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Statement by Mr. James P. Grant
Executive Director of the United Nations Children's Fund (UNICEF)
at the
United Nations Pledging Conference on Development Activities

New York
2 November 1994

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Mr. President, may I compliment you for the skillful way in which you have conducted this Pledging Conference, and give my thanks to the Bureau and Secretariat for their effective assistance. I would also like to thank Under-Secretary-General Mr. Ismat Kittani for delivering the opening statement by the Secretary-General, to express our gratitude to all those governments which have commented favorably on UN operational activities and UNICEF's work, and to support strongly the serious concern we all share over the significant fall in ODA as economic recovery returns to the industrialized world.

We are most thankful for the 52 pledges made to UNICEF at this conference, which however totalled only \$30.4 million. We are particularly grateful for the first-ever contribution from Andorra, the return of Antigua and Barbuda, Cape Verde, Lebanon, Mauritania, Monaco, Panama and Swaziland as donors, and the increases announced by Bangladesh, China, Cuba, Ethiopia, Hungary, Lesotho, Malawi, Poland, Romania, Spain, Thailand, Turkey and Zimbabwe. We appreciate the efforts of the 27 governments that have maintained the level pledged last year. We also take note of the statements by Ireland and Portugal indicating the likelihood of increases in contributions to our 1995 General Resources.

The pledges made by small countries and non-DAC donors, some of which have increased considerably, reflect a strong sense of internationalism and the wise understanding that many small contributions, taken together, can make a powerful impact. We welcome the broadening of UNICEF's funding base, for it holds out the potential of reducing our vulnerability to shortfalls in contributions from a relatively small group of major donors. This noted, it must still be said that only three out of 21 DAC member countries were able to pledge at this conference, and that total pledges represent only 8 per cent of the Medium Term Plan projection for governmental contributions to General Resources.

This paucity of pledges seriously compromises our ability to predict the resources that will be available to implement the mandate and growing number of country programmes approved by our Executive Board.

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However, I am cognizant of the difficulties presented by the timing of the Conference with regard to national budget cycles, as expressed by Italy and Japan. If holding the Pledging Conference at another time of the year would make it easier for governments to pledge -- which would in turn mean more certainty for our core budget and a better overall planning environment for UN operational activities -- then this of course should be considered as a matter for the General Assembly. I also take note of the statements made by Norway and Sweden regarding the need for overall reform of development financing. I would like to encourage all governments seeking changes in timing and UN development financing to work toward solutions in the discussions in the General Assembly on funding of UN operational activities.

At first glance, UNICEF's funding situation in 1994 looks reasonably good. Preliminary estimates point to a 6 per cent increase in UNICEF total income for 1994 -- 6 percent over last year's income. However, this increase reflects primarily a 21 per cent increase in regular supplementary funding and a 9 per cent increase in emergency funding over last year. We are most grateful that good programmes with clear objectives, building on past successes, still manage to attract generous funding, and we urge you to continue this support.

However, General Resources income is barely maintaining its 1993 level. Over the past two years, UNICEF General Resources from governments have declined by some 17 per cent, although exchange rate fluctuations account for part of this drop, and it followed a record increase in General Resources in 1992.

As you will understand, this is a matter of serious concern to us. I cannot stress strongly enough that General Resources funding supports the back-bone of UNICEF activities; increases in supplementary funding, as welcome as they are, do not obviate the need for a reliable flow of resources to finance our core activities, particularly our programmes of cooperation in over 130 developing countries.

Therefore, I must appeal to all governments -- in developed, newly industrialized and in developing countries -- to make a very special effort to increase contributions to General Resources in 1995 and in the years to come.

Several general points may be noteworthy here. First, a troubling pattern has emerged in recent years, according to which assistance for putting out fires is more forthcoming than assistance to prevent them from breaking out in the first place. Greater attention to development and poverty would certainly help prevent many conflicts and disasters from taking place, saving millions of lives and billions of dollars in the process.

Second, the concept of sustainable human development, and the need and opportunity for urgent action in the provision of basic social services in primary health care, basic education, nutrition, rural and peri-urban water supply and sanitation, and family planning, information and services, all in a way which promotes gender equity and greater empowerment of women, has received powerful reinforcement since last year's Pledging Conference -- notably at the International Conference on Population and Development in Cairo and in the planning for the World Summit for Social Development in Copenhagen. There is an urgent need that this emerging global consensus be reflected in ODA flows to General Resources of organizations such as UNICEF, UNDP and UNFPA.

When leaders of the world come together in Copenhagen next March for the historic World Summit for Social Development, a majority will be able to point with pride and satisfaction to important victories over some of poverty's worst manifestations and causes in the lives of young children -- the result of concerted efforts to achieve mid-decade goals that have been set at the World Summit for Children. Their achievement will save the lives of an additional 2 million or more children per year.

However, to sustain such remarkable achievements and accelerate progress towards the year 2000 goals established at the World Summit for Children, I urge the Copenhagen Summit to endorse the UNDP, UNFPA, UNICEF and UNESCO-sponsored 20/20 initiative for funding basic social services, or some equivalent mechanism.

Of course, sustainable human development cannot be achieved through public interventions alone. An appropriate mix of public and private investment must be mobilized in ever more innovative ways. UNICEF, as you know, is responding to this challenge through its efforts to mobilize resources for national programmes of action for children from an expanding range of partners -- official donors, non-governmental organizations and the general public. We are especially proud of the support from the public in both industrialized and developing countries, which has steadily grown as a source of funding. In 1993, UNICEF derived 1/3 of its income from the private sector -- in a few countries, amounting to more than government contributions. Such widespread grassroots support should signal to governments that the public wants and is willing to fund human-centred, sustainable development.

One of the innovative vehicles for mobilizing additional resources for children and human development has been debt-swaps for children, which to date have generated the local currency equivalent of \$48 million in ten developing countries. There easily is a potential there for several million more dollars.

Over the medium- to long-term, however, private sector fundraising could be jeopardized if governmental contributions to UNICEF general resources are seen as waning. It is obvious that inter-governmental organizations cannot do without predictable and adequate core funding from governments.

It is clear that in a continuing uncertain financial climate, UNICEF must redouble its efforts to streamline, economize, and get the biggest bang out of every buck it receives. We are widely recognized as an agency that gets significant results, and gets them at a reasonably low cost -- but it is clear that we can do even better on the cost-effectiveness and efficiency side. The October session of our new Executive Board made some important decisions to this end. I am confident that recommendations that will emerge from the Management Review of UNICEF that is currently underway, will contribute to our pursuit of a leaner, not meaner, but rather more friendly, transparent and efficient organization.

In closing, allow me to reiterate what my friend and colleague Gus Speth said earlier about the impact of reduced funding for United Nations operational activities:

"The cutbacks amount to lost opportunities".

Time is of the essence. On the road to Copenhagen and Beijing, and in the spirit of the commitments made at previous global conferences, governments from industrial and developing countries alike must move boldly and decisively toward an ambitious but doable pact for sustainable human development -- and I would argue, starting with children who are our collective future.