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Introductory remarks by

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2011 operational activities segment:

**“The need for fresh thinking on operational activities for development of the
United Nations development system”**

Geneva, 14 July 2011

(Afternoon session)

Mr. Vice-President,

Excellencies,

Ladies and gentlemen

This year's operational activities segment provides a unique opportunity not only to review progress and challenges in implementing General Assembly resolution 62/208 on the 2007 TCPR, but also to take a broader look at emerging issues that are likely to affect the UN operational activities for development in the near future. This broader perspective should, in my view, guide the review and inform the debate on operational activities segment this year in preparation for the next comprehensive policy review in 2012.

In my introductory remarks, first I would like to highlight some of the major findings identified in the background documents in front of you, namely, the four Secretary-General's reports on:

- Overall progress in implementing General Assembly resolution 62/208 on the 2007 TCPR;
- Funding of operational activities for development;
- Functioning of the resident coordinator system, including costs and benefits; and
- Simplification and harmonization of the United Nations development system.

Then, I would like to turn my attention to the broader context, in which the UN operational activities operate, particularly on the evolving challenges and opportunities affecting UN system support to developing countries.

But first, let me focus on the background documentation in front of you.

The annual progress report on the implementation of resolution 62/208 on the 2007 TCPR shows that the United Nations system, particularly through the UNDG has taken some important steps to work closely together to help countries accelerate progress towards their national development goals and the implementation of the IADGs/MDGs. Important efforts are being made to strengthen the system's capacity at the global and regional levels to support these efforts.

There has also been a better prioritization of activities within UNDG in compliance with the TCPR guidance and a better division of labor between headquarters and regional mechanisms to support UNCTs. This has also led to a better functioning resident coordinator system as the main mechanism to coordinate UN country level operations. A series of new tools have also been

developed and being piloted to strengthen the resident coordinator system's leadership and management of the UNDAF. The upcoming independent review of the DAO will provide further insights regarding their broader applicability.

The report also shows that some important weaknesses still remain. Although Member States have underscored that capacity development is a core function of the UN system operational activities for development, indicators to assess capacity development results have yet to be developed.

Likewise, commendable efforts have been made to increase and report on UN system joint initiatives in the area of gender equality. But information on the impact of these activities continues to be limited. Ensuring that UNCT capacities are commensurate to national needs continues to be a challenge. While there is a major pressure on regional UNDG teams to transferring support to UNCT, their capacities to deliver on these responsibilities remain weak. There is a clear need to find innovative ways to channel expertise as well as resources available within the UN system at large in support of programme countries, especially in conflict and post conflict situations.

The Secretary-General's report on the role and functioning of the resident coordinator system highlights the important steps that have been taken to institutionalize the lead role of the resident coordinator. They include the creation of financial and other incentives to collaborate within UN country teams; and the establishment of a clear accountability system for reporting on results to Government. A major effort has been made to clarify responsibilities and ensure accountability of the RCS and other actors within the UN system through a Management and Accountability System for the RC.

These initiatives have provided greater impetus for UNCTs to work together under the leadership of the resident coordinator. Political and humanitarian functions assumed by the RCs are increasingly recognized as supportive of their development coordination function.

Nonetheless, issues remain. The resident coordinator is accountable for the UNCT results, but has no direct supervisory relations with team members nor direct influence to ensure that agency programme documents are fully consistent with UNDAF. The RC also wears multiple hats, but has no clear/institutionalized access to technical and financial resources necessary to discharge his/her responsibilities.

Overall, the lead role of the RC in coordinating UN system support to programme countries still depends very much on his/her personal leadership and team building capacities. Different mandates, business models and funding modalities of various UN system entities continue to hinder efforts to mobilize sufficient technical and financial support for the resident coordinator system. This is especially evident in countries in the transition phase from relief to development.

This brings me to the nuts-and-bolts issue of simplification and harmonization of the UN system. It has been a recurring subject of recent inter-governmental debate on system-wide coherence. The Secretary-General's report on this issue shows that headquarters initiatives are increasingly driven by country-level needs. They have led to significant efficiency gains and savings, especially in procurement and human resource management, but further advances can be made. Progress should continue to be tracked and analyzed.

It is becoming apparent, however, that at some point further progress might require more fundamental changes in terms of agency-specific practices and procedures that would require the involvement of the governing bodies of the various UN system organizations. The report recommends a thorough analysis of the costs and benefits involved in simplifying and harmonizing existing business practices.

Financing of operational activities for development is critical to enable the UN system to respond effectively to national needs and priorities. The Secretary-General report on this issue identifies important trends and challenges. Over the last 15 years, funding for UN operational activities for development has nearly doubled and about 65% of it is directed to longer-term development-related activities against 35 % directed to humanitarian assistance.

The imbalance between core and non-core resources allocated to the UN development system continues to increase. Non core contributions are an important complement to core resources, but they also impose greater restrictions with regard to their application and use. Non-core funding is also increasingly provided by individual donors for specific projects/programmes. This contributes to the fragmentation of funding flows and impacts the overall programme coherence, efficiencies and transaction costs.

The report also shows that pooled funding mechanisms such as thematic funds and multi-donor trust funds have the potential to promote predictability, concentration and coherence of funding flows and a greater alignment with UNDAF priorities. However, only about 12 % of non-core funding for

development-related activities in 2009 was provided through such pooled funding mechanisms, up from 9% in 2008.

Turning to the broader context in which the UN operational activities operate, a number of changes in the development cooperation field are bound to affect the way we look at development cooperation in general and UN system operational activities in particular.

While the MDGs continue to be the main framework for UN development support, especially in the poorest countries, a growing number of countries are beginning to look at a wider range of issues such as environmental sustainability, equity, social capital and rights-based approaches as critical aspects of development progress. The reflection on the post 2015 goals will also impact countries' priorities. How the UN system will address these emerging "needs" will be crucial to its continuous relevance in these countries and in the broader development cooperation environment.

Non traditional development cooperation actors are becoming increasingly influential, while new modalities for development assistance - such as budgetary support and sector-wide approaches are beginning to be adopted by a broader number of donor and recipient countries. UN system current planning, programming, and funding instruments may need to be assessed against their ability to adapt to these new practices and respond flexibly to the needs of an increasingly diverse group of developing countries.

Multilateral institutions like the UN are also increasingly under an ever growing pressure not only to increase their performance but also to refine their

tools to demonstrate results, or risk having their funding levels stagnate or reduced. Demonstrating results at the country-level will be especially critical for the UN system. The challenge is that the UN system focuses on long-term change. Results in this regard are by definition difficult to attribute and demonstrate.

It is essential to place current and future reforms in the broader context of a rapidly evolving development and development cooperation environment. We must always keep in mind that the ultimate goal of reforms is to equip the UN system to help change people's lives. This should be the overarching objective of the QCPR.

Thank you.