Joint Statement delivered by Germany

I deliver this statement on behalf of Australia, Austria, Canada, Belgium, Denmark, Estonia, France, Iceland, Ireland, Israel, Japan, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, the Republic of Korea, Slovakia, Sweden, Switzerland, the United Kingdom, the United States and my own country Germany.

We commend UNICEF for having received an unqualified audit opinion and welcome the important steps that have been taken to respond on a more strategic level in the management response. We support the recommendations by the Board of Auditors and encourage UNICEF to ensure a timely implementation of all new recommendations and all outstanding recommendations, especially those that have been reiterated from prior years.

We congratulate UNICEF to its high liquidity and strong solvency certified by the Board of Auditors. In times of COVID-19 and its uncertain impacts on future revenue and financial needs as well as on assets and liabilities, it is important that UNICEF stands on a stable financial footing to fulfil its mandate. With regard to UNICEF’s substantial financial assets and investments, a substantial portion of which is frequently traded, we would welcome information on UNICEF’s policy for investing these funds ethically and environmentally-friendly.

We welcome the progress made by UNICEF in addressing audit recommendations in 2019 whilst noting the recurring areas with identified weaknesses, and encourage UNICEF to ensure the prioritization of these. We would welcome UNICEF’s analysis of the root causes of recurring audit recommendations and assessment of their potential effect on UNICEF’s overall results achievement.
We recognise the continued impacts of COVID-19 and corresponding risks, including that UNICEF funds are diverted from their intended purpose. Effective financial governance and appropriate assurance activities for all global operations and all implementing partners should remain a priority. We note the continued shortfalls in HACT assurance activities by UNICEF regional and country offices. Ensuring full HACT implementation and providing quality improvements to the approach to cash transfers has been a recurrent theme of Board of Auditors reports. We acknowledge UNICEF’s on-going efforts in this respect. Given the sensitivity of the issue and the high reputational risk for UNICEF, we nonetheless urge UNICEF to ensure the achievement of an appropriate level of programmatic visits and spot-checks, at the least adhering to HACT minimum levels, for implementing partners globally and, referring to the report at hand, in Eastern and Southern Africa in particular.

In the past years, UNICEF has undertaken comprehensive action to strengthen the organizational preparedness for emergency response. The Board of Auditors noticed for 2019 the delayed delivery of one quarter of emergency orders. While acknowledging that orders for rapid response emergencies where almost not affected, we would like to hear more on the reasons for these delays and how UNICEF is effectively addressing these shortfalls. Continued strengthening of UNICEF’s organizational preparedness for emergency response is crucial in times of a high number of level-2 and level-3 emergencies and in the midst of a global pandemic.

Thank you.