

Speaking Points for Ms. Hilde F. Johnson, Deputy Executive Director, UNICEF**Meeting/Event: Financing for Development review session of Chapter IV “increasing international financial and technical co-operation for development” on 15 April 2008, UN Secretariat Conference Room 4, 10:00am**

- Thank you Mr Chairman and colleagues for inviting me to this session.
- Mr Chairman, the Monterrey Consensus was a milestone in many ways. For the first time, a global international conference brought together the International Financial Institutions and the UN-system on an equal footing. Financing for Development was not a UN-conference. It was a mobilization of the most influential development stakeholders and Heads of State to deliver more and better on the MDGs. And it was successful, as I know, having been there in my capacity as Minister of International Development of Norway.
- For the first time, developing countries and developed countries alike committed themselves to a global partnership, as reflected in MDG 8:
 - Delivery in improved governance and national policies and domestic priorities on the one hand would be replicated in
 - Increased delivery in trade, aid and other resources on the other. Indeed, the developing countries delivering on this partnership would not miss any resources for their implementation.
- The Monterrey Consensus was groundbreaking: we called MDG8 the global compact. Where are we then, more than 5 years later? We have seen increased delivery of aid and debt relief in the first period after Monterrey. However, since then debt relief has largely been paid out of aid budgets. The OECD-DAC statistics show that in the last two years there has been a dip in aid in real terms. This is very far from the commitments of Monterrey, - and later High Level Meetings and G8-Summits. A lot of the developing countries have improved their governance and national policies, but they are still not getting the resources needed to win key MDG-battles.
- In fact, recent data show that even the allocations to good performers in policy terms have not been adequate. There is no consistent relation between good policy in macro-economic terms and increased aid. Nor is there a consistent relation between the situation of children, such as child mortality and other indicators, and allocations of financial resources. The lack of delivery in trade and other coherence areas should be obvious to all of us.

- Research undertaken by UNICEF¹ suggests that the link between aid allocations and key indicators for children actually has weakened the last 15 years. This is the case for example with mortality rates for children under 5 years. Donors have provided less assistance to countries where children are as numerous as their poverty is deep. This is worrying.
- We are monitoring and tracking progress through our data system worldwide – published through DevInfo and our reports on the State of the World’s Children. These statistics show us that the international community needs to use more MDG-centred poverty indices to guide aid allocations. That is necessary to achieve more effective poverty reduction and support achievement of the MDGs. But this is not only about aid. It is also about utilizing resources more effectively to achieve better outcomes for children and the MDGs. Our goal should be no less than maximum impact for every dollar.
- The UN has a key role to play here. This implies supporting capacity development, transfer of knowledge and advice, monitoring adherence with international standards. The UN also has a role to play in supporting partner countries to work with new aid modalities such as budget support and SWAs to get the most impact from resources. Here, delivery on the Paris Declaration on Aid Effectiveness is fundamental. We cannot afford to waste one dollar on the challenges we face.
- In fact, those suffering the most in situations of abject poverty are children. Children are at the core of the MDGs. Fighting poverty and realizing children's rights should be the highest priority, be it for national governments in developing countries – or for donor countries. To ensure that resources are being utilized effectively for their benefit, transparency and accountability for both international and domestic allocations is fundamental.
- Equitable, rights-based public policies are key. The objective of public policy, including fiscal and budgetary policy, is to guarantee the basic rights and well-being of all people: Not just some – everyone.
- Such policies need to start with the rights of children, where the demands are more urgent and the returns on investment the highest: this should guide the spending decisions. Key to this is for example ensuring that **all** children have access to decent health care and a quality education, that they are protected from violence and abuse, and that they have a voice in the future of the societies where they live. This should be forming the basis for the realization of the Millennium Declaration and the MDGs.
- And we know that more progress must be made:

¹ Fajth, G, S. Altorjai and P. Denkabe 2006 New Aid Architecture: A Good Fit for Children? UNICEF Staff Working Papers Division of Policy and Planning Series, UNICEF, New York

- for the 40% of children under 5 that suffer losses in development potential due to poor nutrition, disease and poverty;
 - for the more than 15 million children have lost one or both parents to AIDS, and
 - for the millions of women annually at risk to die from preventable and treatable complications in pregnancy and childbirth.
- Article 4 of the Convention on the Rights of the Child calls upon countries to support the realization of children's rights to the maximum extent of their available resources. The maximum amount of resources possible in national and local budgets must be mobilized for them, for basic health, education and social and child protection services.
 - This does not imply the application of a one-size-fits-all formula. Instead, it demands a prioritization of children's rights as reflected in the MDGs through an open, participatory, democratic process of policy formulation.
 - Aid needs to be in support of nationally defined priorities, and developing countries need to be in the driving seat. These priorities should be defined through an inclusive process which takes into account the views of development partners including civil society, parliamentarians, the poor and excluded - and not forgetting young people.
 - UNICEF's experience is that this works and delivers results. Furthermore, fantastic gains have been achieved the last years, both in fighting measles (with a 90% reduction in sub-Saharan Africa over the last three years) and in malaria in Africa, in child mortality and in achieving primary education for all – and we can continue. But as the statistics mentioned earlier it is not enough. Much more needs to be done. And a lot can be done.
 - In Ecuador, for example, UNICEF has supported a process that delivers more for children. Broad civic participation has helped in the formulation and monitoring of public policies affecting children. Many more have been included in budgetary decisions, from political parties to business leaders, from the indigenous movement to NGOs, academia and others. This process has contributed to a significant and sustained increase in social spending over the past seven years (US\$629 million in 1999 to US\$3222 in 2007), as well as improvements and expansion of basic social services.
 - We have facilitated South-South meetings to help to transfer these lessons to other countries which are prioritising differently in budget processes to better deliver on the MDGs.
 - UNICEF was also behind earlier commitments such as the 20/20 initiative of the UN in the 1990s – for countries to use 20% of their budgets for education, health, water and sanitation – basic social services, and for donors to do the same. This is another kind of compact.

- UNICEF and the UN have played a productive role in supporting processes of civic dialogue and participation for the benefit of children and development. To quote one Ambassador to the UN, we have been able to act ‘as facilitators of a new social contract based on human rights.’
- Such a social contract integrating the delivery of the MDGs should be realized in many more countries. For that to happen, the partnership of Monterrey needs to be delivered upon. As countries do their utmost to invest in the MDGs to the maximum extent, the more affluent countries have to do their part. This is what MDG 8 is all about – maximising our collective efforts. All countries and development actors have to deliver.
- I hope the next Financing Development Conference will make that happen. We, nor the children of the world, can afford to wait.

Thank you.