Statement
by
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Deputy Permanent Representative of Austria
to the United Nations
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on agenda item 12:
UNITED NATIONS CAPITAL DEVELOPMENT FUND

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Mr. President,

I am speaking on behalf of the delegations of Belgium, Luxemburg, Spain, the United States of America and my own delegation, Austria. First of all, allow me to congratulate Marc Bichler on his appointment as UNCDF Executive Secretary. We will work closely with the Executive Secretary in order to further UNCDF’s mandate to primarily support the Least Developed Countries.

We are particularly pleased to note from the presentation of the 2012 preliminary results that UNCDF’s strong growth in recent years – both in terms of income and expenditures – seems to be accompanied by a continuing strong programmatic and operational performance. This fact has been reconfirmed by recent external assessments, such as the CGAP 2011 Smart Aid Index, by which UNCDF was awarded the highest score among both multilateral and bilateral agencies. Similarly, programmatic evaluations and audits generally continue to rate UNCDF favorably.

Furthermore, as the only UN agency mandated to provide grants, hard and soft loans and guarantees directly to sub-national and private sector entities, UNCDF is well positioned to deliver on the evolving post-2015 development agenda focusing on inclusive and sustainable growth and the need to leverage ODA with private capital flows. UNCDF has proven its ability to provide true leverage focusing on the smaller and more risky investments and interventions which are replicated and scaled by other development partners with different and complementary mandates.

All that makes UNCDF an attractive multilateral partner to address global development challenges, particularly in the LDCs, in the years to come. That is why our delegations continue to support UNCDF, in spite of fiscal pressures. We especially appreciate UNCDF’s focus on financial inclusion and local economic development, with special emphasis on women.

Mr. President,
We have been informed in the course of the ongoing stakeholders consultations on UNCDF’s future that core resources still fall well short of the $25 million minimum required to sustain UNCDF’s operations in 40 LDCs, while non-core resources have increased dramatically in the past 5 years, including from large private sector foundations. This represents an unprecedented opportunity for CDF to expand both its scope of work and partnership potentials in the long run. At the same time, it also presents challenges to CDF’s programming capacity, human resource infrastructure, and ability to cover costs. We encourage CDF to find innovative solutions to capture this opportunity to benefit the LDCs.

We therefore wish to encourage other donors to help UNCDF achieve its modest core resource requirement of $25 million in order to sustain its operations in at least 40 LDCs, with a view to continue to leverage substantive non-core resources as well as follow-on investments primarily from private sector partners and IFIs. A more adequate core base, which would only require an additional $10 million per year from 2012 levels of $15 million could be combined with a more realistic cost recovery policy, particularly for private sector contributions as well as new innovative financing mechanisms in conformity with UNCDF’s investment mandate.

I wish to thank you, Mr. President.