Item 11: UNICEF financial report and audited financial statements for the biennium ended 31 December 2011 and report of the Board of Auditors

Mr President,
I deliver this statement on behalf of France, New Zealand and my own country Germany.

Let me first of all thank UNICEF for this comprehensive and informative presentation. We would like to focus our remarks on the findings of the BoA concerning the National Committees, that are interesting - and somewhat worrisome:

Let me express our concern about the high retention rates of some NatComs. Although there is an existing target agreement to limit retention rates to 25%, the average according to the BoA report was 29%, with some NatComs reaching rates of even more than 75%! Let me underline that we have a fundamental interest to keep administrative costs to a minimum in relation to donations, so that the funds can be used as much as possible for concrete programmatic work.

We are therefore glad to hear that UNICEF will engage and support National Committees with relatively high fundraising costs so that they strive to meet the target of a 75% contribution rate.

We also welcome that UNICEF has already implemented or begun to implement the recommendations of the BoA. As just explained, UNICEF has submitted a management response. In most cases, UNICEF therein acknowledges the findings of the BoA. But could you explain what would be the procedure in case of diverging views like on the question whether the NatComs have to do gross or net reporting, i.e. whether they have to report on their fundraising costs or not.

Another aspect that seemed unclear was how much of the funds were used for purposes other than the overarching goals defined by UNICEF.

Taking into account experiences with our NatCom only a few years ago, we recommend UNICEF to closely examine its relations to the National Committees to avoid any reputational risks especially where financial matters are concerned. In this context, it might also be useful to share the conclusion of the external audits of the NatComs with the Executive Board to allow a comprehensive overview.

Finally, we would like to know whether UNICEF has planned to take any concrete steps to implement the BoA recommendations concerning NatComs or has UNICEF already taken any? We would highly appreciate to be continually informed about this matter.

Thank you very much!