Excellencies, colleagues and friends:

Good morning and welcome to the Second Regular Session of the UNICEF Executive Board. Thank you, President Stiglic, for another kind introduction. And I thank you all for being here.

As always, we have a busy agenda ahead and I am eager to discuss the pressing issues before us. But first, please join me in recalling the loss of our colleagues – from UNICEF, sister UN agencies and the Nigerian government – who lost their lives or were in injured in Abuja. Our country office, led by Suomi Sakai, has responded with courage and grace by rededicating themselves to their, and our, mission.

Next, let me announce several significant changes in our senior management team. First, at the end of the month, Maria Calivis will be stepping down as Chief of Staff and becoming Regional Director of UNICEF’s Middle East and North Africa Regional Office. Before I go on, let me first thank Shahida Azfar for returning to UNICEF after a well-deserved retirement to help us in this period of transition.

Maria’s move to MENA is very good news for the region and a well-deserved return to the field for someone who epitomizes what makes UNICEF so strong – the people serving at the country and regional level. It is also fitting, as she is returning to the region where she began her UNICEF career in 1982.

I am grateful that Maria has accepted my request that she take on this huge challenge at a most critical time, although I will miss having her in New York very much. She has been my wise guide and right arm for the past sixteen months.

Of course, it is by no means goodbye. I will continue to rely on Maria – on her unerring judgment, her unshakeable grace under pressure and her irrepressible sense of humor. Please join me in wishing Maria the very best in her new post.

My regret that Maria is leaving Headquarters is mitigated by the good news that Cynthia McCaffrey will take on the role of Chief of Staff.
Cynthia’s commitment to UNICEF is longstanding and impressive. As Senior Vice President of Program and Strategic Partnerships at the US Fund for UNICEF, she has been a large part of the US National Committee’s tremendous success. Cynthia previously served as Senior Programme Office at UNICEF, skillfully managing our relationship with the United States, Ireland and Canada, and her career has also included posts at the World Bank, USAID, and the International Rescue Committee.

Cynthia led my transition into UNICEF. I was impressed by her incisive management skills and her thoughtful approach to our issues. We are all very glad that she is returning to UNICEF House now. Welcome, Cynthia.

Next, as some of you may already know, we are actively recruiting a new Chief of our Human Resources Division, a post recently vacated by Christine Lloyd, who has returned to England to care for a close family member. Christine has greatly strengthened UNICEF’s human resources function. We will miss her, but we will build on the progress she helped us make, and we will keep you up to date on the search for her successor.

We are also, of course, in the final stages of recruiting a new Deputy Executive Director for External Affairs from an exceptionally strong pool of candidates. I hope to inform you of the results soon. In the meantime, we are all very glad – and grateful – that Rima Salah has returned to UNICEF to serve as interim Deputy Executive Director. Thank you, Rima.

It is also a time of transition in our regional offices, as several of our highly valued Regional Directors are retiring after long and extremely distinguished careers at UNICEF.

Anupama Rao Singh, Gianfranco Rotigliano, and Steven Allen truly embody the spirit and strength of UNICEF. Among them, they have contributed nearly 100 years of service to our mission – many of these years spent in hardship duty stations, emergencies, and conflict situations.

Individually and collectively, they have set a very high standard for all of us. I expect we will continue to call on them as they embark on new challenges. Please join me in saluting our colleagues for their exceptional accomplishments, and wishing them our very best.

With that, we turn to the business at hand. Much of our time over the next days will be devoted to discussing UNICEF’s budget – because our budget is both a blueprint and the basis for our response to the challenges and opportunities before us. Both challenges and opportunities are growing, and both require us to become ever more agile, more efficient and more results-focused.

We begin with the most urgent challenge we face – the deepening crisis in the Horn of Africa. We will discuss this more fully immediately after this session, but let me take a moment to emphasize its importance and its urgency. Headlines on the Horn have moved to the inside
pages of our newspapers, if they appear at all. But while it may be happening off-camera, the children suffer and die at an increasing and intolerable rate.

I visited the Turkana District in Kenya in July and saw in one small glimpse, the human faces – and the persistence of hope – behind the staggering, tragic statistics. Across Somali, Ethiopia and Kenya, tens of thousands of people have already died and more than 300,000 children are suffering from severe acute malnutrition and could die within weeks. Two thirds of those children are in Somalia.

Together with our partners, UNICEF is doing what we can, as we have been since January and before. We are one of the few organizations able to operate throughout the country.

Already, in the worst hit areas of central/south Somalia, we have improved access to water, helped improve education rates, increased immunization coverage and put in place protective and health services for children. And we are intensifying our operations.

For example, we are greatly increasing the flow of supplies into the region. In August alone, over 60 international flights carrying UNICEF humanitarian supplies – education materials, health kits, and nutritional items – landed in Nairobi. They have since been delivered to the Dadaab refugee camp and throughout central/south Somalia.

But we need to be realistic. It is going to get worse. The crisis has not peaked – and with no major harvests expected for the rest of the year, the harshest times lie ahead.

Yet we must not let that dispirit us. Because we have a huge opportunity, and obligation, to save as many lives as we can. And, some day, we need to know that we did everything we could for the people of the Horn of Africa. For the children.

And let us not forget, as we respond to the suffering in the Horn, all those struggling to rebuild their lives in the aftermath of other crises … in Haiti, in West Africa, in Japan, and elsewhere. As we meet, new floods are afflicting the people of Sindh Province in Pakistan, as if they have not suffered enough from last year’s deluge.

There will be new disasters, affecting many more children and families, around the world. The effects of conflict and climate change will continue to wreak havoc on the most vulnerable communities, despite the increased efforts we all must make to predict, prevent and prepare for them.

So our plans for the future must assume that emergencies will place ever greater strains on our resources. We need look no further for an example of this than the increased pressure on the Division of Human Resources as it surges staff to serve in the Horn of Africa – 169 to date – and elsewhere, drawing down from our other offices.

We must continue to do everything we can to respond ever more quickly, efficiently and effectively in emergencies. After all, UNICEF was created to save children in emergencies – it
is what the ‘E’ in our name stands for. But UNICEF is no longer only an emergency fund – and we must not lose concentration on our other priorities, especially advancing our equity agenda.

As I said at our last meeting, every part of UNICEF – our country and regional offices and our headquarter offices – is engaged in this refocus on reaching the most disadvantaged children and families. That hard work continues in all our programme areas, from health to education, from child protection to child survival.

Perhaps the most important example of the progress we are making is our new monitoring system, about which I will say more in a moment. But I also would like to share a few small examples of the kinds of things we are doing – and how this work is helping us to think about what it really takes to reach the most disadvantaged children.

For instance, in West and Central Africa, UNICEF is applying marginal budgeting for bottlenecks analysis – a tool that was originally developed for the health sector – to analyse the obstacles that deprive the poorest children of access to a quality education. Their preliminary findings show that the model works both to improve programme planning and as a powerful tool for policy advocacy.

Another example of our current work in equity comes from Ghana, where UNICEF is now working with government and other partners to develop a better targeting mechanism that will increase the poorest families’ access to cash transfers and other social protection programmes.

In Mexico, UNICEF is helping the government explore how it can expand its use of budget markers to better track spending to reach marginalized children.

And here in Headquarters, our immunization unit recently conducted an analysis of fifty countries which indicates that to reach those at greatest risk, we will have to triple our immunization investment over the next five years. This is an important finding, and a useful, if challenging one…not only for us, but also for our partners.

In fact, UNICEF is increasingly expected to lead in reaching the most disadvantaged communities – just as we are being asked to take our share of the lead on other critical issues like nutrition, education and sanitation. We welcome these challenges.

But all of these demands mean that we must demand more from ourselves, managing our organization in an ever more effective, agile and transparent way.

With that in mind, I’d like to describe some of the management measures underway – led with diligence and determination by Martin Mogwanja.

First is our effort to develop a budget that reflects not only the current tight financial constraints, but also our aspirations – for the work we want to, and must, do … for the kind of organization we want to be, and must be … and for the leadership that is expected of us in the coming year.
As you know from our discussion in June, we undertook a major budget review earlier in the year. Our efforts were guided by our conviction that we must cut expenses and become more efficient, but not cut programmes. I am happy to say that we have succeeded in this endeavor, significantly reducing our institutional and management budgets. For example, we have reduced our institutional budget by 5.3 per cent – $54 million. Without, I repeat, cutting programmes.

We were also guided by our absolute determination to limit the impact on our personnel to the greatest extent possible, and to support however we can those whose jobs have been affected.

Throughout this process, I have been enormously impressed by the teamwork and collegiality with which this very difficult work was carried out. I have seen other organizations torn apart when the time came to make these hard budgetary choices; UNICEF has pulled together.

As you will hear more about in the later sessions, we believe our institutional budget is an important step forward in our joint effort with UNDP and UNFPA to develop a harmonized approach to integrated budgets. Ultimately, this integration will simplify our budget, enabling us to realize greater efficiencies and save money – in turn strengthening the ability of all our agencies to achieve our missions.

We will continue to seek more savings – through more virtual meetings, smaller delegations, and fewer side events. Already, we have trimmed our travel costs at Headquarters by 25% below last year.

Second, evaluation remains vitally important for UNICEF’s work, providing a key management tool and better enabling us to track – and achieve – results. And under the leadership of Colin Kirk, UNICEF continues to improve our evaluation function internally.

But evaluation without follow up is simply an academic exercise. So for the first time, UNICEF is reporting on a set of key performance indicators on evaluations – tracking the quality and completion rate of evaluations by managers.

I am very happy to report that management response to evaluations has jumped from 10% in 2009 to 47% in 2010. This is a positive trend we hope to build upon – and I want to thank the Board for pressing us on this key issue.

At the same time, our country offices are emphasizing the importance of evaluation at the national level. Collaborating with our sister UN agencies and other partners, we are supporting governments as they build their evaluation capacity. A majority of UNICEF country offices are engaged in this effort and will continue to be.

And third, as we have discussed at the last two Board meetings, we are focused intensely on improving our ability to manage for results.
Everything I have talked about this morning – and everything that we do at UNICEF – is aimed at what matters most: achieving results in children’s lives. So we must always, every day, work at being more efficient – not least for the sake of accountability: to partner governments, to the Board, to our donors, to our National Committees, and, indeed, to the publics whose taxes and contributions support us. And most of all, accountability to the children. Because every dollar or euro wasted is money that could help buy a vaccine or a school book that could save or help educate a child.

Of course, we cannot effectively manage for results unless we know what those results are, in more timely fashion.

As I mentioned last June, we have been working on a concept built around something we are calling strategic results areas, or SRAs, which represent a number of critical issues where our progress – or lack thereof – is an indicator of how effective our programmes actually are in reaching those in greatest need.

It is no longer simply a concept. We have identified a number of these areas – including reducing stunting, improving the quality of education, and increasing immunization – and we are well along in developing a new method of monitoring results more quickly, with clear indicators in each area.

Our new monitoring framework, which we now call “The Cup” – because that is what it looks like – is an important step ahead. We believe it will enable us to see what is working, what bottlenecks remain, how we and our partners are overcoming those obstacles, and finally, how what we’re learning can be used to guide future programme work. I emphasize “with our partners,” because we will work closely with our host governments in deploying and using this tool. I look forward to discussing the Cup with you more fully in Wednesday afternoon’s session.

As we move ahead in implementing this new monitoring system, we will also be completing our countdown to implementing the new VISION system next January. It is being integrated with the Cup so that managers can report more systematically and efficiently on financial transactions, programme activities and programme results through one system. The work of integrating these two systems was highly complex, and I want to thank our internal team – led by Geeta Rao Gupta – for succeeding in doing so.

Taken together, these systems will greatly improve our efficiency and increase our ability to manage for results. That said, we are aware that there will be significant pressure on our country offices as they find the time, amidst all their other work, to train for and implement these new systems. We are doing everything we can to relieve them of other burdens as they concentrate on these critical tasks.

And a fourth management priority is transparency. These new systems will do more than improve the ability of country and regional offices to manage for results; they will also increase our transparency across UNICEF. For greater transparency must be a priority goal, both internally and externally.
At our meeting last June, we began a dialogue about how UNICEF can become more transparent as an organization, including in the disclosure of internal audit reports. As I said then, I welcome the recent decision of the Executive Boards of the UNDP, UNFPA and UNOPS to expand access to internal audits.

We agree that the Global Fund and other intergovernmental organizations should have the same access to our internal audits as member states – and I would welcome a similar decision by our Board at this session. Our Office of Internal Audit already has discussed with its UNDP counterparts the technical details on how to achieve this in a coherent manner.

Consistent with our continuing effort to improve our audit reporting, our internal audit office, ably led by David Kanja, recently adopted reporting standards recommended by the highly respected International Organization of Supreme Audit Institutions, or INTOSAI – the same rigorous standards already endorsed by 188 member states – including every member of the Executive Board.

But I believe we must do more, and I would like to take a moment to explain why.

First, greater transparency also means greater accountability – to our donors, to partner governments, and to the public. And since UNICEF in particular relies so much on private donation, we have a responsibility to those many citizens around the world who support our work to go one step farther in showing them where their money is going. This is more important than ever in a time of financial constraint.

Second, within UNICEF, greater external transparency will not only encourage but require greater efficiency internally. I would welcome it as another management tool as we work to increase UNICEF’s cost effectiveness.

And last, this is the direction in which both private and public institutions around the world are moving. UNICEF needs to be a part of that movement – even help lead it – by bringing our own operations into accord with the best practices of many governments and international organizations.

UNICEF’s external financial audits are already publicly available on the United Nations Board of Auditors web site. It is time to take the next step.

Therefore, by the end of 2012 – or sooner – I believe UNICEF should publicly disclose on our web site all internal audit reports, while providing critical safeguards to preserve confidentiality and integrity. For example, we need to redact reports that contain information that infringes on the privacy and other rights of individuals, or which might endanger the safety of staff or others.

As I said in June, we believe greater transparency is not only possible, but a necessity – in principle and in practice. I am delighted that Helen Clark set a similar goal for UNDP at their Executive Board meeting last week.
I know that this is a complex issue and will require some serious discussion, and we look forward to that. Because in the end, this move toward greater transparency can make UNICEF a stronger organization, to the ultimate benefit of the children we serve.

Finally, I can’t conclude this morning without reminding us all, again, that as we work to manage all of these challenges – and to make the most of our opportunities – we will depend more and more on core resources.

As I mentioned at our last meeting, the global funding environment has changed dramatically over the last few years, with public resources increasingly constrained. This is all laid out in great detail in our 2010 Report on Regular Resources, which is available in the room for your review.

The report shows that while other resources to UNICEF increased by an impressive $257 million in 2010 – a nearly 25% increase over the year before – our unrestricted income declined by $101 million, nearly 10% less.

This trend is of great concern to us all, as regular resources are absolutely essential to UNICEF’s ability to innovate and to our capacity to respond quickly and flexibly when children face a critical and urgent need.

Our government partners have been enormously generous, and we understand that times are difficult. But it is exactly in these difficult times that the most vulnerable children suffer most.

Of course, our wonderful network of National Committees is also working hard to help us close the gap and increase our regular resources. I am delighted that earlier this year, we agreed on the language for the new Cooperation Agreements with all our National Committees.

We believe the new agreements will strengthen our already very strong collaborations and I look forward to signing the Agreements with all our National Committees very soon.

Over the next few days, we will discuss in much greater detail many of the issues I have raised this morning. I know, as we discuss budgetary matters and management strategies, we will not lose sight of the reason we undertake these discussions: The children.

We are working for all of them, for their futures, and thus for the future of their societies. We cannot do this work without your support, your guidance and your wise counsel. I have relied on you for all of this over the past year, and I have not been disappointed.

So all my colleagues at UNICEF and I thank you once again. We all look forward to the work ahead.

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