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FINANCING FOR DEVELOPMENT

Introductory Remarks
2015 ECOSOC operational activities for development segment

New York, 23 February 2015

Ambassador María Emma Mejía Vélez, Vice-President of ECOSOC,
Excellencies,
Ladies and gentlemen,

I am very pleased to join you at this year's Operational Activities Segment.

The core mandate of the Operational Activities Segment is to review progress in the implementation of General Assembly resolution 67/226 on the Quadrennial Comprehensive Policy Review.

This year's segment also include another objective, which is to continue the dialogue recently launched by the Council on the longer-term positioning of the UN development system in the context of the post-2015 development agenda.

I am confident that the Operational Activities segment and the dialogue will break new ground in ensuring that the UN system is ready to support Member States in implementing the universal and unified development agenda.

I want to use this opportunity to reaffirm the strong commitment of the Department of Economic and Social Affairs in supporting this process.

Excellencies,
Ladies and Gentlemen,

This year's report of the Secretary-General on progress in QCPR implementation was prepared in close consultation with the UN development system. I would like to convey my sincere thanks to the undg members, UNDOCO and the CEB Secretariat for their cooperation.

Let me now briefly highlight selected messages from this year's report, beginning with the issue of *funding*.

Total contributions to the UN development system in 2013 were \$26.4 billion. The total ODA as reported to OECD/DAC was \$147.1 billion. UN operational activities for development account for 17 per cent of this amount.

In 2013, while maintaining the same percentage as the previous year, the UN development system is no longer the single largest channel of multilateral partners that report their flows to DAC. It comes in as second, behind the European Commission.

Funding of operational activities has also become increasingly diversified in recent years. In 2013, for example, 23 per cent of total contributions to the UN development system came from multilateral organizations, global funds, non-governmental and private sources, compared to 8 per cent in 1997.

All major funds and programmes either initiated or conducted structured dialogues with Member States in 2014 on funding of operational activities for development. The funds and programmes also developed common principles for the concept of “critical mass” of core funding. Such dialogues can provide the platform for Member States to discuss how can the funding architecture be best fit for the post-2015 era.

I would now like to turn to the issue of *capacity development* and *operational effectiveness*.

In terms of relevance of the UN development system, 93 per cent of countries agree that the UN is effective in targeting the poorest and most disadvantaged.

The development of national capacities for development planning, data collection and analysis, implementation, reporting, monitoring and evaluation, is a core function of the UN development system.

The UN development system uses national experts and institutions to a large extent when it comes to programme design and implementation, but to a limited degree only in procurement, financial management, monitoring, evaluation and reporting.

From the UN development system’s perspective, greater utilization of national systems is hindered often due to the limited capacity of national institutions, lack of transparency, high staff turnover and stringent donors’ requirements. From programme countries governments’ perspective, the UN appears to be risk averse, and UN procedures too complex to allow the use of national systems.

UN agencies have stepped up efforts to support South-South cooperation, South-South cooperation is integrated in 20 out of 22 agencies and in over 80 UN Development Assistance Frameworks (UNDAFs). The report reveals that existing challenges to scaling up UN support to South-South cooperation require a clearer understanding of the role of the UN system in promoting the South-South cooperation. This also requires commensurate capacities; institutional strategies and regulations that facilitate the integration of this modality.

The UN development system has made progress in gender equality and women's empowerment, with 45% of UNDAFs featuring results on gender equality. However, continuous efforts are needed if the majority of entities are to meet the performance standards set by the UN System-wide Action Plan on Gender by the year 2017.

In the area of *functioning* of the UN development system, implementation of some QCPR mandates is on track while others remain work-in-progress.

Out of 22 UN entities, 15 entities have now aligned their strategic plans with the QCPR and 13 have reported on QCPR progress to their governing bodies.

A large majority of Governments in programme countries confirm that the UNDAF ensures national ownership and leadership. And 86% rate that UNDAFs help them achieve better results. At the same time, there is need to accelerate efforts to simplify and harmonize agency-specific programming and reporting instruments in alignment with the UNDAF. Also, to improve monitoring and reporting on UNDAF results in support of national development outcomes.

The resident coordinator system continues to be strengthened with the further implementation of the management and accountability system and the cost-sharing arrangement, as well as improved selection process. The job description of the resident coordinator has also been updated to enhance the planning and coordination function. However, closing the funding gap in the cost-sharing arrangement for the Resident Coordinator system remains an important priority.

The interest of programme countries in the "delivering-as-one" approach is also increasing. The standard operating procedures for the countries adopting the "delivering-as-one" approach were released. The implementation of the headquarter plan of action, however, remains work-in-progress, with the "operating-as-one" in particular, continuing to progress slowly.

The standard operating procedures offer renewed opportunity for the establishment of integrated business solutions. A Joint Operations Facility in Brazil is scheduled to commence operations in early 2015, with 8 UN entities participating in the pilot phase.

However, there remains much scope to strengthen the use of common services at the country level. This should be accorded high priority in the two remaining years of the current QCPR cycle. Many common services at the country level do not necessarily require the harmonization of agency-specific rules and regulations, or policies and procedures.

Modest progress has been made in the area of results-based management. There is clearly a need to better understand the implications of adopting a system-wide approach to results-based management (RBM).

Demand for evidence on results will likely increase in the coming years, and the UN development system needs to proactively support governments in adopting RBM as part of national monitoring frameworks and statistical systems.

In the area of independent system-wide evaluation of operational activities, a dedicated secretariat – hosted by the Joint Inspection Unit – has been established to support the implementation of the independent system-wide evaluation policy adopted in 2014. The two pilot evaluations are in the process of being launched. The outcomes of its pilot implementation will be reviewed during the 2016 QCPR.

Ladies and Gentlemen,

The findings of the Secretary-General's report indicate that the UN development system is the preferred partner for most programme countries.

The UN development system is especially valued for its credibility, impartiality and access to specialized knowledge. At the same time, it is also asked to be more flexible and responsive to changing needs of programme countries and the development cooperation environment.

The Secretary-General's report provides a wealth of data and facts - - evidence Member States have requested in support of both the QCPR implementation and the dialogue.

You have started discussing several of the recommendations included in this report. I also understand that you are beginning to consider what kind of a QCPR would be needed in 2016.

Let me assure you once again that we are ready to support you in your work.

Thank you.
