

United Nations Children's Fund

Executive Board

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Item x of the provisional agenda*

Biennial support budget for 2010-2011

Summary

This document contains the biennial support budget for 2010-2011 in the results-based format agreed upon by the UNICEF, the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA). The strategic context of the 2010-2011 biennium is provided by the medium-term strategic plan (MTSP) of UNICEF (E/ICEF/2005/11), initially approved for the period 2006-2009 and extended by the Executive Board until the end of 2013 (decision 2009/5).

The support budget for 2010-2011 is projected at \$975 million of which \$728 million is from regular resources and \$247 million from other resources. It reflects a 6.8 per cent increase over the 2008-2009 biennium (3.4 per cent per year), which is below the original increase of 14 per cent (7 per cent per year) anticipated in the framework approved by the Executive Board in the medium-term strategic plan: planned financial estimates for the period 2008-2011 (E/ICEF/2008/AB/L.5). The proportion of support budget to total resources continues a downward trend from previous bienniums, reduced from 11.9 per cent in 2008-2009 to 11.5 per cent in 2010-2011. In addition to the support budget, an allocation of \$31.2 million is proposed for United Nations-mandated security costs and business continuity.

The Executive Board is requested to approve the draft decision contained in chapter IV of this document.

* E/ICEF/2009/x.

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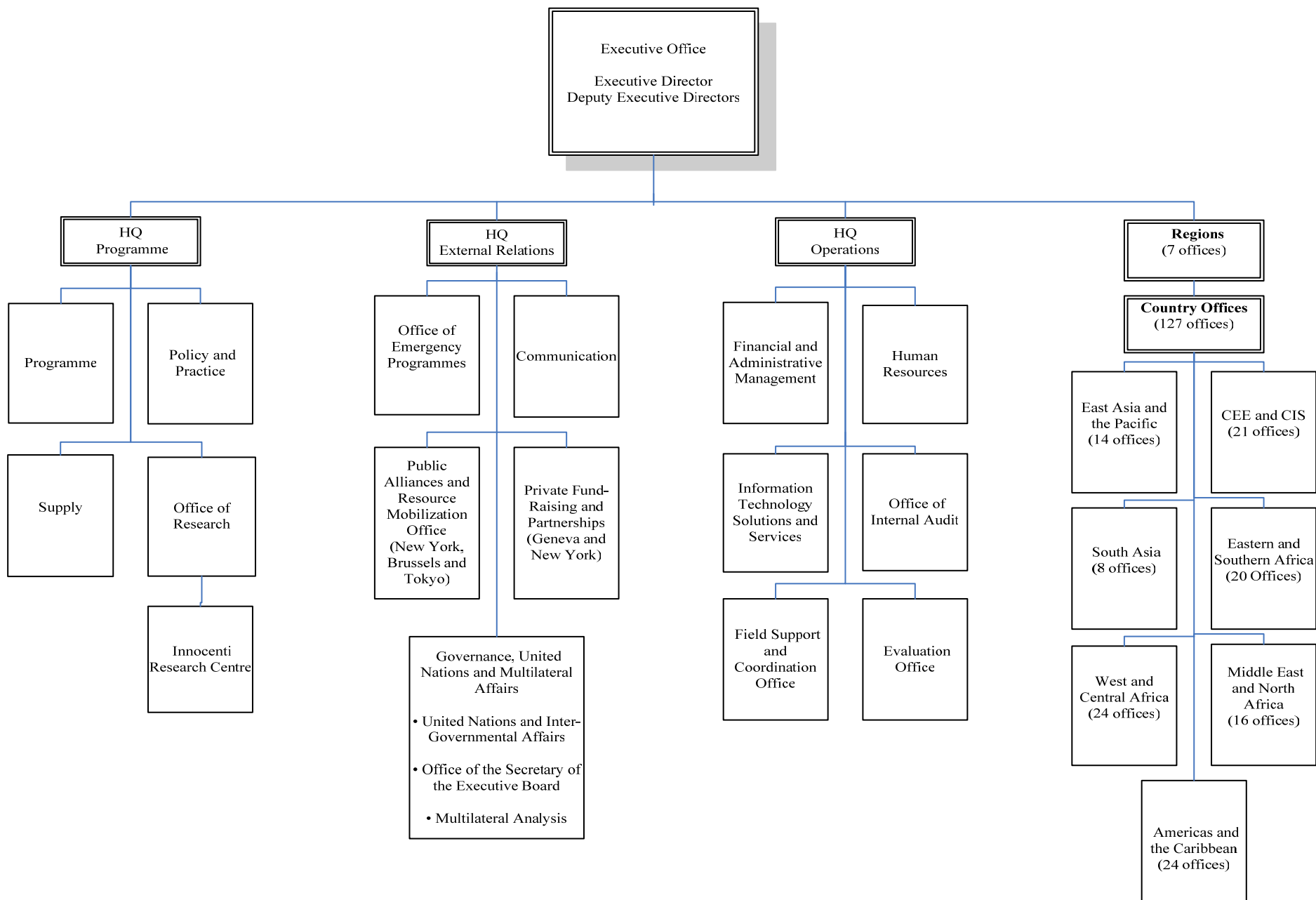
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Organization of the Secretariat of UNICEF, 2010-2011



I. Executive summary

1. The financial context of the biennial support budget was initially approved by the Executive Board in September 2008 in the medium-term strategic plan: planned financial estimates for the period 2008-2011 (E/ICEF/2008/AB/L.5). The total income and the support budget were expected to grow by 9 per cent and 14 per cent, respectively, during the 2010-2011 biennium. However, projections in May 2009 indicated that, compared to 2008-2009 levels, contributions are expected to decrease by 8 per cent, from \$6,353 million to \$5,843 million. Based on these new estimates, \$975 million is proposed for the 2010-2011 biennial support budget.

2. Despite the projected decline in income in the 2009-2012 financial medium-term strategic plan, UNICEF proposes to maintain the level of programme expenditures during the next biennium as in 2008-2009, at \$5.5 billion. The resulting deficit will be covered with the fund balance from previous years.

3. At \$975 million, the proposed biennial support budget includes \$36.9 million of investments to strengthen and enhance organizational capacity. Such investments are designed to yield future operational efficiencies and help to ensure that UNICEF remains effective and relevant in a dynamic environment. The proposed biennial support budget, net of the investment costs, is close to the level of the 2008-2009 support budget. This near zero nominal growth is obtained without undermining the organizational capacity to deliver the MTSP results by offsetting inflationary costs with savings generated from reduction in staff, travel and other operational costs.

4. As in previous years, the proposed biennial support budget continues to reflect efficiencies that enable a greater proportion of resources to be devoted to programming activities. In this regard, the 2010-2011 biennial support budget represents 11.5 per cent of the total use of resources, compared to 11.9 per cent in 2008-2009, while the proportion of total programme expenditure for the same period is forecast to increase from 87.6 to 88.1 per cent.

II. Strategic and financial context of the 2010-2011 biennial support budget

A. Strategic framework

5. The strategic framework for the 2010-2011 support budget is the MTSP (E/ICEF/2005/11), initially approved for the period 2006-2009 and extended by the Executive Board until the end of 2013 in decision 2009/5. The MTSP is based on the UNICEF Mission Statement, the Convention on the Rights of the Child, the Millennium Summit Declaration of the General Assembly, and the Declaration and Plan of Action (*A World Fit for Children*) adopted by the General Assembly Special Session on Children in 2002. The revised annexes to the medium-term strategic plan (contained in document E/ICEF/2008/19) define the results framework by focus areas, as well as the key performance indicators, and provide the context for the preparation of this biennial support budget. The guiding principles of the strategic plan are as follows:

- (a) Working with partners and within UNICEF to accelerate results and impact for children;
- (b) Ensuring that UNICEF work at all levels is informed by data, evidence, current knowledge, good practice, the lessons of evaluation, and international experience;

- (c) Striving for efficiencies and excellence in UNICEF management and operations within the framework of the organizational strategic plan, and monitoring and assessing its performance on an ongoing basis;
- (d) Bringing a human rights perspective and striving to mainstream gender issues in all UNICEF work for children;
- (e) Promoting, advocating for and supporting children's rights in all situations.

6. The 2010-2011 biennium represents a period when the organizational targets outlined in the MTSP continue to be vigorously pursued in order for UNICEF to fulfil its accountabilities to the Executive Board and the expectations of Government counterparts, and is pivotal to anchor the capacity of UNICEF to support achievement of the Millennium Development Goals by 2015.

7. During the 2010-2011 biennium, organizational improvements initiated in 2008-2009 will continue to be progressed and consolidated into UNICEF work. Mainstreaming improvements, increased accountability and effective risk management, programme excellence, operations performance and effective resource planning and implementation through a single enterprise resource planning tool (One ERP) will continue to be of high priority at headquarters, regional offices and country offices.

8. Resulting from the recommendations of various reviews proactively undertaken by UNICEF in 2006, five strategic shifts were identified to enhance the organizational capacity to deliver better results for children: sharpen programme focus, formulation and strategy; realign structures and systems to deliver quality results; position UNICEF as a global knowledge leader for children; enhance partnerships for resources and results; and manage for performance.

9. Ten improvement initiatives were introduced to achieve these strategic shifts and reshape organizational policies, programmes, processes and systems to more effectively achieve results for children. An update thereof was provided to the Executive Board in January 2009 (E/ICEF/2009/CRP.3). In the 2008-2009 biennium, these initiatives were brought together into a more coherent package of programmatic and management improvements. The introduction of the One ERP application system has provided the opportunity to integrate the improvements and transform the way UNICEF does business.

10. Securing operational improvements requires achieving results in four key areas: improved accountability and effective risk management; programme excellence; operations performance; and effective resource planning and implementation.

Improved Accountability and Effective Risk Management. The objective is to ensure a clear understanding of organizational roles, responsibilities, and functions; based upon comprehensive and efficient accountability and oversight; and risk-informed management policies and practices. As a result of ongoing efforts in this area, the following improvements are being realized:

- The UNICEF Accountability System and Enterprise Risk Management Policy are established as the documents of reference for accountability, oversight and risk management issues;

- UNICEF business is conducted with a clear understanding of accountability and oversight, and within a systematic and integrated approach to managing opportunities and risks;
- All staff members have the knowledge required to apply in their own work the principles and functional elements that guide accountability, oversight and risk management.

Programme Excellence. The objective is to ensure that UNICEF programmes are dynamic and innovative, contributing to the achievement of measurable, lasting national development results that impact positively on the lives of children and women. Results in this area will be achieved more effectively and efficiently through the following:

- A more strategic country programming process that is responsive and relevant to different programming environments;
- Programme contribution to national development goals and the United Nations Development Assistance Framework (UNDAF) country programme outcomes, with simplified and harmonized common country processes developed through wider United Nations coherence efforts;
- UNICEF interventions undertaken at all levels with a strategic and consistent approach to partnerships and collaborative relationships for the realization of children's rights;
- UNICEF contribution to the generation and sharing of innovations and best practices in the areas of child rights and development at country, regional and global levels;
- Impact of contributions made towards the achievement of national development goals and UNDAF outcomes related to women and children, as well as MTSP organizational targets, monitored, evaluated and reported in a more effective, accurate and timely manner at all levels of the organization – reinforcing the overall results-based management approach of UNICEF.

Operations Performance. The objective is to ensure that UNICEF optimizes the use of its strategic resources through more efficient business models and processes that enable the organization to plan and manage assets, and monitor and report on organizational targets at global, regional and country levels. A system of consistent, concise and consolidated rules, regulations and guidelines support UNICEF offices and staff in the way corporate obligations are met, including inter-agency requirements such as the Harmonized Approach to Cash Transfers (HACT), and compliance with International Public Sector Accounting Standards (IPSAS). The results anticipated for this activity include the following:

- UNICEF plans, utilizes and manages strategic resources more effectively through improved business processes;
- UNICEF develops and manages talent and leadership more strategically, aligned with organizational goals and evolving development challenges;
- UNICEF monitors, assesses, evaluates and reports on the use of strategic resources and the implementation of business processes in a more effective accurate and timely manner at all levels of the organization – reinforcing the overall results-based management approach of UNICEF;
- All staff are aware of corporate priorities and developments in policies and practices, have user-friendly access to all relevant knowledge and information resources, and avenues for providing feedback.

Effective Resource Planning and Implementation. As a critical driving force, the introduction of the One ERP, consisting of the new application system and the performance management tool, supports the results areas in improved accountability and effective risk management; programme excellence; and operations performance. It also ensures a web-based performance management information system for monitoring and reporting on core financial and results information, globally and in real time. The results anticipated for this activity include the following:

- UNICEF manages and monitors programme interventions with the support of a single, integrated ERP system;
- UNICEF manages principal business processes efficiently and effectively through its IPSAS-compliant ERP system;
- UNICEF manages and monitors organizational performance through tools integrated into the ERP system;
- All staff have the knowledge, guidance and tools required to undertake UNICEF business through the ERP system.

B. Financial framework

11. The financial context of the biennial support budget is the medium-term strategic plan: planned financial estimates for the period 2009-2012. Projections in May 2009 indicate that, compared to 2008-2009 levels, contributions are expected to decrease by 8 per cent, from \$6,353 million to \$5,843 million (from \$4,369 million to \$4,008 million for other resources, and from \$1,984 million to \$1,834 million for regular resources). Based on these new estimates, the total resources proposed for the 2010-2011 biennial support budget amount to \$975 million.

12. Table 1 presents an overview of the resource plan. Figure A shows the contributions by funding category over five bienniums; and figure B provides information on the proportion of the biennial support budget to UNICEF total resources in 2010-2011.

- (a) **Resources available.** Total income is projected to decrease from \$6.7 billion in 2008-2009 to \$6.0 billion in 2010-2011. However, based on the opening balance and the amount expected from trust funds, the total available resources are expected to increase slightly, from \$10.3 billion in 2008-2009 to \$10.4 billion in 2010-2011. Trust funds are provided to UNICEF by various entities, including government, other United Nations and non-governmental organizations, to cover the cost of procuring supplies and providing services on behalf of those entities. The trust funds are expected to increase from \$1.3 billion to \$2.0 billion, primarily from the Global Alliance for Vaccines and Immunization (GAVI), the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund).
- (b) **Use of resources for programmes.** Despite the shortfall in income projections, UNICEF will make every effort to maintain the level of programme expenditure. This is possible through the use of fund balances carried over from previous bienniums. Expenditures for programmes are projected at \$5.5 billion. Procurement of supplies and services on behalf of other entities funded by trust funds is expected to reach \$2.0 billion.
- (c) **The support budget.** The medium-term strategic plan: planned financial estimates for the period 2008-2011 (E/ICEF/2008/AB/L.5), which was approved by the Executive Board at its second regular session in September 2008, initially projected the support budget to increase by

14 per cent. The support budget will now increase by 6.8 per cent over the 2008-2009 level, from \$912.8 million to \$975.0 million. The support budget, as a proportion of total expenditures, will decrease from 11.9 per cent in 2008-2009 to 11.5 per cent in 2010-2011¹. In addition, \$31.2 million will be required for United Nations-mandated security costs and business continuity.

13. The support budget is financed from regular resources (\$728.4 million) and from recoveries from other resources (\$246.6 million). Cost recoveries represent 25 per cent of the total support budget (24 per cent in 2008-2009), and are based on the projected expenditures of other resources. Cost recoveries may vary depending on the rate of implementation of projects. Should the actual recoveries be higher (or lower) than the projected amounts, they will offset a larger (or lesser portion) of the biennial support budget. In other words, while the support budget appropriation will remain as approved, the portion of the support budget that is funded from regular resources (75 per cent) would decrease or increase depending on the recoveries from other resources.

14. UNICEF continues to undertake measures to strengthen the internal control mechanisms for the management of all resources. These actions taken during the 2008-2009 biennium will continue in 2010-2011: revision and harmonization of the financial regulations and rules; reinforcement of segregation of duties and financial control framework during emergencies; adherence to the anti-fraud policy issued on 26 September 2006; strengthening of the Office of Internal Audit and of the Evaluation Office; improvement in training and staff development; a single application for ERP; moving towards an IPSAS-compliant financial environment; and continuing to adopt a harmonized approach to manage transfers of cash to implementing partners.

15. The most recent audit opinion issued by the United Nations Board of Auditors to UNICEF was unqualified and provides assurance that UNICEF financial statements are free of material misstatement and present fairly the activities of UNICEF for the 2006-2007 biennium². The Report of the Board of Auditors also presents findings and recommendations with regard to financial procedures, financial controls and the general administration and management of UNICEF. Recommendations of the United Nations Board of Auditors are of great importance, and UNICEF is committed to a timely closure of matters raised. In this regard, the Report of the Board of Auditors for the biennium ended 31 December 2007 validates the fact that, of the total 96 audit recommendations received in the 2004-2005 biennium, 82 (or 85 per cent) have been implemented; 13 (or 14 per cent) are under implementation; and 1 has not yet been implemented, but will be with the roll-out of SAP (Systems Applications and Programs) during 2011. For the 2006-2007 biennium, UNICEF received 42 recommendations for improvement from the United Nations Board of Auditors. As of May 2009, the United Nations Board of Auditors has validated that UNICEF has already implemented 34 (or 81 per cent) of the 42 recommendations and is in the process of implementing the remaining 8 recommendations.

Table 1. **Resource Plan**

¹ Excluding trust funds, the support budget will be 15 per cent of total expenditures in 2010-2011.

² United Nations Children's Fund - Financial report and audited financial statements for the biennium ended 31 December 2007 and Report of the Board of Auditors (A/63/5/Add.2)

(In millions of United States dollars)

	2008-2009					2010-2011				
	Regular resources	Other resources	Trust Funds	Total resources	%	Regular resources	Other resources	Trust Funds	Total resources	%
1. Resources available										
Opening balance	733.0	1,550.0	229.0	2,512.0		613.0	1,740.0	303.0	2,656.0	
Income										
Contributions	1,984.0	4,369.0	-	6,353.0		1,833.8	4,008.8	-	5,842.6	
Other income and reimbursements a/	300.0	43.0	-	343.0		157.2	20.2	-	177.4	
Total Income	2,284.0	4,412.0	-	6,696.0		1,991.0	4,029.0	-	6,020.0	
Trust funds b/	-	-	1,119.0	1,119.0		-	-	1,743.0	1,743.0	
Total available	3,017.0	5,962.0	1,348.0	10,327.0		2,604.0	5,769.0	2,046.0	10,419.0	
2. Use of resources										
A. Programmes										
(i) Regular and Other Resources	1,618.0	3,854.0	-	5,472.0		1,630.4	3,875.4	-	5,505.8	
(ii) Trust funds	-	-	1,249.0	1,249.0		-	-	1,956.0	1,956.0	
Subtotal	1,618.0	3,854.0	1,249.0	6,721.0	87.6%	1,630.4	3,875.4	1,956.0	7,461.8	88.1%
B. Biennial support budget	689.8	223.0	-	912.8	11.9%	728.4	246.6	-	975.0	11.5%
C. United Nations mandated security costs c/	47.6	-	-	47.6	0.6%	31.2	-	-	31.2	0.4%
Total use of resources (A+B+C)	2,355.4	4,077.0	1,249.0	7,681.4	100.0%	2,390.0	4,122.0	1,956.0	8,468.0	100.0%
3. Projected Balance of resources d/	661.6	1,885.0	99.0	2,645.6		214.0	1,647.0	90.0	1,951.0	
3a. Updated Balances of Resources e/	613.0	1,740.0	303.0	2,656.0						

a/ Includes interest, miscellaneous income (sale of surplus and obsolete property and, difference between handling fees and expenditures in procurement services), and offset to the biennial support budget (government local office cost contributions, accounting linkage to offset tax reimbursements, recovery from warehouse, fees from Junior Professional Officer programmes and other trust funds).

b/ Includes procurement services.

c/ Includes \$21.4 additional security allocation approved by the Executive Board in 2008.

d/ For 2010-2011 regular resources, balance of resources of \$214 million represents revised MTFP cash balance before the funded reserves for after-service insurance, capital assets, separation fund and procurement services, and the provision for write-offs.

e/ Balance of resources for 2008-2009 has been updated as follows:

	Regular resources	Additional resources	Trust funds
Balance of resources	661.6	1885.0	99.0
Update in income and expenditure	-48.6	-145.0	204.0
Revised Balance of resources	613.0	1740.0	303.0

Figure A
Contributions by funding category: 2002-2003 to 2010-2011
(In millions of United States dollars)

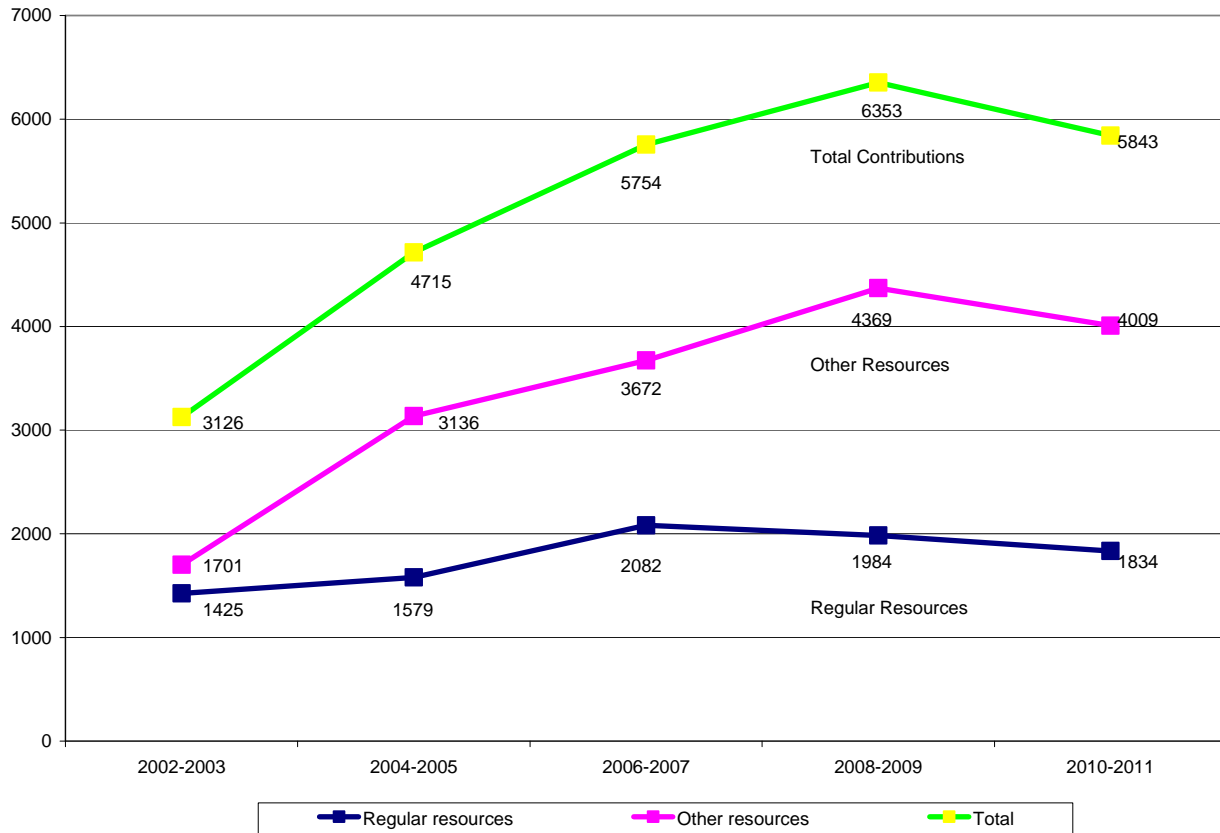
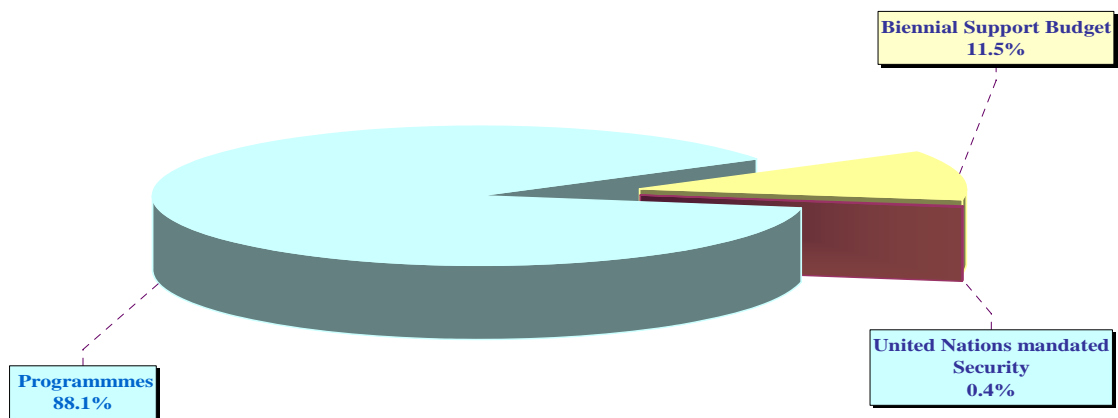


Figure B
Use of total resources, 2010-2011 (including trust funds)



III. Proposals for the 2010-2011 biennial support budget

A. Summary of proposals

16. The support budget is prepared in a results-based format, reflecting organizational accountabilities articulated against results, with clear alignment among planned actions, performance indicators and targets, and proposed budgets. It follows a harmonized framework agreed with UNDP and UNFPA whereby key management results are organized under 16 functions.

17. The 2008-2009 biennium was the first in which support budget estimates were presented by function rather than by organizational structures. The process of harmonization with UNDP and UNFPA continues with efforts to harmonize terminology and methodology for allocation of resources. Improvements have also been made in performance indicators, baselines and targets, to ensure more strategic linkages between the results and key indicators. In addition, each function now contains at least one result which is common to the three organizations, thus increasing transparency and facilitating review by inter-governmental bodies and comparison among the three organizations.

18. The methodology that has been followed to attribute resources to the 16 functions of the biennial support budget consists of three steps: (a) management results are formulated in a clear and concise manner to the extent possible; the best indicators are selected, and baselines are recorded based on past performance; (b) the means of implementation and the most effective combination of inputs are identified, including the organizational units with major responsibility for delivering the result; and (c) the costs of inputs -- staff, travel, equipment, consultants -- are calculated and adjusted to the affordable level of the overall budget by seeking economies and efficiencies.

19. While the allocation of costs to most of the functions has not changed significantly, function 4, programme guidance, management and oversight, has been defined more precisely than in the previous biennium. In the 2008-2009 support budget, function 4 included all costs related to field offices, including the cost of finance, human resource, procurement and information technology functions. It has now been harmonized with that of UNDP and UNFPA, and the costs of these inputs are included in the relevant functions (functions 5, 10, 11, and 13).

20. Table 2 presents the costs associated with each function. To facilitate comparison with the previous biennium, the 2008-2009 budget has been restated, using the new methodology described above³. In addition to the results-based presentation, information in summary table IV contains a breakdown of the major objects of expenditure under post and non-post categories in the biennial support budget.

21. The main thrust of this biennial support budget is to align functions initiated in the previous biennium, and continue to consolidate ongoing initiatives to enhance UNICEF ability to deliver quality results for children. Priority has been given to employing innovative strategies to reduce operations costs and allocate maximum resources to activities that have direct impact on children. A detailed account of changes and improvements under each function is contained in section B.

³ The 16 functions using the previous 2008-2009 allocation of costs is shown in Summary Table III.

Table 2. **Biennial support budget by results-based budgeting function**

(In millions of United States dollars)

F.A. Code	Functional Area Description	APPROVED 2008-2009 (Recalculated)*	% of Total	PROPOSED 2010-2011	% of Total
1.	Executive Direction and Leadership	14.3	1.6%	15.3	1.6%
2.	Representation and Advancement of the Core Mandate	86.4	9.7%	94.3	10.1%
3.	Corporate Policy and Strategy Development, Planning and Guidance	29.1	3.3%	28.6	3.0%
4.	Programme Guidance, Management and Oversight	178.5	20.1%	198.2	21.1%
5.	Procurement and Supply Management	33.3	3.8%	35.7	3.8%
6.	Emergency Management	16.9	1.9%	17.5	1.9%
7.	External Relations and Partnerships	17.3	1.9%	17.9	1.9%
8.	Internal and External Relations: Media and Public Relations	74.1	8.4%	78.5	8.4%
9.	Resource Mobilization and Fundraising	20.9	2.4%	22.5	2.4%
10.	Financial Management	91.1	10.3%	94.1	10.0%
11.	Information and Communications Technology Management	109.9	12.4%	113.0	12.0%
12.	General Administrative Management	91.3	10.3%	88.2	9.4%
13.	Human Resources Management	97.2	10.9%	103.1	11.0%
14.	Audit and Investigations	13.7	1.5%	16.0	1.7%
15.	Corporate Evaluation	7.6	0.9%	8.5	0.9%
16.	Staff Security	6.2	0.7%	6.7	0.7%
SUB TOTAL		887.9		938.1	
	Investment Projects	24.9		36.9	
GRAND TOTAL		912.8		975.0	

* Recalculated using harmonized definition of inputs under each functional area as explained in paragraph 19.

**Table 3. Summary of main areas of increase/decrease
in the biennial support budget**
(In millions of United States dollars)

	<i>Total</i>
2008-2009 Approved appropriation	912.8
I. Increases due to costs (inflation, currency, staff cost adjustments)	92.2
II. Increases/decreases due to volume	
1. Increase	
(a) Investment Project: One-ERP	27.5
(b) Investment Project: IPSAS	4.8
(c) Investment Project: Additional office space in UNICEF House	4.6
(d) Support to organizational improvements, audit, ethics and evaluation	8.5
(e) UN Administration of Justice	3.6
Total increases	49.0
2. Decrease	
(f) Operational efficiency gains	(34.6)
(g) Reduction in staff and related costs	(19.5)
(h) 2008-2009 investment projects	(24.9)
Total decreases	(79.0)
2010-2011 appropriation	975.0

1. Main areas of increases/decreases for the biennium

I. Increases due to costs (inflation, currency, staff cost adjustments) (\$92.2 million)

22. For the 2010-2011 biennium, the overall provision for cost increases of \$92.2 million has been calculated using exchange rates and a post adjustment multiplier as of 1 April 2009 at an annual inflationary rate of 5.0 per cent. This has been partially offset by a volume decrease of \$30.0 million, resulting in a net increase in the support budget of \$62.2 million, or 6.8 per cent. The projected vacancy rate of 6 per cent has been maintained for international Professional posts.

23. Key factors contributing to the cost increases are:

- Exchange rate and inflation: Fluctuation in the United States dollar, compounded by the impact of inflation, have resulted in an upward adjustment of \$37.0 million to local staff costs, including salary scale increases and operating expenses;
- Post-related cost adjustments: An adjustment of \$55.2 million has resulted from changes in salary scales and post adjustment multipliers for international Professionals, as well as staff entitlements and within grade salary increment.

II. Increases/decreases due to volume

(a) Investment Project: One ERP (\$27.5 million)

24. To realize the improvement initiatives, a comprehensive plan for ERP implementation was developed for the 2009-2011 period. The plan focuses on the four key result areas: Improved Accountability and Effective Risk Management; Programme Excellence; Operations Performance; and Effective Resource Planning and Implementation. The plan addresses both change management and training. Activities include, but are not limited to, design and pilot phases; guidance and training; and leadership, communication and monitoring. The cost of the One ERP project during the 2010-2011 biennium, including the corresponding technological improvements, such as band-width and communications capabilities, is estimated at \$27.5 million and is included under Investment Projects.

(b) Investment Project: IPSAS (\$4.8 million)

25. UNICEF recognizes that the adoption of IPSAS, mandated by the General Assembly, represents an opportunity and a challenge to improve programmatic and operational management practices. In early 2009, a strategic review of organizational priorities, in conjunction with careful assessment of the risks to implementation, prompted UNICEF to defer full adoption to 2012. This will enable UNICEF to phase implementation activities, to more effectively realize the benefits of IPSAS, and to allow managers to prepare for the successful adoption of IPSAS. Further benefits are afforded by coordinating adoption with the global implementation of the One ERP system, which provides the tools to support improved management practices.

26. During the 2010-2011 biennium, the IPSAS project will focus on achieving the following results: moving annual corporate financial reporting progressively towards IPSAS-compliant UNICEF financial statements for the year ending 31 December 2012; producing donor reports that are reconcilable to financial information produced under IPSAS; conducting an impact analysis on UNICEF Key Performance Indicators (KPIs) and other reported financial information; and completing preparatory activities to produce capital budgets for the biennial support budget for 2012-2013. The cost of the IPSAS project during the 2010-2011 biennium is estimated at \$4.8 million and is included under Investment Projects.

(c) Investment Project: Additional office space in UNICEF House (\$4.6 million)

27. An investment of \$4.6 million will be made to acquire additional office space at UNICEF headquarters in New York. UNICEF currently leases a building at 3 United Nations Plaza (UNICEF House) from the United Nations Development Corporation and will receive title when the lease agreement expires in 2026. As the need for office space has increased, a market survey was undertaken to compare the cost of converting floors 14 and 15 at UNICEF House to comparable commercial alternatives in New York City. The rent for space in a commercial building is estimated at \$60 to \$70 per square foot. The rent for the additional space at 3 United Nations Plaza will be fixed at \$28 per square foot through 2026, saving UNICEF \$0.9 million per year. UNICEF will therefore be resolving many of its space constraints, investing in its own leasehold and avoiding costly expansion into the New York City's commercial real estate market. This project is shown under Investment Projects.

(d) Support to organizational improvements, audit, ethics and evaluation (\$8.5 million)

28. The Field Support and Coordination Office will take the lead role in the ongoing transformational improvement process and has been strengthened to provide three key deliverables in 2010-2011: leadership and coordination support for organizational improvement and change management processes in line with strategic goals and objectives; technical assistance and advisory support to the owners and managers of improvement in change management concepts and processes to support the effective development, roll-out and mainstreaming of improvements; and to lead the development of improvements in Accountability, Enterprise Risk Management, the One ERP, and Business Process Improvements, and support the coordinated advancement of these efforts with Dynamic Programming Approaches and Organizational Performance Management. This activity will be performed under function 4.

29. The Ethics Office, the Office of Internal Audit and the Evaluation Office will be strengthened through the addition of one more staff per office and travel funds. These activities are foreseen under functions 1, 14 and 15.

(e) United Nations Administration of Justice (\$3.6 million)

30. UNICEF participates in the new United Nations system of Administration of Justice, operational as of 1 July 2009. This new system, a product of United Nations reform, will provide an independent, transparent, professional and decentralized forum in which to resolve personnel issues. The costs are being shared among United Nations organizations based on head count, and the UNICEF share is \$3.6 million for 2010-2011. This activity is shown under function 13.

(f) Operational Efficiency Gains (\$34.5 million)

31. To respond to the Executive Board's call to continue reducing operational costs and generate efficiency gains, UNICEF offices have proposed reductions in their 2010-2011 budgets in short-term staff, consultants, furniture and equipment, travel, and operating expenses. In addition, a series of measures will be undertaken or expanded during the biennium to generate further efficiencies in UNICEF operations. These initiatives include:

Establishing Common Operations Support Service Centres

- Common operational units are already functioning in five of the seven locations where UNICEF maintains both regional and country offices. Similar arrangements will be established in the remaining two locations during the 2010-2011 biennium;
- A review will be carried out to develop innovative practices and efficiencies in the areas of financial management, human resources, and information technology among groups of countries. This initiative is being reviewed in conjunction with the design and development of the One ERP. The One ERP will facilitate online real-time access to financial data and allow processing of transactions from "back-office". Investment in the One ERP is expected to deliver major efficiency gains and cost savings.

Enhancing Information Technology tools

- Telecommunication costs are expected to decline through central management of firewalls and further expanding use of local ISP (Internet service providers);

- Investments in upgrading bandwidth are expected to facilitate and improve video-conferencing facilities, thus reducing travel costs.

Reducing cost of premises

- Of the 140 locations worldwide (HQ, regional and country offices), 55 are currently rent-free, 24 are in rented United Nations common premises, and 61 are commercially leased. Through collaboration and negotiation with other United Nations organizations and local governments, UNICEF will continue to seek options for reducing rental costs through the sharing of premises, as well as negotiating rent-free premises with host Governments.

Harmonized Cash Transfers

- UNICEF works with other United Nations organizations to harmonize and simplify business processes in the countries in which it operates. The use of the harmonized approach to cash transfers has led to further alignment within the funds and programmes on transferring resources to governments. Though much remains to be accomplished in this area, the system will reduce transaction costs for the agencies, and lessen the burden that the multiplicity of United Nations procedures and rules creates for its partners;

(g) Reductions in staff and related cost (\$19.5 million)

32. Reductions were made in the number of posts and related benefits. The treatment of reimbursement of national taxes related to staff performing programme functions has been harmonized with that of UNDP and UNFPA, and will be charged as a direct programme cost.

2. Overview of post changes

33. The total number of posts in the biennial support budget will decrease by 15, from 2,972 in 2008-2009 to 2,957 in 2010-2011. The net number of international Professionals will increase by 4; of National officers will increase by 19; and of General Service staff will decrease by 38. Table 4 provides the distribution of posts by category in country offices, regional offices and headquarters, showing changes between the two bienniums.

Table 4. Biennial support budget posts by location

Location	2008-2009 Approved Posts							Changes (increase/decrease)						2010-2011 Proposed Posts						
	USG/ ASG	D2	D1	Other Intern. Prof	All Others	Total	% of total	USG/ ASG	D2	D1	Other Intern. Prof	All Others	Total	USG/ ASG	D2	D1	Other Intern. Prof	All Others	Total	% of total
Country offices		10	29	386	1,300	1,725	58%				1	2	3		10	29	387	1302	1728	58%
Regional offices		7	8	129	179	323	11%				-3	-11	-14		7	8	126	168	309	11%
Headquarters	4	14	44	470	392	924	31%				6	-10	-4	4	14	44	476	382	920	31%
Total	4	31	81	985	1,871	2,972		0	0	0	4	(19)	(15)	4	31	81	989	1,852	2,957	

34. The allocation of funds for After Service Health Insurance is not part of staff costs. UNICEF treats this expenditure as a balance sheet transfer. The Executive Board approved in 2003 the establishment of a funded reserve from regular resources. As of 31 December 2008, the balance of the reserve was \$180 million.

35. Changes in contractual modalities mandated by the United Nations General Assembly will end UNICEF temporary fixed-term (TFT) appointments in the 2010-2011 biennium. Offices that have TFT staff have created new posts only in those cases where they have identified that the nature of the work is required for longer than one year. The change from a temporary contract to a fixed-term contract has no budgetary consequence, since the entitlements and benefits of TFT staff are similar to those with fixed-term contracts.

36. During the last biennium, a new programme was introduced to identify and develop talent to meet the current and future staffing needs of UNICEF. It is proposed to continue this organizational initiative with an allocation of \$9.0 million. The Talent and Leadership Development Initiative has two strategic thrusts: (a) internally, to establish the necessary elements to create an environment in which existing talent can be identified and developed, in particular to build a pipeline of talent for senior positions within UNICEF; and (b) externally, to create an outreach programme to recruit promising, demographically diverse, external talent to fill identified staffing gaps in various functional areas, such as public policy, communication for development, monitoring and evaluation. So far, 30 young professionals have participated in this programme. This activity is shown under function 13.

3. United Nations-mandated security costs

37. UNICEF fully subscribes to the United Nations system-wide approved package for field staff safety and security, implemented and overseen by the United Nations Department of Safety and Security (UNDSS). The services provided by UNDSS include the employment of international field security officers, local security staff and assistants, critical-incident stress counsellors and related operational support measures both at the country and headquarters levels. The share of the total costs for UNICEF during the 2010-2011 biennium is 9.8 per cent. The UNICEF share in UNDSS and the cost for malicious acts insurance is maintained at \$26.2 million.

38. In addition, \$5.0 million will be necessary to maintain business continuity in highly critical functions during and following a disaster or crisis event. During the 2008-2009 biennium, UNICEF developed a business continuity plan based on a thorough risk assessment exercise and a business impact analysis, and adopted an industry-wide standard planning methodology developed by the World Food Programme and Citigroup, adapted to United Nations policies and procedures. An alternate data centre outside of Manhattan is being established to provide the required servicing of mission-critical systems in case of a major catastrophe that would impact the primary data centre at UNICEF House. These mission-critical services, hosted by an external professional company, are considered essential to the organization's ability to continue operations during such an event, and include systems such as the ERP, email, ProMS (Programme Manager System) and continuing ability to communicate with other major UNICEF locations.

B. Description of biennial support budget activities and resources by function

39. This section describes each of the functions and the overall results that will be pursued from biennial support budget financing, as well as an overall indication of how these results will be assessed and described in subsequent biennial support budgets. Following the harmonization of cost classification and based on experience in the current biennium, refinements to the management results and indicators have been made. The exercise also takes note of the key performance indicators agreed and introduced following the 2008 midterm review of the medium-term strategic plan (E/ICEF/2008/18 and revised annexes to the medium-term strategic plan E/ICEF/2009/19).

Function 1: Executive Direction and Leadership

40. **Definition and description.** The function involves two components: (a) enabling the Office of the Executive Director of UNICEF to define strategic direction, based on the longer-term vision and mandate, and to provide effective leadership of UNICEF as the United Nations agency for children, driving it towards the defined organizational results in an accountable and transparent manner; and (b) enabling directors at all levels to lead their respective staff towards the defined unit-specific results and to hold each other accountable for achieving those results within the overall executive direction of UNICEF.

41. **Issues and narrative.** UNICEF will continue to implement its strategic direction, defined in the MTSP, in the context of its mandate related to the Convention on the Rights of the Child, Millennium Development Goals, Millennium Declaration and the Declaration and Plan of Action for *A World Fit for Children*. UNICEF will continue to play a lead role in setting the overall pace and direction of United Nations coherence, providing leadership to its partners in the areas of the UNICEF mandate and improving the quality of management, achieving staff gender parity, and further improving the accountability of directors at all levels to achieve planned results.

42. **Resources required:** The resources required for 2010-2011 are \$15.3 million.

43. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Effective corporate leadership and	Achievement of MTSP management priorities,	Report on the midterm review of the MTSP	Achievement of MTSP targets and KPIs as per

Management results (strategic plan)	Indicators	Baselines	Targets
management	organizational targets as a contribution to the Millennium Development Goals (MDGs)	(E/ICEF/2008/18) Report on the accountability system of UNICEF (E/ICEF/2009/15) approved and commented on by the Executive Board	the revised annexes of the MTSP (E/ICEF/2008/19) Revised paper on roles and responsibilities of the organization following the approval of the accountability system Management reviews based on performance scorecard at all levels
2. Increased visibility of children's issues in high-level global, regional and subregional forums	Participation and delivery of key messages in high level events by senior management focusing on children, as well as media activities undertaken highlighting critical issues for children in both humanitarian and development settings	Global launch of <i>State of the World's Children</i> report and <i>Progress for Children</i> . Major international events and conferences at global and regional level.	International launch of flagship publications, global and regional events of importance for UNICEF mission are well attended, and key messages delivered

Function 2: Representation and Advancement of the Core Mandate

44. **Definition and description.** This function covers regional and country-level activities related to representing the agency in order to advance the core mandate, major programme goals and leadership for child rights everywhere. These activities take place principally in country offices but also relate to leadership and representational activities at the regional level, through the Regional Directors, involving various regional/inter-governmental bodies and regional institutions that contribute significantly to determining the children's agenda in the field as well as through the Regional Directors team of United Nations agencies in the region.

45. **Issues and narrative.** UNICEF has a defined core mandate and a set of organizational targets, which fall within the broader Convention on the Rights of the Child, the Millennium Declaration and the Millennium Development Goals as well as the *World Fit for Children* goals. A critical role played by senior leaders in each country and the Regional Directors at regional offices, is to advance the agency's contributions to these international child-focused goals through effective representation, cooperation and partnership with local leaders and other counterparts, experts from other agencies, and regional inter-governmental organizations. The focus on advocacy efforts will be to protect children and others who are the most vulnerable from the effects of the economic downturn and enable systems that will assure basic social services and sustain and enhance investments for child-related Millennium Development Goals. The representation units at country offices and in the regional offices are included in this category.

46. **Resources required:** For 2010-2011, the resources required are \$94.3 million.

47. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Effective and enhanced contribution to national	Trends in estimated expenditure, by country, in key sectors for	Expenditure by country in key sectors for children/	To be tracked at country level

Management results (strategic plan)	Indicators	Baselines	Targets
development plans and priorities in the areas of child rights and child-related MDGs	children/child-related goals Stakeholder views of UNICEF effectiveness, strategic focus and partnerships	child-related goals (country-specific and for latest available year) Stakeholder views of UNICEF effectiveness provided for the 2009 Multilateral Organisations Performance Assessment Network review	Increased stakeholder satisfaction
2. Child rights and child-related MDGs articulated in national policies and plans and in UNICEF-country programmes of cooperation, with special focus on child mortality-reduction goals in 68 priority countries, basic education goals in 50 priority countries, HIV/AIDS-related targets in 54 countries, and child protection goals in 70 priority countries	Annual direct programme assistance expenditure ratios for the 5 focus areas of the MTSP, linked to the MDGs/ Millennium Declaration % of country programme documents (CPDs) that reflect organizational standards for (i) human rights-based approaches, (ii) application of gender mainstreaming, and (iii) results-based management	Regular resources expenditures: Focus area 1 (46.0%); 2 (15.1%); 3 (6.7%); 4 (11.2%); and 5 (18.6%) in 2008 (i) Human rights-based approach to programming – 73 % (2007); (ii) Gender mainstreaming – 44 % (2008); (iii) Results-based management – 75 % (2008)	As per paragraphs 187 and 188 in MTSP (E/ICEF/2005/11) (i) Human rights-based approach to programming – 75%; (ii) Gender mainstreaming – 75%; (iii) Results-based management – 90%

Function 3: Corporate Policy and Strategy Development, Planning and Guidance

48. **Definition and description.** This function covers the planning and monitoring of the organizational strategic plan, targets and related indicators, core programme policies and longer-term vision and approaches for realizing child goals and children's rights. It includes research and enhanced knowledge management activities that support strategic planning and guidance to headquarters and the field, as well as the exchange of knowledge for the improvement of the situation of children globally. Performance monitoring of the MTSP and overall country programme performance in the UNDAF, mainstreaming of results-based management at all levels of the organization, and reporting on the progress of the strategic plan are also part of this function.

49. **Issues and narrative.** Strategic planning in UNICEF is based on the principles of: (a) supporting the achievement of the objectives of the Millennium Declaration and the Millennium Development Goals as well as the mutually reinforcing goals of *A World fit for Children*, in the overall context of the Convention on the Rights of the Child; (b) policy guidance and response to national demand for UNICEF support; (c) implementing the system-wide coherence agenda in which UNICEF plays critical leadership roles, including at the country level, for promoting and supporting national planning processes focused on children and coherent United Nations responses to "delivering as one" on national priorities and goals focused on children; (d) partnerships and leveraging of resources for children, including through policy advocacy based on knowledge, data and good practice; (e) ensuring that the cross-cutting approaches of gender equality and rights-based and results-focused approaches to programming, children's and young people's participation and programme communication are integrated into country programmes. In 2010, an in-depth review will be undertaken of the 2006-2013 MTSP and results will inform further fine-tuning of the plan.

50. In cooperation with other offices, Policy and Practice is striving to position UNICEF as a global knowledge leader and effective partner for children through various means: systematic generation, management and application of knowledge relating to children and strategies in key practice areas that work to promote and protect the rights of children; extensive collaboration and integration among the revitalized knowledge management and independent research functions; building on and extending of the already-extensive capacity of UNICEF for child-related data collection, analysis and monitoring to address new challenges and national and international needs for information on children; and ensuring, with national and other partners, the ability to provide and exchange child-related knowledge and evidence that can be used to promote innovations, attract wider investments, and validate and take successful approaches to scale.

51. Policy and Practice, in close collaboration with other offices, including Change Management, leads the organization in monitoring and reporting on results and strengthening accountability for performance. In doing so, Policy and Practice has consolidated the global policy function, is developing and strengthening results-based management and performance monitoring systems, undertakes performance analysis at global level and provides systematic support to programme oversight, quality assurance and performance monitoring by the regional offices. To further streamline key issues of gender mainstreaming and equality results as well as strategic information on investments by focus areas, the principal advisers for gender and strategic investment were moved to Policy and Practice and will henceforth provide a coherence to the work in these areas.

52. A research oversight function established as the Office of Research to provide leadership for the UNICEF strategic research agenda in 2008-2009 will be filled and work will be started in the 2010-2011 biennium. This function, working in collaboration with Policy and Practice, Programme, regional and country offices and other parts of the organization, will strengthen the generation of new knowledge and its contribution to the global programme and policy advocacy agendas of UNICEF. The Office of Research will oversee the work of the Innocenti Research Centre. The office will enhance the organization's relationships with research institutions and centres of excellence in developing and developed countries, and the engagement of UNICEF in research and policy debates on children's issues. The proposed biennium budget includes a provision to enhance the research function.

53. **Resources required:** For 2010-2011 the resources required will be \$28.6 million.

54. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Continuous enhancement of results-based management in UNICEF work	Annual reports and data companion on UNICEF performance to the Executive Board Development and use of Programme Management and Performance analysis tools for decision-making	Annual report and data companion (2008) Regional KPI and scorecard on seven major indicators developed and used at country, regional and global levels (2009)	Annual reports to the Executive Board with further improvement of the quality and analysis in these reports Three Programme Management and Performance analysis reports on MTSP and BSB KPIs in programme,

Management results (strategic plan)	Indicators	Baselines	Targets
			management and operations
2. In-depth review of the 2010-2013 MTSP that reflects the organization's goals, capacities, strategic focus and lessons learned in the changing context for children, as well as the concerns of the Executive Board and key partners	In-depth review of MTSP reported at the Executive Board in Sept 2010 % of country programme documents that reflect organizational standards for (i) human rights-based approaches; (ii) application of gender mainstreaming; and (iii) results-based management; (iv) % of CPDs with results matrices aligned to UNDAF results matrix	MTR of MTSP done in 2008	Executive Board approval of the in-depth review in 2010
3. Further strengthen data collection, analysis and dissemination as well as the evidence base at country, regional and global levels	No. of Multiple Indicator Cluster Surveys (MICS) DevInfo databases at country level No. of situation analyses at country level	55 MICS (2005-2006) 63 countries (2008):12 (2007)	60 MICS in 2009-2010 120 countries using DevInfo 6.0 50
4. Enhanced generation, development and application of high-quality child-related research and knowledge, including studies, evaluations and validated lessons learned	Validated good practice and lessons learned for wider use and dissemination	117 (2007)	420
5. Ensure that allocated resources for programmes are expended fully	% of allocated regular resources for programmes spent at year end	93% (2008)	> 95%

Function 4: Programme Guidance, Management and Oversight

55. *Description and definition.* This function provides global leadership in core and emerging technical areas and leads the development of programme strategies for MTSP focus areas and key organizational targets. It entails developing and disseminating programme strategies in close coordination with regional offices, and providing quality assurance and technical guidance to country offices for facilitating the interpretation of Executive Board approved strategies as well as scaling up proven interventions based on local epidemiology and capacities. Oversight of programmes is ensured and evidence and good practice feedback is captured and disseminated.

56. **Issues and narrative.** This function represents the critical core of the work of UNICEF headquarters, country and regional offices working in tandem with the United Nations Development Operations Coordination Office, and United Nations Country Teams as well as the United Nations Regional Directors Team. The function covers global programme leadership; sectoral strategy formulation and policy-setting and provides standards and guidance for evidence-based programming in all focus areas of the MTSP. It entails influencing the broader national development agenda; supporting country programmes for scaling up proven interventions; capturing, synthesizing, and analysing programme knowledge; and facilitating an exchange of experiences among countries and regions. This function also includes civil society partnerships and global programme partnerships to leverage resources and action for children.

57. The programme management and oversight functions at regional and country office levels will continue to benefit from efficiency and effectiveness measures initiated in the 2008-2009 biennium as part of overall results-based planning and management approaches. This oversight is complemented with the quality assurance and oversight arising from the United Nations accountability framework. The function also covers the Field Support and Coordination unit established in the 2008-2009 biennium. Since the improvement initiatives spearheaded by the Change Management Office are primarily aimed at improving the country support and oversight, this office will now report to the Field Support and Coordination Office.

58. Strengthening programme partnerships and collaboration with other United Nations agencies in the context of United Nations coherence and Delivering as One will continue and generate high-level opportunities for positive change among key agencies and partners to proactively introduce child-centered policy approaches in both the United Nations and global arenas. UNICEF is committed to moving this process forward, including through mainstreaming lessons learned from pilot countries. It is expected that this interaction also will contribute to policy harmonization among agencies and partners to facilitate exchange of good policies, standards and practices across agencies and partners, including national development partners at the country level. Follow up in these areas is reflected in the UNICEF Triennial Comprehensive Policy Review Action Plan, ensuring UNICEF implementation of the resolution.

59. The urgent need to sharpen the strategic focus of UNICEF engagement within global programme partnerships to achieve greater results for children entails a rationalization of UNICEF engagement in partnerships, vetted through corporate criteria for engagement. High-level opportunities to bring about positive change among key partners will be pursued to proactively introduce child-centered policy approaches in the global arena. Analytical and technical tools will be designed to support the organization's ability to identify the comparative advantages of existing and potential partners, provide the rationale for collaboration, and anticipate opportunities.

60. The UNICEF Programme Division, through its Civil Society Partnership unit, will sharpen the strategic focus of UNICEF engagement within global programme partnerships and civil society organizations to achieve greater results for children, as emphasized in the midterm review of the MTSP and the UNICEF Strategic Framework for Partnerships and Collaborative Relationships. Within the civil society partnerships agenda, the principle of "partnerships for shared success" will be implemented at all levels of the organization.

61. **Resources required:** For 2010-2011, the resources required will be \$198.2 million.

62. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Enhanced quality and effectiveness of UNICEF-supported programmes of cooperation	Regular utilization of Key Performance Indicators at country, regional and global levels	Programme Oversight KPIs (reference:E/ICEF/2008/19)	All tools and dashboards in place; used effectively at offices at country, regional and global levels
2. Timely and enhanced technical support and guidance for programme development, quality assurance, implementation (acceleration and scaling-up) and review in each of the focus areas: 1 – young child survival and development; 2 – basic education and gender equality; 3 – HIV/AIDS and children; 4 – child protection; and 5 – policy advocacy and partnerships for child rights	% countries during key milestones receiving high-quality technical support from regional and headquarters offices and units No. of updates of technical guidance integrating new knowledge and good practices	Relevant Executive Board-approved support strategies already in place; baseline to be established in 2009 based on support given Technical guidance notes in each focus area by key areas of cooperation.	All countries preparing new country programme documents, conducting midterm reviews in 2010 and 2011 receive coordinated support and quality assurance Number of technical updates developed and disseminated.
3. Strengthen UNICEF global programme and civil society partnerships to leverage results for children	Appropriate tools to monitor and evaluate partnership engagement available Pilot and conduct client surveys to establish baselines on partnerships satisfaction rates	New exercise based on recommendations in the strategic framework (E/ICEF/2009/10) New process	Tools to monitor and evaluate partnership engagement (by 2010) Pilot survey in 2010; client surveys among at least five key partnership networks in 2011

Function 5: Procurement and Supply Management

63. **Definition and description.** This function covers the leadership and oversight on procurement of goods and services to ensure availability of essential commodities at point of service/delivery as well as contractual services in support of UNICEF programmes in regular, transition and emergency situations. The supply function provides leadership in procurement of strategic essential commodities needed for scaling-up programme interventions, as well as critical supplies related to humanitarian interventions and provision of expertise.

64. **Issues and narrative.** A central function of Supply is to support programmes with commodities that effectively contribute to achieving organizational targets and Millennium Development Goals and help to meet the UNICEF Core Commitments for Children in emergencies by providing rapid response to emergency supply and logistics needs. This includes influencing industry to improve availability of strategic-essential supplies; as well as pricing, quality and innovation. The supply function also includes an oversight role regionally regarding country level procurement and logistics in respect of the quality and performance of the supply chain function in country offices.

65. In the changing aid environment, Governments are increasingly calling on UNICEF to support capacity-building activities that range in scale from sharing of procurement know-how to optimizing in-country supply chain systems. Many opportunities exist for UNICEF to shape and promote innovative products and technologies that will benefit children, and UNICEF will continue to support innovation and influencing, as well as to engage in knowledge sharing and networking.

66. **Resources required:** For 2010-2011, the resources required will be \$35.7 million.

67. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Timely and effective procurement of programme services and goods, consistent with existing regulations	% of operating units satisfied with timeliness and quality of procurement support	Client survey in 2009	At least 5% improvement over the baseline
2. Strategic essential supplies and contractual services are available in support of effective and efficient implementation of UNICEF programmes in regular, transition and emergency situations	% orders delivered at port of entry at or within agreed target arrival dates	70% (2008)	80%
	Timely response to emergency supplies within 48 hours to be increased	94% (2008)	Near 100%
	Increasing % of countries with satisfactory audit reports on supply and logistics areas	2009 baseline data	At least 5% improvement over the baseline

Function 6: Emergency Management

68. **Definition and description.** The emergency management function ensures that the role of UNICEF in early warning and preparedness, humanitarian response and post-crisis recovery is clearly defined within a framework of risk reduction and with emphasis on national capacity development, that UNICEF is properly equipped to fulfil that role, and that all levels of the organization are prepared to deliver on the mandate of UNICEF in humanitarian action. These efforts include the development, updating and dissemination of policies, strategies and guidance, the provision and/or facilitation of access to emergency funding; and establishing and maintaining the core capacity that permits UNICEF to prepare for, respond to, and programmatically monitor, humanitarian and post-crisis situations.

69. **Issues and narrative.** The Office of Emergency Programmes (EMOPS), located in New York and Geneva, in collaboration with the Programme Group and in coordination with the UNICEF regional presence, develops, updates and disseminates policies (including inter-governmental and inter-agency), strategies and guidance for early warning and preparedness, humanitarian response and post-crisis recovery; monitors the emergence of crisis situations so that related needs can be met; establishes and reviews funding priorities for emergency preparedness and response; provides support to field offices responding in humanitarian and post-crisis situations, including facilitating access to immediate funding for humanitarian response; deploys emergency expertise to field offices to support preparedness and humanitarian response and post-crisis recovery efforts; engages inter-governmental and inter-agency policy-making organs; and coordinates with Programme Division to fulfil the UNICEF assigned cluster responsibilities under humanitarian reform and within the arrangements agreed upon within the Inter-Agency Standing Committee. To strengthen UNICEF work and strategic

approach in relation to risk reduction and post-crisis recovery, a dedicated unit has been established (Unit for Risk Reduction and Recovery) and made fully operational.

70. In 2010-2011, UNICEF will further advance efforts to strengthen national capacity development for early warning and preparedness, humanitarian response, and post-crisis recovery within a risk reduction framework. EMOPS will maintain and support UNICEF systems and staff capacity for business continuity management.

71. **Resources required:** For 2010-2011, the resources required are \$17.5 million.

72. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. UNICEF responds to humanitarian and post-crisis situations in a timely manner consistent with updated UNICEF Core Commitments for Children	% major emergencies (level II and III) in which UNICEF humanitarian response (immediate and early recovery) evaluated/ assessed as timely, effective and reliable	100%, 34 level II & III emergencies supported (2008)	All level II and level III emergencies requiring support
	% of Emergency Programme Fund/ Central Emergency Response Fund requests processed within 48 hours of receipt	100% (2008)	100%
	% of country offices with Business Continuity training and Business Continuity plans to sustain operations during an internal crisis and/or event	0 to 5% (2008)	100%
2. Effective support to national capacity development in programme countries for early warning and emergency preparedness plans	% of country offices annually updating preparedness plans and integrating the into the annual work plan	50% of CO updated their preparedness plans in 2008	75% of COs update annually preparedness plans with 50% integrating preparedness activities in annual work plans

Function 7: External Relations and Partnerships

73. **Definition and description.** External relations and partnerships are organized into two major pillars: one pillar representing Governance, United Nations and Multilateral Affairs (GMA), and the second covering responsibilities for a range of partnerships within Private Fundraising and Partnerships (which include responsibility for the relationship with National Committees for UNICEF).

74. **Issues and narrative.** GMA was created in 2008 to achieve a tighter integration and more coherent guidance to UNICEF relationships across the relevant spectrum of multilateral actors concerned with the elements of governance, United Nations and multilateral affairs, including the UNICEF Executive Board, the Chief Executives Board for Coordination and its three High-level Committees, the Economic and Social Council, the General Assembly and their various Committees and Commissions, the full spectrum of inter-agency bodies, and other multilateral institutions such as

the international financial institutions and other inter-governmental bodies as well as Permanent Missions to the United Nations in New York. The realignment created a coherent structure, which has brought about greater synergy and developed dedicated capacity to comprehensively address all related issues under one umbrella. It has also ensured dedicated capacity to help to drive a stronger UNICEF role in delivery on system-wide coherence at all levels. UNICEF ensures informed and active participation in the United Nations system-wide coherence processes and Delivering as One initiatives. The Action Plan to implement the recommendations of the last Triennial Comprehensive Policy Review will ensure timely delivery on the respective commitments in the TCPR resolution.

75. The UNICEF Private Fundraising and Partnerships (PFP) Division, established in 2008, incorporates the income-generation support functions of the former Private Sector Division and the National Committee support function in child rights advocacy and education in industrialized countries, communication, strategic planning and governance previously handled by the Regional Office for Europe (Geneva Regional Office). The office will be financed essentially through an offset against income from the private sector, with key partnership functions funded from the support budget. The Partnerships Unit, funded by the support budget, aims at fostering relationships with a wide range of partners, including corporate social engagement, and the Child Rights and Advocacy Unit covers advocacy support to National Committees in their work for child rights.

76. **Resources required:** For 2010-2011, the resources required will be \$17.9 million.

77. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Strengthen existing and build new partnership arrangements with United Nations and other multilateral partners to accord priority attention to child rights and child-related MDGs.	% of targeted reports, outcome documents and discussions of United Nations and other inter-governmental bodies take into account the rights of children, with a focus on protecting the most vulnerable families.	New indicator; Baseline to be established	At least 80% of targeted reports, documents and discussions
2. Increased joint programming and joint programmes	% of programme funds expended on annual workplans that are jointly funded by at least one other UN agency and/or funded partially or fully from a UN Country Fund (One Fund in the Pilot Countries)	New indicator; Baseline to be established.	
3. Develop an organization approach to corporate engagement beyond fundraising, and strengthen non-fundraising relations with private sector entities.	Organizationally agreed approach to corporate engagement	New indicator. Baseline to be established	20 non-fundraising corporate engagement relationships established

Function 8: Internal and External Relations: Media and Public Relations

78. **Definition and description.** UNICEF communication function represents the public face of UNICEF and is entrusted with shaping the organization's external image among global stakeholders. Over this biennium, communication will continue to play a key role in maintaining the organization's distinctive standing and ensure that the rights of children and women are seen as a top priority on policy agendas.

79. **Issues and narrative.** On the external communication side, as a result of its reorientation in the 2008-2009 biennium, UNICEF now focuses on communication for specific audience groups instead of the previous focus on products. The Division of Communication provides leadership for outreach to the media and general public, development professionals and young people. The Division and extensive network of communication and advocacy professionals in regional and country offices continued to capitalize on the opportunities presented by the digital age, seeding social media sites and developing new platforms to substantively engage young people. As a follow up to the recommendations of the organizational review, a new Internal Communications Unit was established in 2008.

80. The key shift for the communication function in this biennium is to strengthen the organization's ability to prioritize corporate themes for external communication on children and women. The Division will also continue to take advantage of the opportunities presented by new media and new technologies to reach audience groups and connect various stakeholders to better inform themselves and pursue results for children in a coherent and synergistic way.

81. **Resources required:** For 2010-2011, the resources required are \$78.5 million.

82. **Expected key results:**

Management results (strategic plan)	Indicators	Baseline	Target
1. Enhance internal communication within the organization	% staff respond as being clear about the organizational vision, mission and priorities	Based on Staff survey 75%	At least 80% by end of 2011
2. Optimize the use and impact of communication resources in support of quality results for children, MTSP organizational targets and child-related MDGs	No. of Flagship publications – <i>State of the World's Children</i> and <i>Progress for Children</i> reports produced and disseminated (hardcopy and electronic) Number of times UNICEF key messages are covered in major media outlets	No. of Flagship publications – <i>State of the World's Children</i> , <i>Progress for Children</i> reports produced and disseminated	3 produced 15% increase in electronic dissemination
3. Make UNICEF the 'Go To' place for global knowledge on children by increasing outreach to and engagement with key audience groups using traditional and emerging channels of communication	Number of unicef.org website visits per month and average time spent during each visit	13 million unique visits to unicef.org (avg. monthly)	Increase by 15% in two years

Function 9: Resource Mobilization and Fundraising

83. **Definition and description.** This function covers UNICEF influence over aid policies and mobilization of quality resources for children and women, seeking to position UNICEF as a knowledge broker and *partner* of choice in leading the collective commitment to achievement of results for children and women. The Public Sector Alliances and Resources Mobilization Office together with the PFP is responsible for this function.

84. **Issues and narrative.** The Office will maintain relations with major donors that build on and strengthen both UNICEF policy dialogue and resource mobilization; diversify UNICEF donor base; strengthen its capacity for research and policy analysis of official development assistance trends and important development assistance; manage and influence policy on new aid modalities and new funding mechanisms, including Delivering as One; and effectively and efficiently manage contributions, provide strategic analysis, knowledge management, and field support. Results in this area include an increase in the quality and quantity of resources, comprising a larger proportion of core and flexible contributions, and positioning UNICEF strategically in the changing aid environment so that UNICEF can influence policies on resource allocation for the benefit of children and women.

85. The linkage with other partnerships to enhance the contribution from the private sector, public-private partnerships and National Committees will be critical. In addition to managing and strengthening relations with existing donors, UNICEF seeks to engage in and organize strong and informative policy dialogues with donors and National Committees based on UNICEF normative and operational expertise.

86. **Resources required:** For 2010-2011, the resources required will be \$22.5 million.

87. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Regular, and other resources including thematic contributions in line with the objectives and income projections of MTSP	Actual annual funds received as regular resources (RR), and other resources (OR) as compared with the MTSP planned figure	Actuals in 2008 RR - \$ 1,085 m OR - \$ 2,305 m	RR - \$1,010m OR - \$2,056m
2. Increased levels and improved timeliness and flexibility of humanitarian funding – other resources emergency funding	% funding received for humanitarian appeals annually	2008 levels: Consolidated Appeals – 63% Flash – 68% Humanitarian Action Report/Other – 43%	CAP – 65% Flash – 70% HAR/Other – 45%
3. Timely and high-quality donor reports	% donor reports sent on time Quality of reports based on donor feedback	75% (2007)	85% Donor survey in 2011

Function 10: Financial Management

88. **Definition and description.** This function will involve the safeguarding of financial resources entrusted to UNICEF by maintaining and improving financial systems and procedures to ensure efficient, cost-effective and transparent utilization of these resources. In refining the financial management competencies during 2010-2011, the accountabilities relating to this function will be to: provide strategic financial management leadership; ensure the prudent use of resources; steward UNICEF finances by protecting and preserving its assets; and instil a sound financial mindset throughout UNICEF by promoting learning and development initiatives and acting as a business partner in programme planning, implementation and evaluation.

89. **Issues and narrative.** This function will contribute to several of the priority action areas, including roll-out of One ERP; streamlining, harmonizing and simplifying business processes; enhancing talent management; and improving internal communications. Within the context of these organizational improvement initiatives, there will also be several strategic developments in the financial management area. They include the implementation of IPSAS; further refinement of the results-based budgeting (RBB) approach; and further developments in the United Nations coherence area, particularly as it relates to joint programming, sector-wide approaches and cash transfers. A more strategic approach to the development, maintenance, and communication of financial management policies and procedures will be adopted, with a view to making them more easily accessible and user-friendly for UNICEF staff.

90. **Resources required:** For 2010-2011, the resources required will be \$94.1 million.

91. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Improve financial management procedures and systems to optimize use of resources	Financial policies, procedures and processes are systematically reviewed and enhanced	Ad hoc review and enhancement	Quarterly update and enhancements based on regular reviews
	Policies, procedures and reporting formats are IPSAS-compliant	New indicator; Baseline to be established.	Progress towards IPSAS compliance by 2012
	Biennial support budget (excluding UN-mandated centrally shared security costs) ratio to total regular and other resources	2008-2009: 11.9%	2010-2011: 11.5%
2. The assets of UNICEF are protected and preserved through prudent financial risk management and accurate financial records	Investment income (annual) excluding foreign exchange differences	\$108 million (2008)	2010: \$65 m 2011: \$65 m
	% outstanding direct cash assistance to national partners over nine months	0.9% (2008)	< 1%

Management results (strategic plan)	Indicators	Baselines	Targets
	Unqualified audit opinion on UNICEF financial statements	2006-2007: Unqualified	2008-2009: Unqualified
3. Relevant, accurate and timely information and strategic advice provided to internal and external stakeholders	Preparation of Medium-Term Strategic Plan: Planned Financial Estimates	Mid-June	Mid-May
	Preparation of biennial support budget 2012-2013	1st regular session of Executive Board (2008 for 2008-2009)	2nd regular session of 2011 Executive Board
	Preparation of 2008-2009 biennial financial statements	31 March	31 March 2010
	Preparation of 2010 interim financial statements	31 March	31 March 2011

Function 11: Information and Communications Technology Management

92. *Definition and description.* The Information and Communications Technology (ICT) Management function is entrusted with the conception, planning, management and implementation of automation solutions and services in support of UNICEF strategic objectives. As part of its mission, the ICT function collaborates with United Nations system counterparts and multiple third parties in order to deliver network services critical to the achievement of programmatic goals and objectives. Business applications solutions that will help minimize costs while maximizing productivity and collaboration with staff, partners, and stakeholders are managed utilizing in-depth application of business and technical standards. As the requirements and complexity for UNICEF work continue to evolve, network and IT infrastructures must evolve with them. Greater security, mission-critical application availability, simplification, and increased transparency of the IT infrastructure are challenges that the IT organization must meet to remain efficient, while continuing to provide new products and services. In support of United Nations harmonization, the ICT function aims to provide inter-operable, efficient and usable technologies enabling UNICEF to be more successful and efficient in achieving its goals.

93. *Issues and Narrative.* Implementation of new business methodologies, determination of a governance mechanism for IT compounded by a need for increased global capacity will be the primary concerns of the functional units responsible for the ICT function at global, regional and country levels in 2010-2011. While technology is a business enabler it has to be deployed in a sustainable manner. Alignment of headquarters goals to regional and country office specific needs supported by a funding model that promotes fiscal responsibility and accountability will be the primary elements of the IT Accountability Framework in support of UNICEF Enterprise Risk Management efforts. Other focal areas include the modernization of technologies available to UNICEF staff supported by better connectivity in the field. Consolidation and efficient management of transaction systems will be realized with the transition to one single mainstream ERP system as well as peripheral systems in support of this core initiative. Emergency and crisis information management will be prominent subjects of development as well as project management for the benefit of common services (Geneva offices) as well as the field in general. Finally, the implementation of a comprehensive risk-oriented ICT security program will safeguard the UNICEF brand reputation and vital data.

94. **Resources required:** For 2010-2011, the resources required will be \$113.0 million.

95. **Expected Key Results:**

Management Results	Indicators	Baselines	Targets
1. ICT provided solutions effectively serve UNICEF programmatic and management needs.	% of emergencies wherein IT services requested are provided as per standards established in the proposed revision of Core Commitments for Children in emergencies. % Service Level Agreement (between ITSS and UNICEF Operations/Programs) targets are met or exceeded	Number of emergencies Establish internal OLAs by end Q2 2010 and determine performance metrics.	85% met as per revised standards. 90% of the stated OLA performance criteria met
2. Manage UNICEF's IT as an integrated, accessible, transparent infrastructure enabling interoperability across offices, UN agencies, and governments, as well as partners in the commercial and academic sectors	% Service Level Agreement (between ITSS and external service providers) targets are met or exceeded % increase in UNICEF staff productivity through use of modern Enterprise-wide technology solutions	Identify and assess SLAs with key vendors and their terms with associated metrics by Q1 2010. Number of users worldwide utilizing Enterprise-wide solutions including Electronic mail (Exchange), and other collaboration tools	90% of the stated SLA performance criteria met Achieve sustainable adoption of more than 50% worldwide

Function 12: General Administrative Management

96. **Definition and description.** This function covers the activities carried out to maintain office premises, facilities and support services (travel, assets and general services) at headquarters, regional offices and country offices to carry out the mission of UNICEF. This function also sets general administrative policies and procedures and ensures compliance. Resources include the rents and utilities relating to office facilities, supplies and equipment needed for staff to carry out regular functions and the cost of staff that provide administrative services at various levels of the organization.

97. **Issues and narrative.** The objective of this function is to ensure that facilities are adequate, and services, supplies and equipment utilized by the UNICEF staff support their efforts to plan and carry out UNICEF programmes and activities effectively and efficiently. Workplaces must be appropriate and functional, supplies and equipment must be procured and made available in a timely manner, and administrative support staff must be attuned to their clients' requirements.

98. **Resources required:** For 2010-2011, the resources required are \$88.2 million.

99. *Expected key results:*

Management results (strategic plan)	Indicators	Baselines	Targets
1. Relevant, accurate and timely information, strategic advice and other assistance provided to stakeholders	% of positive responses received from stakeholders in annual survey of timeliness and effectiveness of information, advice and other assistance provided	New indicator. Baseline to be established	Emergency Assistance: provided immediately Other assistance: provided within 24-48 hours 80% favourable responses in annual survey
2. Administrative management facilities, processes and systems are continuously enhanced through simplification, streamlining and automations and modified timely to reflect strategic administrative developments, such as 'greening' initiatives, and evolving and emerging office space modernization and management needs..	Reduced operating costs in travel; mail, pouch and courier; and printing services % of staff identifying themselves as satisfied with UNICEF workplace facilities	\$600,000 annually \$200,000 annually \$200,000 annually \$80,000 - \$100,000 annually New indicator. Baseline to be established..	Travel services operating costs: savings of 20% by 2011 Mail, pouch and travel services provided by UN: 20% savings by 2011 Courier pouch services: 20% savings by 2011 Printing services: 40% savings by 2011 80% favourable by 2011

Function 13: Human Resources Management

100. *Definition and description.* The function includes providing global leadership in the strategic management of UNICEF's human resources; policy development and risk management; recruitment and talent management; managing for performance; staff learning and leadership development; timely human resources services; and guidance to, and oversight and capacity building of, the human resources function that encompasses headquarters, regional and country offices.

101. *Issues and narrative.* Building on the work of the previous biennium, the primary focus will be implementing integrated talent management including performance management, which will contribute to improved organizational results for children. This will be achieved by expanding and realigning staff competencies and leadership capacity through professional assessments and targeted development and learning, and by improving the quality of selection decisions. Enhanced risk management, business processes simplification and internal communication will be reinforced. The biennial budget maintains an additional allocation for the New and Emerging Talent Initiative (NETI), which is focused on identifying and nurturing new talent for current critical gaps and future needs. UNICEF's strengthened global learning curriculum will be sustained to continue delivering the tailored global learning programmes to address organizational priorities, with a focus on improved quality of learning and development opportunities.

102. **Resources required:** For 2010-2011, the resources required will be \$103.1 million.

103. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. UNICEF attract, develop and retain talented, motivated and diverse staff	% of recruitment actions (closing date on advertisement to date of offer letter) completed within 90 days for established IP posts.	25% (2008)	75%
	% requests for surge capacity support met within 56 days	74% (2008)	80%
	% of staff who spent more than 10 days on planned learning	38% (2008)	50%
	% of total staff costs spent on learning and staff development	1.6% (2008)	2.0%
	New and emerging talent pool identified and developed	12 (2008)	15-20 candidates per year
2. Gender parity	No. of country offices that have achieved an equal gender ratio of professional staff	22 (2008)	24
	% women staff at P/L 5 levels and above	42% (2008)	45%

Function 14: Audit and Investigations

104. **Definition and description.** The role of the Office of Internal Audit (OIA) is to support the mission of UNICEF through independent and objective assurance and advisory services that assess the effectiveness of UNICEF's risk management, internal controls, and governance processes. OIA is also responsible for investigating all allegations of fraud, misconduct, harassment and abuse.

105. OIA fulfils this role through systematic and disciplined reviews at all levels within UNICEF to consider the extent to which:

- Management is aware of and takes appropriate measures (policies, systems, guidance, etc.) to control major internal and external risks to the UNICEF mission and accountabilities;
- Resources are acquired economically, used effectively and efficiently, and are protected from loss or inappropriate use;
- Staff and management comply with relevant rules, policies, standards and procedures;
- Governance and supervision structures exist and function to guide and monitor the development and implementation of internal controls;
- Significant programme, operational, and financial information is available, accurate, and timely, and is used to measure and report on results against defined standards, targets, and objectives.

106. **Issues and narrative.** Joint work planning exercises will continue to be undertaken between the OIA and the Evaluation Office to assure better oversight of country offices, regional offices and headquarters divisions. Joint activities will include continued programme performance assessments

which were successfully introduced in the previous biennium. The UNICEF enterprise risk management structure introduced in 2009 will significantly strengthen organization-wide attention to risk which will strengthen the timeliness and completeness of management actions to address audit recommendations. As requested by the UNICEF Audit Committee—which now exclusively comprises audit experts external to UNICEF—OIA will expand its advisory support to management to assist in the development of risk aware procedures and refine governance structures.

107. **Resources required:** For 2010-2011, the resources required will be \$16.0 million.

108. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Risk environment assessed through relevant and high quality audit reports	Number of audit reports each year: CO audits HQ or thematic audits Summary reports Programme Performance Assessments	25 (2008) 11 (2008) 2 (2008) 4 (2008)	25 10 (incl. IT) 2 8
2. Improved risk management practices are applied throughout the organization	Number of offices/divisions with Audit recommendations outstanding for over 18 months.	5 (2008)	3 or fewer by 2011
3. Quality of Internal audit function based on standards of Institute of Internal Auditors (IIA).	Compliance with IIA standards	General compliance (2008)	General compliance
4. Effective support to the promotion of ethics and business integrity in UNICEF	% complaints investigated and closed within six months	80% (2008)	> 90% by 2011

Function 15: Corporate Evaluation

109. **Definition and description.** Evaluation is an important function supporting UNICEF in achieving its mission and strategic objectives. Evaluation is essentially about understanding results and their impacts, and providing assessments and best practices to inform decision-making. It enables learning by doing and improves results-oriented activities by re-engineering ongoing activities or bettering new design. The formative evaluation process is participatory. It is an empowerment tool fostering fairness and impartiality, enlarging the potential for consensus-building. It facilitates learning for stakeholders and the public. Finally, evaluation is about accountability because it focuses on why results are or are not achieved.

110. **Issues and narrative.** The evaluation function is coordinated by the Evaluation Office in New York and the function is carried out by the Evaluation Office, other headquarter divisions and regional and country offices (with dedicated capacity in nearly half the country programmes). The Evaluation Policy will continue to inform and shape the agenda of the Evaluation Office. The policy commits UNICEF to providing quality assurance for key evaluations at headquarters, regional and country levels. The revised Integrated Monitoring and Evaluation Framework in the MTSP following the midterm review of MTSP sets the corporate evaluation agenda for UNICEF, emphasizing thematic evaluations around key focus areas and management/operational strategies of the MTSP. The focus has been on undertaking strategic evaluations of UNICEF's organizational performance and programme effectiveness. In recent years, evaluation activities in the humanitarian sector have expanded to cover real-time evaluations in emergencies. There has also been increased cooperation among United Nations agencies to develop joint evaluative work including support to UNDAF

processes. The programme effectiveness assessment that was jointly designed and piloted by Evaluation Office and Office of Internal Audit will be further expanded to additional countries during the 2010-2011 biennium.

111. **Resources required:** For 2010-2011, the resources required are \$8.5 million.

112. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Enhanced quality of evaluations through guidance and capacity building.	Strategy for national evaluation capacity building exists	New indicator. Baseline to be established	UNICEF strategy on national evaluation capacity development produced and disseminated
	Guidance material in key areas	New indicator. Baseline to be established	Guidance materials produced in 3 major areas relevant to the strengthening of national evaluation capacities
2. Independent evaluations conducted according to the annual evaluation agenda approved by the Executive Board	Major programmatic evaluations conducted and management response to the evaluation recommendations within 4 months	10 evaluations (2008 – 2009)	At least 10 evaluations; support to 6 others conducted by HQ divisions.
3. Completed Programme Performance Assessments (PPAs, with management responses) in selected country offices identify actions to improve organizational performance at different levels	Number of PPAs and management response	4 PPAs (2008)	8 PPAs and management response received; Annual synthesis report produced

Function 16: Staff Security

113. **Definition and description.** This function covers activities related to assuring a safe, secure environment for UNICEF staff and facilities so that programmes may be planned and implemented effectively. The Office of Emergency Programmes coordinates UNICEF global security activities in close consultation with the United Nations Department for Safety and Security and the security focal points of other members of the United Nations Security Management System. The function includes monitoring and assessing global threats and risks, providing advice and guidance on security risk management, and developing other security policies, practices and procedures aimed at creating an enabling environment for successful programme delivery, whilst maintaining the safety and security of UNICEF staff and assets. The Operations Centre (OPSCEN) provides support to this function for staff at headquarters, regional and country office locations. The costs included in this activity are only those incurred directly by UNICEF. Funds relating to UNICEF's contribution to the provision of United Nations-mandated field security continue to be proposed under a separate appropriation specifically for this purpose.

114. **Issues and narrative.** UNICEF staff that plan and deliver programmes and activities must be equipped and prepared to operate in environments where the prevailing risks may be high but where they are mitigated to a level that is determined to be acceptable. UNICEF security costs include both those mandated by the United Nations and those considered as direct costs. The latter are an integral part of the biennial support budget, while the former are shown separately. The current global security environment requires significant increases in both categories of expense to ensure the safety of staff through compliance with the United Nations Minimum Operating Security Standards (MOSS) and the implementation of Security Risk Assessments (SRAs), and other security programmes. OPSCEN services established in EMOPS in 2002 have significantly expanded and it is now established as a reliable 24-hour information and communications hub for the field, as well as a mechanism for monitoring security situations, leading to the provision of timely support to country offices and staff in UNICEF. The business continuity measures initiated in 2008-2009 will be further strengthened and fully tested in all locations during the 2010-2011 biennium.

115. **Resources required:** For 2010-2011, the resources required are \$6.7 million.

116. **Expected key results:**

Management results (strategic plan)	Indicators	Baselines	Targets
1. Staff security ensured through MOSS compliance in all countries to which the agency has provided MOSS support	% offices that are MOSS-compliant	95% (2006)	100% (2011)
2. Ensure that all countries have updated Security Risk Assessment plans	% countries with updated Security risk assessment plans	50% (2006)	75% (2011)
3. Monitoring and reporting on staff security, including serious security incidents involving UNICEF staff and assets globally	% serious security incidents affecting UNICEF staff and assets reported within 24 hours	90%	100%

IV. Draft decision

117. It is recommended that the Executive Board adopt the following draft decision:

The Executive Board

1. *Takes note* of the functions, management results, indicators and resource requirements in the report on the biennial support budget as contained in document E/ICEF/2009/AB/L.4;
2. *Approves* gross resources in the amount of \$975.0 million representing the total biennial support budget for 2010-2011 and *notes* that the income estimates of \$246.6 million shall be used to offset the gross appropriation, resulting in an estimated “net” appropriation of \$728.4 million;
3. *Resolves* that the appropriated amount be used to achieve the results specified in the functions as presented in document E/ICEF/2009/AB/L.4;
4. *Approves* the amount of \$31.2 million from regular resources for covering the United Nations-mandated centrally shared security costs and business continuity.

Summary Table I. **Regional Resource Plan***(In millions of United States dollars)*

	2008-2009					2010-2011				
	Regular resources \$	Additional resources \$	Trust funds \$	Total resources \$	%	Regular resources \$	Additional resources \$	Trust funds \$	Total resources \$	%
WEST AND CENTRAL AFRICA REGION										
A. Programmes	456.5	674.5		1,131.0		456.5	681.8		1,138.3	
Trust Funds			170.2	170.2				293.4	293.4	
B. Biennial Support Budget	95.4	-		95.4		101.1			101.1	
Total West and Central Africa region	551.9	674.5	170.2	1,396.5	18.2	557.6	681.8	293.4	1,532.8	18.1
EASTERN AND SOUTHERN AFRICA REGION										
A. Programmes	429.1	776.0		1,205.1		429.1	840.9		1,270.0	
Trust Funds			286.7	286.7				449.9	449.9	
B. Biennial Support Budget	91.9	-		91.9		97.2			97.2	
Total Eastern and Southern Africa region	521.0	776.0	286.7	1,583.7	20.7	526.3	840.9	449.9	1,817.1	21.5
THE AMERICAS AND CARIBBEAN REGION										
A. Programmes	49.5	192.7		242.2		49.5	194.8		244.3	
Trust Funds			5.5	5.5				9.8	9.8	
B. Biennial Support Budget	63.1	-		63.1		68.3			68.3	
Total The Americas and Caribbean region	112.6	192.7	5.5	310.8	4.1	117.8	194.8	9.8	322.4	3.8
EAST ASIA AND THE PACIFIC REGION										
A. Programmes	139.7	496.7		636.4		139.7	502.1		641.8	
Trust Funds			31.1	31.1				39.1	39.1	
B. Biennial Support Budget	56.4	-		56.4		60.8			60.8	
Total East Asia and the Pacific region	196.2	496.7	31.1	724.0	9.5	200.5	502.1	39.1	741.7	8.8
SOUTH ASIA REGION										
A. Programmes	239.3	686.8		926.1		239.3	694.3		933.6	
Trust Funds			305.7	305.7				498.8	498.8	
B. Biennial Support Budget	45.3	-		45.3		48.6			48.6	
Total South Asia region	284.6	686.8	305.7	1,277.1	16.7	287.9	694.3	498.8	1,481.0	17.5
MIDDLE EAST AND NORTH AFRICA REGION										
A. Programmes	75.4	529.4		604.8		75.4	535.2		610.6	
Trust Funds			28.1	28.1				58.7	58.7	
B. Biennial Support Budget	49.4	-		49.4		55.1			55.1	
Total Middle East and North Africa region	124.8	529.4	28.1	682.3	8.9	130.5	535.2	58.7	724.4	8.6
CENTRAL AND EASTERN EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES										
A. Programmes	43.2	121.5		164.7		43.2	122.8		166.0	
Trust Funds			11.1	11.1				19.5	19.5	
B. Biennial Support Budget	46.6	-		46.6		50.3			50.3	
Total Central and Eastern Europe and the Commonwealth of Independent States	89.8	121.5	11.1	222.4	2.9	93.5	122.8	19.5	235.8	2.8
INTERCOUNTRY, GLOBAL AND OTHERS										
A. Programmes	17.4	244.0		261.4		35.3	190.2		225.5	
Trust Funds (incl unallocated)			410.5	410.5				586.8	586.8	
Unallocated Programmes	167.8	132.5		300.3		162.4	113.3		275.7	
B. Biennial Support Budget	359.6	-		359.6		396.6			396.6	
Total intercountry, global and others	544.9	376.4	410.5	1,331.8	17.4	431.9	303.5	586.8	1,484.6	17.5
CENTRALLY MANAGED SUPPORT - BSB										
	105.1	-		105.1	1.4	97.0	-	-	97.0	1.1
INCOME TO BUDGET										
	(223.0)	223.0	-	-	0.0	(246.6)	246.6	-	-	0.0
TOTAL UNICEF										
A. Programmes	1,618.0	3,854.0		5,472.0	71.5	1,630.4	3,875.4		5,505.8	65.1
Trust Funds			1,249.0	1,249.0	16.3			1,956.0	1,956.0	23.1
B. Biennial Support Budget	689.8	223.0		912.8	11.9	728.4	246.6		975.0	11.5
C. United Nations-mandated security costs	26.2	-		26.2	0.3	31.2	-		31.2	0.4
GRAND TOTAL USE OF RESOURCES	2,334.0	4,077.0	1,249.0	7,660.0	100.0	2,390.0	4,122.0	1,956.0	8,468.0	100.0

Summary Table II. **Proposed changes in senior posts**

<i>Organizational unit</i>	<i>Post title</i>	<i>ASG</i>	<i>D2</i>	<i>D1</i>	<i>Total</i>
2008-2009 APPROVED SENIOR POSTS		4	31	81	116
2010-2011 PROPOSED CHANGES					
A. <u>Establishment/(Abolishment)</u>					
South Asia Regional Office	Deputy Regional Director			1	1
West and Central Africa Regional Office	Regional Adviser Child Survival and Development			(1)	(1)
Sub-Total		0	0	0	0
B. <u>Reclassifications</u>					
	No Changes	-	-	-	-
Total changes (net)					
		0	0	0	0
2010-2011 TOTAL SENIOR POSTS		4	31	81	116

Summary Table III. **Proposed budget estimates by function, comparison of 2008-2009, adjusted for 2010-2011 cost allocation**

(In millions of United States dollars)

F.A. Code	Functional Area Description	APPROVED 2008-2009	% of Total	APPROVED 2008-2009 (Recalculated)*	% of Total
	1. Executive Direction and Leadership	16.7	1.8%	14.3	1.6%
	2. Representation and Advancement of the Core Mandate	77.7	8.5%	86.4	9.7%
	3. Corporate Policy and Strategy Development, Planning and Guidance	35.8	3.9%	29.1	3.3%
	4. Programme Guidance, Management and Oversight	369.3	40.5%	178.5	20.1%
	5. Procurement and Supply Management	42.8	4.7%	33.3	3.8%
	6. Emergency Management	13.8	1.5%	16.9	1.9%
	7. External Relations and Partnerships	26.0	2.8%	17.3	1.9%
	8. Internal and External Relations: Media and Public Relations	70.8	7.8%	74.1	8.4%
	9. Resource Mobilization and Fundraising	20.9	2.3%	20.9	2.4%
	10. Financial Management	40.1	4.4%	91.1	10.3%
	11. Information and Communications Technology Management	73.3	8.0%	109.9	12.4%
	12. General Administrative Management	41.4	4.5%	91.3	10.3%
	13. Human Resources Management	62.3	6.8%	97.2	10.9%
	14. Audit and Investigations	12.4	1.4%	13.7	1.5%
	15. Corporate Evaluation	3.8	0.4%	7.6	0.9%
	16. Staff Security	5.8	0.6%	6.2	0.7%
	SUB TOTAL	912.8		887.9	
	Investment Projects (including all posts)	0		24.9	
	GRAND TOTAL	912.8		912.8	

* Recalculated using harmonized definition of inputs under each functional area as explained in paragraph 19.

Summary Table IV. **Budget Estimates by expenditure category**
(In thousands of United States Dollars)

Expenditure category	Biennial Support Budget		
	2008-2009 Approved	2010-2011 Estimates	% change
Post	670,277.5	732,700.7	9.3%
Other staff costs	15,484.9	11,627.6	-24.9%
Consultants	16,126.6	13,272.9	-17.7%
Travel	30,596.6	27,038.3	-11.6%
Operating Expenses	109,941.3	104,264.4	-5.2%
Furniture and equipment	22,493.6	21,028.0	-6.5%
Reimbursements & Co-funding	22,980.4	28,127.9	22.4%
TOTAL GROSS BUDGET ESTIMATES (excluding Investment Projects)	887,901.1	938,059.8	5.6%
Investment Projects	24,898.9	36,940.2	48.4%
Total GROSS BUDGET ESTIMATES	912,800.0	975,000.0	6.8%

Other staff costs: Includes short term temporary assistance and overtime costs.

Operating expenses: Includes rental and maintenance of premises, utilities, communications costs, contractual services, rental and maintenance of furniture and equipment, and supplies and materials.

Reimbursements & Co-funding: Includes contributions to shared activities with the UN i.e. JIU, ICSC, contributions to joint service arrangements with other agencies in the field and HQ e.g. UN reimbursement account and common services

Annex I

TERMINOLOGY

(Terms used in the biennial support budget document on which common agreement has been reached and their corresponding definitions given below).

Results-based budgeting: Based on the High-Level Committee on Management concept paper, for the biennium support budgets of UNDP, UNFPA and UNICEF. Results-based budgeting is defined as a results-driven budgeting process wherein resource justification is made for a set of expected results with indicators, including baseline and targets to be achieved, presented by key functions.

Biennial support budget: The budget of an organization covering a set of functions that support the operational activities of the organization, in support of its mission and mandate at all levels, within the framework of the strategic plan, over a two-year period.

Appropriation: An authorization by the Executive Board to the Head of the Agency to commit biennial support budget funds during the biennium up to the amounts so approved.

Cost (increase/decrease): Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Function: Group of activities carried out, funded with biennial support budget resources, to operate and improve the agencies in order to assure the effective delivery of development results and implementation of their respective mandates.

Gross budget: For voluntarily funded organizations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, e.g., inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Net budget: For voluntarily funded organizations, the budget that reflects estimates of income to be expected, which offsets, in whole or in part, the related gross budget estimates.

Other resources: Resources of a voluntarily funded organization, other than regular resources, which are received for a specific programme purpose (other resources relating to programmes) and for the provision of specific services to third parties (other resources relating to reimbursements).

Additional resources: This terminology is used in the context of a simplified presentation of the biennial support budget tables. It is defined as resources, other than regular resources, including other resources and Funds-in-Trusts.

Programmes: Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Regular Resources: Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Volume (increase/decrease): Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.
