Excellencies, colleagues and friends:

Good morning, and welcome to the Annual Session of the UNICEF Executive Board. Thank you, Ambassador Stiglic, for that kind introduction. And thank you all for being here.

We have a very busy agenda ahead of us, and I am eager to get started. But before we continue, I would like to announce two major changes in our senior management team.

First, I am very glad to tell you that Geeta Rao Gupta has joined us as Deputy Executive Director. A native of Delhi, India, Geeta was most recently Senior Fellow at the Bill and Melinda Gates Foundation, and formerly served as President of the International Center for Research on Women, among other senior positions.

I can think of very few people as qualified for this post as Geeta, not least by her past leadership on women and development, and by her passion for the rights of children. She is already hard and very well at work, and we are delighted that she has come to UNICEF at such an exciting time. Please join me in welcoming Geeta Rao Gupta.

Next, and sadly, it looks as though Deputy Executive Director Hilde Johnson will be leaving UNICEF soon for a very challenging new post. It has not yet been formally announced, but the Secretary General has informed the Security Council of his intention to appoint Hilde as his Special Representative and Head of Mission for the new mission in South Sudan.

Hilde brought to her role at UNICEF tremendous experience and an unmatched determination to save children’s lives. I can always count on her to speak her mind – and to do what’s right for children … and I will miss her very much. But our loss is very much the gain of South Sudan and the UN mission there.

It is hard to believe that a year has passed since I first addressed this Board and received your much appreciated welcome. But looking back on all our work together, it is even harder to believe that only a year has passed.
Today, I have the privilege of presenting to you the Executive Director’s Annual Report, which, of course, summarizes the hard work of our entire organization – work that we could not do without your advice and support. Immediately following this segment, Richard Morgan will discuss the report’s contents in more detail.

As the Annual Report makes clear, it has been a good year, but a challenging one. Together, we have made significant gains for children’s rights – to health, to education, and to protection from violence, abuse and exploitation.

Every part of UNICEF has been working on deepening our focus on reaching the most marginalized children. Children from the poorest communities. Children from disadvantaged indigenous groups. Children with disabilities. And children affected by conflicts and calamities.

Today, we are not just talking about equity; we are well along in implementing the equity approach at the country and community level, where the children are … and where the disparities between rich and poor are growing. Through our country offices, UNICEF will support new efforts by our government and other partners to identify and eliminate the obstacles to reaching the hardest to reach.

Just as important, more and more of our partners are emphasizing equity as well. For example, Helen Clark has been instrumental in leading the effort to encourage other UN agencies to embrace the idea. And at the recent GAVI Replenishment Event in London, Bill Gates made the case forcefully for what he called “equity in vaccines.”

This is very encouraging.

So, as I said, it has been a good year, but it has also been a tumultuous one. Cascading catastrophes in Pakistan, Japan and elsewhere, the cholera challenge in Haiti, the continued rise in food prices, the increasing effects of climate change, and political strife in many countries have all taken their toll on the world’s children.

Among the toughest challenges continues to be the fiscal environment. The global financial crisis poses a continuing threat to the world’s poorest children, for they are the most vulnerable of the vulnerable. The ripple effects of the crisis are still making themselves felt, as many donor governments cut their aid budgets, and many partner governments cut social spending.

And at UNICEF, we see this reflected very plainly in our core resources, which have declined for the last two years. While we will do everything we can to correct this, we must move forward in a way that reflects these new realities.

To that end – and for the sake of greater efficiency -- we have undertaken an extensive, organization-wide budget review. We will be recommending a reduction of 4.2% in our management activities budget, and of 5.3% in the institutional budget, for the coming biennium, compared to the budget for 2010 – 2011. The cuts will come primarily from Headquarters offices, with more limited savings among our Regional Offices.
As I wrote the Secretary General in a letter that outlined these proposed reductions, our review was guided by four principles.

First, our budget must preserve UNICEF’s ability to implement our renewed focus on equity and bring our strategy to scale in the coming years.

Second, it must enable us to maintain a sound financial basis for UNICEF, although our operating reserves will be reduced.

Third, it must not undermine the sense of community among UNICEF staff that lifts us in our work and makes us who we are. This means limiting cuts in staff wherever possible to currently vacant posts.

Finally – and most important – our budget must protect UNICEF’s capacity to act on behalf of children through our country programmes – including in emergencies and humanitarian crises.

This means no cuts in UNICEF country programmes … because everything we’re doing - and everything we aim to do -- depends on the results we are able to achieve in the field.

While we continue to prepare for the Quadrennial Comprehensive Policy Review, the new Medium Term Strategic Plan and, of course, the 2015 deadline for meeting the Millennium Development Goals, our work on the 2013 budget provided an occasion to reflect on where we want to be by the end of that period – and what we are doing to get there.

We have a chance to make ever greater progress for children in the next two years – and to strengthen our own organization. And we intend to do so. For example:

**We have a chance to eradicate polio once and for all.** We are on the verge of the greatest public health victory since the global defeat of smallpox – eradicating polio. But each individual new case is a threat to our global progress – so we have to finish the job.

With our partners in the Global Polio Eradication Initiative – WHO, Rotary International, the UN Foundation, the U.S. Centers for Disease Control and the Bill and Melinda Gates Foundation -- we are supporting the efforts of governments to interrupt transmission in the places where polio still lurks and strikes at children.

As a lead agency on helping governments build and maintain the vaccination supply chains, UNICEF has a critical role to play – and we intend to play it to the best of our ability. This year, I visited DRC, Angola and Pakistan, all countries where polio has struck in recent months. I have seen the damage it can inflict – and it strengthened my determination that we will do our part in bringing about this historic achievement.
We have the power to defeat polio – and because we can, we must. We are 99% of the way there. If we don’t take these final steps, it will be as if Lionel Messi had a clear shot to the goal – and failed to kick the ball.

Another example: **By 2013, we have the chance to strike a definitive blow against the two biggest killers of children: diarrhea and pneumonia.** Every year, more than one million children die from pneumococcal disease and diarrhea caused by rotavirus. This is all the more tragic because we have new vaccines to combat these vicious diseases. But right now, only a tiny fraction of the children in greatest need receive them. We are going to change that.

We should all be excited by the news that earlier this month, donors pledged $4.3 billion in new funding for the GAVI Alliance’s global immunization efforts.

By 2013, we expect to significantly increase the number of developing countries that incorporate these lifesaving vaccines in their national vaccination programmes and schedules. This will also enable us to expand coverage of the Pentavalent vaccine to countries that don’t yet have it.

This is the Decade of Vaccines – and we must all dedicate ourselves to making that more than a slogan. We are already reaching more than 80% of the world’s children with vaccines. That’s around four out of every five children. But what of the fifth child? We cannot rest until we reach her.

And we cannot rest until we recognize that vaccines alone are not enough to combat these child killers. We will complement our efforts with community-based initiatives – like more local health workers to reach and teach families both to recognize the early signs of pneumonia and to better understand the connection between sanitation, hand-washing and health.

**By 2013, we have the chance to be well on the road to achieving a generation free of HIV.** Today and every day, 1,000 babies are infected with HIV. This is unconscionable – because we have the knowledge and the means to prevent mother to child transmission of HIV.

This is not only the right thing to do; it is the smart, cost-effective thing to do. When a child is infected with HIV, society must choose between a moral failure – ignoring that newborn’s needs – and massive expenditure – paying for a lifetime of ARV therapy. Either way, the costs are unacceptably high, either to our consciences or to our economies.

Earlier this month, UNAIDS, PEPFAR, we and other partners launched “Countdown to Zero,” a global plan to reduce the number of new HIV infections among children by 90% – and to cut in half the number of mothers who die from AIDS-related causes – by 2015. We will do this by increasing testing of pregnant women, as they have in high-burden countries like Rwanda and Thailand. We will do it by reaching the hardest to reach women with ARV treatment so they can protect their babies and preserve their own health. And we will do it by helping provide all children and mothers living with HIV the care they need to survive and thrive.
This is an important part of the Secretary General’s Global Strategy for Women’s and Children’s Health, to which we are deeply committed.

We also have the chance to greatly reduce the number of children who suffer from stunting. This too is very serious. 195 million children are affected by this terrible condition, which is caused by chronic nutritional deficiency between pregnancy and the first two years of a child’s life. Its effect on children’s physical and cognitive development is irreversible. These children learn less, and they will earn less – deepening the cycle of poverty in their communities and countries.

For too long, stunting has been a hidden problem. This has begun to change, with increased awareness of the implications of inadequate nutrition. In the last year alone, 21 countries have begun to implement national nutrition strategies to address stunting. And thanks also to global partnerships like the Scaling Up Nutrition initiative, we are poised to do even more.

We have the chance to give many more children access to a quality education. First and foremost, this means getting more children into school and keeping them there. Through our country offices we are supporting the efforts of governments and communities to expand preschool opportunities to more children, to abolish school fees and other costs to families, and to make schools safer. In a number of countries, we are also supporting new initiatives designed to recruit, train and deploy more teachers to remote and disadvantaged communities.

And we continue to work in partnership with the Education for All Fast Track Initiative to support national education plans in 44 developing countries. My friend and predecessor Carol Bellamy has said, “Investing in education is the most effective way to reduce poverty.” And she is right – especially when it comes to girls.

By 2013, we have the chance to protect more children – because our gains in saving children’s lives can be wiped out if we don’t do more to help them live out their childhoods safe from violence, exploitation and abuse.

We can’t protect children unless we know who they are – and where they are. Birth registration is a critical component in providing the poorest children with essential services, and in protecting them from trafficking, early marriage and many other forms of exploitation.

Through our country offices, UNICEF is exploring innovative ways of overcoming obstacles -- from integrating birth registration with health services to using mobile technology to register more children in remote places.

And we not only have the chance – we have the duty – to achieve universal ratification of the Convention on the Rights of the Child and its Optional Protocols banning the involvement of children in armed conflict and the sale of children, child prostitution and child pornography.

These are just a few of the opportunities we have over the next two years to build a better future for the world’s most disadvantaged and vulnerable children.
We also have a chance to build a **better UNICEF.**

**A better UNICEF will be more effective.** Over the last few years, UNICEF has made enormous progress in improving the quality and quantity of our data through MICS household surveys. That is all to the good. But at the MDG conference last September, I was struck by how many of us supported our arguments with statistics from 2008 or earlier.

This lag in collecting and analyzing data is a serious management problem. Without that information, how can we gauge our progress? How can we see what is working, and what isn’t? And how can we determine where best to invest resources and where to change course? We can’t. Whether you are mounting a campaign to fight disease or preparing tactics for a football contest, if you make decisions based on 2-year old information … you are going to lose.

So we have been working on a new concept built around something we are calling strategic results areas. We have selected a number of critical issues -- for instance, vaccination programmes, reducing stunting, increasing birth registration, and expanding the number of trained teachers -- where our progress, or lack thereof, is an indicator of how effective our programmes really are and how they need to be adjusted.

We need to work with our partners at the field level to share information and jointly assess to what extent we are removing key bottlenecks for achieving these strategic results.

In the end, we will not use this information to take sole credit for progress – which we cannot justly claim, as we work in such close partnership with so many others. We will use it to reach more disadvantaged children with our partners. We will report more fully on this innovation at the September Board meeting.

**A better UNICEF will be more rapidly responsive.** In 2010 alone, UNICEF responded to 290 humanitarian emergencies in 98 countries affecting millions of people -- most recently in Japan following the earthquake, where UNICEF was among the very first on the scene with critical supplies.

We take our role as a cluster leader very seriously – and we are determined to build on our strengths, especially in sudden, large-scale emergencies.

And we have hand-picked some of our best-qualified staff members from around the world to serve on new Immediate Response Teams – IRTs -- that can be deployed at a moment’s notice to support UNICEF efforts in emergencies. This month in Italy, we trained the first group of 30 – enough to form three IRTs – and a second round is planned for later this year.

**A better UNICEF will be more efficient.** At our last meeting, I updated you on our plan to implement the new VISION system. We have made excellent progress since then -- and by the beginning of 2012 we will have implemented the system in all UNICEF locations. Last month, staff from our country and regional offices and Headquarter divisions tested it and gave feedback on the Performance Management system.
I am glad to report that the system seems to work well. And while we still have considerable work ahead to prepare and train staff, well before 2013 we will have in place a system that will streamline our transactions and give us real-time information on our work in the field.

With VISION fully in place, we will also be fully IPSAS compliant. This is about more than international accounting standards. These efforts will provide UNICEF with better data – enabling us to make better decisions on how to allocate resources and realize greater savings and efficiencies.

**A better UNICEF will be more transparent.** UNICEF already makes available considerable data on our programmes and management indicators. And we are committed to becoming even more transparent – with respect to both external and internal processes.

For example, last month, for the very first time, we made public the prices UNICEF pays for vaccines – a decision we believe will increase competition in the vaccine market and enable more developing countries to purchase more vaccines. And within the next two months, we will post the 2010 annual reports of all of UNICEF’s Country Offices -- the first time such extensive materials will be available online.

Progress towards greater transparency will require a lot of practical work – for example, regarding our internal audits. We believe they should be transparent, while respecting the principles of integrity and necessary confidentiality. And we believe this is not only possible, but a necessity – in principle and in practice. We welcome the decision of the Executive Board of UNDP, UNFPA and UNOPS to disclose audit reports to the Global Fund and to intergovernmental organizations. It’s a good start, and we should build on it.

**A better UNICEF will be more collaborative.** Our partnerships – with governments, with our sister UN agencies and other multilateral organizations like the World Bank, with civil society, and most of all, with our partners in the communities in which we work – are at the center of everything UNICEF does. And partnerships are the key to reaching the Millennium Development Goals. In fact, we cannot reach them any other way.

Going forward, we will build on these partnerships, based on several broad principles that I outlined at the recent MDG Follow Up Meeting in Tokyo.

First and foremost, leadership by national governments is essential – both for sustainability and scale.

Second is the principle of comparative advantage. We each should focus on those areas where we are strongest and rely on partners in those areas where they have greater competence. Relying on comparative advantage works to everyone’s advantage – especially the people we serve.
Third, at a time of constrained resources we need to spend more time working together to increase the size of the pies than on fighting over our respective slices.

Fourth, the more we collaborate on monitoring our collective progress and results, the more we will be encouraged also to plan and act in partnership.

And fifth, we are the strongest advocates for achieving the MDGs with equity when we advocate together, as we are increasingly doing.

To emphasize: We build these partnerships, not for the sake of partnerships, but for the sake of children. We strive to be a leader of UN Coherence, not for greater influence, but for greater impact. And we work to deliver as one … to deliver. For in the end, results – results for children, for women, for all their families – results are all that matters … if children’s rights are to be fulfilled.

So many of the plans I have spoken of today depend on overcoming the bottlenecks that block our progress in reaching the poorest children – and in becoming a better UNICEF. There are many such obstacles, and I have mentioned several today. But one bears repeating – because it affects all of our plans, both internal and external. And that is the alarming decline in core resources.

In 2010, overall Other Resources increased by US$527 million -- 24 percent over 2009, in large part, but not only, because of the emergencies in Haiti and Pakistan. During the same period, our core resources declined by $101 million -- 9% less than 2009 -- a trend that must be reversed.

This is not only happening in black and white -- and red -- on a balance sheet. It has a very real – and very serious – impact on our work. A critical mass of core resources is necessary to produce critical results.

We need your help to achieve this – just as we rely on your advice and support to realize the ambitious plans I have discussed today.

And we will work closely with our wonderful National Committees, on this and on so much else.

I cannot promise you that we will accomplish all we hope to by 2013 – but I can promise that we will try. And I expect you to hold us accountable for that.

So I thank you once again for your support, and I look forward to working together, as always, to improve the lives of the world’s most disadvantaged children -- of all children.

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