

**THE DEPUTY SECRETARY-GENERAL**

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**STATEMENT TO THE OPERATIONAL ACTIVITIES SEGMENT OF THE 2008
SUBSTANTIVE SESSION OF THE ECONOMIC AND SOCIAL COUNCIL
New York, 10 July 2008**

Mr. Chairman,
Distinguished Delegates,

It is a pleasure to address the Economic and Social Council today. The President and the Bureau have led a very successful session so far, demonstrating the Council's ability to act on important issues. I have every confidence that you will achieve your objectives in this important segment.

You are no doubt aware the General Assembly conducted its Triennial Comprehensive Policy Review (TCPR) last December, reaching agreement on a broad range of principles and actions. The Assembly's resolution on this matter sent an important message to the international community and the United Nations system, namely that Member States are committed to the Organization's operational activities for development.

The resolution's recognition of the unique value of these activities is all the more critical now, against the backdrop of a dramatically changing landscape, with new actors and new approaches gaining importance in development cooperation. It gives the United Nations strong impetus to make the most of these changes, strengthening efficiency and effectiveness to keep pace with emerging demands.

In all operational activities for development, the United Nations is focused on building the capacity of programme countries based on their national priorities. The Policy Review challenges the UN system to do this in a number of areas, while enhancing national ownership and leadership of development activities.

The resolution also confirms that our internationally agreed development goals, including the MDGs, form the framework for the United Nations's activities, which should be assessed based on how well they help countries to pursue poverty reduction, economic growth and sustainable development.

The Review recognizes that strengthening the capacity of the United Nations system to assist countries requires continuous improvement in effectiveness, efficiency, coherence and impact, along with a significant increase in resources. And it identifies specific actions to achieve these objectives.

I would like to highlight two mandates that emerged from the Policy Review. The first is the call to increase financial contributions to the United Nations system, notably to core or regular resources. This is essential for us to actively help programme countries respond to the many challenges that confront them today.

A second mandate relates to recommendations aimed at increasing the UN system's coherence, effectiveness and relevance. At the national level, we need to support the central role of the Resident Coordinator in improving the UN's effectiveness in responding to country priorities. At Headquarters, we need to simplify and harmonize business practices. The recent reform of the Chief Executives Board for Coordination, which brought the UN Development Group under this Board, should enable the UN system to respond more coherently to the Policy Review demands.

We can also strengthen coherence based on the experience gained in the eight pilot countries, which continue to attract attention from Member States.

In this regard, I am pleased the Government of Mozambique hosted a seminar this past May to enable pilot countries and others with similar processes to exchange experiences. This was an opportunity to learn from each other how to further enhance the support of the United Nations system and make it more coherent, as called for by recommendations of the TCPR.

Mr. Chairman,

During this operational activities segment, the Council must ensure that the Policy Review resolution will in the next three years be carried out effectively across the UN development system, and by Member States.

The stakes are high. On our side, we are working to make the provisions of the resolution a reality. At the same time, we are counting on Member States to do their part to enhance the effectiveness of operational activities for development.

Let me now introduce before the Council the three reports of the Secretary-General.

The first concerns the management process for carrying out the resolution on the triennial comprehensive policy review. It responds to the Assembly's request for a report containing clear guidelines, targets, benchmarks and timeframes – in other words, a work plan – for fully implementing the resolution. All organizations joined forces to forge this plan. I look forward to the Council's guidance on the best way to put this plan into action.

The second report deals with the critically important resident coordinator system. It gives an overview of the purpose, organization, functioning and funding of the system, and how these have evolved. The report includes some initial figures on costs, while highlighting examples of the benefits of country-level coordination. It looks in particular at how UN development organizations, including non-resident agencies, participate in the resident coordinator system. Your direction and guidance will be important, including on the themes and scope of next year's report.

Also before you is a comprehensive statistical analysis of the financing of operational activities for development for 2006. It consolidates financial data on the contributions and expenditures of more than three dozen United Nations entities. You can see from the report that the total value of contributions received by the UN system for operational activities in 2006 amounted to \$17.2 billion. This represents a decrease of 2 per cent in real terms of the contributions received the previous year. The share of core contributions was 29.5 per cent of total resources. The expenditures of the UN system in 2006 were \$16.4 billion.

At the Assembly's request, this report also highlights steps for building a comprehensive, sustainable and consistent financial data and reporting system for UN operational activities for development. You will appreciate that this is a complex task that will require considerable time and effort.

Overall, the report reminds us of the precarious funding situation of the UN development system. This fall, at the request of the General Assembly, the Secretary-General will report on actions to improve the quantity and quality of funding for these operational activities.

Finally, let me also mention the conference room paper on "Progress in the area of simplification and harmonization of the UN development system." It was prepared in response to a General Assembly request for the executive boards and governing bodies of the funds, programmes and specialized agencies to assess simplification and harmonization. Although we have not been able to move as quickly as we would have wanted, the United Nations system as a whole is strongly committed to making progress in this area.

Mr. Chairman,

This operational activities segment is crucial. At the heart of its key coordination role, the Economic and Social Council has to motivate action on the Triennial Comprehensive Policy Review. This year offers an opportunity for the Council to reflect on how to more effectively carry out that critical function.

I look forward to a lively discussion during this segment, and count on its fruitful conclusion.

Thank you.