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UNICEF integrated budget, 2026–2029

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the United Nations Children's Fund (UNICEF) on the integrated budget, 2026–2029 (E/ICEF/2025/AB/L.6). During its consideration of the report, the Advisory Committee met with representatives of UNICEF and was provided with additional information and clarifications, concluding with written responses that were received on 19 August 2025.

II. Proposed integrated budget, 2026–2029

2. The report indicates that the integrated budget, 2026–2029 is an integral part of the UNICEF Strategic Plan, 2026–2029 (E/ICEF/2025/29). The integrated budget and its annex (E/ICEF/2025/AB/L.6 and Add.1) should be read in conjunction with the Strategic Plan and its annexes (E/ICEF/2025/AB/L.6, para. 1). UNICEF developed its integrated resource plan, 2026–2029, based on actual income and expenditures from 2022 to 2024, provisional estimates for 2025 and projected estimates for the period 2026 to 2029 (ibid., para. 3).

* E/ICEF/2025/27.

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Table
Integrated resource plan, 2026–2029
(in millions of United States dollars)

	Approved, 2022–2025 midterm review (E/ICEF/2024/AB/L.5)							*2026–2029*						
			Other resources							*Other resources*				
	Regular resources		*Programmes*	*Cost recovery*	*Total resources*		*Trust funds*	*Regular resources*		*Programmes*	*Cost recovery*	*Total resources*		*Trust funds*
	$m	*%*		*$m*	*$m*	*%*	*$m*	*$m*	*%*		*$m*	*$m*	*%*	*$m*
1. Resources available														
Opening balance	523.2		3 093.3	-	3 616.6		4 721.8	614.2		2 969.5	-	3 583.7		1 448.0
Income														
Contributions	4 984.0		29 864.3	-	34 848.3		-	4 164.0		20 858.0	-	25 022.0		-
Other income	791.6		-	-	791.6		-	985.0		-	-	985.0		-
Total income	5 775.7		29 864.3	-	35 640.0		-	5 149.0		20 858.0	-	26 007.0		-
Tax reimbursement adjustment	(87.4)		-	-	(87.4)		-	(84.0)		-	-	(84.0)		-
Transfer to Working Capital Fund	(80.0)		-		(80.0)		-	-		-	-	-		-
Transfer to Dynamo Fund	(118.7)		-		(118.7)		-	(30.0)		-	-	(30.0)		-
Transfer to after service staff liabilities	(80.0)		-		(80.0)		-	-		-	-	-		-
Trust fund receipts	-		-	-	-		8 505.9	-		-	-	-		8 800.0
Total available	**5 932.8**		**32 957.6**	**-**	**38 890.5**		**13 227.8**	**5 649.2**		**23 827.5**	**-**	**29 476.7**		**10 248.0**
2. Use of resources														
A. Development and humanitarian activities														
A.1 Programmes	4 040.2	*72.7%*	27 873.5	-	31 913.6	*89.6%*	11 426.7	3 655.6	*68.7%*	21 000.0	-	24 655.6	*88.0%*	8 800.0
Country	3 775.2	*68.0%*	26 426.8	-	30 202.0	*84.8%*	-	3 460.0	*65.1%*	20 100.0	-	23 560.0	*84.0%*	-
Global and Regional	265.0	*4.8%*	1 446.7	-	1 711.7	*4.8%*	-	195.6	*3.7%*	900.0	-	1 095.6	*3.9%*	-
A.2 Development effectiveness	626.6	*11.3%*	72.5	73.3	772.4	*2.2%*	-	633.9	*11.9%*	-	-	633.9	*2.3%*	-
Subtotal (A)	4 666.8	*84.0%*	27 945.9	73.3	32 686.0	*91.8%*	11 426.7	4 289.5	*80.7%*	21 000.0	-	25 289.5	*90.2%*	**8 800.0**
B. United Nations development coordination	37.6	*0.7%*	2.6	-	40.1	*0.1%*	-	39.4	*0.7%*	-	-	39.4	*0.1%*	-
C. Enabling functions														
C.1 Management	109.5	*2.0%*	10.6	1 598.0	1 718.1	*4.8%*		349.2	*6.6%*	-	1 270.3	1 619.4	*5.8%*	
C.2 Independent oversight and assurance	17.5	*0.3%*	0.2	84.1	101.7	*0.3%*	-	20.2	*0.4%*	-	73.5	93.6	*0.3%*	-
C.3 Special purpose														
C.3.1 Capital investments	86.9	*1.6%*	-	43.1	130.0	*0.4%*	-	24.7	*0.5%*	-	90.3	115.0	*0.4%*	-
C.3.2 Private sector fundraising	636.3	*11.5%*	285.9	-	922.3	*2.6%*	-	595.0	*11.2%*	280.0	-	875.0	*3.1%*	-
Subtotal (C)	850.2	*15.3%*	296.6	1 725.2	2 872.1	*8.1%*	-	989.1	*18.6%*	280.0	1 434.0	2 703.1	*9.6%*	-
Institutional budget (A.2+B+C.1+C.2+C.3.1)	**878.0**	***15.8%***	**85.7**	**1 798.5**	**2 762.3**	***7.8%***		**1 067.3**	***20.1%***	**-**	**1 434.0**	**2 501.3**	***8.9%***	
Integrated budget (A+B+C)	**5 554.6**	***100.0%***	**28 245.1**	**1 798.5**	**35 598.2**	***100.0%***	**11 426.7**	**5 317.9**	***100.0%***	**21 280.0**	**1 434.0**	**28 031.9**	***100.0%***	**8 800.0**
3. New amounts from/(to) other funds				**(56.0)**	**(56.0)**						**-**	**-**		
4. Closing balance of resources	**378.3**		**2 858.0**		**3 236.2**		**1 801.0**	**331.3**		**1 113.5**		**1 444.8**		**1 448.0**

Note: Due to rounding, the totals may differ slightly from the sum of the columns.

3. Table 1 above provides information on the projected total available resources and the proposed use of resources for all cost classification categories for 2026–2029. The Advisory Committee had previously requested that UNICEF provide comprehensive information on expenditures and staffing, as supplementary information, to facilitate its future consideration of the institutional component of the integrated budget, including a comparison of expenditure against planning estimates

and an analysis of variances (E/ICEF/2024/AB/L.6, para. 10). The Committee was informed that the 2026–2029 budget submission includes 12 supplementary appendices (see E/ICEF/2025/AB/L.6/Add.1) with detailed actual and projected income and expenditure and institutional budget levels. **The Advisory Committee trusts that financial performance information, including on the evolution of expenditures (actual and projected) by object or categories of expenditures against planning estimates, and the justifications for the projected resource requirements, will be provided as supplementary information in future budget reports**.

4. The total projected income for 2026–2029 is $26.0 billion, reflecting a 27 per cent decline from $35.6 billion in the midterm review projection for 2022–2025. The current projection is based on consultations with major donors including Governments, private sector partners and National Committees for UNICEF (ibid., para. 12). Upon enquiry, the Advisory Committee was informed that, following an income peak in 2022–2023, which was driven by large-scale emergencies, contributions declined by 7 per cent in 2024 compared with 2023, reflecting broader trends in official development assistance, which is expected to contract by at least 20 per cent over the coming years, along with expected reductions in funding from traditional donors and foreign exchange volatility.

A. Mobilization efforts

5. Upon enquiry, the Advisory Committee received information on UNICEF mobilization efforts amid tightening global resources. UNICEF relies on a highly diversified funding base, comprising approximately 50 per cent from the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) Governments, 10 per cent from international financial institutions, 9 per cent from global public partnerships, 21 per cent from the private sector, and the remaining 10 per cent from United Nations partnerships and joint programmes (3 per cent), treasury operations, procurement services and licensing (4 per cent), as well as non-OECD Governments (3 per cent). In addition to intensifying its engagement with emerging donors, UNICEF is expanding its Innovative Financing for Children as a key strategic enabler to unlock and align diverse forms of capital (grant, catalytic and commercial) for scalable, transformative outcomes for children. Since 2023, the UNICEF Today & Tomorrow Initiative has delivered over $7.9 million in insurance payouts for cyclone-related emergencies in eight countries. A joint mechanism with the World Health Organization, the Gates Foundation, the Global Polio Eradication Initiative and the European Investment Bank secured $248 million in 2024 to fight polio. In partnership with the United States Fund for UNICEF, UNICEF launched the Child-Lens Investing Framework, which was recognized by *Time Magazine* as one of the best inventions of 2024. Additionally, a forward flow arrangement with the World Bank, approved in 2021 as a pilot project, provided UNICEF with $50 million to scale up private sector fundraising and was expected to yield $468 million over five years. As of the end of 2024, $536 million had already been pledged. A comprehensive external review is planned for 2026 to assess the instrument's overall impact, with findings to be presented to the Executive Board. **While noting with concern the significant reduction in overall funding, the Advisory Committee commends UNICEF for its continued fundraising efforts, including through its diversified donor base and innovative financing mechanisms, and encourages the organization to continue to pursue sustained mobilization of resources. The Committee also looks forward to inclusion of the outcome of the pilot project of the financing instrument with the World Bank in the next budget submission**.

6. The budget report indicates that UNICEF income trend continues to reflect significant earmarking of funds. While the proportion of regular resources in UNICEF total income has increased from 14 per cent in 2022 to 19 per cent in 2024, it remains below the 30 per cent target set in the funding compact (ibid., para. 13). Upon enquiry, the Advisory Committee was informed that increased earmarking has been a broader trend in official development assistance over the past five to six years. Heavy reliance on tightly earmarked funding constrains the ability of UNICEF to use resources strategically, including maintaining adequate human resources and technical expertise across programme areas. UNICEF, in response, continues to strengthen advocacy for core and flexible funding. **The Advisory Committee notes that UNICEF income trends continue to reflect significant earmarking, which reduces flexibility and predictability of funding. The Committee trusts that updated information on earmarked funds will be provided in future budget submissions, including on the impact of this trend on UNICEF delivery of its mandate and its efforts to increase unearmarked contributions (also see E/ICEF/2024/AB/L.6, para. 14).**

B. Budget allocation and prioritization

7. The total proposed use of resources for 2026–2029 amounts to $28.0 billion, comprising $5.3 billion in regular resources and $22.7 billion in other resources. UNICEF proposes to allocate funds as follows:

(a) $25.3 billion for development and humanitarian activities;

(b) $39.4 million for United Nations development coordination activities;

(c) $1.6 billion for management activities;

(d) $93.6 million for independent oversight and assurance activities;

(e) $990.0 million for special purpose activities.

8. The proportion of total resources allocated to development and humanitarian activities is projected to decrease slightly from 91.8 per cent in the 2022–2025 midterm review to 90.2 per cent, primarily due to anticipated declines in income. The share allocated to management activities and oversight and assurance activities is proposed to increase slightly, from 5.1 to 6.1 per cent (ibid., paras. 17–18).

9. Upon enquiry, the Advisory Committee was informed that, in light of the decline in the projected income, UNICEF has adopted a conservative approach and proposed substantial reductions in programmatic budgets, particularly at the global and regional levels, while prioritizing country programmes of cooperation with national Governments. Accordingly, UNICEF is tailoring its country presence and focusing direct programme delivery in fragile and low-income contexts while shifting to policy and advocacy roles in upper-middle-income and high-income settings and exploring multi-country office models. The proposed allocation for country programmes would amount to $23.6 billion in 2026–2029, representing a decrease of $6.6 billion, or 22 per cent, from $30.2 billion in the 2022–2025 midterm review. The global and regional programme allocation would be $1.095.6 billion, down $616 million, or 36 per cent, from $1.711 billion in the 2022–2025 midterm review. The institutional budget is projected at $2,501.3 billion, a reduction of $261.0 million, or 9.5 per cent, from $2.76 billion in the midterm review 2022–2025, even as the proportion of the total budget allocated to institutional functions slightly increases due to the sharper decline in overall income.

III. Institutional budget

10. UNICEF proposes an institutional budget of $2,501.3 million for 2026–2029, representing a decrease of $261.0 million compared to the midterm review estimate

of $2,762.3 million. Of the institutional budget, $1,067.3 million is proposed to be funded from regular resources, and $1,434.0 million from cost recovery from other resources. The ratio of the total resources utilized for the institutional budget is 8.9 per cent, compared with 10.2 per cent in the original approved budget for 2022–2025. The institutional budget comprises the following resource requirements: $633.9 million for development effectiveness; $39.4 million for United Nations development coordination; $1,619.4 million for management; $93.6 million for independent oversight and assurance activities; and $115.0 million for capital investments within special purpose activities (ibid., paras. 22–23).

A. UNICEF Future Focus initiative

11. In response to declining levels of international assistance, in March 2025, UNICEF launched the Future Focus initiative, an organization-wide effort to align the planned expenditures for 2026–2029 with updated financial projections. The initiative, which is ongoing, aims to enhance effectiveness, efficiency, agility and operational readiness, while ensuring financial sustainability and maximizing resources for programmatic delivery. The integrated budget reflects the first phase of restructuring and presents only the most essential and highest-priority needs. Streamlining efforts will continue throughout the quadrennium and will be reflected in subsequent updates, including the midterm review of the integrated budget, 2026–2029 and in the document UNICEF Strategic Plan: updated financial estimates that is produced annually (ibid., paras. 31 and 72–74).

12. Upon enquiry, the Advisory Committee was informed that measures under way include the following:

(a) Reducing core post and non-post resources by 25 per cent at headquarter, and regional offices and by 10 to 15 per cent at the country level (see paras. 14–15 below);

(b) Relocating functions to lower-cost locations, including opportunities for co-location with United Nations partners (see paras. 17 and 26 below);

(c) Consolidating technical assistance into four Centres of Excellence located in Amman, Bangkok, Nairobi and Panama (see para. 19 below);

(d) Expanding the use of global shared services and digital platforms (see para. 26 below).

13. **The Advisory Committee acknowledges the efforts being pursued under the Future Focus initiative and trusts that more detailed information on how the implemented measures will impact the proposed budget will be provided to the Executive Board at the time of consideration of the present report.**

B. Staffing

14. The total number of posts included in the institutional budget for 2026–2029 has decreased by 34 since the midterm review, from 3,294 to 3,260. The reduction comprises 24 International Professional posts and 10 positions in the National Officer and General Service categories. Of the total reduction in posts, 25 are in country and regional offices and 9 in headquarters (ibid., para. 76). Upon enquiry, the Advisory Committee was informed that, as part of the restructuring exercise that is expected to conclude in January 2026, UNICEF is conducting functional reviews across all divisions and offices to assess roles, responsibilities and required capacity within each unit. **The Advisory Committee considers that all staffing changes should be presented clearly with details on level, function, organizational placement and incumbency status, so as to enhance transparency and enable a more meaningful**

analysis of the post resources, and trusts that more details on the functional reviews and expected post changes will be provided to the Executive Board at the time of its consideration of the present report.

1. Director-level (D-1) and above positions

15. The approved number of positions at the D-1 level and above funded from the institutional budget across headquarters and regional offices in the midterm review budget is 73, with a proposed decrease of two D-1posts for 2026–2029. In accordance with paragraph 5 of the draft decision presented in the UNICEF integrated budget, 2026–2029, the Executive Board is requested to authorize the Executive Director to establish additional director-level positions, as required, to be funded from within the approved institutional budget, and to report such positions to the Executive Board in the Annual report of the Executive Director. Upon enquiry, the Advisory Committee was informed that UNICEF does not currently plan to establish new director-level posts and that the ongoing restructuring exercise aims at a reduction of positions, including at the senior levels. However, the Executive Director retains delegated authority to establish new director-level posts in response to emerging needs, such as complex emergencies or evolving programmatic demands, and subject to senior management review according to criteria such as scale, complexity and urgency of a function. In 2024, six net additional senior-level posts were approved, bringing the total to 140, including country offices: 1 Under-Secretary-General (USG), 4 Assistant Secretary- General (ASG), 41 D-2 and 94 D-1 posts. Between 2022 and 2023, an additional 10 senior-level posts were approved, bringing the total to 134 at that time (5 USG/ASG, 41 D-2 and 88 D-1 posts). **The Advisory Committee has repeatedly underscored the need to monitor the large number of high-level posts and notes that the ongoing restructuring exercise aims, inter alia, to reduce their number. The Committee notes the delegated authority of the Executive Director to establish additional director-level positions and trusts that UNICEF will report annually to the Executive Board on the posts established under the delegated authority and the overall levels of senior positions within UNICEF, including in comparison with the United Nations resident coordinator in the same country or region.**

2. Relocations

16. Upon enquiry, the Advisory Committee was provided with information that indicated that UNICEF has 147 offices, inclusive of headquarters and regional offices. As at 30 June 2025, 17 per cent of staff were working in headquarters locations, which include divisions in duty stations other than New York and Geneva, such as Budapest, Copenhagen, Istanbul, Nairobi and Valencia. Five per cent of staff were working in regional offices and 78 per cent in country offices.

17. The Advisory Committee was further informed, upon enquiry, that, as part of the restructuring, most headquarters offices and divisions are expected to relocate 70 per cent of their posts currently based in Geneva and New York to lower-cost duty stations. Relocation decisions are guided by a combination of factors, such as proximity to key stakeholders, potential synergies with internal and external partners and overall cost-effectiveness. These ongoing efforts build on the Headquarters Efficiencies Initiative (HQEI), which was launched by UNICEF in 2021 and integrated into the Future Focus Initiative in 2025. Initially aiming to relocate 472 headquarters posts, the HQEI initiative was expanded following positive outcomes: by April 2025, 631 posts had been relocated, with a total of 1,066 expected by the end of 2025. An internal analysis in January 2025 projected that by the end of 2026, when 948 staff would have been relocated, UNICEF will achieve annual cost savings of approximately $54 million.

18. Regarding UNICEF presence in New York, the Advisory Committee was informed, upon enquiry, that UNICEF will assume legal ownership of the DC-3 building (UNICEF House) in mid-2026 through a title transfer from the United Nations Development Corporation. This transfer, which will not involve a purchase, will enable the consolidation of UNICEF staff based in New York, the termination of the current lease and will result in cost savings. Furthermore, as staff numbers in New York decrease as roll-out of the Future Focus Initiative continues, surplus office space will be available for subleasing to United Nations entities or partners, offsetting operating costs and supporting financial sustainability.

19. The Advisory Committee was also informed that, under the Future Focus Initiative, UNICEF is relocating programme technical assistance posts from regional offices to four Centres of Excellence that are being established in Amman, Bangkok, Nairobi and Panama, and, subsequently, additional programme technical assistance posts will be relocated to these Centres of Excellence. This is intended to strengthen field-level capacity by consolidating specialized functions closer to programme delivery points and making them more accessible to country offices. Detailed staffing numbers by programme are still being finalized.

20. **The Advisory Committee welcomes that a central tenet of the ongoing restructuring exercise is to bring UNICEF presence closer to the points of programme delivery. The Committee commends the relocations carried out over recent years and encourages continued efforts towards increasing UNICEF field presence. The Committee trusts that updated information will be provided to the Executive Board on posts and functions to be relocated and those to remain at headquarters, and that comprehensive information on the outcome of the restructuring exercise will be reflected in the next budget submissions, including clarification on whether the related costs will be reclassified under country programmes or remain within the global and regional programme budget while being physically located in country offices.**

3. Gender and geographical representation

21. Upon enquiry, the Advisory Committee was provided with information on the composition of UNICEF staff by gender, nationality and regional grouping. As at 30 June 2025, UNICEF staff comprised 50.07 per cent women and 49.93 per cent men, including nationals of 179 countries. Of the 5,261 international staff holding fixed-term and temporary appointments, 1,582 (or 30.1 per cent) were staff from African States, 1,148 (21.8 per cent) from Asia-Pacific States, 209 (3.9 per cent) from Eastern European States, 337 (6.4 per cent) from Latin American and Caribbean States, 1,570 (29.8 per cent) from Western European and other States (except for the United States of America), 392 (7.5 per cent) from the United States, and 23 (0.4 per cent) from "Other". **The Advisory Committee notes that UNICEF has achieved gender parity among its staff. While acknowledging that UNICEF posts are not subject to geographical distribution, the Committee encourages UNICEF to recruit all categories of its personnel on as wide a geographical basis as possible and trusts that UNCEF will report thereon as a matter of routine in future budget reports.**

4. Reserves for employee benefits liabilities

22. UNICEF maintains reserves to fund its employee benefits liabilities, which comprise after-service health insurance and end-of-service entitlements. UNICEF is implementing a funding strategy for those liabilities, to ensure that, over time, the reserve for those liabilities is accumulated from the funding sources to which post costs are correctly attributed and transfers of additional resources occur, when the year-end balances permit. A full actuarial valuation is conducted biennially.

The actuarial liability as at 31 December 2024 was $1.34 billion and accumulated reserves were $1.33 billion, representing a 99 per cent coverage of liability, which exceeds the UNICEF funding strategy target of 80 per cent coverage by 2025 (ibid., para. 27). **The Advisory Committee notes that UNICEF is implementing a funding strategy for employee benefits liabilities. The Committee stresses the importance of the strategy being underpinned by a clear and transparent methodology to ensure appropriate levels of reserves, and trusts that detailed information will be provided to the Executive Board and in future budget submissions.**

5. Non-staff personnel

23. Upon enquiry, the Advisory Committee was informed that, as at 30 June 2025, UNICEF engaged 5,636 non-staff personnel, comprising 1,661 United Nations Volunteers, 201 interns and 3,774 consultants. While UNICEF has phased out individual contractors, the number of consultants remains high, particularly at headquarters, which accounts for 897 consultants, or 24 per cent of the total consultant workforce. **The Advisory Committee trusts that, as part of its ongoing restructuring, UNICEF will reassess the use of non-staff personnel, especially, with a view to reducing its reliance on the large number of consultants, particularly at headquarters (see also E/ICEF/2021/AB/L.7, para. 20)**.

IV. Other matters

A. Cost recovery

24. The integrated budget for 2026–2029 was prepared in line with the revised joint comprehensive cost-recovery policy approved by the Executive Board in September 2024 (UNICEF Executive Board decision 2024/25). The policy, which also applies to the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), lists cost-classification categories, methodology and rates, effective 1 January 2026. Table 4 in the UNICEF integrated budget, 2026–2029 shows that 19 per cent of the institutional budget subject to cost recovery will be funded from regular resources, with the remaining 81 per cent funded from other resources. This is similar to the proportional share of planned expenditure funded by regular resources and other resources, confirming that regular resources do not subsidize the implementation of other resources-funded programmes (ibid., paras. 77–78). Upon enquiry, the Advisory Committee was informed that cost recovery is derived from a fixed percentage of total other resources-funded programme delivery in a given year, using an average rate for planning. As programme delivery often spans multiple years, other resources income changes do not immediately translate into corresponding changes in cost-recovery income. This time lag is factored into planning and budgeting. In accordance with Executive Board decision 2024/25, UNICEF, in collaboration with UNDP, UNFPA and UN-Women, has prepared a joint annual cost recovery report, and a comprehensive review of the cost recovery policy and its implementation will be submitted to the Executive Board for decision at the second regular session of 2028. **The Advisory Committee looks forward to receiving updated information on the cost-recovery policy in future budget submissions.**

B. Cooperation with regional organizations

25. Upon enquiry, the Advisory Committee was informed that UNICEF maintains strong partnerships with the African Union, including the African Union Commission and several African Union organs, such as Africa Centres for Disease Control and Prevention, the African Committee of Experts on the Rights and Welfare of the Child

and the African Union Development Agency-New Partnership for Development. Through these partnerships, UNICEF supports advocacy for the progressive realization of child rights in Africa, provides high-level technical assistance, promotes the integration of child rights into African Union normative frameworks, and helps to foster partnerships for children with the African Union, in alignment with the Union's programme priorities. UNICEF does not transfer funds to the African Union but jointly agrees on priorities and deliverables and directly finances agreed activities. Since 2017, UNICEF has also developed a strong partnership with the Economic Community of West African States, aimed at strengthening child-focused policies, and similarly has established partnerships with the Economic Community of Central African States and the Southern African Development Committee.

C. United Nations system-wide efficiencies and inter-agency cooperation

26. Upon enquiry, the Advisory Committee was informed that UNICEF achieved efficiencies across multiple functional areas through its participation in the United Nations development system reform agenda and inter-agency collaboration. For example, the implementation of Business Operations Strategies across all offices has yielded $23.1 million in savings in 2024 and over $95 million cumulatively since 2019 through inter-agency collaboration and cost-sharing. UNICEF currently has 219 offices located in shared premises, or 54 per cent of its offices (excluding free-to-use government premises and emergency outposts), exceeding the United Nations system average of 30 per cent. UNICEF has also participated in the establishment of common back offices in several countries, including Brazil, Kenya, the United Republic of Tanzania and Viet Nam, while taking the lead in Pakistan and Senegal and co-leading in Jordan. In 2024, UNICEF expanded its Global Shared Services Centre, centralizing functions such as travel and human resources administration, and formalized a memorandum of understanding to provide operational support to other United Nations entities, notably the International Telecommunication Union. UNICEF has also made use of inter-agency platforms, including the United Nations Booking Hub, United Nations Digital ID, United Nations Web Buy Plus and United Nations Fleet. Alongside the United Nations Secretariat, UNDP, the Office of the United Nations High Commissioner for Refugees and the United Nations Office for Project Services, UNICEF has proposed a new approach to strengthening United Nations treasury services by leveraging existing infrastructure through the following:

(a) Selected agencies providing treasury services to others;

(b) Joint initiatives, such as artificial intelligence-enabled document automation and foreign exchange optimization. UNICEF contributes its global foreign exchange capabilities and centralized payment systems, offering significant efficiencies to other United Nations agencies.

27. The Advisory Committee was also informed that UNICEF engages in inter-agency discussions to enhance compatibility across enterprise resource planning systems. As co-chair of the United Nations Enterprise Resource Planning Special Interest Group, UNICEF continues to explore opportunities for alignment, particularly in cloud hosting and shared business processes, while ensuring its internal enterprise resource planning modernization aligns with field-driven operations and digital transformation priorities.

28. **The Advisory Committee acknowledges UNICEF contribution to the system-wide efficiency agenda and trusts that these efforts will continue to expand, with a view to leveraging further synergies and inter-agency collaboration. The Committee trusts that comprehensive information, including on expected targets, realized savings, implementation challenges and future**

plans for scaling up such arrangements, will be reflected in the next budget submission.

D. Asset disposal

29. Upon enquiry, the Advisory Committee was informed that in 2024, 1,855 items, including 93 vehicles, were sold, generating a net gain of $3.25 million, of which $1.55 million was from vehicle sales. Gains were highest in countries with limited market supply or high import costs. Under UNICEF policy, country and regional offices may retain proceeds from the sale of obsolete or surplus equipment (e.g., vehicles, information technology, communications and office equipment) and request additional budget allotments if there is a demonstrated funding need. Requests are subject to eligibility criteria and reviewed during year-end closure, with approved allotments issued the following year. According to UNICEF, this mechanism increases flexibility to address operational needs and mitigate budget constraints. **The Advisory Committee trusts that UNICEF best practices and lessons learned on the disposal of assets will be shared with other entities within the United Nations system**.

E. Sexual exploitation and abuse

30. Upon enquiry, the Advisory Committee was informed that, in 2024, the UNICEF Office of Internal Audit and Investigations noted an increase in reported cases of sexual exploitation and abuse (166 new cases in 2024, compared to 128 in 2023) and child safeguarding violations (68 new cases in 2024, compared to 30 in 2023), with most alleged perpetrators identified as personnel of implementing partners. In April 2025, UNICEF adopted a procedure whereby its Office of Internal Audit and Investigations may refer findings of substantiated sexual exploitation and abuse and child safeguarding investigations to the UNICEF Implementing Partner Review Board for imposition of administrative sanctions and/or remedial measures. The Committee was also informed that UNICEF remains committed to prevention, survivor-centred support, accountability, and strengthening reporting and victim assistance, including through partner capacity-building and community-based approaches. The Committee recalls that, pursuant to the system-wide United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners adopted in March 2018, United Nations entities must conduct a screening process before entering into arrangements with implementing partners to assess their capacity to prevent or mitigate risks of sexual exploitation and abuse. The United Nations retains the right to investigate allegations involving implementing partners and its associated personnel, notwithstanding any related investigations undertaken by the implementing partner itself or national authorities. Measures to be taken by United Nations entities in the event of credible allegations include contract termination, referral for criminal accountability and sharing of information on the allegation with relevant authorities, as appropriate. **The Advisory Committee recalls that the General Assembly has repeatedly affirmed its commitment to the zero-tolerance policy on sexual exploitation and abuse throughout the United Nations system, including its agencies, funds and programmes (see, for example, resolution 78/331, para. 1). The Committee notes with concern the increase in reported cases of sexual exploitation and abuse and child safeguarding violations and stresses the need for UNICEF to strengthen its efforts on prevention, accountability and victim protection and support, in line with the relevant normative framework, paying particular attention to prevent any harm to children. The Committee trusts that information thereon will be provided in the next budget report**.

F. Oversight

31. Upon enquiry, the Advisory Committee was informed that, as at 31 July 2025, UNICEF had implemented all pending recommendations of the Board of Auditors, except four, representing less than 13 per cent of the total outstanding recommendations issued from the 2023-year end audit and prior years. **The Advisory Committee trusts that UNICEF will intensify its efforts to expedite the implementation of all outstanding recommendations of the Board of Auditors fully and in a timely manner**.

32. The Advisory Committee was further informed, upon enquiry, that the 10 formal recommendations from the Joint Inspection Unit (JIU) report on the Review of governance and oversight of the Executive Boards of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women (JIU/REP/2023/7) are addressed to the UNICEF Executive Board and remain under consideration. At the 2025 first regular session, the UNICEF Executive Board adopted the terms of reference of a joint working group on the JIU report (decision 2025/5). At the 2025 annual session, the co-chairs presented the road map's key milestones. While the process is Member State-led, UNICEF remains committed to providing full support and timely responses to any Executive Board requests relating to the recommendations. **The Advisory Committee trusts that the recommendations of the Joint Inspection Unit will be implemented in a timely manner**.

33. Upon enquiry, the Advisory Committee was provided with information regarding the implementation of its latest recommendations. **The Advisory Committee trusts that updated information will be provided in the midterm review of the integrated budget and in the context of future budget submissions**.

G. Support to terminated staff

34. Upon enquiry, the Advisory Committee was informed that UNICEF continues to apply existing policies to support staff affected by post abolishments, including a six-month notice period for staff members holding fixed-term appointments and payment of a termination indemnity. Moreover, under the Future Focus Initiative, additional measures have been introduced, such as exceptional special leave without pay so that staff members can retain their internal status for one year; prioritized placement in talent groups for 36 months; a recruitment freeze and suspension of the mobility exercise; a voluntary separation scheme; ring-fencing of all vacant international professional posts for affected staff during the period August to December 2025; and well-being and career support services.