

## Annex 2 - Financial implication of cost classification recommendations

### Annex 2A - Financial implications of implementation of recommendations - UNICEF

Total in USD million (including RR, OR and cost recovery), based on 2018-2021 Integrated Budgets			Recommendation 1: Fully align HACT and MOSS cost classification	Recommendation 2: Improve alignment between Management and Development activities	Recommendation 3: Separate cost classification line items for Independent Oversight and Assurance and UN Resident Coordinator RC cost sharing	Total implications
<b>UNICEF</b>						
<b>Development activities</b>						
Programme activities	20,277.3	84.6%				-
Development effectiveness activities	721.9	3.0%				-
<b>Total development activities</b>	<b>20,999.2</b>	<b>87.6%</b>	-	-	-	-
<b>UN Development coordination</b>						
Resident coordination system cost-share	17.0	0.1%			(17.0)	(17.0)
Other costs						-
Cluster coordination	32.3	0.1%				-
UN Coordination Division						-
<b>Total UN development coordination activities</b>	<b>49.3</b>	<b>0.2%</b>	-	-	<b>(17.0)</b>	<b>(17.0)</b>
<b>Management activities</b>						
<b>Recurring costs</b>						
Leadership and corporate direction	39.1	0.2%				-
Corporate oversight and assurance	47.8	0.2%			(47.8)	(47.8)
Corporate financial, ICT and administrative management	245.1	1.0%				-
Corporate human resources management	98.0	0.4%				-
Corporate external relations and partnerships, communications and resources mobilization	249.4	1.0%				-
Staff and premises security	28.1	0.1%				-
Field/country office oversight, management and operations support	896.6	3.7%				-
<i>Subtotal recurring costs</i>	<i>1,604.2</i>	<i>6.7%</i>			<i>(47.8)</i>	<i>(47.8)</i>
<b>Non-recurring costs</b>						
Strategic Investments						
<i>Subtotal management non-recurring activities</i>	<i>-</i>					
<b>Total management activities</b>	<b>1,604.2</b>	<b>6.7%</b>	-	-	<b>(47.8)</b>	<b>(47.8)</b>
<b>Special purpose activities</b>						
Capital investments	80.0	0.3%				-
Non-agency specific operations	1,238.2	5.2%				
<b>Total special purpose activities</b>	<b>1,318.2</b>	<b>5.5%</b>	-	-	-	-
<b>Separate cost classification line items</b>						
Resident coordination system cost-share					17.0	17.0
Independent oversight and assurance (Audit and Evaluation)					47.8	47.8
<b>Total Integrated Resources Plan</b>	<b>23,970.9</b>	<b>100.0%</b>	-	-	-	-

*Estimates are provided for illustration purposes only and are based on UNICEF integrated budget 2018-2021 (ref. E/ICEF/2017/AB/L.4/Add.1)*

## **Annex 2B - Financial implications of implementation of recommendations - UNDP**

UNDP's proposed reclassifications of costs have no impact on the overall integrated resources framework, and merely reflect a movement of respective activities to the appropriate cost categories together with the respective resources within the existing integrated resources plan/integrated budget amounts. It is important to note that these proposed reclassifications do not reduce the level of core resources available for programmes.

The proposed reclassifications would result in a reclassification of \$199m out of the management category into other categories, as follows:

- \$112m for the Corporate oversight and assurance moves to a separate cost classification line item;
- \$10m for MOSS investments moves to the Capital investments category within the Special purpose category;
- \$2m for HACT moves to the Development Effectiveness category;
- \$75m for operational support to projects at the country level with a direct link to projects and programmes moves to the Programme category. This includes functions such as travel support, logistics, procurement, finance & human resource support to those projects and programmes.

In addition, UNDP proposes a reclassification of \$73m for the overall programmatic support at the country level from the Development Effectiveness category to the Programme category. This includes functions such as programme policy advisory services, supervision and communication of project activities.

As before, these functions will continue to be funded both from Regular and Other resources, as detailed in the table on the next page.

**Annex 2B - Financial implications of implementation of recommendations - UNDP (cont'd)**

Total in USD million (including RR, OR and cost recovery), based on 2018-2021 Integrated Budgets			Recommendation 1: [fully align HACT and MOSS cost classification]	Recommendation 2: (separate cost classification line items for Independent Oversight and Assurance ; UN Resident Coordinator RC cost sharing	Recommendation 3: (improve alignment between Management and Development activities)	Total implications	Breakdown by Funding Source	
							Regular resources	Other resources
<b>UNDP</b>								
<b>Development activities</b>								
Programme activities	21,042.0	87.6%			148.2	148.2	84.6	63.6
Development effectiveness activities	775.0	3.2%	2.0		(73.3)	(71.3)	(28.5)	(42.8)
<b>Total development activities</b>	<b>21,817.0</b>	<b>90.8%</b>	<b>2.0</b>	<b>-</b>	<b>74.9</b>	<b>76.9</b>	<b>56.1</b>	<b>20.8</b>
<b>UN Development coordination</b>								
Resident coordination system cost-share	40.0	0.2%		(40.0)		(40.0)	(40.0)	
Other costs	86.0	0.4%				-		
Cluster coordination						-		
UN Coordination Division						-		
<b>Total UN development coordination activities</b>	<b>126.0</b>	<b>0.5%</b>	<b>-</b>	<b>(40.0)</b>	<b>-</b>	<b>(40.0)</b>	<b>(40.0)</b>	<b>-</b>
<b>Management activities</b>								
<b>Recurring costs</b>								
Leadership and corporate direction	32.0	0.1%				-		
Corporate oversight and assurance	112.0	0.5%		(112.0)		(112.0)	(83.3)	(28.7)
Corporate financial, ICT and administrative management	284.0	1.2%	(2.0)			(2.0)		(2.0)
Corporate human resources management	166.0	0.7%				-		
Corporate external relations and partnerships, communications and resources mobilization	105.0	0.4%				-		
Staff and premises security	40.0	0.2%	(10.0)			(10.0)		(10.0)
Field/country office oversight, management and operations support	1,002.0	4.2%			(74.9)	(74.9)	(56.1)	(18.7)
<i>Subtotal recurring costs</i>	<i>1,741.0</i>	<i>7.2%</i>	<i>(12.0)</i>	<i>(112.0)</i>	<i>(74.9)</i>	<i>(198.9)</i>	<i>(139.4)</i>	<i>(59.4)</i>
<b>Non-recurring costs</b>								
Strategic Investments	28.0	0.1%						
<i>Subtotal management non-recurring activities</i>	<i>28.0</i>	<i>0.1%</i>						
<b>Total management activities</b>	<b>1,769.0</b>	<b>7.4%</b>	<b>(12.0)</b>	<b>(112.0)</b>	<b>(74.9)</b>	<b>(198.9)</b>	<b>(139.4)</b>	<b>(59.4)</b>
<b>Special purpose activities</b>								
Capital investments	30.0	0.1%	10.0			10.0		10.0
Non-agency specific operations	286.0	1.2%						
<b>Total special purpose activities</b>	<b>316.0</b>	<b>1.3%</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>10.0</b>
<b>Separate cost classification line items</b>								
Resident coordination system cost-share				40.0		40.0	40.0	
Independent oversight and assurance (Audit and Evaluation)				112.0		112.0	83.3	28.7
<b>Total Integrated Resources Plan</b>	<b>24,028.0</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimates are provided for illustration purposes only and are based on the UNDP integrated resources plan/integrated budget 2018-2021 (ref. DP/2017/39).

Annex 2C - Financial implications of implementation of recommendations - UNFPA

Total in USD million (including RR, OR and cost recovery), based on 2018-2021 Integrated Budgets			Recommendation 1: Fully align HACT and MOSS cost classification	Recommendation 2: Improve alignment between Management and Development activities	Recommendation 3: Separate cost classification line items for Independent Oversight and Assurance and UN Resident Coordinator RC cost sharing	Total implications
	UNFPA					
<b>Development activities</b>						
Programme activities	3,061.0	81.2%				-
Development effectiveness activities	139.4	3.7%	0.9			0.9
<b>Total development activities</b>	<b>3,200.3</b>	<b>84.9%</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>0.9</b>
<b>UN Development coordination</b>						
Resident coordination system cost-share	16.6	0.4%			(16.6)	(16.6)
Other costs		0.0%				-
<b>Total UN development coordination activities</b>	<b>16.6</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>(16.6)</b>	<b>(16.6)</b>
<b>Management activities</b>						
<b>Recurring costs</b>						
Leadership and corporate direction	31.5	0.8%				
Corporate oversight and assurance	47.2	1.3%			(47.2)	
Corporate financial, ICT and administrative management	68.3	1.8%				
Corporate human resources management	21.5	0.6%				
Corporate external relations and partnerships, communications and resources mobilization	70.9	1.9%				
Staff and premises security	3.6	0.1%				
Field/country office oversight, management and operations support	282.2	7.5%	2.7			
<i>Subtotal recurring costs</i>	<i>525.1</i>	<i>13.9%</i>	<i>2.7</i>	<i>-</i>	<i>(47.2)</i>	<i>-</i>
<b>Non-recurring costs</b>						
MOSS and MORSS Investments	7.2	0.2%	(7.2)			
<i>Subtotal management non-recurring activities</i>	<i>7.2</i>	<i>0.2%</i>	<i>(7.2)</i>			
<b>Total management activities</b>	<b>532.3</b>	<b>14.1%</b>	<b>(4.5)</b>	<b>-</b>	<b>(47.2)</b>	<b>(51.7)</b>
<b>Special purpose activities</b>						
Capital investments	20.0	0.5%	3.6			3.6
Non-agency specific operations		0.0%				
<b>Total special purpose activities</b>	<b>20.0</b>	<b>0.5%</b>	<b>3.6</b>	<b>-</b>	<b>-</b>	<b>3.6</b>
<b>Separate cost classification line items</b>						
Resident coordination system cost-share					16.6	16.6
Independent oversight and assurance (Audit and Evaluation)					47.2	47.2
<b>Total Integrated Resources Plan</b>	<b>3,769.2</b>	<b>100.0%</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>

UNFPA Note: The current financial implication breakdown between MOSS and MORSS is based on management's best estimate. The difference between the estimate and actual would be immaterial.

Annex 2D - Financial implications of implementation of recommendations - UN-Women

Total in USD million (including RR, OR and cost recovery), based on 2018-2019 Integrated Budget- doubled to represent a 4 year budget for comparability				Recommendation 1: Fully align HACT and MOSS cost classification	Recommendation 2: Move HQ procurement function from Mngt to DE	Recommendation 2: Improve alignment between Management and Development activities *	Recommendation 3: Separate cost classification line items for Independent Oversight and Assurance and UN Resident Coordinator RC cost sharing	Total implications
	<b>UN-Women</b>							
<b>Development activities</b>								
Programme activities	1,356.5	77.1%						-
Development effectiveness activities	101.0	5.7%			2.1			2.1
<b>Total development activities</b>	<b>1,457.5</b>	<b>82.8%</b>		-	<b>2.1</b>		-	<b>2.1</b>
<b>UN Development coordination</b>								
Resident coordination system cost-share	5.2	0.3%					(5.2)	(5.2)
UN Coordination Field	42.0	2.4%						-
UN Coordination Division	7.1							-
<b>Total UN development coordination activities</b>	<b>54.3</b>	<b>3.1%</b>		-			(5.2)	<b>(5.2)</b>
<b>Management activities</b>								
<b>Recurring costs</b>								
Leadership and corporate direction	15.5	0.9%						-
Corporate oversight and assurance	25.1	1.4%					(25.1)	(25.1)
Corporate financial, ICT and administrative management	55.0	3.1%			(2.1)			(2.1)
Corporate human resources management	10.0	0.6%						-
Corporate external relations and partnerships, communications and resources mobilization	26.8	1.5%						-
Staff and premises security	3.8	0.2%		(2.4)				(2.4)
Field/country office oversight, management and operations support	106.0	6.0%						
<i>Subtotal recurring costs</i>	<i>242.2</i>	<i>13.8%</i>		<i>(2.4)</i>	<i>(2.1)</i>		<i>(25.1)</i>	<i>(29.6)</i>
<b>Non-recurring costs</b>								
Strategic Investments		0.0%						
<i>Subtotal management non-recurring activities</i>	<i>-</i>	<i>0.0%</i>						
<b>Total management activities</b>	<b>242.2</b>	<b>13.8%</b>		<b>(2.4)</b>			<b>(25.1)</b>	<b>(27.5)</b>
<b>Special purpose activities</b>								
Capital investments	6.0	0.3%		2.4				2.4
Non-agency specific operations		0.0%						
<b>Total special purpose activities</b>	<b>6.0</b>	<b>0.3%</b>		<b>2.4</b>				<b>2.4</b>
<b>Separate cost classification line items</b>								
Resident coordination system cost-share							5.2	5.2
Independent oversight and assurance (Audit and Evaluation)							25.1	25.1
<b>Total Integrated Resources Plan</b>	<b>1,760.0</b>	<b>100.0%</b>		<b>-</b>			<b>-</b>	

\* This requires a review of functions as undertaken at HQ, ROs and COs presently underway as part of the Change Management initiative on CO Typology.