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### United Nations Children's Fund

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### **Report of the Executive Director: progress and achievements against the medium-term plan 1998-2001\*\***

#### *Summary*

This is the fourth and final annual report of the Executive Director on progress towards achieving the organizational priorities of the UNICEF medium-term plan (MTP) for 1998-2001 (E/ICEF/1998/13 and Corr.1). The MTP identified four organizational priorities and 21 corresponding major areas of action, emphasizing achievement of the goals of the World Summit for Children and implementation of the Convention on the Rights of the Child. The present report essentially discusses progress in 2001 against the MTP priorities, in addition to income and expenditure (including resource mobilization) and performance management. A series of annexes provide detailed information on programmatic and operational results achieved during the year, as well as financial information.

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\* E/ICEF/2002/9.

\*\* Submission of this report was delayed pending receipt of final financial data for the 2000-2001 biennium.



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## Abbreviations

BFHI	Baby-Friendly Hospital Initiative
CCA	Common Country Assessment
CDC	United States Centers for Disease Control and Prevention
CEE/CIS	Central and Eastern Europe and the Commonwealth of Independent States
CIDA	Canadian International Development Agency
CSO	civil society organization
DFAM	Division of Financial and Administrative Management (UNICEF)
DHR	Division of Human Resources (UNICEF)
DfID	Department for International Development (United Kingdom)
EFA	Education for All
ECD	early childhood development
ESARO	Eastern and Southern Africa Regional Office (UNICEF)
FGM	female genital mutilation
FLS	Financial and Logistics System (UNICEF)
FIFA	Federation Internationale de Football Association
GAVI	Global Alliance for Vaccines and Immunization
GNP	gross national product
HR	human resources
ICRC	International Committee of the Red Cross
IDD	iodine deficiency disorders
IDP	internally displaced person
ILO	International Labour Organization
IMCI	integrated management of childhood illness
IMEP	integrated monitoring and evaluation plan (UNICEF)
IMIS	Integrated Management Information System
IOM	International Organization for Migration
IP	Internet Protocol
IPC	Inter-agency Pharmaceutical Coordination Group
IT	information technology
ITD	Information Technology Division
JICA	Japanese International Cooperation Agency
JLC	Joint Logistics Cell

KAP	knowledge, attitude and practice
LDCs	least developed countries
MDGs	Millennium Development Goals
MICS	Multiple Indicator Cluster Survey
MMR	maternal mortality rate
MNT	maternal and neonatal tetanus
MTP	medium-term plan
MTSP	medium-term strategic plan
MTV	Music Television
NID	National Immunization Day
NGO	non-governmental organization
OFFP	Oil for Food Programme
OIA	Office of Internal Audit (UNICEF)
OPV	oral polio vaccine
PFO	Programme Funding Office (UNICEF)
PMTCT	prevention of mother-to-child transmission (of HIV)
PROMS	Programme Manager System (UNICEF)
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Division (UNICEF)
SCF	Save the Children Federation
SNID	Subnational Immunization Day
SWAP	sector-wide approach
TBA	traditional birth attendant
TT	tetanus toxoid vaccine
U5MR	under-five mortality rate
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFIP	United Nations Fund for International Partnerships
UNFPA	United Nations Population Fund
UNHCHR	United Nations High Commissioner for Human Rights
UNIFEM	United Nations Fund for Women

USAID	United States International Development Agency
VSAT	Very Small Aperture Terminal (IP satellite)
WCARO	West and Central Africa Regional Office (UNICEF)
WES	water and environmental sanitation
WFP	World Food Programme
WHO	World Health Organization

## I. Introduction

1. The report of the Executive Director to the Executive Board, presented annually in two parts, serves many purposes. Overall, however, when taken together the two reports cover the breadth of the work of UNICEF in a given year.

2. The first part of the report, which is discussed at the Board's first regular session in January, is also the annual report to the Economic and Social Council and thus addresses broad coordination issues. This year's report, following a format agreed to by the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and UNICEF, focused on implementation of the triennial comprehensive policy review, the resident coordinator system, implementation of the Common Country Assessment (CCA)/United Nations Development Framework (UNDAF), harmonization of programmes and procedures, cooperation with the World Bank and humanitarian and disaster relief assistance, among other key issues.

3. This, the second part of the report, responds to a decision of the Executive Board<sup>1</sup> that the report analyse global progress in the priority areas of the medium-term plan (MTP), stressing objectives and results achieved, providing estimates of the financial resources applied to those priority areas, and reviewing the main obstacles encountered, lessons learned and the implications for the future work of UNICEF. The report should also address how collaboration with other United Nations agencies, including through the UNDAF, affects the success of country programmes.

4. This report focuses on progress in 2001 against the priorities of the MTP for 1998-2001,<sup>2</sup> as well as on income and expenditure and performance management. In other words, it paints an overall picture of what UNICEF has done in the past year. That picture is by necessity broad but is, hopefully, sufficiently detailed and analytical to allow the Executive Board to evaluate the work of the organization and provide guidance where needed, either on specific programmatic or operational issues, or on the content and format of the report itself.

5. Several themes re-occur throughout the report, but bear repeating here. First, and most importantly, is the critical importance of partnership, collaboration, coordination — all synonyms for working with others. The importance of this issue cannot be overstated. UNICEF is founded on the very concept of partnerships, most importantly with Governments, but also with other United Nations agencies, non-governmental organizations (NGOs), the private sector and even the public at large, through the National Committees for UNICEF. New mechanisms for collaboration with Governments, the United Nations system and the international financial institutions — including the CCA/UNDAF, poverty reduction strategies and sector-wide approaches (SWAPs) — offer the possibility to promote children's rights as an integral part of national economic and sectoral policies. Likewise, the Global Movement for Children is demonstrating the power of working together, including with children and young people themselves, towards common ends. The goals of the MTP, and of the even more ambitious medium-term strategic plan (MTSP) for 2002-

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<sup>1</sup> Decision 1999/7 (E/ICEF/1999/7/Rev.1).

<sup>2</sup> E/ICEF/1998/13 and Corr.1.

2005,<sup>3</sup> cannot be achieved unless UNICEF deepens and strengthens these alliances, from headquarters to every field office.

6. Preparations for the Special Session on Children and the new MTSP are a second major theme underlying the performance of UNICEF in 2001. Although the Special Session had to be postponed until May 2002 because of the events of 11 September, UNICEF worked throughout the year to ensure that the event be more than just another United Nations meeting, and instead a celebration of global leadership for, and renewed commitment to, children and young people. UNICEF served as the substantive secretariat for the Special Session, but beyond headquarters also supported a wide range of consultations and events around the world to ensure that children and young people had a voice in the process and in the Session itself.

7. While the outcome document of the Special Session, "A World Fit for Children", focuses on global and national commitments to children for the next decade, the MTSP, adopted by the Executive Board at its second regular session of 2002, focuses on the priorities of UNICEF for the next four years. As reported to the Board at that session, the process of developing the MTSP was an organization-wide, consultative exercise that involved a wide range of partners. Although we are just mid-way through the first year of the four-year MTSP period, the secretariat, together with all country and regional offices, already is re-orienting the work of the organization to meet the high expectations raised by this new, strategic plan.

8. A final important issue is the growing imbalance between regular and other resources. Although total income rose to \$1,218 million, above the financial plan target, regular resources income fell slightly and more alarmingly, amounted to only 45 per cent of total income, the lowest percentage ever. In approving the UNICEF resource mobilization strategy in 1999,<sup>4</sup> the Executive Board stressed the importance of increasing regular resources and making them more assured and predictable, and this continues to be the case today. They are critical to UNICEF being able to fulfil its mission, especially in the context of the challenges raised by both the new MTSP and the Special Session on Children. The decline in regular resources income is an issue of great concern to UNICEF and merits the concerted attention of the Executive Board.

9. Underlying these three major areas is the unwavering commitment of UNICEF to the fulfilment of the rights of all children and young people — to health, to education, to protection from harm and exploitation. This commitment continues to be fundamental to the work of the organization as it looks forward to the immediate MTSP period and the longer-term vision of "A World Fit for Children".

10. Finally, a note on reporting, in terms of style and content. This document shows that UNICEF, working through its global network of partnerships, was able to contribute in varying degrees to progress in the priority areas of the MTP. It is not a comprehensive accounting of all UNICEF activities, as the Executive Board receives many detailed reports about programmatic and operational activities throughout the year. Other reports, including "We the Children", the Secretary-General's report on follow-up to the World Summit for Children,<sup>5</sup> provide greater

<sup>3</sup> E/ICEF/2001/13 and Corr.1.

<sup>4</sup> Decision 1999/8 (E/ICEF/1999/7/Rev.1).

<sup>5</sup> A/S-27/3.

detail about the global situation of children. This report is based on the format of the MTP for 1998-2001, which had four major organizational priorities (enhancing partnerships, programme priorities, improving data and strengthening management and operations), subdivided into 21 areas of action. In addition to the main text, a series of annexes provide supplemental information, including detailed matrices showing results for the priority areas, as well as financial data.

## **II. Progress in the implementation of organizational priorities**

### **A. Enhancing partnerships and promoting advocacy on children's rights**

11. At the global level, there were a number of important developments in favour of children's rights during 2001, particularly the ratification of the Optional Protocols to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, and on the involvement of children in armed conflict. These instruments, the result of several years of negotiation between the United Nations, Governments and NGOs, set new legal standards to protect the most vulnerable children.

12. UNICEF worked with a wide range of partners and through a variety of avenues on issues affecting children. Especially important were the preparations for the Special Session on Children, which offered expanded opportunities for broadening important alliances. As substantive secretariat for the Special Session, UNICEF was deeply involved with all aspects of preparations at national, regional and global levels. UNICEF supported the Preparatory Committee during its two substantive sessions and assisted the Committee's Bureau in further drafting of "A World Fit for Children". UNICEF supported the steering committee that facilitated participation of NGOs, helped to organize side events, and developed extensive communication and advocacy strategies to raise the profile and impact of the event.

13. UNICEF worked closely with the diverse constituencies taking part, including the corporate sector, parliamentarians and religious leaders. The year saw high-level meetings and consultations in every region, including four in the month of May 2001 alone, in Beijing, Berlin, Cairo and Kathmandu. These gatherings brought together government officials, civil society representatives, business leaders, development partners, young people and children. Together, they reviewed progress made since the World Summit for Children, developed agendas for the new decade and issued new plans of action to complete the unfinished agenda and address emerging issues. These meetings gave key constituencies and stakeholders the space for their voices to be heard. The success of these meetings reaffirmed the greater impact of advocacy activities based on solid data and trend analysis, as for example in East Asia and the Pacific, where a regional atlas provided the information necessary for policy dialogue and formulation.

14. In several regions, including Western Europe, Central and Eastern Europe, the Commonwealth of Independent States (CEE/CIS) and the Baltic States, East Asia and the Pacific and the Americas and the Caribbean, UNICEF helped to conduct surveys and opinion polls of children and young people prior to the high-level meetings. This enabled policy makers, advocates and opinion leaders at the regional gatherings to base their decisions on both objective data from the end-decade



reviews and the polling data, and to make choices informed by the opinions of the constituencies they are serving — children and young people themselves.

15. Launched in April 2001, the “Say Yes for Children” campaign was the first visible phase of the Global Movement for Children initiated by the Movement’s founding partners (the Bangladesh Rural Advancement Committee, Netaid, PLAN International, Save the Children, UNICEF and World Vision). The campaign encouraged pledges of support — via the Internet or on paper ballots — for 10 critical actions for children, promising to deliver the pledges to Heads of State or Government attending the Special Session on Children. By year’s end, nearly 50 million pledges had been counted from 155 countries. The campaign led to a diverse range of working alliances and coalitions that cut across traditional barriers, and was remarkably successful at grass-roots mobilization and ensuring that children and young people were active in planning and implementing the campaign. The pledges indicated three top priorities globally: “educate every child”; “leave no child out”; and “fight HIV/AIDS”.

16. UNICEF alliances were not limited to the Special Session, however. UNICEF intensified its advocacy for increasing resources to fight child poverty through forums including the Heavily-Indebted Poor Countries Initiative and national poverty reduction strategies, insisting that poverty reduction starts with investments in children. UNICEF advocacy also extended to major international gatherings with important implications for children, particularly the Third United Nations Conference on the Least Developed Countries (LDCs); the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects; the General Assembly Special Session on HIV/AIDS (see panel 2 for more detailed information on UNICEF and HIV/AIDS); the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance; and the Second World Congress against Commercial Sexual Exploitation of Children, held in Yokohama, Japan in December.

17. UNICEF was one of the cosponsors of the Yokohama Congress, together with the Government of Japan, ECPAT International and the NGO Group on the Convention on the Rights of the Child. The Conference was attended by more than 3,000 people from Governments, intergovernmental organizations and NGOs, including 90 official youth delegates. UNICEF supported the six regional preparatory meetings that preceded the Congress and, on behalf of the partners involved, produced the publication, *Profiting from abuse: An Investigation into the sexual exploitation of our children*.

18. UNICEF played a key role in a number of other global partnerships, particularly in the area of immunization. In addition to being an active member of and advocate for the Global Polio Eradication Partnership, the partnership for elimination of maternal and neonatal tetanus (MNT), the Measles Partnership and the Vitamin A Global Initiative, the UNICEF Executive Director became Chairman of the Board of the Global Alliance for Vaccines and Immunization (GAVI). UNICEF continues to be the lead agency on communication in the GAVI partnership and chairs its Advocacy Task Force.

19. Networking in research and analysis was also enhanced in 2001, with the Innocenti Research Centre working to consolidate and expand partnerships to maximize the impact of its work. As part of its decade-long series of MONEE reports on the situation of children and women in CEE/CIS, the Centre produced a

comprehensive report on a decade of transition. The Centre also continued its advocacy and policy work on child rights in the industrialized countries through its "Report Card" series. Major studies were initiated on harnessing globalization for children and the social and economic impact of HIV/AIDS. The Centre also continued to undertake research on different aspects of child rights, including early marriage.

20. Inter-agency collaboration continued to strengthen in 2001. As reported to the Executive Board at its first regular session of 2002, the United Nations Development Group (UNDG) mechanism continued to evolve, focusing on strengthened coordination, support for Governments in their implementation of the Millennium Development Goals (MDGs) and improved efficiency through harmonization and streamlining of policies and procedures. At the headquarters level, UNICEF was an active participant in a number of inter-agency mechanisms, for example, chairing the UNDG Working Groups on Common Premises and Services and on Personnel Policies. UNICEF also participated in the UNDG Programme Group and its various working groups, including on harmonization of programme preparation and approval, and the groups which developed the UNDG guidance notes on poverty reduction strategy papers (PRSPs), follow-up to the Special Session on HIV/AIDS and monitoring and reporting on the MDGs.

21. At the country level, UNICEF continued to participate fully in preparing the CCA and UNDAF. The CCA has been established in more than 90 countries, providing an important analytical tool for programme planning, focusing on national human development for use in strategic planning by a range of partners. Similarly, the UNDAF has been introduced in over 60 countries and, despite some shortcomings as identified in the triennial comprehensive policy review in terms of quality and focus, provides the strategic framework for programme planning by members of the United Nations country team in many countries. With the introduction of a harmonized programme preparation and approval process by UNDP, UNFPA and UNICEF, the CCA/UNDAF process has become part of the core of UNICEF country programming.

22. UNICEF has continued to develop appropriate working arrangements in areas of close collaboration. For example, UNICEF and the World Health Organization (WHO) have issued a Joint Statement on Strategies to Reduce Measles Mortality Worldwide. Particularly in crisis situations, UNICEF continues to develop and sign memoranda of understanding to define working relationships with its closest United Nations partners, particularly the Office of the United Nations High Commissioner for Refugees and WFP.

## **B. Programme priorities: enhancing the survival, development, protection and participation of children**

23. This chapter provides an overview of major programmatic developments during 2001. Specific details concerning each of the programme priorities, including results, lessons learned, constraints and key partners, are contained in annex IA. The UNICEF contributions to fighting HIV/AIDS are also reviewed in detail in panel 2.

24. In any discussion of programme priorities and results, it is important to note that armed conflicts, natural disasters and other emergencies inflicted untold damage on children in some 30 countries in which UNICEF worked in 2001,

including longstanding complex emergencies in Afghanistan, Angola, the Great Lakes region, the Horn of Africa and Sudan. These complex emergencies make the realization of global goals for children extremely difficult. Global eradication of polio and dracunculiasis (guinea worm disease) in particular depend on reaching children in countries affected by conflict.

25. There were striking discrepancies in the funding of humanitarian action across countries and regions, both for UNICEF and other humanitarian organizations. The overall level of almost 60-per-cent funding of UNICEF emergency appeals by donors masks substantial underfunding of certain humanitarian programmes. In 2001, an increasingly integrated approach to humanitarian assistance took root throughout the world, as witnessed by the growing emphasis on education, HIV/AIDS and sexual exploitation of children in emergencies, as well as on stronger links between humanitarian action and post-crisis rehabilitation and recovery. In this context, the UNICEF response to complex humanitarian emergencies is formulated as part of the Consolidated Appeals Process. Responses to natural disasters are formulated with the Office of the Coordinator of Humanitarian Affairs and the concerned United Nations country team.

### **Priority area 1: reducing young child mortality and morbidity**

26. The reduction of young child mortality and morbidity has been addressed through a range of cost-effective approaches, including routine immunization, mop-up campaigns and other forms of supplementary immunization; the Integrated Management of Childhood Illnesses (IMCI) approach; maternal health; nutrition-based interventions; support to safe water, hygiene and sanitation; and prevention of mother-to-child transmission of HIV (PMTCT). UNICEF has also supported a range of short-term responses to public health emergencies, such as outbreaks of cholera and yellow fever.

27. Immunization continued to be a global priority in 2001, focusing primarily on polio, measles and MNT, and on the introduction of new vaccines through the GAVI alliance.

28. Global polio eradication efforts saw the number of confirmed polio cases decline from 2,979 in 20 countries in 2000 to 537 in only 10 countries (Afghanistan, Angola, Egypt, Ethiopia, India, Niger, Nigeria, Pakistan, Somalia and Sudan) in 2001. UNICEF worked closely with WHO and the other members of the Global Polio Eradication Initiative on such issues as vaccine supply and delivery and the organization of National and Subnational Immunization Days (NIDs/SNIDs) in endemic countries.

29. In 2001, 7.2 million women of child-bearing age were protected through the administration of two doses of tetanus toxoid (TT) vaccine as part of supplemental immunization activities. Of the 57 countries where MNT had not been eliminated, two (Namibia and Zimbabwe) were provisionally validated in 2001 as having eliminated the disease. An estimated 15,000 additional deaths due to tetanus have been averted each year since 1999, reducing the annual death toll from 215,000 to 200,000.

30. Supplementary measles immunization activities in Africa in 2001 reached approximately 40 million children, prevented some 80,000 deaths. Global measles vaccine coverage was 74 per cent in 2000, the last year for which data are available.

31. Coverage for hepatitis B, a new vaccine in many countries, has not yet increased significantly but is expected to rise dramatically as support from the GAVI alliance increases. Together with such partners as WHO, UNICEF supported 39 countries in developing or updating their national immunization plans. In addition, 12 countries received support in applying for support from GAVI to enable them to switch to using auto-disable syringes for immunization activities and to improve injection safety.

32. NIDs and SNIDs were used very effectively, especially in Africa, to distribute vitamin A capsules in more than 45 countries. As polio NIDs phase out, UNICEF is working with partners to assist Governments in strategizing and implementing alternative mechanisms to deliver vitamin A. UNICEF estimates that from 1998 to 2000, about 1 million deaths of children under five were averted by vitamin A supplementation. The most recent available data, for 2000, indicate that 40 countries had vitamin A coverage rates of at least 70 per cent of children under five for at least one round of supplementation, with 15 countries able to achieve two rounds of coverage of 70 per cent or more of children.

33. As reported to the Executive Board at its first regular session of 2002 (E/ICEF/2002/6 and Corr.1), following a review of past practices and current market conditions, UNICEF has developed a new procurement strategy for vaccines. The strategy comprises improved vaccine forecasting for countries, actions to address the critical issue of vaccine financing at both country and global levels, and long-term procurement agreements with vaccine manufacturers. Ongoing dialogue with manufacturers and advocacy on the security of vaccine supplies will be a regular part of UNICEF work in immunization “plus” during the MTSP period.

34. In 2001, UNICEF procured a total of over 2 billion doses of vaccines for nearly 100 developing countries, including procurement of vaccines and immunization supplies on behalf of GAVI to 23 countries approved for support from GAVI's Vaccine Fund. A review of lessons learned will be undertaken in 2002 to inform the next round of GAVI procurement in 2003. For both vaccines and vitamin A, maintaining the secure availability of supplies to low-income countries, and safe and timely provision to children in emergencies, will be a priority in the coming MTSP period.

35. UNICEF continued to be a major partner in the Roll Back Malaria Initiative. The establishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria was a landmark in 2001 and UNICEF assisted in the design of mechanisms through which Governments and other partners can obtain resources from the Fund. Collaboration between the Roll Back Malaria partnership and the IMCI initiative is increasing. In partnership with WHO, UNICEF is now supporting the IMCI approach in over 70 countries, emphasizing training of local health workers and strengthening family child-care practices. Community-based, family-oriented health and nutrition programmes have registered recent achievements in Bangladesh and parts of Cambodia, India, Madagascar and Nepal, using such approaches as participatory assessment and monitoring of child development. Partnerships with NGOs and the World Bank are expanding; in Malawi and some other countries, SWAPs in health are now providing opportunities to increase the priority given to

community-based approaches to child health and nutrition. However, these programmes tend to be slowed by funding shortfalls, poor-quality data and the impact of AIDS.

36. Consistent with IMCI and the integrated approach to early childhood development (ECD), UNICEF cooperation is giving greater priority to improved sanitation and hygiene education, including through school programmes in some 55 countries. Although affected by funding shortages in some countries, UNICEF has also continued to support safe water programmes, notably in response to emergencies, or as part of multisectoral approaches in disadvantaged areas. UNICEF assistance to monitoring and improving the quality of water has also expanded further, to over 30 countries. With arsenic, fluoride and nitrates joining faecal contamination as serious threats to domestic drinking water supplies and child health — especially but not only in Asia — UNICEF is assisting the development of national standards for water quality and the introduction of community surveillance systems. There has been significant progress towards eradication of dracunculiasis, although there are persistent problems in some countries in Africa.

37. During the next four years, UNICEF support to hygiene, sanitation and water programmes increasingly will be integrated with broader approaches to child survival, growth and development as part of an integrated approach to ECD, with a particular focus on the poorest populations. A new strategy to improve hygiene will aim to maximize health benefits for children through the effective use of sanitation facilities and the promotion of household hygiene practices. There is good potential for further expansion of school-based activities — including deworming of children — if resources are increased. The promotion of local participation in the planning and management of water and sanitation programmes will continue, building on successes in Eastern and Southern Africa in particular. Linkages are also being established between these programmes and work on HIV/AIDS, including safe infant feeding.

#### Panel 1

#### **Use of the global set-aside funds for strategic programming**

1. A total of \$25.7 million was made available to country programmes in 2001 from the global set-aside of 7 per cent of regular resources. Based on the criteria in Executive Board decision 1997/18 (E/ICEF/1997/12/Rev.1) establishing the fund, allocations were made by the Executive Director for strategic programming efforts in support of programme priorities and for additional special needs.

2. The largest segment of funds (40 per cent) was used to support the global polio eradication effort. The second largest allocation was for initiatives to fight HIV/AIDS (24 per cent). Anticipating the new MTSP, stronger emphasis was placed on girls' education (14 per cent) and child protection (10 per cent). The balance of the funds was allocated to other areas, including malaria prevention, ECD and WES. Programmes in sub-Saharan Africa received 51 per cent of the funds, those in Asia 38 per cent and other regions 11 per cent.

3. Twelve priority countries received funds to support the Global Polio Eradication Initiative. In Angola, the Democratic Republic of





6. Set-aside funds were used for child protection initiatives in 10 countries. In Angola, they were used to kick-start a birth registration campaign that will reach 2 million children by the end of 2002. Haiti used funds to provide material and psychosocial support to street children and child domestic workers. In the Lao People's Democratic Republic, Paraguay and South Africa, support was given to activities to strengthen the work of child advocates and training sessions for magistrates and police officers on the application of child rights legislation. Funds were used in southern Sudan to support the demobilization and reintegration of child soldiers, while case studies were supported in South Africa to help publicize the issue of sexual abuse in schools. In Thailand, training was provided to girls from poor families as part of a programme to protect children from sexual exploitation.

7. In Kenya, set-aside funds were used to distribute about 100,000 insecticide-treated bednets to pregnant women through antenatal clinics. A preliminary review showed that this distribution channel was cost-effective and a follow-up review will look at how well the nets are being used. Other funding went to the support of school hygiene education and improved water and sanitation facilities in Angola; for arsenic mitigation activities in Bangladesh; early childhood and BFHI workshops in the Gulf countries; and a community-based initiative that supported the training of caregivers and the provision of play and learning materials for young children in selected communities in peri-urban areas of Myanmar.

8. The set-aside fund allowed UNICEF to focus additional resources on key countries for the global priorities of eradicating polio and responding to the AIDS pandemic, as well as helping other countries gear up for expanded support to girls' education. As in previous years, the flexibility of the set-aside provision also allowed UNICEF to take advantage of emerging opportunities, including a youth-led initiative in Nepal for radio and television broadcasts on HIV/AIDS, the anti-malaria campaign in Kenya and the intensification of immunization efforts during periods of relative calm in Somalia, helping to reduce the number of cases of wild poliovirus from 41 to 4 over a one-year period.

## **Priority area 2: Improving early childhood care for child growth and development**

38. ECD programmes assisted by UNICEF expanded to over 100 countries in 2001, including initiatives in such highly populated countries as Bangladesh and Brazil. Interventions are increasingly focused on improving parents' access to information about good child-care practices, working through community support networks, as well as on outreach through the mass media. Community ECD efforts increasingly focus on very poor families and indigenous groups, while in some countries, including Egypt and Mexico, emphasis is being placed on the child-care skills of fathers as well as mothers.



39. Most UNICEF-supported programmes also help to develop the capacities of professional caregivers and ECD managers through training programmes that stress the cognitive and psychosocial as well as physical needs of young children. Where UNICEF supports group child-care facilities, the focus is increasingly on improving the quality of care.

40. The quality assurance of UNICEF-supported ECD programmes was strengthened in 2001 through greater emphasis on baseline surveys and monitoring of progress, including knowledge, attitude and practices (KAP) assessments in Viet Nam and a programme evaluation in Namibia. Interest in early childhood education is growing and high-level political commitment is beginning to emerge. However, approaches which go beyond high-cost, urban-based pre-school facilities are still relatively rare.

41. The number of countries which have incorporated all provisions of the International Code on the Marketing of Breast-milk Substitutes rose last year to 24 from 21, and 52 countries have now enacted some provisions of the Code. Growing appreciation of the relevance of the Code in the context of HIV/AIDS led to regional and national training activities, which contributed in turn to renewed efforts for national legislation. The total number of “baby-friendly” hospitals also continued to grow, reaching 15,146. UNICEF is supporting the “Baby-Friendly” Hospital Initiative (BFHI) and promotion of breastfeeding in over 100 countries, a number of which are reporting increases in their rates of exclusive breastfeeding. However, many previously certified hospitals have not been recertified. Greater emphasis will now be placed on revitalizing BFHI and on reaching parents once mother and child have come home, as an important element of an integrated approach to ECD centred on the family.

### **Priority 3: Preventing childhood disability**

42. UNICEF continued to support prevention of childhood disability through immunization against polio, measles and other diseases, prevention of vitamin A and iodine deficiencies and dracunculiasis eradication. Recent achievements to ensure the use of iodized salt in order to eliminate iodine deficiency disorders (IDD) have been sustained, with some 70 per cent of households in developing countries now consuming adequately iodized salt, protecting over 90 million newborns from a significant loss in learning ability. Alerted by quality problems in some countries, UNICEF is supporting greater efforts to strengthen routine monitoring, regulation and partnerships with salt producers.

43. UNICEF supported efforts in some 37 countries to include disabled children in schools and to raise awareness of their needs among parents and teachers. A number of surveys or studies on childhood disability were also supported, which, as in Nepal, have provided an effective basis for improving national information, advocacy and planning. As detailed in the first part of the report of the Executive Director to the Executive Board,<sup>6</sup> UNICEF supported land-mine awareness programmes in 30 countries.

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<sup>6</sup> E/ICEF/2002/4 (Part I).

#### **Priority area 4: Improving access to and quality of basic education**

44. In 2001, UNICEF emphasized girls' education and issues of quality. Several countries in sub-Saharan Africa and the Middle East and North Africa reported significantly increased numbers of children enrolled in primary schools, but problems of drop-outs or very poor learning achievement have become more apparent in other regions. Legislative measures to promote universal primary education were taken in several countries. Where UNICEF directly supports measures to increase enrolment, they now focus mainly on formal and non-formal educational opportunities for children who are affected by exclusion or crisis. The year saw a growing commitment to educational interventions in emergencies that helped to link rapid response with support for recovery and rehabilitation, and comprised more creative approaches to teacher support, more flexible models for the delivery of basic education and special attention to girls' education. These efforts culminated, late in the year, in a massive mobilization to support the commitment of the Afghan Interim Authority to re-establish educational opportunities for boys and girls throughout Afghanistan. Large-scale support was also given for the restoration of primary education in East Timor.

45. At the policy level, multi-agency partnerships have been strengthened in many countries through the development of PRSPs, the UNDAF, the Education for All (EFA) planning and reporting process and special girls' education initiatives, as in Cambodia.

46. The UNICEF-assisted African Girls' Education Initiative now covers 34 countries. In West and Central Africa, efforts to improve learning among girls included the development of gender-sensitive curricula, upgrading of sanitation facilities and campaigns to stop violence against girls in schools. In Eastern and Southern Africa, gender issues were emphasized in teacher education, life skills, problems of sexual abuse and the promotion of learning achievement. A stronger policy commitment to girls' education is now evident in parts of the Middle East. In nearly 40 countries, including much of East Asia and the Pacific, UNICEF is supporting "child-friendly" schools and an improved school environment, and there is a strong focus on "active learning" approaches in CEE/CIS and the Baltic States and parts of South Asia. For there to be real success in the next four years of the MTSP period, however, the gains made in girls' education in parts of Africa need to be sustained and complemented by larger-scale initiatives for out-of-school girls elsewhere, especially in Asia.

47. Endemic weaknesses of educational systems continue to pose challenges for many poor and conflict-affected countries. These include low teachers' salaries, unreliable data, population displacement and discrimination. The spread of AIDS is not yet being addressed with enough urgency in many national education systems, and life-skills initiatives are needed on a larger scale. A major challenge arising from the stronger emphasis on educational quality is the improvement of systems for the evaluation of learning achievement and other measures of improved quality. Some countries are now establishing basic learning competencies for key subjects in order to measure learning achievement.

## Panel 2

**UNICEF and the fight against HIV/AIDS: an update**

1. The HIV/AIDS pandemic is arguably the single greatest threat to the rights and well-being of children and women worldwide. About 800,000 children under 15 years were newly infected with HIV in 2001 — over 90 per cent of them through mother-to-child transmission. Almost 12 million young people aged 15-24 years are living with HIV/AIDS and one half of all new infections — almost 6,000 daily — are occurring in this age group. In many countries, ignorance about HIV/AIDS is still widespread among young people, many of whom do not know how to protect themselves. Adolescent girls continue to have much higher rates of HIV infection than their male peers. More than 10 million children under age 15 have lost their mother or both parents to AIDS, making them less likely to have access to services and attend school and placing them at greater risk of abuse and exploitation due to the breakdown of traditional and state care systems. Some children and young people are especially vulnerable to HIV/AIDS, for example those who are affected by armed conflict, or are sexually exploited, living on the street or in institutions, or using intravenous drugs.

**Key developments in 2001**

2. At the global level, major developments during 2001 included the adoption of a Declaration of Commitment setting out specific goals relating to HIV/AIDS during the General Assembly Special Session on HIV/AIDS, and of the United Nations System Strategic Plan for HIV/AIDS for 2001-2005, which was developed with the participation of 29 agencies, including UNICEF.

3. UNICEF programme cooperation and capacities related to HIV/AIDS expanded at all levels. An HIV/AIDS strategy was developed by the newly created HIV/AIDS unit at headquarters through a broad consultative process, which included the first-ever meeting of UNICEF regional HIV/AIDS advisers. Mechanisms for sharing information among UNICEF staff were put in place, and fact sheets prepared on priority areas, including HIV and children affected by armed conflict. HIV/AIDS advisers are now in place in all regions, and staff capacity on HIV/AIDS expanded substantially in almost all regions during 2001.

4. UNICEF supported programmes to combat HIV/AIDS in 121 countries, with 18 additional countries to be assisted in 2002. In Eastern and Southern Africa, UNICEF-assisted country programmes have been reoriented to prioritize and mainstream HIV/AIDS support and five UNICEF country offices now devote more than one half of their budgets and staff time exclusively to supporting the fight against HIV/AIDS. National-level policy development and advocacy are key components of UNICEF cooperation. Country offices support Governments in the development of planning and legislative instruments, such as Malawi's new rights-based national orphan care policy and Mozambique's national AIDS plan. Advocacy efforts in such countries as Nepal and Tajikistan focus on generating increased commitment to combating HIV/AIDS





### **Priority area 5: Improving adolescent health and development**

48. A range of issues was addressed in UNICEF cooperation, including situation assessment, prevention of the spread of HIV and other sexually transmitted infections, “second-chance” education for teenage girls, promotion of livelihood skills and adolescent participation in policy discussions. These efforts were given impetus by the “Say Yes for Children” campaign and regional preparations for the Special Session on Children.

49. UNICEF supported participatory research with young people, as well as the launching of communication campaigns or media projects in several countries to promote awareness of child rights among adolescents. UNICEF also supported life-skills and vocational training programmes with a focus on HIV/AIDS for disadvantaged young people in the Americas and in post-conflict situations, for example in Liberia and the Balkans. Overall, UNICEF supported youth information programmes in more than 70 countries, and increased its focus on information and outreach to prevent drug abuse, especially in CEE/CIS. Peer-to-peer approaches involving adolescents as educators are showing promise, as are “youth-friendly” social facilities.

50. In Jamaica, Jordan, Mongolia, Nepal, Pakistan and Swaziland, for example, UNICEF supported situation assessments among adolescents to increase awareness and support policy development, often using participatory methods. Baseline research also took place in Argentina, Chile and Uruguay and a network of 120 youth groups conducted research on AIDS-related issues in Bosnia and Herzegovina. Opinion polls were conducted among representative samples of girls and boys in 72 countries, mainly in CEE/CIS and the Baltic States, the Americas and the Caribbean and Eastern and Southern Africa. The polls provided insights on the views of young people and will inform public debate and future initiatives on the risks they face, such as violence.

### **Priority area 6: Protecting children from exploitation, violence and abuse**

51. In 2001, UNICEF continued to focus its support on four main areas: child labour; reducing the impact of AIDS and conflict on children; prevention of sexual abuse and trafficking; and reform of juvenile justice systems.

52. The rapid ratification of International Labour Organization (ILO) Convention 182 on the elimination of the worst forms of child labour has been an important stimulus to work in this area. In 2001, UNICEF supported education as a preventive strategy against child labour in some 30 countries and advocated on the issue more widely still. In India, the focus on education has been combined with a more comprehensive community development approach and partnerships with the private sector. In Bangladesh, non-formal educational opportunities were provided to 164,000 working children in six cities. In terms of policy, UNICEF assisted the development of national plans of action on child labour and the organization of national forums in some countries, for example in Brazil. The ILO/UNICEF

partnership assisted the launch of national programmes in response to Convention 182 in El Salvador, Nepal and the United Republic of Tanzania, and helped to upgrade the national Child Labour Unit in Kenya.

53. Globally, there is an increasing focus on addressing the commercial sexual exploitation of children. The Second World Congress against Commercial Sexual Exploitation of Children and the regional consultations preceding it allowed for intense advocacy on the issue. More than 50 countries have formulated or revised their national plans of action and regional strategies have also emerged. UNICEF supported awareness campaigns, telephone hotlines for adolescents, training of police officers in investigative procedures, and care and counselling services for child victims. UNICEF facilitated inter-country contacts for cross-border coordination in both West Africa and East Asia and participated, together with ILO, in discussions with producers to protect children on cocoa plantations.

54. In areas affected by conflict, a number of Governments and rebel groups took measures for the demobilization and social reintegration of child soldiers. These efforts gradually are being linked more closely to the provision of basic services, including education. UNICEF assisted in the care and reintegration of child soldiers in 16 countries, helped to negotiate the release of abducted child soldiers in Uganda and advocated against the recruitment of children in the Democratic Republic of the Congo, Sri Lanka and elsewhere. One of the biggest successes was the demobilization of over 3,500 child soldiers in the Sudan, the culmination of more than 12 months' negotiation and preparation. These efforts have been boosted by the recent entry into force of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict. UNICEF has also increased its involvement with the provision of psychosocial support to conflict-affected children, ranging from therapeutic interventions to teacher training.

55. Many UNICEF offices advocated or provided technical support for the better protection of children in conflict with the law and the broader reform of juvenile justice systems. UNICEF advocated against the detention of children except as a measure of last resort, and for the diversion of children away from the criminal justice system. Support was also given in some countries to legal aid clinics for minors, training programmes for legal professionals and national working groups.

56. In the next MTSP period, it will be important to tackle the persistent weaknesses which have affected programme cooperation in the area of child protection in recent years. These have included severe funding shortages, weak monitoring mechanisms and lack of quantifiable indicators. In addition, responses to such problems as child exploitation need to move to a larger scale and be mainstreamed in such national policies and partnership frameworks as PRSPs and UNDAFs.

## **Priority area 7: Reducing maternal mortality and morbidity**

57. In 2001, UNICEF continued to support programmes to improve the quality of emergency obstetric care for effective management of life-threatening complications, and to increase women's access to quality health care, including skilled birth attendants. In recent years, UNICEF has also increased advocacy and technical support for the inclusion of safe motherhood in the policy and budget priorities of PRSPs, health SWAPs and other sectoral reform initiatives.

58. Steady progress was made in the Women's Right to Life and Health initiative in South Asia, which included UNICEF support for the upgrading of district hospitals to provide emergency obstetric care, complemented by community organization for birth preparedness. Assistance to community initiatives was also common in East Asian countries, for example, for mobilizing transport for pregnant women and using radio networks. In sub-Saharan Africa, the focus has been on equipping basic health facilities with supplies, transport, radios and essential drugs, as well as the distribution of micronutrient supplements. Maternity waiting homes in more remote areas and the expansion of national health insurance schemes are among the initiatives receiving support in the Americas. In almost all regions, UNICEF has also supported the training of primary-level health workers, traditional birth attendants (TBAs), midwives and doctors on the recognition of danger signs in pregnancy, early referral and life-saving skills.

59. Efforts were also made to broaden the scope of antenatal care to provide information to women on danger signs during pregnancy; prevent malaria among pregnant women; immunize women against tetanus; screen for and treat sexually transmitted infections; and offer HIV testing and counselling. UNICEF supplied iron folate and/or multiple micronutrient supplements to address maternal malnutrition in 43 countries and supported fortification of food with iron in 22 others. While the strategy for safe motherhood programmes is broadening, more emphasis is still needed on health education among adolescents, for whom pregnancy carries major risks, and on the post-partum period.

60. UNICEF continued to support pilot projects in 11 countries to address the problem of low birth weight. Especially strong initiatives have emerged in Bangladesh, the United Republic of Tanzania and Viet Nam, which will contribute to the development of larger-scale programmes. The lack of systematic reporting of birth-weight data is a major constraint.

### **Priority area 8: Preventing gender discrimination and promoting gender equality**

61. In 2001, UNICEF continued to promote attention to gender issues within the United Nations system, including through the UNDAF and the country theme groups on gender, and to support the Committee on the Elimination of Discrimination against Women. UNICEF also supported the mainstreaming of gender-related concerns in consolidated appeals and emergency training materials, and participated, among others, in the gender subgroup for Afghanistan. UNICEF offices assisted countries in monitoring the implementation of the Beijing Platform for Action and, where requested, in the preparation of national reports on the Convention on the Elimination of all Forms of Discrimination against Women, with emphasis on issues relating to girls. The advancement of women was promoted in a number of countries — notably in West Africa — through training and support to small-scale enterprises, usually linked to basic service programmes.

62. UNICEF continued to support efforts to combat female genital mutilation (FGM) in more than a dozen countries, through multipronged approaches including national workshops to build consensus, information campaigns and partnerships with local leaders, health workers and youth clubs. There was some success in



gaining commitments from local leaders and developing a more systematic approach to the design and evaluation of anti-FGM programmes. Similar strategies were used to address other issues of gender-based violence, such as advocacy against “honour” killings in South Asia and partnerships with health services to assist victims of violence in Peru. There were also new initiatives to strengthen action against early marriage, including a first inter-agency consultation and a publication by the Innocenti Research Centre on the issue. UNICEF supported studies of early gender socialization in seven countries during 2001, which will help to refine strategies for integrated ECD as part of the new MTSP.

### **C. Improving the availability and use of data in critical areas**

63. The assessment of progress over the last decade towards the goals of the World Summit for Children peaked during 2001. Over 150 countries produced national end-decade reports, many with detailed data supporting their assessments. UNICEF undertook a major data collection exercise from countries, using its extensive field presence. Substantial updates were made to the databases required for assessing progress during the 1990s, and major revisions were made to the previous data series. Building on experience with child mortality estimates, UNICEF implemented complete revisions of the methodology for producing coverage estimates for water, sanitation and immunization, in addition to substantial revisions of the series of data estimated over time and many other indicators. The results of this work can be found in the report of the Secretary-General<sup>7</sup> and the publication, “We the Children”, which includes a detailed statistical review. More extensive reporting of progress can be found on the web site [www.childinfo.org](http://www.childinfo.org).

64. The end-decade Multiple Indicator Cluster Surveys (MICS) played a major role in helping countries to fill data gaps for reporting on the situation of children. This flexible, practical household survey method, developed by UNICEF and a number of partners in 1997, collected data not only on nutrition, health and education, but also on other indicators related to child rights. While the majority of MICS had completed data collection before 2001, a few countries collected data during the year, two of them under difficult circumstances in Angola and the Democratic Republic of the Congo. While the data for these latter surveys were received too late to be used in the end-decade assessment, they form a critical base from which to assess changes in the present decade.

65. The adoption of the MDGs by nearly 150 Heads of State or Government at the Millennium Summit provided an opportunity to improve the availability and use of data by focusing international development on a single set of goals and related targets. UNICEF has an important contribution to make since, in seven of the eight MDGs, nine out of eleven targets are directly related to the MTSP priorities. As a result, many of the indicators for assessing progress towards the MDGs are similar to ones expected to be used for monitoring progress against the outcome document of the Special Session on Children and the MTSP. The singular focus on the MDGs is already facilitating coordination of inter-agency work on common indicators.

66. “ChildInfo”, the software package developed with the support of UNICEF for storing, organizing and displaying data, particularly through maps, is being used by

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<sup>7</sup> A/S-27/3.

some 50 country offices in all regions. About one half of those offices adopted ChildInfo for monitoring and reporting of progress on the CCA/UNDAF and many Governments are using ChildInfo for their own data. The package is used for monitoring a wide range of data, including for polio elimination; tracking population movements; index mapping of child vulnerability; monitoring relief and rehabilitation activities; displaying educational progress; and population census data.

67. A review of relevant indicators for monitoring progress against the MTSP and the outcome document of the Special Session on Children is already underway. Where possible, existing indicators are being used to minimize confusion and workload. The development of new indicators is considerably aided by the inclusion in the end-decade MICS of questions related to child labour, birth registration, malaria prevention and treatment, family environment, orphans, knowledge and attitudes about HIV/AIDS and early childhood education. Further analysis of these survey data will provide a baseline for monitoring progress from the start of the present decade.

## **D. Strengthening management and operations**

### **Human resources**

68. In 2001, UNICEF continued to implement activities aimed at enhancing management and leadership capacity with particular emphasis on the rights-based approach, United Nations reform initiatives and emergency preparedness. A leadership and management training session was organized for the benefit of 28 senior programme and operations officers, and 13 women staff members underwent training within the "Women in Leadership" initiative. A new strategy for current and future learning initiatives related to the MTSP was developed and a host of other learning, staff development and family/work-friendly initiatives were undertaken.

69. UNICEF chaired the inter-agency group on learning initiatives to support United Nations reform and provided support for a course at the United Nations Staff College, in Turin, Italy, to train resource personnel who in turn assisted country teams in preparing CCAs/UNDAs. UNICEF staff also took part in training on common services at the Staff College. UNICEF chaired the inter-agency group on mobility and developed a pool of posts for managed inter-agency movements and participated in the design of the resident coordinator assessment programme.

70. Important career development initiatives included the introduction of new competency profiles for key programme and operations staff. A review of the career development pilot exercise underway in the Nigeria country office, now in its second year, indicated that staff are aware of increased opportunities for personal and professional development, learning related to career growth, staff exchanges with other offices in the region and the possibility of temporary assignments in other offices. The exercise will be replicated in other offices, with a staff development initiative planned for implementation in China in early 2002. The testing of a pilot of a new performance management system, known as "GROWTH", was expanded from 11 to 19 offices in 2001. The results will be reviewed at the end of 2002 and will provide input to the development of a new performance management system.

### **The supply function**

71. The global procurement of supplies by UNICEF doubled during the four years of the MTP period, rising from \$330 million in 1998 to approximately \$637 million in 2001. Offshore procurement through Supply Division increased by 67 per cent, from \$217 million to \$363 million, while local and regional procurement increased by 142 per cent, from \$113 million to \$274 million. The proportion of local and regional procurement has increased from 34 to 43 per cent in the past three years.

72. Global procurement amounted to \$637 million in 2001, an increase of 27 per cent (\$135 million) over the previous year (\$502 million). This included procurement for UNICEF-assisted programming, procurement services customers, GAVI and the Oil for Food Programme (OFFP) in Iraq. The global procurement of vaccines totalled \$267 million in 2001, a 91-per-cent increase over the previous year. This was largely because of procurement for global polio eradication efforts and for the GAVI alliance.

73. Following an internal consultative process, the mission, priorities and work plans of Supply Division were revised to emphasize the needs of internal “customers” (UNICEF offices, Governments or NGOs). The resulting reorganization had a positive affect on the timely delivery of supplies to country offices. A dedicated emergency team was established to ensure coordination and rapid delivery of supplies in all emergency situations. As a result of emergency preparedness planning, Supply Division was able to mobilize and pre-position essential supplies on short notice, especially for the Afghanistan emergency. In addition, enhanced operational arrangements have resulted in efficiency gains, improving lead times for offshore procurement and deliveries from the Copenhagen warehouse by 25 per cent in 2001.

### **Information management and technology**

74. The integrated management information systems — comprising the Programme Manager System (PROMS) (including human resources and payroll functions for field offices), the Financial and Logistics System (FLS) and the Integrated Management and Information System (IMIS) (for human resources and payroll for international and New York headquarters staff) — gained increased stability in 2001. These integrated systems give headquarters staff online access to data from regional and country offices.

75. The management and operations of the UNICEF information technology (IT) infrastructure have improved through close monitoring, using “Enterprise Management” software and processes, in the context of a globally sustainable IT operational environment. Contributing to this improved situation were control of application software rollouts through rigorous testing, change management and release procedures, followed by release into production in accordance with a formal methodology, known as Information Technology Infrastructure Library.

76. From an IT perspective, the response to the events of 11 September 2001 was effective, with minimal downtime for the Internet and Intranet sites. The UNICEF virtual private network and global internal e-mail systems generally were not affected and all critical systems were functional within 48 hours. The Information Technology Division (ITD) has accelerated steps to maintain global IT systems in case of future emergencies.

77. The expansion of the global Internet Protocol (IP)-based wide area network now covers three quarters of all field offices. This creates the foundation and infrastructure for increased usage of the UNICEF Intranet, which saw 250-per-cent growth over 2000. UNICEF is collaborating with other United Nations agencies that are following the same strategic direction of a global wide area. UNICEF IT management practices have been recognized as best practices by a worldwide leader in IT research and advisory services.

### **III. Income and expenditure**

#### **Income**

78. Total income for 2001 was \$1,218 million, an increase of \$86 million (8 per cent) over 2000 and of \$58 million (5 per cent) over the target of \$1,160 million established in the financial plan. Despite the growth in income, the slight decline in regular resources (in absolute and relative terms) is a source of deep concern to UNICEF. In line with the harmonized budgets of UNDP, UNFPA and UNICEF, certain biennial support budget costs (including income tax reimbursement and government contributions towards local costs) totalling \$7.8 million in 2001 have been excluded from total income. For 2000, the amount excluded was \$7.5 million.

79. Table 1 below provides details of income by source. In 2001, as in previous years, UNICEF derived its income principally from two sources: Governments and intergovernmental organizations, which, on a net basis, contributed \$782 million (64 per cent) of total income; and non-governmental or private sector sources, which provided \$400 million (33 per cent). The balance of \$36 million (3 per cent) was derived from other miscellaneous sources. Interest, the main component of miscellaneous income, decreased largely because of lower interest rates, especially in the United States. In terms of gross contributions, Governments and intergovernmental organizations contributed \$790 million in 2001, compared to \$725 million in 2000. The overall mix between regular and other resources continued to worsen in 2001, with regular resources decreasing from 49 per cent of total contributions in 2000 to 45 per cent in 2001. Reversing this trend warrants the urgent attention of the Executive Board and the donor community.

80. Regular resources contributions from Governments increased by \$8 million in 2001, to \$351 million. Despite this increase, overall regular resource income declined by \$12 million (2 per cent) due to reduced regular resources income from the private sector and non-governmental sources. After the adjustments for biennial support budget costs described in paragraph 78 above, total regular resources income from Governments was \$343 million in 2001, compared to \$325 million in 2000.

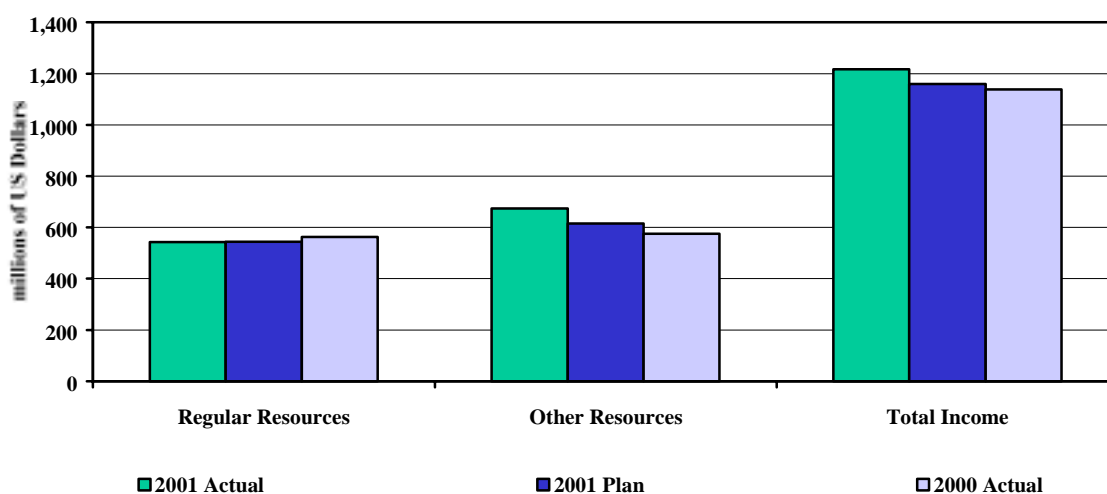
81. Total other resources income (both regular and emergency) for 2001 was \$674 million, an increase of close to \$98 million (17 per cent) as compared to 2000 and \$59 million (10 per cent) in relation to the financial plan projections for 2001. Other resources (regular) income amounted to \$439 million in 2001, an increase of \$61 million (16 per cent) as compared to 2000 and close to 4 per cent more than projected in the financial plan. Other resources income for emergencies reached \$235 million, an increase of \$37 million (18 per cent) over 2000 and an even greater increase (23 per cent) compared to the projections in the financial plan, largely because of contributions for the Afghanistan crisis late in the year.

Table 1  
**Total UNICEF income by source of funding, 2001**  
**(Regular and other resources)**

(In millions of United States dollars)

	1997	1998	1999	2000	2001
Governments	595	603	687	725	790
Less biennial support budget costs	-	-	-	8	8
<b>Subtotal: net income from Governments</b>	<b>595</b>	<b>603</b>	<b>687</b>	<b>717</b>	<b>782</b>
Non-governmental/private sector	284	319	394	367	400
Other	23	44	37	47	36
<b>Total</b>	<b>902</b>	<b>966</b>	<b>1 118</b>	<b>1 131</b>	<b>1 218</b>

Figure 1. Total UNICEF income in 2001, by source of funding  
(Regular and other resources)



82. Total government contributions for emergencies amounted to \$160 million, an increase of \$29 million (22 per cent) over 2000 and almost the same percentage higher than the financial plan amount of \$132 million.

83. Regular resources income from the private sector amounted to \$164 million in 2001, \$1 million (0.8 per cent) lower than 2000. Private sector income is principally generated by National Committees for UNICEF. Despite growth in local currency fund-raising income in many major markets, the overall decrease results from the continued weakness of card and product sales and the negative impact of the strong United States dollar.

84. Other resources income from the private sector amounted to \$216 million, a 22-per-cent increase over 2000. This includes revenue from private sector fund-raising appeals and contributions from the private sector and NGOs.

Table 2  
**UNICEF income by type of funding, 2001**

(In millions of United States dollars)

	1997	1998	1999	2000	2001
Regular resources (gross)	547	571	589	563	551
Less biennial support budget costs	-	-	-	8	8
<b>Subtotal: net regular resources income</b>	<b>547</b>	<b>571</b>	<b>589</b>	<b>555</b>	<b>544*</b>
Other resources (regular)	243	279	332	377	439
Other resources (emergency)	112	116	197	199	235
<b>Total</b>	<b>902</b>	<b>966</b>	<b>1 118</b>	<b>1 131</b>	<b>1 218</b>

\* Rounded.

85. Trust fund accounts not related to programmes approved by the UNICEF Executive Board are not entered in the financial accounts of UNICEF as income and expenditures. These funds are used mainly to cover the cost of goods and services purchased and delivered on a reimbursable basis by UNICEF on behalf of Governments, other United Nations agencies and NGOs. In 2001, UNICEF received \$481 million in cash for these trust fund accounts. Disbursements and obligations totalled \$354 million.

### **Resource mobilization**

86. Regular resources are the foundation for UNICEF country programming and remain a high priority for the organization. Other resources are indispensable for expanding the reach of those programmes. It is crucial to find an optimal balance between regular and earmarked contributions that will safeguard the core capacity of UNICEF to further its mandate in programme countries.

87. As reported at the pledging event in January 2001, 66 Governments (28 donor and 38 programme Governments) pledged or indicated tentative pledges to UNICEF. A total of \$346 million was pledged, with 11 more countries announcing pledges than in 2000. Thirty countries made multi-year pledges and 15 countries provided improved information on payment schedules. Both of these actions enhanced the organization's ability to predict income and cash-flow which facilitate better management of financial resources.

88. Overall, 91 countries contributed to regular resources in 2001, 27 of them members of the Organisation for Economic Co-operation and Development). Some other significant statistics are:

- (a) 35 countries increased their contribution compared to prior years;
- (b) 18 donor countries increased their contributions (Australia, Belgium, Finland, France, Greece, Iceland, Ireland, Italy, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Poland, Republic of Korea, Spain, Sweden and the United States);
- (c) The United States remains the largest government donor and contributed \$216 million in 2001, followed by Japan (\$97 million), United Kingdom (\$74 million) and the Netherlands (\$69 million). The United States also is the top contributor to regular resources (\$110 million), followed by Norway (\$35 million), the Netherlands (\$32 million) and Sweden (\$30 million). The top 20 contributors to regular resources are listed in annex III;
- (d) The Governments of Belgium, Greece, Ireland, Italy, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Poland and the Republic of Korea all increased their contributions by 7 per cent or more. Ireland, Italy and the Netherlands all increased their contributions by more than one third;
- (e) The additional regular resources contribution of \$7.2 million from one of the major donors, the Netherlands, deserves special recognition;
- (f) Six donor Governments (Belgium, Finland, Italy, the Netherlands, Republic of Korea and Spain) provided additional regular resources at the end of 2001. This practice of donating unallocated resources at year end to UNICEF is a powerful example to other donors;

(g) 14 programme countries increased their contributions by more than 7 per cent and 11 programme countries restored their support in 2001.

89. During 2001, UNICEF developed new ways of collaborating with Governments for mobilizing regular and other resources. For example, UNICEF developed two new programmes with the Government of the Netherlands which provide UNICEF with other resources for thematic priorities. UNICEF is engaging in a closer technical and programmatic dialogue with the donor. UNICEF and the Department of International Development (DfID) of the United Kingdom have launched a three-year programme to enhance UNICEF capacities to predict and respond to civil strife, armed conflict and natural disasters. The DfID is also supporting UNICEF in strengthening its capacity for programming from a human-rights perspective. The Government of Sweden initiated discussions with UNICEF on strategic cooperation for 2002-2004 which should provide more flexible funding. Norway continued to support girls' education, providing \$22 million as flexible funding for 34 countries in Africa for 2001-2004. Finally, at the Second World Congress against Commercial Sexual Exploitation of Children, the Government of Italy announced a thematic contribution for child protection in East Asia, emphasizing child trafficking, abuse and exploitation. Italy also provided a major additional contribution to its initiative on children affected by armed conflict.

90. In accordance with Executive Board decision 1999/8 (E/ICEF/1999/7/Rev.1) on the resource mobilization strategy, UNICEF held 15 formal and informal consultations with donor Governments and partners during 2001 on various aspects of cooperation, including core financial support. UNICEF also entered into five new framework agreements with donor Governments.

### **Expenditure**

91. In 2001, total expenditures amounted to \$1,238 million (excluding adjustments), an increase of \$141 million (13 per cent) over 2000 expenditures of \$1,097 million (see table 3 below). Total expenditures were \$128 million (12 per cent) higher than anticipated in the financial plan. Management and administration expenditures were \$81 million (6.5 per cent of total expenditure) and programme support equalled \$145 million (12 per cent of total expenditure). Direct programme assistance amounted to \$1,012 million (a 14-per-cent increase over 2000), or 82 per cent of overall expenditure. Total support budget expenditure (management and administration and programme support) for the 2000-2001 biennium amounted to \$438 million, or 19 per cent of total expenditure, compared to 24 per cent for the 1998-1999 biennium.



Table 3  
**Expenditure by type of input, 1998-2001**

(In millions of United States dollars)

	1998	1999	2000	2001
Programme cooperation, supplies and equipment (including freight)	219	291	295	361
Cash and other assistance	425	527	590	651
Programme support	141	153	138	145
<b>Subtotal</b>	<b>785</b>	<b>971</b>	<b>1 023</b>	<b>1 157</b>
Management and administration	82	89	74	81
Expenditure excluding adjustments	867	1 060	1 097	1 238
Write-offs and other charges	15	3	6	8
<b>Total</b>	<b>882</b>	<b>1 064</b>	<b>1 103</b>	<b>1 246</b>

92. The substantial increase in expenditures in 2001 is a result of a 35-per-cent increase in other resources, enhanced absorption capacity in large programmes in Africa and implementation of various emergency programmes. Another factor is the stabilization of UNICEF management operating systems, which allow for better planning and improved pace of commitment of resources throughout the calendar year.

93. The breakdown of programme expenditure by major programme sectors is provided in annex IV, figure I. As in previous years, the largest single share of UNICEF programme expenditure was in the area of health. A significant share of programme expenditure in 2001 was in the areas of basic education, child protection and water and environmental sanitation (WES).

94. The breakdown of programme expenditure by region is presented in annex IV, figure II. Sub-Saharan Africa continued to receive the greatest share of UNICEF programme expenditure, which in 2001 amount to \$444 million, or 38 per cent of total spending. This represents an increase of \$52 million, or 13 per cent over the corresponding amount of \$392 million in 2000.

95. Annex V shows the breakdown of UNICEF programme expenditure in 2001 in countries classified according to gross national product (GNP) per capita and U5MR. As in previous years, the major portion of UNICEF resources continued to be made available to and spent in the 64 low-income countries with a per-capita GNP of \$755 or less. These countries — which have a total child population of 1.3 billion, or about 70 per cent of all children worldwide — received 68 per cent of the total programme expenditure, which was 1 per cent higher than in 2000.

#### **IV. Towards an effective performance management system**

96. In 2001, UNICEF made considerable progress in the area of results-based management, with much of this work centred around the preparation of the MTSP. The MTSP requirements for reporting on results have made clear the need for an improved information management system.

97. Other work on performance management included issuance of revised guidelines on country programme management plans in January 2001. In line with other undg members, UNICEF developed a simplified country programme preparation and approval process that was approved by the Executive Board at its first regular session of 2002. A revised Programme Policy and Procedures Manual was developed in 2001, based on the 2000 version with its emphasis on a human rights-based approach to programming, but with greater emphasis on mainstreaming of emergency response, inter-agency collaboration, CCA/UNDAF and reflecting the new simplified country programme process.

98. In 2001, the evaluation function focused on institutional management of the organization as a whole, and on the level of the country programmes. Further details on the evaluation function in the context of the MTSP are included in a separate report being presented to the Executive Board at its annual session of 2002 (E/ICEF/2002/10).

99. The Office of Internal Audit (OIA) introduced guidelines for the audit of programme management in field offices which consider the quality of an office's objective setting, the functioning of the country management team, the use of performance information systems and the functioning of programme monitoring and evaluation activities. The new guidelines were applied in more than 20 field audits in 2001. The OIA information management system was revised to simplify the collective review and organization of audit findings from all field audits. This new information system supports the identification of systemic performance issues that can inform headquarters divisions and regional offices of common strengths and shortcomings in the field. OIA also introduced a training session that was conducted in almost all field audits to strengthen staff awareness of key financial control concepts. The findings from the 2001 audits and the initial application of the new information system will be reported to the Executive Board at the second regular session of 2002.

#### **V. Conclusion**

100. In 2001, UNICEF continued to implement the MTP 1998-2001, with notable success in many areas. UNICEF programme activities continued to focus on the implementation of the MTP programme priorities in 2001, with a focus on Africa and the LDCs. Major shifts in emphasis were the development of the MTSP, building the Global Movement for Children, and preparing for the Special Session on Children.

101. The challenge for UNICEF in 2002 will be to complete the important work done in 2000-2001 on several fronts, and to continue working with donors to ensure a secure regular resources funding base for that work. Ensuring the success of the Special Session on Children will be a major focus of activity in the first half of the year, with its follow-up a longer-term priority. Building on its involvement in the

variety of new and emerging international development frameworks (e.g., CCA/UNDAF, PRSP, the Comprehensive Development Framework and SWAPs), UNICEF will continue to use the opportunities offered by these frameworks to promote the rights of children and to ensure that national and sectoral policies are “child-friendly”.

102. The new MTSP presents both an opportunity and a series of challenges to UNICEF. Detailed operational guidance notes for each of the five organizational priorities will be disseminated throughout the organization in 2002. Major internal reports, including the annual reports of country offices, will be revised to permit better results-based reporting, and management information systems will be improved. Headquarters and field offices will implement the MTSP following the principles of results-based management and a rights-based approach to programming. The next report of the Executive Director, which will be presented one year from now, after the first full year of the MTSP period, will reflect those new emphases.

