ADDRESS TO UNICEF EXECUTIVE BOARD – September 2022 meeting
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A year ago, life looked rather different. With the pandemic getting under control, economies across the world seemed to recover and forecasts were promising. No one would have thought that 12 months later the world would be in an even more dire situation. Since the start of the Ukraine crisis, an estimated 71 million people fell into poverty (UNDP, 2022). The sharp increase in food and energy prices made life much more expensive threatening the living standard and food security of millions. Some countries have seen food prices triple compared to the previous year (World Bank, 2022). It increases the risk that households resort to coping strategies which are detrimental to themselves, their children and society in the long run. Even though grain exports are likely to resume from Ukraine, it might take a while until the poorest are reached and prices respond accordingly. High energy prices and potential supply gaps indicate that the worst might not be over. The winter is yet to come in the northern hemisphere, and a warm house is essential for children living in areas where winters are cold.

This ongoing covariate shock is a textbook example for a government response. Yet, in many countries, resources have been depleted with the response to the pandemic. Citizens demand that their governments do something to help them maintain their living standards. It is interesting to see that many countries consider introducing energy subsidies. Yet, subsidies are not the way forward. While they seem to be effective in mitigating the most immediate pain, they are regressive, ineffective in supporting the poor and afterwards difficult to be removed.

Previous crises have shown that social protection systems can be effective in protecting the livelihoods of the poor and vulnerable. Yet, extending coverage and ensuring an adequate amount of support to a larger group of people in need might be too challenging, in the current situation. Hence, UNICEF’s unwavering support is needed more than ever. Support to make public financial management recognize the rights of children, like in Moldova, or to address the social and economic consequences of the COVID-19 crisis in Tajikistan will strengthen the capacity and responsiveness of these countries and eventually benefit societies at large. Robust and child-sensitive social protection policies make societies resilient; help fulfill the rights of children and adolescents and are also good for economic growth.