive Board for approval each year at the first regular session.

70. During 2024–2025, private sector fundraising activities across UNICEF and the National Committees will aim to accelerate income and influence from the private sector to support the delivery of the Strategic Plan goals towards achievement of the Sustainable Development Goals, using two key strategies: private sector engagement and investment that enhances systems, services and practices that deliver results for children at scale; and public and private sector collaboration on advocacy and financing for children. The goal for private sector income is \$10.9 billion (gross) or \$8.8 billion (net).

71. Emphasis will continue to be on the key strategic shifts for UNICEF private sector work that aim to ensure sustainability towards the achievement of the Sustainable Development Goals and beyond, as follows: (a) scaling up digital fundraising; (b) accelerating the design and implementation of innovative and blended finance solutions and public-private partnerships; (c) working with countries transitioning from middle- to high-income status on sustainable fundraising and funding; and (d) tapping into the highest-value channels at the top of the philanthropic pyramid.

V. Institutional budget

72. The proposed revised institutional budget for 2022–2025 is \$2.76 billion, which is a modest increase of \$24 million compared with the original approved budget for 2022–2025.

73. The midterm review was based on the performance of the first two years of the quadrennium and focused on course corrections to accelerate the implementation of the Strategic Plan. To maximize the RR available for programmes, increases in the institutional budget were kept to a minimum and only the highest-priority requests were considered to support independent oversight and special purpose.

74. The institutional budget includes cost adjustments resulting from projected changes in the rates or conditions of staff costs, exchange rates and rates of inflation. Factors that may affect the rates and conditions of staff costs include within-grade increments and other post entitlements as determined by the International Civil Service Commission, vacancy factors and the organizational policy on funding employee liabilities. Cost implications will be contained within the revised 2022–2025 budget.

Overview of post changes

75. The total number of posts included in the institutional budget, 2022–2025 has increased by 46 since 2022, from 3,248 to 3,294, as a result of emerging priorities and increased volume in UNICEF operations. The increase comprises 84 international professional posts with a reduction of a total of 38 national officer and general service posts. The total increase in posts is a result of a decrease of 18 positions in country and regional offices, and an increase of 64 positions at headquarters. The increase in the number of headquarters positions is mainly to strengthen the capacity in the functions of oversight and assurance, ethics, legal, information and technology, and human resources, all of which are critical to provide direct guidance and services to the country, regional and headquarters offices.

76. In accordance with decision 2021/19, a list of changes in the director-level positions funded from the institutional budget will be reported in the annual report of the Executive Director.

VI. Cost recovery

77. The integrated budget, 2022–2025 has been prepared using the cost-recovery methodology and rates in line with the joint comprehensive cost-recovery policy approved in decision 2020/24. The policy lists cost-classification categories, methodology and rates effective 1 January 2022. In line with the approved cost-recovery methodology, from 2022 onward cost recovery from OR is funding the management, independent oversight and assurance, and special purpose (capital investment) activities of the institutional budget.

78. The update to table 3 provides information on the projected implementation using the revised cost-recovery methodology, as compared with the original 2022–2025 approved budget. Based on the 2022–2025 revised budget, it is projected that 16 per cent of the institutional budget will be funded from RR, with the balance of 84 per cent funded from OR. This is similar to the proportional share of planned expenditure funded by RR and OR, demonstrating a higher reliance on OR for recovering costs. This confirms that in UNICEF, RR do not subsidize the implementation of OR-funded programmes. Furthermore, by covering a higher portion of management, independent oversight and assurance, and special purpose activities from OR, a larger proportion of RR is available for allocation to programme activities.

79. Differentiated cost-recovery rates, including for thematic and private sector contributions, calculated based on total projected expenditure, will continue to be lower than the harmonized base cost-recovery rate of 8 per cent.

80. Further information on the actual implementation and results of the revised cost-recovery methodology will be submitted to the Executive Board in conjunction with the inter-agency update on the implementation of the joint comprehensive cost-recovery policy at the second regular session of 2024. UNICEF will continue to provide an annual update on the application of the reduced cost-recovery rates in the annual report of the Executive Director.

Table 3
Application of the revised cost-recovery methodology (in millions of United States dollars)

	<i>Approved, 2022–2025</i>			<i>Projected, 2022–2025</i>		
	<i>Regular resources (RR) \$m</i>	<i>Other resources (OR) \$m</i>	<i>Total resources \$m</i>	<i>Regular resources (RR) \$m</i>	<i>Other resources (OR) \$m</i>	<i>Total resources \$m</i>
Total expenditure	5 795.4	21 146.2	26 941.6	5 554.6	30 043.6	35 598.2
Proportional use of RR and OR to fund integrated budget	22%	78%	100%	16%	84%	100%
Total institutional budget			2 738.2			2 762.3
Less: Development effectiveness activities			772.5			772.4
Less: United Nations development coordination activities			40.1			40.1
Less: Critical cross-cutting functions			219.3			208.3
Total institutional budget subject to cost recovery			1 706.3			1 741.5
Institutional budget – subject to cost recovery	341.3	1 365.0	1 706.3	271.7	1 469.8	1 741.5
Proportional use of RR and OR to fund institutional budget	20%	80%	100%	16%	84%	100%
Expenditure (excluding cost recovery)		19 781.2			28 573.9	
Cost recovery		1 365.0			1 469.8	
Effective cost-recovery rate		6.9%			5.1%	

VII. Reporting on implementation of the integrated budget

81. Given its reliance on voluntary contributions, UNICEF has established regular internal reporting processes that include continuous and rigorous review of the income and expenditure projections that form the basis of the integrated resource plan.

82. UNICEF will continue to report to the Executive Board, at its annual session, on the fulfilment of the results articulated in the Strategic Plan in the annual report of the Executive Director and, at its second regular session, on actual financial performance in the UNICEF Strategic Plan: updated financial estimates document, which is revised annually.

83. Since 2012, summary financial reporting based on the statement of comparison of budget to actual amounts, and in compliance with International Public Sector Accounting Standards, has also been included in the UNICEF financial statements.

VIII. Draft decision

84. The following draft decision is provided for consideration by the Executive Board:

The Executive Board

1. *Takes note* of the report on the midterm review of UNICEF integrated budget, 2022–2025 (E/ICEF/2024/AB/L.5), in response to the request of the Executive Board in its decision 2021/19;

2. *Approves* the revised integrated resource plan as the financial framework for the UNICEF Strategic Plan, 2022–2025;

3. *Notes and approves* the proposal made by UNICEF for the following budgets:

(a) For the Global and Regional Programme, an increase in the approved budget from regular resources from \$235.0 million to \$265.0 million, subject to the availability of resources;

(b) An appropriation for the institutional budget for the period 2022–2025 of \$2.76 billion to cover the costs of development effectiveness, United Nations development coordination, management, independent oversight and assurance activities, and, within special purpose activities, capital investments, noting that the revised projected funding for the appropriation is \$878.0 million from regular resources and \$1.80 billion from cost recovery from other resources; and

(c) In addition to the appropriation of \$2.68 billion, the projected funding for the institutional budget of \$85.7 million from other resources for development effectiveness, United Nations development coordination, management and independent oversight and assurance activities subject to the receipt of contributions to other resources;

4. *Notes*, within special purpose activities, the projected utilization of resources for private sector fundraising, for which budgets will be submitted for consideration and approval on an annual basis by the Executive Board at its first regular session;

5. *Requests* the Executive Director to:

(a) Provide actual financial information, following the format of the integrated resource plan, and assess performance against the integrated budget in her annual report to the Executive Board; and

(b) Submit to the Executive Board for approval annually at its second regular session an updated integrated resource plan, following review of the financial projections on which the plan is based;

6. *Notes* the information provided on the projected amounts of the revised cost-recovery methodology.

Annex

Organizational structure of UNICEF, 2024–2025

