Excellencies, distinguished delegates, colleagues and friends:

Good morning and thank you all for being here – and thank you, President Momen, for your kind words and for your leadership.

I also want to thank Vice President Bekken, Vice President Silveira and Vice President Stiglić, for your support and guidance, and to welcome Vice President Chipaziwa.

Before we begin, I would like introduce the newest members of our senior management team, alphabetically.

David Kanja, joins us from the World Bank as our new Director of Internal Audit.

Khalid Mansour has joined us from the World Food Programme to assume the role of Director of Communications.

Gunilla Olsson comes to us from the International Fund for Agricultural Development and will serve as our new Director of Governance, UN and Multilateral Affairs.
Last, but by no means least, Leila Pakkala, our Representative in Mozambique, will become the Director of Private Fundraising and Partnerships.

We are very lucky to have such accomplished new colleagues from such a wide range of countries and perspectives. Please join me in welcoming them.

It is very good to see everyone again – and hard to believe that three months have passed since our last meeting. The time has flown by... as time always does when there is so much to be learned … and so much to be done.

And I have learned a great deal about this unique organization and its exceptional people, about the countries in which we work, and most of all, about the lives of the children we serve.

And we have done much in the last three months, following up on our meeting in June, and I’m looking forward to updating you on some of our activities.

But I must start with my visit last week to Pakistan, which drove home the profound urgency of our work. You will hear later today from the Permanent Representative to the UN from Pakistan, Hussein Haroon.

As you all know, monsoon flooding has caused massive devastation in Pakistan. The “slow-moving tsunami,” as the Secretary-General called it, has swept away entire villages, leaving millions of people in need of shelter, and millions more without food, clean water or medical supplies.

Homes, schools, crops, businesses, livelihoods, hopes for the future: All have been wiped out. Rarely in my life have I seen such devastation – or such
trauma in the eyes of children. And now, a second wave of suffering is lifting, with large numbers of children potential victims of cholera, diarrhoea, dysentery and other deadly water-borne diseases.

Disease is not the only risk these children face. Often separated from their families, they are immensely vulnerable – and in great need of protection. UNICEF and our partners are working hard to reunite families and create child-friendly spaces, but it is an enormous task.

UNICEF is there to help however we can – and we are there for the long process of recovery. Everything we do now can help offset the tremendous task of rebuilding that lies ahead.

Being in Pakistan and seeing our field staff in action reminded me of the enormous debt of gratitude we owe to the people who serve in these difficult duty stations, often at serious risk to their own safety. The challenges they face may at times seem insurmountable, but the work they do is indispensable – and we must do everything we can to make sure they have the support and resources they need to do their jobs.

We also need to ask ourselves how we can do a better job, in places like Pakistan … or in Niger, where famine is stalking the poorest communities … or in Haiti, still struggling to overcome the after-effects of the earthquake.

We need to ask ourselves how we – all of us at the U.N. – can better coordinate our efforts and increase our collective impact, not only in humanitarian crises and emergencies, but across all of our efforts.
Because seeing how the underlying poverty in Pakistan magnifies the devastation, realizing that it is always the children – the most vulnerable of the vulnerable – who suffer most – has reinforced my conviction that we must do more to reach the world’s “forgotten” children, wherever they are.

I will have more to say about this in a moment.

To return to my travels since our last meeting, I have also visited Norway, Sweden and Denmark, where I met with government officials to talk about common concerns -- including the linkage between gender equality and all sustainable human development. I also talked with staff at our remarkable national committees, as well as our extraordinary Supply Division in Copenhagen.

In Geneva, WHO Director General Margaret Chan and I joined our colleagues from the Bill and Melinda Gates Foundation, the US Centers for Disease Control, and The Rotary International to pledge ourselves to the final push in the global effort to eradicate polio – an absolute goal for UNICEF. Later in the day you’ll hear more about the extension of our cooperation on this important campaign with the Rotary International. We are very excited by the renewed resources and energy that all our partners are pouring into this effort, as well as to all the work we need to do to complete the immunization agenda on measles and tetanus.

And we have been very busy rolling out the new Pneumococcal and Rotavirus vaccines with GAVI, WHO and other alliance partners.

We also have deepened our highly effective malaria-prevention alliance with the Roll Back Malaria Partnership, and with the Global Fund to Fight
AIDS, Tuberculosis and Malaria, with whom we also have had a very fruitful consultation.

Michel Sidibe, the Executive Director of UNAIDS, and I also convened a very useful meeting of eight key partners to renew our joint commitment to – and to discuss practical cooperation on achieving – the virtual elimination of mother to child transmission of HIV by 2015. We repeated this call to action a few weeks later in Vienna, at the XVIIth International AIDS Conference.

Our goal is nothing less than a generation born free of AIDS. And with promising innovations that can help us reach more HIV positive women with critical drugs to prevent mother to child transmission of the virus, we believe we can achieve it by 2015.

In Vienna, UNICEF also launched a groundbreaking – and heart wrenching – report about the growing HIV/AIDS crisis in Eastern Europe and Central Asia, a region that now has the highest rate of new HIV infections in the world ... and the second lowest treatment coverage.

The report, Blame and Banishment, paints a very grim picture of this underground epidemic and its youngest victims: The children and young people living with or affected by HIV – many of whom are discouraged from seeking information and care by health and welfare systems that stigmatize their condition and subject them to harsh moral judgment.

And, as you’ll recall, in May we helped launch the campaign for universal ratification of the two Optional Protocols to the Convention on the Rights of the Child, one on the involvement of children in armed conflict and the other on the sale of children, child prostitution and child pornography.
These are just a few of the highlights of the last few months, which also included an intensive day-long meeting of our Global Management Team to discuss many matters, including the practical steps ahead as UNICEF deepens our focus on the most vulnerable and disadvantaged children.

All of us here are anticipating the forthcoming U.N. Millennium Development Summit. And with only five years to go to meet the MDGs, all of us are asking how we can accelerate our progress toward these ambitious goals that have done so much to focus public attention – and resources – on human development.

And this is the central question we have been asking ourselves at UNICEF. Our work on this issue has evolved since our last meeting. As we discussed then, growing evidence has revealed widening disparities between rich and poor children – even in developing countries that are making progress toward the MDGs.

But we have also been examining a more provocative and important question: If the needs are greatest in the poorest places, would the benefits of concentrating our efforts there outweigh the costs in reaching them? And if so, couldn’t we reach the MDGs faster, more cost-effectively and more sustainably if we pursued such an equity-focused strategy?

*We believe we have an answer – and it is as surprising as it is significant.*

In a few hours, at a joint event with Save the Children, we will present the findings of a new UNICEF study which challenges the traditional thinking
that it is simply not cost-effective to focus development efforts on the poorest people and places.

These findings represent months of rigorous work by a remarkable team of UNICEF researchers and analysts, who compared likely outcomes of an equity-focused approach in several key areas of development against the current mainstream strategies for achieving the health MDGs for children.

And the hard analytical work has led to a powerful conclusion: An equity-focused strategy would yield not only a moral victory – right in principle – but an even more exciting one … right in practice.

We are looking forward to briefing you more fully on our findings later today. I have no doubt that they may be controversial – new findings always are – but we think that critical examination will yield useful refinements more than they will refute our conclusions.

We believe our findings can have a real effect on global thinking about the MDGs … and about human development generally.

So, we have been very busy – and we expect we will continue to be.

Over the next three days, you will be hearing much more about the progress we are making across a range of management issues, but I would like to give you a quick update this morning.

As I mentioned a moment ago, we recently convened an intensive all-day meeting of our Global Management Team to ask ourselves how we can strengthen our organization to meet the challenges ahead.
Across our organization, we are working to improve our internal monitoring and evaluation systems, develop better performance management and invest in our most important asset, our people.

For example, we are rolling out an organization-wide performance management system with new tools for more consistent monitoring, better implementation and better analysis of budgeting.

The new system is simpler and encourages country programmes to focus on fewer big initiatives with more clearly defined results – but putting it in place is anything but simple. We expect it to be in use in every UNICEF location by 2012, which would be an enormous achievement.

As you will hear later today, we are continuing our work on several initiatives to improve the quality and the diversity of our workplace. We are also working to cut back the time it takes to tap the best talent to fill open posts – especially in crisis and emergency duty stations. This new “fast track” recruitment is helping improve one of our most important functions: Our ability to respond quickly and effectively in a crisis. But we are not there yet.

Finally, you will hear more about the overall fiscal picture – and I can tell you now that we do expect to feel the consequences of the financial crisis.

A number of donors have already signaled the possibility of cuts in their overall ODA budgets. Our current projections anticipate total income to decrease by around 1% in 2010, and by as much as 7% in 2011. We hope this
will not be a trend among all donors – and that commitments to invest in children will remain a high priority.

In these difficult economic conditions, we also have to work harder than ever to increase Regular Resources funding -- always a challenge, even in good times. We have just released our new Report on Regular Resources, which shows the results of your important investments.

It also shows an interesting trend that we are tracking. In tough economic times, individual donors are actually more likely to give – because they feel more compelled to give. In fact, as you will hear more about later, we have seen an increase of around 21% -- in just two years -- in pledge donations. So we are exploring new ways to reach out to individuals.

As for UNICEF’s overall economic situation, revenue exceeded income projections during previous years. We are now prudently drawing down on available cash reserves to keep our programme expenditures from being too seriously affected, and to mitigate any impact on children.

But we are keeping a very close watch on trends and looking for ways to make every dollar count – not only in UNICEF but also within the UN system. For instance, we are working in collaboration with UNDP and UNFPA to harmonize the way we classify costs and improve the linkages between our budget resources and results.

And, as we briefly mentioned at our last meeting, we are also in the process of implementing a new set of internationally-recognized accounting standards, which we believe will further improve our management practices.
This is also part of our commitment to a more coherent UN – a goal that strengthens our individual agencies and better serves our common purpose.

We will also keep working on ways to make New York headquarters as efficient as possible in supporting our people and their work in the field – and to improving our efficiency across the board. We are especially looking forward to the Board’s review of our internal audit report, and to drawing lessons from the report of the Office of Evaluation.

Because the more efficient UNICEF is … the more results-focused we are ... the more accountable we are – the better we can protect the rights and improve the lives of the children we are pledged to serve. This is what we are working toward, every day, in all of our work.

In closing, let me say that it has been a good three months – challenging and rewarding. I hope we can say the same three months hence. I promise you this: That I will tell you when we cannot offer such a positive report. In either case, I know we will always look forward to your guidance and your support.

Thank you.

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