

1. Financial Overview

The ECW Financial Report shows the resources contributed, expended and planned from ECWs inception to the end of the strategic period. This narrative is supported by and should be read together with the annexes containing a reading guide, glossary and financial tables 1 - 5 (T1 – T5).

In table 1, the row ‘FLOWS’ shows historic figures, the row ‘AGREED’ shows the agreed actions and the row ‘PLANNED’ shows the ambitions for the current year and end of strategic period. The columns ‘IN’, ‘OUT’, and ‘BALANCE’, shows the resources collected, expended and balances respectively. All amounts in million US\$ as of May 2020.

Table 1 Overview of funds

	IN	OUT	BALANCE																																						
FLOWS	<table border="1"> <tr> <td>Contributions Received Since Inception</td> <td></td> </tr> <tr> <td>Contributions Received [T1]</td> <td>478.3</td> </tr> <tr> <td>Total</td> <td>478.3</td> </tr> </table>	Contributions Received Since Inception		Contributions Received [T1]	478.3	Total	478.3	<table border="1"> <tr> <td colspan="2">Disbursements Since Inception</td> </tr> <tr> <td>Initial Investment [T4]</td> <td>33.0</td> </tr> <tr> <td>Acceleration Facility [T14]</td> <td>9.4</td> </tr> <tr> <td>First Response [T14]</td> <td>89.8</td> </tr> <tr> <td>First Response (COVID-19)</td> <td>23.7</td> </tr> <tr> <td>Multi Year [T14]</td> <td>103.2</td> </tr> <tr> <td>Refund & Earnings</td> <td>-1.8</td> </tr> <tr> <td>Secretariat Expenses (2017 - 2020)</td> <td>23.1</td> </tr> <tr> <td>FSO Expenses (2017 - 2020)</td> <td>1.4</td> </tr> <tr> <td>Trust Fund Fees</td> <td>4.0</td> </tr> <tr> <td>Total</td> <td>309.9</td> </tr> </table>	Disbursements Since Inception		Initial Investment [T4]	33.0	Acceleration Facility [T14]	9.4	First Response [T14]	89.8	First Response (COVID-19)	23.7	Multi Year [T14]	103.2	Refund & Earnings	-1.8	Secretariat Expenses (2017 - 2020)	23.1	FSO Expenses (2017 - 2020)	1.4	Trust Fund Fees	4.0	Total	309.9	<table border="1"> <tr> <td>Net Assets (Funds Held in Trust)</td> <td>168.4</td> </tr> </table>	Net Assets (Funds Held in Trust)	168.4								
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The reference [T...] behind the text shows in which table in the annex further details can be found.

Net Assets

Based on the historic FLOWS of resources IN and OUT of ECW, there is a BALANCE of US\$ 168.4 currently held in the trust fund. For 2020 there are signed agreements from donors that a further US\$ 44.5 will be paid to ECW. The balance and receivables should be seen against existing commitments and funds set aside amounting to US\$ 74.6.

Commitments and Funds Set Aside

The US\$ 74.6 funds set aside are based on Acceleration Facility (AF) reserves as agreed by ExCom, approved commitments and the Predictability Reserve¹. The Trust Fund Fees are funds set aside to pay the expected fees for the year.

Funds available for programming

When commitments and funds set aside (US\$ 74.6) are subtracted from Net Assets (US\$ 168.4) and Receivables (US\$ 44.5) it leaves a balance of US\$ 138.4 available for programming in 2020 and \$50.3 million in the years after. As resources for the FER, AF as well as the predictability reserve and secretariat costs activities are already set aside, the US\$ 138.4 available for programming can be committed to new MYRPs tabled for ExCom decision.

The AGREED funds available for programming (US\$ 138.4) should be seen against Pledges of US\$ 45 made by donors for 2020 and Planned Commitments of US\$ 172.3, consisting of Planned MYRP Commitments (US\$ 126.6) and replenishment of FER Reserve (US\$ 24.7). This leaves a US\$ 11 resource mobilization target for 2020.

Multi-Year Response Programmes Financial Overview														
	ExCom			Flows	ExCom Approved			ECW Allocation			ECW Planned			TOTAL
	Approved Amount	Date	No. Of Years		Disbursed	Approved Commitments for 2019	Approved Commitments for 2020	Approved Commitments for 2021	Predictability Reserve (2019)	Predictability Reserve (2020)	Predictability Reserve (2021)	To Be Committed for 2019	To Be Committed for 2020	
Afghanistan	24.0	Sep 2018, Feb 2020	2	12.3		12.0						12.0		36.3
Afghanistan (renew)	6.6	Sep 2018, Feb 2020	2	3.3		3.3						3.3		9.9
Bangladesh	12.0	Sep-18	2	12.0										12.0
Uganda	22.0	Sep 2018, Dec 2019	2	22.0								11.0		33.0
Central African Republic	6.0	Dec-18	1	6.5					6.5			6.5		13.5
Palestine	11.7	Mar-19	2	5.8		5.9						5.8		17.5
Somalia	14.0	Jun-19	2	7.1		7.3						7.0		21.4
Chad	16.0	Dec-19	2	8.7		7.4								16.1
Ethiopia	17.9	Dec-19	2	9.0		9.0								18.0
South Sudan	19.9	Dec-19	2	9.7		10.2								19.9
Syria	10.0	Dec-19	1	8.8								10.0		18.8
DRC														71.0
Mali														0.0
Niger														0.0
Burkina Faso														0.0
Nigerik														0.0
Iraq														0.0
Colombia														0.0
Ecuador														0.0
Peru														0.0
Cameroon														0.0
Yemen														0.0
Sudan														0.0
Libya														0.0
Burundi														0.0
Haiti														0.0
Pakistan														0.0
Lebanon														0.0
Unallocated													356.3	356.3
Total	160.1			105.2	0.0	55.2	0.0	0.0	6.5	0.0	0.0	126.6	356.3	649.8
Other Programmes														
Initial Investment	55.0			55.0		0.0								
Acceleration Facility	9.4			9.4		0.0								
Rint Response (Other)	89.8			89.8		0.0								
Rint Response (COVID-19)	24.5			23.7		0.8								
Total	328.8			283.1	0.0	56.0	0.0	0.0	6.5	0.0	0.0	126.6	356.3	

Approved
Scheduled to proceed

¹ The Predictability Reserve is made to ensure funding for the coming year activities in agreed MYRPs. It currently includes one year of additional funding for Afghanistan and Central African Republic.

Resource mobilization

1.1. Trust Fund resource mobilization

With support from HLSG, ExCom and vast support of Civil society organizations, ECW met its Resource Mobilization target for 2019, which provide the needed cash flow for its 2019-2020 investments. To reach its target for the 2021 strategic cycle, an additional US \$304.3 million needs to be raised at the Global Level.

ECW is currently reviewing its resource mobilization target against recent events, including the COVID19 pandemic.

In-country resource mobilization scenarios

ECW is currently supporting MYRPs in Bangladesh, Palestine, Afghanistan, CAR, Chad, Ethiopia, Somalia, South Sudan, Syria and Uganda. The total financing gap for these MYRPs excluding ECW seed funding projections is \$1.2 billion. In 2020 ECW will increase efforts to raise and align funds for MYRPs to a value of \$USD \$500 million. ECW will:

- Produce a methodology for tracking MYRP financing - Q2
- Finalize technical support and guidance for RM in FER and MYRP investment - Q3
- Ensure enough resources and capacity available for RM in country programmes – Ongoing
- Support partners in investment countries to engage in national / regional pledging events and advocacy opportunities to mobilize resources for country programmes – Ongoing

2. Utilization rate

Utilization rate is used to give an indication of how quickly resources are distributed to implementing partners and utilized by the implementing partner to deliver services to beneficiaries. This is done by calculating how many of the disbursed resources have actually been spent. The utilization rate gives an indication of whether services are delivered as agreed since ECW grantees only report every 6 months to ECW.

Table 5 of the annex shows all grants agreements and their status with commitment, disbursement to grantees since inception, refunds made, utilization rate and when the utilization rate was last updated.

Some grantees will require no-cost extensions and can use the template on the ECW website to request a no-cost extension. As delays and implementation challenges are common in emergencies so are no-cost extensions. It happens regularly that extra time is needed to reach the target group and as such it is completely undramatic that grantees ask for no-cost extensions. Agreed no-cost extensions are listed in the column NCE with indication of when the extension ends. Funds not utilized when the funding agreement expires will be returned to ECW.

For Initial Responses and FER responses, the explanation for low utilization is normally no-cost extension combined with the timing of financial reporting. Should the funds not be expended within the agreed period, they will be refunded to ECW.

ECW is in continued dialogue with the grantees and discuss progress, challenges and delays. In some cases, challenges and delays can lead to a restructuring or reprogramming of ECW's investment.

For MYRPs low utilization rate is typically associated with possible delays in-country coordination and alignment processes as well as the timing of reporting requirements. ECW follows MYRP processes closely and support the in-country partners in ensuring that unnecessary delays are avoided, while respecting that ownership takes time.

3. Restructuring / reprogramming

ECW works in emergencies where there can be sudden and significant changes in context. In humanitarian contexts there is need to be able to re-programme quickly and have the flexibility to respond.

Reprogramming requests over 20% per outcome will need approval from ECW and a request can generally be obtained with few delays. Restructuring requests from grantees are dealt with by the ECW Secretariat request as they come in.

Only in exceptional cases will reprogramming requests be tabled for ExCom consideration. Such an example was the tabling of a reprogramming request regarding ECWs investment in Yemen in early 2019. Such exceptional cases are when ECW evaluates that the reprogramming requests is significant and implies substantial changes to the target group or expected results.

Reprogramming requests are tabled for ExCom approval by adding the issue to the agenda for an ExCom meeting and sharing background material prior to the meeting.

Annexes:

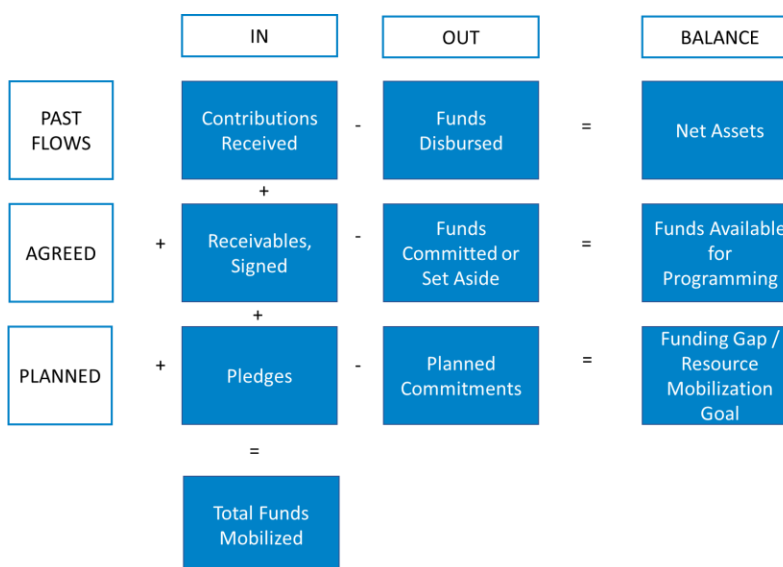
- Reading guide
- Glossary
- Tables
 - T1 Financial Overview
 - T2 Contributions and Receivables
 - T3 Pledges
 - T4 Grants Disbursements Utilization
 - T5 MYRP Financial Overview

Guide

ECW Financial Tables

ECW Financial Tables are organized according to two principles:

1. Certainty of fund flow happening, ranging from past flows, to flows that have been formally agreed, to flows that are planned/anticipated only.
2. Inflows and outflow of funds which leads to the fund balance.



This structure leads to four key figures:

- Total Funds mobilized which is the sum of Contributions Received, Receivables Signed, and Pledges.
- Net Assets which are the Fund Held in Trust or the balance of Contributions Received and Disbursements.
- Funds Available for Programming are the funds that can be used for new MYRP approvals. These funds have not been committed or set aside yet. Potential First Emergency Response and Acceleration Facility allocation are included in the “set aside” amount.
- Funding Gap / Resource Mobilization Goal is the balance of all incoming funds minus going funds.

In addition to this Financial Overview, the tables provide additional detail on contributions and disbursements.

Glossary

Acceleration Facility Budget	Annual Acceleration Facility Budget set aside after approved by ExCom.
Approved Commitments	Commitments to MYRPs, FERs, and AF programs which are approved but not yet disbursed. Approval refers to the respective approval authority - HLSG, ExCom or the ECW Director according the ECW Governance Structure.
Contributions received	Funds from donors that have been receive by the ECW Fund in cash.
Country funds channeled through the ECW Fund	MYRPs receive seed funding from the ECW Fund and co-financing from other donors. The ECW Financial Tables (currently) only account for ECW seed funding. Co-financing to MYRPS can materialize in many form including parallel financing from donors in country, country pooled funds and others. In some cases, donors choose to channel their co-financing through the ECW Fund. These are the country funds channeled through ECW Fund.
Disbursements	Funds disbursed to grantees from the ECW Fund.
First Emergency Response Reserve	Funds Set Aside for First Emergency Response
Funds Available for Programming	Funds available to approve new ECW Programs. These are Net Assets and Receivables minus the Commitments and fund set aside.
Net Assets	Net Assets are the Fund Held in Trust. They are the balance of Contributions Received and Disbursements.
No Cost Extension (NCE)	A no-cost extension extends the project period beyond the original project end date
Planned Set Aside Predictability Reserve	Planned funds to be set aside to assure predictability of funding and continuity of ECW seed funds for Planned MYRP Contributions. Currently, one additional year of funding is set aside for MYRPs.
Planned MYRP Commitments	Planned commitment for MYRPs which were not approved yet by ExCom or HLSG. Planned MYRP Commitments were the basis for calculating the ECW resource Mobilization Targets 2018-2021 and were approved by HLSG in September 2018.
Pledges	Funds pledged for which a contribution agreement has not yet been signed.
Predictability Reserve	Funds set aside to assure predictability of funding and continuity of ECW seed funds in MYRPs. Currently, one additional year in funding is set aside for each approved MYRP.
Receivables	Receivables are contributions not yet received, for which ECW has signed a contribution agreement with donors. Receivables can be received over multiple years following a payment plan which is defined in the contribution agreement.
Refunds	Unspent funds returned by grantees following a project’s operational and financial closure.
Resource Mobilization Gap	Remaining fundraising needs to fund the ECW Strategic Plan 2018-2021 after taking accounting for existing and planned funding inflows (Contributions Received,

Receivables, Pledges) and outflows (Disbursements, Commitments and Set Asides, and Planned Commitments).

Secretariat Budget	Annual Secretariat budget set aside after approved by ExCom. Because UNICEF books for the prior year only close at the end of March the first three months of the year two years of Secretariat budget are set aside. After UNICEF closes books in March, funds budgeted turn into expenditures and funds budgeted but not spent are rolled over to next year secretariat budget.
Secretariat Expenses	Actual Secretariat expenses for past years.
Trust Fund Fees	Fees to UNICEF for managing the ECW Fund including 1 percent on Contributions Received directly to the ECW Fund; 7 percent on Contributions Received on bilateral funds directly channeled to programs implemented by UNICEF; and direct administrative costs for trust fund management.
Trust Fund Fees (expected)	Fees to UNICEF for managing the ECW Fund calculated at 1 percent of Receivables, Pledges, and funds to be mobilized (Resource Mobilization Gap).