Second regular session 2013
Item 6 UNICEF Integrated Budget 2014-2017

President,

I am delivering this statement on behalf of Denmark, Finland, Iceland, Sweden and my own country Norway.

We are aware that the budget reform process has been a challenging task, and we are grateful to UNICEF and its staff the extensive work that has resulted in the proposed Integrated Budget.

On the income side of the budget, we are encouraged to see that UNICEF is planning for an increase in regular resources, largely to be generated through private resource mobilization, and also that regular resources as a share of total incomes is expected to increase successively during the 2014-2017 period. This is a positive development since it means that the previous downward trend is turned around.

Turning to the proposed expenditures, we would like to share a few observations:

First, we welcome the anticipated savings in management costs. However, we would have liked to see more information in the budget document which could help us to understand the reasons behind such savings, including to which extent the savings are caused by reform processes within the UN Development System. We take this opportunity to urge UNICEF to look into further possibilities of reducing management costs, including travel costs relating to field visits.
Second, we appreciate UNICEF’s role in reaching an agreement among members of the UNDG on sharing costs for UN coordination and that UNICEF has included its share in the integrated budget.

Third, we support the increased allocation suggested for the Evaluation Office as a follow-up of the new evaluation policy, and the greater visibility of these expenses in the budget document.

Fourth, on the allocation to the Office of Internal Audit and Investigation: We find it difficult to read out of the budget document whether the proposed allocation is changed compared to the Institutional Budget 2012-2013. Based on additional information that UNICEF kindly has provided, it is our understanding that the capacity for investigation will increase with one post (from four to five) and that the number of posts dedicated to internal auditing will remain unchanged. An elaboration by UNICEF on this issue would be appreciated. We would welcome an increase in the capacity of the investigation function but still consider the capacity to be rather limited, given the large amount of funds managed by UNICEF and challenging situations UNICEF often operates in.

Fifth, the proposal to increase the minimum allocation of core resources to programme countries (from USD 750 000 to USD 850 000); Our understanding is that the proposed increase is meant to compensate for increased costs caused by the Executive Board decision that more costs will be charged directly to programmes and projects (a part of the cost recovery decision). We would like UNICEF to clarify the rationale behind this proposal.

We also have four questions which we would request UNICEF to answer as this would help us to understand how the Integrated Budget is intended to support implementation of the Strategic Plan:

The first question is whether UNICEF has an annual breakdown of the Integrated Resource Plan which could be shared with the Executive Board. This would provide us with information about planned changes during the Strategic Plan period.
Second, we would request for more information on the use of funds under the cluster "Corporate leadership and direction". One specific issue in this regard is whether the present arrangement providing flexibility to the Executive Director to set aside 7% of regular resources will be continued. We would also appreciate to being informed about when the outcome of the on-going organizational efficiency and effectiveness review, including budgetary implications if any, can be expected to be shared with the Executive Board.

The third question is about how UNICEF’s humanitarian action is planned to be funded. In the Strategic Plan, it is anticipated that needs will rise as a result of an increasing number of humanitarian crises whereas it emerges from the annex to the Integrated Budget that incomes in the form of earmarked resources for emergencies are expected to go down compared to the present level. It is still difficult to see in the budget how humanitarian action expenses can be separated from development expenses. This is important because emergencies emerge from appeals.

The forth question relates to UNICEF’s important normative role and responsibility for data collection, analysis and research on the situation of children. This work is a basis for both performance monitoring and normative changes. It is important that UNICEF allocates adequate regular resources, including securing the necessary competences and capacities. We would therefore like UNICEF to elaborate on the various aspects of the proposed allocation to the global and regional programme.

President,

We believe that the presentation of the integrated budgets of UNICEF, UNDP, UNFPA and UN Women is an opportunity to look into how far the joint budget reform has brought us and how we can proceed further. At this junction, we very much appreciate the progress made in terms of providing members of the Executive Board with better insight in how available resources are planned to be used, although the information
value of the budget documents could be improved on certain points as we have mentioned in this statement. Less progress has in our view been made in terms of strengthening the budget as an instrument to support implementation of the priorities in the strategic plan. We think the mid-term reviews of the integrated budgets should be used to look into remaining challenges to enhance results-based budgeting, along with an assessment of whether the present cost recovery methodology meets the QCPR expectations of full cost recovery as already decided.

President,

Please be assured that our sustained involvement and strong engagement in this process is due to a profound interest from our governments to contribute to the realization of the rights of all children.

Thank you.