



United Nations

Executive Board of the United Nations Children's Fund

**Report on the first and second regular
sessions, the annual session and the
extrabudgetary session of 2003**

**Economic and Social Council
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First regular session

2003/1. Annual report to the Economic and Social Council

The Executive Board

Takes note of the "Report of the Executive Director: Annual report to the Economic and Social Council" (E/ICEF/2003/4 (Part I)), and *requests* the secretariat to transmit it, along with a summary of the comments made during the discussion, to the Economic and Social Council for consideration at its substantive session of 2003.

*First regular session
13 January 2003*

2003/2. Report on the activities of the Joint Inspection Unit of relevance to UNICEF

The Executive Board

Takes note of the report by the secretariat on "Activities of the Joint Inspection Unit of relevance to UNICEF" (E/ICEF/2003/5).

*First regular session
13 January 2003*

2003/3. UNICEF financial report and audited financial statements for the biennium ended 31 December 2001 and report of the Board of Auditors

The Executive Board

Takes note of the "UNICEF financial report and audited financial statements for the biennium ended 31 December 2001 and report of the Board of Auditors" (A/57/5/Add.2).

*First regular session
14 January 2003*

2003/4. Private Sector Division work plan and proposed budget for 2003

A. Private Sector Division budgeted expenditures for the 2003 season

The Executive Board

1. *Approves* for the fiscal year 1 January to 31 December 2003 budgeted expenditures of \$80.9 million as detailed below and summarized in column II of table 7 to document E/ICEF/2003/AB/L.3:

	<i>(In millions of United States dollars)</i>
Commissions – field offices	1.4
Cost of goods delivered	29.7
Marketing expenditures	19.7
Support services	15.9
Investment funds	14.2
Total expenditures, consolidated	80.9

2. *Authorizes* the Executive Director:

(a) To incur expenditures as summarized in column II of table 7 to document E/ICEF/2003/AB/L.3 and to increase expenditures up to the level indicated in column III of the same table should the apparent proceeds from card and gift sales and/or private sector fund-raising increase to the levels indicated in column III, and accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the net proceeds decrease;

(b) To redeploy resources between the various budget lines (as detailed in paragraph 1 above) up to a maximum of 10 per cent of the amounts approved;

(c) To spend an additional amount between Executive Board sessions, when necessary, up to the amount caused by currency fluctuations, to implement the 2003 approved work plan.

B. Budgeted income for the 2003 season

The Executive Board

Notes that for the period 1 January to 31 December 2003, PSD net proceeds are budgeted at \$276.8 million (regular resources) as shown in column II of table 7 to document E/ICEF/2003/AB/L.3.

C. Policy issues

The Executive Board

1. *Renews* investment funds with \$14.2 million established for 2003;

2. *Authorizes* the Executive Director to incur expenditures in the 2003 fiscal period related to the cost of goods delivered (production/purchase of raw materials, cards and other products) for the 2004 fiscal year up to \$30.5 million as indicated in the PSD medium-term plan (see table 6 of document E/ICEF/2003/AB/L.3).

D. Medium-term plan

The Executive Board

Approves the PSD medium-term plan as reflected in table 6 to document E/ICEF/2003/AB/L.3.

2003/5. *Discontinuation of the UNESCO/UNICEF Joint Committee on Education*

The Executive Board

Agrees with the recommendation of the Joint Committee on Education, as contained in the report on its eighth meeting (E/ICEF/2003/8), that the Committee be discontinued, and *requests* the UNICEF secretariat to work with the UNESCO Secretariat to propose how to strengthen coordination within existing structures.

*First regular session
15 January 2003*

Annual session

2003/6. *Draft country programme documents*

The Executive Board

Approves the aggregate indicative budgets for the following country programmes of cooperation:

<i>Region/country</i>	<i>Period</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Document E/ICEF/2003/</i>
Eastern and Southern Africa				
Angola	2004	5 537 000	18 400 000	P/L.1
Kenya	2004-2008	24 659 000	32 500 000	P/L.2
Madagascar	2004	4 099 000	4 850 000	P/L.3
Somalia	2004-2008	22 770 000	80 000 000	P/L.4
West and Central Africa				
Benin	2004-2008	9 426 000	16 000 000	P/L.5
Congo	2004-2008	4 879 000	7 500 000	P/L.6
Niger	2004-2007	25 024 000	26 494 000	P/L.7
Sierra Leone	2004-2007	11 794 000	16 000 000	P/L.8
Ecuador	2004-2008	3 912 000	10 000 000	P/L.9
East Asia and the Pacific				
Democratic People's Republic of Korea	2004-2006	3 310 000	9 000 000	P/L.10
Philippines	2004	2 198 000	5 000 000	P/L.11
South Asia				
Pakistan	2004-2008	61 616 000	65 000 000	P/L.12
Middle East and North Africa				
Palestinian children and women in Jordan, Lebanon, the Syrian Arab Republic and the Occupied Palestinian Territory	2004-2005	3 200 000	9 230 000	P/L.13

*Annual session
3-4 June 2003*

2003/7. *Increase of other resources ceiling for intercountry programmes for 2002-2003*

The Executive Board

Approves an increase of \$100 million in the other resources ceiling for intercountry programmes, from \$203 million to \$303 million, for the 2002-2003 biennium, as contained in document E/ICEF/2003/P/L.14.

*Annual session
4 June 2003*

2003/8. *Establishment of an operational reserve*

The Executive Board

Recommends that UNICEF continue to manage its liquidity in accordance with the liquidity requirement approved by the Executive Board and that it not establish a funded operational reserve, as described in document E/ICEF/2003/AB/L.4.

*Annual session
4 June 2003*

2003/9. *The UNICEF recovery policy*

The Executive Board,

Having reviewed the UNICEF recovery policy, as contained in document E/ICEF/2003/AB/L.1, and the document E/ICEF/2003/AB/L.5 submitted at the present session,

1. *Stresses* that regular resources, *inter alia*, because of their untied nature, are the bedrock of the operational activities of UNICEF and, in this regard, notes with serious concern the stagnation of regular resources available to UNICEF;
2. *Requests* that all donors strive to increase contributions to regular resources, and *requests* the Executive Director to hold consultations to encourage donors to increase the proportion of contributions to regular resources;
3. *Endorses* the objectives that other resources support the medium-term strategic plan (MTSP) priorities and that regular resources should not subsidize the support costs for other resources programmes, and *encourages* UNICEF to apply procedures that reduce transaction costs for other resources programmes;
4. *Endorses* the aim of eliminating, in the medium term, the subsidy of support costs for other resources programmes by regular resources;
5. *Calls on* those donors contributing to other resources to consider directing these contributions to thematic areas¹;
6. *Calls further on* all donors to simplify their administrative and reporting requirements to significantly reduce the administrative costs of their contributions to other resources;
7. *Decides* to apply, as an interim measure, the methodology as described in paragraph 13 of document E/ICEF/2003/AB/L.1 and in its annex II. The methodology will be reviewed by the Executive Board in light of the harmonization discussion among the United Nations agencies;

8. *Authorizes* the Executive Director to apply the following rates² to all new agreements to be signed after Executive Board approval of the revised policy on an interim basis;

(a) 5 per cent for all resources raised from the private sector in the programme countries;

(b) For other private sector resources, 5 per cent for thematic contributions and 7 per cent for non-thematic contributions;

(c) For other contributions to thematic areas, 8 per cent, and an additional reduction of 1 per cent for 90 per cent up-front payments;

(d) For non-thematic contributions, 12 per cent and additional reductions of 1 per cent for 90 per cent up-front payment, 1 per cent for contributions over \$500,000, 2 per cent for contributions over \$2 million, 3 per cent for contributions over \$10 million, and, as a transitional arrangement through 2004, 4 per cent for contributions over \$40 million;

9. *Recognizes* that the rates approved above constitute a step towards the reduction of the subsidy of the support costs of other resources programmes by regular resources;

10. *Requests* the Executive Director to bring the issue of the recovery policy to the attention of the working group on harmonization and simplification of the United Nations Development Group (UNDG) with a view to harmonizing the methodology used by the UNDG members in devising their recovery policies;

11. *Requests* the Executive Director to report to the Executive Board on the experiences of the recovery policy, especially on actual cost recovery achieved and recovery rates applied to projects during this period, on its effects on the regular resources, as well as on the harmonization efforts undertaken, and to submit proposals for further steps towards the elimination of any remaining subsidy of support costs of other resources programmes by regular resources at the second regular session of the Executive Board in 2005 for a review of this interim policy.

¹ The thematic areas are the five MTSP priority areas (immunization plus, girls' education, child protection, HIV/AIDS, early childhood development) and humanitarian assistance.

² All incentive reductions are applicable to annual contributions.

2003/10. UNICEF experience of joint programming

The Executive Board

1. *Recognizes* the commitment of UNICEF to making an effective contribution to a number of reform initiatives, including the reform programme of the Secretary-General, as endorsed by the General Assembly, and the provisions of the triennial comprehensive policy review as set out in General Assembly resolution 56/201 of 21 December 2001;

2. *Notes* the progress UNICEF is making, as set out in the Executive Director's annual report to the Economic and Social Council (E/ICEF/2003/4 (Part I)), on working with the Common Country Assessment and the United Nations Development Assistance Framework and also towards the simplification and harmonization of rules and procedures¹, with a view to enhancing programme delivery;

3. *Reaffirms*, in this context, the aim of reducing the complexities and diversity of requirements which continue to place an enormous burden on programme countries through high transaction costs, and that innovations in this area should achieve, in their implementation, the objective of reducing the administrative and financial costs to programme countries;

4. *Requests*, therefore, the Executive Director to submit to the Executive Board for consideration at its annual session in 2004 a written report containing an assessment, based on specific country examples, of the UNICEF experience of joint programming and other innovative and collaborative approaches aimed at improving programming effectiveness and reducing transaction costs for programme countries, and their associated costs and benefits.

¹ As defined in resolution 56/201, section VI.

Second regular session

2003/11. Financial plan for the period 2003-2006

The Executive Board

(a) *Takes note* of the medium-term financial plan (E/ICEF/2003/AB/L.7) as a flexible framework for supporting UNICEF programmes;

(b) *Approves* the medium-term financial plan as a framework of projections for 2003-2006 (summarized in table 4 of document E/ICEF/2003/AB/L.7), including the preparation of up to \$151 million in programme expenditures from regular resources to be submitted to the Executive Board in 2004. This amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid;

(c) *Approves* the establishment of a funded reserve for after-service health insurance with an initial contribution of \$30 million in 2003 and \$10 million per year for the period 2004-2006, to be adjusted on the basis of future financial projections.

*Second regular session
17 September 2003*

2003/12. UNICEF programme cooperation

The Executive Board

1. *Approves* the following recommendations of the Executive Director:

(a) **\$13,023,000** for funding from other resources without recommendations for funding from regular resources, subject to the availability of specific purpose contributions:

<i>Country</i>	<i>Period</i>	<i>Other resources</i>	<i>Document E/ICEF/2003/</i>
Tajikistan	2004	1 233 000	P/L.15
Gulf Area subregional programme	2004-2006	8 790 000	P/L.16
Oman	2004-2006	3 000 000	P/L.17

(b) **\$2,208,730** in additional resources to fund the approved country programmes of eight countries whose regular resources planning levels, based on the modified allocation system and estimated global levels of programmable regular resources, are higher than the balance of approved funds for those countries:

<i>Region/Country</i>	<i>Amount (in United States dollars)</i>
Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States	
Armenia	48 050
Azerbaijan	18 000
Kazakhstan	12 937
Kyrgyzstan	272 000
Turkmenistan	254 000
Uzbekistan	537 000
Middle East and North Africa	
Iraq	493 717
Eastern and Southern Africa	
Zimbabwe	573 026

(c) **\$789,593.99** from regular resources to cover overexpenditures from four programmes:

<i>Programme</i>	<i>Amount (In United States dollars)</i>
Central America and Panama: subregional programme	7 211.54
Sudan (Consolidated Appeal)	637 072.59
Timor-Leste (Consolidated Appeal)	136 661.29
Great Lakes Region and Central Africa (Consolidated Appeal)	8 648.57

*Second regular session
17 September 2003*

2003/13. Implementation of the modified system for allocation of regular resources for programmes

The Executive Board

1. *Takes note* of the “Report on implementation of the modified system for allocation of regular resources for programmes” as contained in document E/ICEF/2003/P/L.21;
2. *Welcomes* the progress made in implementing the modified system, and reiterates the need to give high priority to the needs of children in low-income countries, in particular to the special needs and circumstances of the least developed countries (LDCs) and those of sub-Saharan Africa;
3. *Reaffirms* the principles of eligibility of all recipient countries on the basis of the fundamental characteristics of the operational activities of the United Nations development system, in line with relevant resolutions of the General Assembly;
4. *Notes* that the target of 60 per cent of the allocation of regular resources to the LDCs is not yet met, and *requests* the Executive Director to intensify efforts to reach the target of 60 per cent of regular resources to be allocated to the LDCs, and to maintain at least 50 per cent for sub-Saharan Africa;
5. *Requests* the Executive Director to report back to the Board on the implementation of these efforts, including an analysis of the utilization of regular and other resources by country and by aggregate for each priority area of the medium-term strategic plan, no later than the second regular session of 2004;
6. *Decides* to continue to apply the modified system for allocation of regular resources for programmes in accordance with Executive Board decision 1997/18 (E/ICEF/1997/12/Rev.1);
7. *Requests* the Executive Director to continue to review the modified system for allocation of regular resources for programmes, taking into consideration views expressed by delegations, and considering the need to explore ways to contribute to the sustainability of the progress achieved in programme countries in all regions, especially in the context of the preparation of the next medium-term strategic plan for 2006-2009.

*Second regular session
19 September 2003*

2003/14. Working methods of the Executive Board

The Executive Board

1. *Notes* the UNICEF report, 'Working Methods of the Executive Board' (E/ICEF/2003/12), as a basis for continuing dialogue among Board members and with the secretariat on this subject;
2. *Stresses* the importance of generating more information and knowledge on best practices pertaining to the operation of governing boards within the United Nations system, and the continued exchange of information in that context;
3. *Requests* the Bureau to enter into dialogue with representatives of other United Nations funds, programmes and organizations to explore approaches to improving working methods and to report its findings and any recommendation back to the Executive Board at the first regular session of 2004;
4. *Invites* representatives of the Bureau of the Executive Board of the World Food Programme to attend the first regular session in 2004 of the UNICEF Executive Board, to provide a briefing on their efforts to establish a broad-ranging and participatory process for improving the working methods.

*Second regular session
19 September 2003*

2003/15. Programme of work for Executive Board sessions in 2004

The Executive Board

Adopts the following programme of work for 2004:

<p>First regular session (19-23 January)</p>	<ul style="list-style-type: none"> • Election of officers of the UNICEF Executive Board for 2004 • Report of the Executive Director (Part I): Annual report to the Economic and Social Council (1995/5, 1998/1, 1999/6) • Reports of the Joint Inspection Unit of relevance to UNICEF (2001/4) • Approval of revised country programme documents (CPDs) (2002/4) • Child protection: oral report on child trafficking • Working group on transition from relief to development (including child soldiers): oral report • Tenth Anniversary of the International Year of the Family: oral report • Implementation of the UNICEF monitoring and evaluation plan: oral report • Private Sector Division (PSD) work plan and proposed budget for 2004 • Working methods of the Executive Board • Pledging event • Joint meeting of the Executive Boards of UNICEF and UNDP/UNFPA, with the participation of WFP
<p>Annual session (7-11 June)</p> <p>(Secretariat to investigate the possibility of changing date to 31 May – 4 June)</p>	<ul style="list-style-type: none"> • Report of the Executive Director (Part II): Progress and achievements against the medium-term strategic plan (MTSP) (1999/8, 2000/6, 2001/11, 2002/22 and E/ICEF/2003/9 (Part I), para. 31) • Assessment of the UNICEF experience of joint programming and other innovative and collaborative approaches to programming (2003/10) • Draft CPDs (2002/4) • Progress report on the evaluation function in UNICEF (2002/9) (including a summary paper on evaluation) • Orphans and vulnerable children affected by HIV/AIDS: oral report • UNICEF Maurice Pate Leadership Award • Reports on field visits of Executive Board members (1992/32)
<p>Second regular session (13-17 September)</p>	<ul style="list-style-type: none"> • Financial plan for 2004-2007 (2000/3) • Early childhood development: oral report • Mid-term review of the MTSP 2002-2005 • Review of the updated UNICEF humanitarian strategy (including Core Corporate Commitments) • HIV/AIDS: follow-up to UNAIDS Programme Coordinating Board – written report • Analysis of the utilization of regular and other resources by country and by aggregate for each MTSP priority area • Decisions taken by the Economic and Social Council: oral report (E/ICEF/1995/9/Rev.1, para. 470) • Summaries of mid-term reviews and major evaluations of country programmes (1995/8 and 2001/11) • Recommendation for additional resources for approved country programmes • Recommendations for funding from other resources without recommendations for funding from regular resources • Update on developments in human resources: written report • UNICEF financial report and audited financial statements for the end of the biennium 2002-2003 and report of the Board of Auditors • PSD financial report and statements for the year ended 31 December 2003 • Report to the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions • Report on internal audit activities in 2003 • Programme of work for Executive Board sessions in 2005

Second regular session
19 September 2003

Extraordinary budgetary session

2003/16. Supplementary support budget for the 2002-2003 biennium

The Executive Board

Approves the supplementary budget appropriation of \$8 million to cover salary increases and additional requirements for security, as described in document E/ICEF/2003/AB/L.13.

*Extraordinary budgetary session
1 December 2003*

2003/17. Biennial support budget for 2004-2005

The Executive Board,

Having considered the biennial support budget for 2004-2005, as contained in document E/ICEF/2003/AB/L.14,

1. *Notes* the rise in gross appropriations of 20.9 per cent in view of the need for programme implementation, and *appreciates* the improved transparency displayed in the budget documents, and in this context, *requests* UNICEF to continue to strengthen cost-effective management;

2. *Stresses* the importance of full UNICEF participation in United Nations harmonization and simplification efforts with a view to achieving efficiency in its programme implementation, and *requests* the Executive Director to report separately on any resulting cost efficiencies by the second regular session in 2004;

3. *Approves* gross appropriations in the amount of \$684,906,000 for purposes indicated below and *resolves* that the income estimates of \$156,400,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of \$528,506,000:

(In thousands of United States dollars)

Programme support:	
Country and regional offices	359 013.7
Headquarters	96 088.0
Subtotal	455 101.7
Management and administration of the organization	229 804.3
Total gross appropriations	684 906.0
Less: Estimated income to the budget	(156 400.0)
Estimated net appropriations	528 506.0

4. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;

5. *Approves* an additional allocation of \$14 million for security-related provisions as described in paragraph 18 of document E/ICEF/2003/AB/L.14;

6. *Requests* the Executive Director to consult with the Executive Board should the level of resources available for programming fall significantly below the level projected in this budget;

7. *Welcomes* the continued improvement in results-based management which makes it clear to what extent key results achieved contribute to the attainment of UNICEF objectives, and *requests* the Executive Director to continue to develop results-based budgeting for the biennium 2006-2007 in close collaboration with other funds and programmes;

8. *Requests* the Executive Director to explore options for the timing of the approval of the biennial support budget in the context of one of the existing regular board sessions and to report to the Board on this issue during the annual session of 2004.

*Extraordinary budgetary session
2 December 2003*

2003/18. Intercountry programmes

I. Regular resources programme budget estimates for the 2004-2005 biennium

The Executive Board

Decides:

(a) That a regular resources programme budget of \$25,185,500 (other than the Emergency Programme Fund) is approved for 2004-2005 as per the following details:

(In thousands of United States dollars)

<i>Headquarters</i>	
Technical programmes and inter-agency collaboration	6 686
Programme policy, planning and information management	2 973
Evaluation	887
Emergency preparedness	930
Global partnerships	600
Advocacy and communication	5 360
Subtotal	17 436
<i>Regions</i>	
Eastern and Southern Africa	1 500
West and Central Africa	1 500
The Americas and Caribbean	950
East Asia and the Pacific	950
South Asia	950
CEE, CIS and the Baltic States	950
Middle East and North Africa	950
Subtotal	7 750
Total	25 186

(b) That the budget for the Emergency Programme Fund for 2004-2005 is approved for \$25 million;

(c) That the Executive Director is authorized to administer the funds in the most efficient manner under the provision for each of the funds. The Executive Director may, without further authorization from the Executive Board, transfer, if necessary, between the programme fields an amount not exceeding 10 per cent of the approved budget of the fund to which the transfer is made.

II. Other resources-funded programme budget estimates for the 2004-2005 biennium

The Executive Board

Decides:

(a) That an other resources-funded programme budget of \$302.2 million is approved for the 2004-2005 biennium, subject to the availability of specific-purpose contributions, as follows:

	<i>Headquarters</i>	<i>Regions</i>	<i>Intercountry</i>	<i>Total</i>
	<i>(In thousands of United States dollars)</i>			
<i>Regions</i>				
Eastern and Southern Africa		16 400		16 400
West and Central Africa		15 700		15 700
The Americas and Caribbean		8 000		8 000
East Asia and the Pacific		6 350		6 350
South Asia		17 100		17 100
CEE, CIS and the Baltic States		8 830		8 830
Middle East and North Africa		9 546		9 546
Subtotal		81 926		81 926
<i>Headquarters</i>				
Technical programmes and inter-agency collaboration	35 240			35 240
Programme policy, planning and information management	15 000			15 000
Evaluation	1 200			1 200
Emergency preparedness	6 700			6 700
Global partnerships	3 000			3 000
Advocacy and communication	5 096			5 096
Human resources management	4 000			4 000
Information technology	10 000			10 000
Subtotal	80 236			80 236
<i>Intercountry programmes</i>				
Girls' education			10 000	
Early childhood			10 000	
Immunization "plus"			70 000	
HIV/AIDS			20 000	
Child protection			10 000	
Emergency preparedness			20 000	
Subtotal			140 000	140 000
Total	80 236	81 926	140 000	302 162

(b) That for the biennium 2004-2005, a total recommendation of \$302.2 million for other resources funding is approved. If necessary, funds in excess of indicated amounts for specific programme areas and regions can be received provided that the total amount of funds received is within the approved limit.

*Extraordinary budgetary session
2 December 2003*

