

UNICEF Response to the UK Multilateral Aid Review

UNICEF welcomes the results of the UK's Multilateral Aid Review. We appreciate the opportunity given to us to engage in this review process over the past months.

We are pleased with the overall positive findings on UNICEF, which substantiate our role as a critical development partner, especially in the poorest and most fragile countries. At the same time, we are seriously looking into the identified weak areas with the intention of taking the necessary actions to improve them.

We acknowledge with thanks the UK's decision to almost double its core funding to UNICEF. We would like to convey our gratitude to the people of the United Kingdom for their continued support to our organisation and for their confidence in our ability to deliver results for children. A solid base of core funding enables UNICEF to protect the rights and improve the lives of millions of the world's poorest and most vulnerable children. This additional support will further strengthen our important work in reducing child mortality, improving maternal health, ensuring more children complete quality primary education and protecting children against all forms of violence, abuse and exploitation.

The review noted that UNICEF falls in the "very good" category for ensuring value for money for the UK development and humanitarian objectives of individual multilateral organisations. The recognition of our organisation's strong poverty focus and our critical role in the delivery of the MDGs, especially MDGs 3, 4, 5 and 6 is encouraging. With our renewed equity strategy, we expect to further enhance our contribution towards the achievement of MDGs, for all children.

The following are some initial reactions in relation to those areas in which the review rated UNICEF less favourably.

Emergency Response

The Review highlighted that UNICEF provides critical support and coordination in humanitarian and emergency situations and that the scale of its operations cannot be delivered by other multilateral organisations. It also expresses concern about the effectiveness of our response in acute emergency situations.

Actions:

Building on the lessons learned during the large scale emergencies in 2010 UNICEF is bolstering our capacity to support emergency response both within the organisation and in support of inter-agency efforts through collaboration with other UN agencies and NGO partners.

A new UNICEF Corporate Emergency Activation Procedure (CEAP) for large-scale emergencies was approved in March 2011. The CEAP includes a clear chain of command and the rapid deployment of Immediate Response Teams to support UNICEF country offices.

Standard Operating Procedures are being streamlined in accordance with the CEAP and the first batch of candidates for the Immediate Response Teams will be trained beginning May 2011.

Within the framework of the Inter-Agency Standing Committee (IASC) UNICEF is taking an active approach in the high-level discussions to improve the cluster approach and clarify its role in humanitarian leadership and coordination. Together with the International Council of

Voluntary Agencies (ICVA) UNICEF is leading the discussions on 'leadership and coordination'.

In early 2010, UNICEF established HR emergency Unit within the Department of Human Resources to strengthen its capacity to deploy surge staff to emergencies and provide HR support to large scale emergencies. Furthermore, the emergency recruitment policy was revised to significantly speed up recruitment processes for countries in emergencies.

UNICEF is currently building a robust global web roster to respond to large scale emergencies, which will also include a roster of former UNICEF staff and retirees. Also, centers of excellence in developed and developing countries are being identified for surge deployment.

UNICEF has been strengthening systems to meet its 48 hour response time on supplies delivered within 48 hours of sales order release. During 2010 a 48 hour response time was achieved for 90% of rapid response emergency deliveries, the target is 100%

Fragile Contexts

It is correct, as pointed out in the review, that UNICEF does not have a specific strategy on fragile states. Since UNICEF operations cover the entire spectrum from emergency to development guidance is already integrated in existing policy documents, which is the basis for our ability to deliver in fragile situations. This is not least anchored in the organisational Board- approved Post Crisis Transition Strategy (2006).

Actions:

The implementation of the Strategy is on track, including a dedicated Recovery and Risk Reduction Section, which has been operational since 2009. Since its' establishment there has been a dramatic increase in organisational engagement both at HQ, regional and country level, both on the policy side (Peace building Support Group and other HQ-mechanisms) and with support and guidance to Country Offices on conflict-sensitivity, working with integrated missions, capacity development and peace-building. In the presentation to the Executive Board on Peace building (Nov 2010) a strong commitment was conveyed to further strengthen these efforts. Furthermore Disaster Risk Reduction capacity has been established in all Regional Offices.

A range of further actions are planned in the areas of training, guidance notes, performance monitoring and further sector specific capacity development.

Gender Equality

UNICEF has invested in strengthening systems and capacity in mainstreaming gender for programme results. A high level Gender Equality Task Force regularly monitors the implementation of the Strategic Priority Action Plan (SPAP) on Gender Equality 2010-2012 and reports on the progress. The SPAP covers all aspects of UNICEF's work, including in emergency and development contexts, advocacy and operations.

Actions:

A gender equality marker, which tracks the allocation and expenditure of resources against gender sensitive results, has been developed. 2011 is the first year of implementation of the marker.

Climate Change

The review highlighted that UNICEF does not have an overall climate change policy and that the organisation does not measure climate or environmental impact. While not yet having a comprehensive policy in place, we fully recognize that all UNICEF's programmes and activities will potentially be affected by climate change, and need to be adapted to better mitigate the impact of these new realities. Furthermore, we have an important role to play in the education and skill-building of children and young people on the issues of climate change so they can take appropriate mitigation and adaptation actions in their communities.

Actions:

UNICEF is currently significantly strengthening our guidance on programming for environmental sustainability and climate change (including climate change and environmental risks to children) through revisions of Programme Policies and Procedures Manual. Its purpose is to guide our daily work with governments and other partners to improve child survival, to protect against disease, to provide access to safe water and sanitation, and improve nutrition, all of which are critical safety nets to mitigate the worst impact of climate change.

To support capacity building for climate response, UNICEF has initiated a portfolio of climate change activities in key sectors, regions, and countries, such as:

- Multi-country assessments of climate risk to community water availability and the development of an adaptation tool kit of potentially suitable water, and sanitation interventions;
- Education: development and piloting of environment and climate change curriculum resource pack for mainstreaming with national education authorities;
- Leveraging partnerships to build community resilience and strengthen disaster risk reduction so as to adapt to its adverse impact.

Strategic Management and Contribution to Results

Although the review acknowledged UNICEF's ability to demonstrate results at a country level, acknowledging its results-focussed country programming, it also states that the organization struggles to aggregate development results to an organizational level. It is also noted that the organisation's results framework is weak at the output level.

Actions:

A revised programme structure has been applied to all countries from January 2011. The structure includes 'Intermediate results', which are normally at the output level. Annual performance reporting on achievement of intermediate results will begin with 2011 results.

A new enterprise management system (VISION) will be launched in all offices on 1 January 2012, including strengthened performance management tools. The system will present annually updated profiles of UNICEF performance at intermediate result level by programme area and country.

Performance Management and Evaluation

While progress on UNICEF's evaluation function is recognised, concern about management response and follow-up to evaluations is registered. UNICEF is putting in place an extended

monitoring and reporting platform (VISION), which will provide an integrated performance and results reporting at country as well as the global programme level.

Actions:

To improve the monitoring of management responses (MRs) to evaluations UNICEF offices now have direct access to the management response data base. Beginning 2011 Regional Offices receive periodic updates about delinquent MRs and are tasked to follow-up with the country offices. Management Response completion, quality, and updates will be included in the normal audit schedule for country visits by the Office of Internal Audit.

Financial Resources Management

The review states that UNICEF has clear financial allocation criteria and processes, but voices concern over the level of UNICEF's cash balances. It is important to note that the majority of UNICEF's cash balances are earmarked for specific programs, projects, emergencies and reserves; as of 31 Dec 2010 this was 85% or US\$1,845 million.

Actions:

UNICEF signs its annual work plans with government partners at the beginning of each year, committing to certain expenditure levels for the period, thereby committing Regular Resource (core) funds in addition to Other Resources (non-core). Cash inflows are spread out throughout the year. As a result of this, it is prudent liquidity management for UNICEF to maintain a minimum of 3 months of working capital, cash available, in order to ensure our liquidity. We are anticipating that we will dip below this \$300 million level by the end of 2011. Cash balances are monitored on an on-going basis.

Cost and Value Consciousness

Value for money is a key premise behind the introduction of the equity-based approach, and we are pleased that the review recognises that there is good country level evidence for this. Still, it is found that UNICEF does not comprehensively report on the cost efficiency of its operations and it is hard to assess cost efficiency gains from field operations.

Actions:

For the 2012-2013 budget UNICEF will be strengthening the linkage of resources and the results articulated in the strategic plan by using the Key Performance Indicators from our MTSP. The performance management system in VISION - to be launched throughout the organisation on 1 January 2012 - will support the generation and aggregation of information to assess cost efficiency in key aspects of field operations as well as at the corporate level.

Moving forward, in developing its new strategic plan for the period starting 2014, UNICEF will develop and include key performance indicators to measure operational efficiencies which can be aggregated at the corporate level.

Partnership Behaviour

UNICEF can only agree with the assessment that we have developed strong partnerships and work well with a host of partners from governments and other development partners. The review still finds that our effectiveness in working with NGOs/CSOs in humanitarian emergencies remains variable. It is also noted that our approach to working effectively with

other UN agencies and our leadership on Delivering as One is perceived as inconsistent. UNICEF will accelerate its support to Delivering as One at levels of the organization.

Actions:

At HQ the Executive Director in his recent statement to the UNICEF Executive Board in February 2011 declared that UN Coherence would be one of four key objectives for UNICEF in 2011.

Through the UNICEF Action Plan on the Triennial Comprehensive Policy Review presented in early 2009, we are systematically tracking and analysing UNICEF's extensive contribution to UN Coherence and follow up through rigorous reporting in the Annual Report (98% of actions have been completed).

UNICEF has dedicated significant capacity and support at HQ level to support regions and country offices on Delivering as One and UN Coherence. This also includes extensive engagement of UNICEF in the inter-agency working groups and networks.

At the country level one of the key performance indicators for all UNICEF Representatives is how effective have they supported UN country team initiatives towards Delivering as One.

A Help Desk to answer questions and concerns regarding UN Coherence from all staff is established, and "A Handy Guide on UN Coherence – Delivering Better Results for Children" was published in 2010 distributed organization wide and to partners.

UNICEF is accelerating its efforts to reinforce its humanitarian partnerships in a number of ways, including regular consultations with humanitarian NGOs and through a recently revised Programme Cooperation Agreement) that guides its extensive work with civil-society organizations.

Transparency and Accountability

The review found that UNICEF has a financial disclosure policy in place for staff working on procurement and a 'whistle-blower protection policy'. It also noted that we do not have a transparency policy and that full information on all projects is not disclosed.

Actions:

UNICEF issued a disclosure policy to all staff in September 2010. Among other things, this ensures that information related to the activities of the organization is posted on UNICEF websites. We are currently in the process of implementing the disclosure policy, which entails posting of data on UNICEF programmes and operations, including programme and financial reporting.

UNICEF has started publishing all country programmes and inter-country programmes and, from 2010, the annual reports of all country offices are posted on UNICEF intranet site.