

**2016 ECOSOC Segment on Operational Activities for Development**  
New York, 22 February 2015

**Draft Remarks on the Introduction of the Secretary-General's Report on QCPR  
for Mr. Thomas Gass, Assistant Secretary-General, UN DESA**

Ambassador Alejandro Palma Cerna, Vice-President of ECOSOC,  
Excellencies,  
Ladies and gentlemen,

I am very pleased to present to you the Secretary-General's report on progress in the implementation of General Assembly resolution 67/226 on operational activities for development at this year's Segment on Operational Activities Segment of the Council.

The core mandate of the Operational Activities Segment is to review progress in the implementation of the Quadrennial Comprehensive Policy Review. This year's Segment is particularly critical as it marks the year in which a new QCPR resolution will be negotiated, providing guidance for the very first years of implementation of the landmark 2030 Agenda for Sustainable Development.

In addition, this year's Segment continues the Dialogue launched by the Council on the longer-term positioning of the UN development system, to ensure that the United Nations development system reorients itself to translate the ambitions of the 2030 Agenda into concrete results on the ground.

I am confident that discussions in the next few days will strongly advance the ongoing discourse and will provide key input to the vision and the outcome of both the QCPR and the ECOSOC Dialogue processes.

Allow me to take this opportunity to reaffirm the strong commitment of the Department of Economic and Social Affairs in supporting Member States in these vital processes.

Excellencies,  
Ladies and Gentlemen,

The Secretary-General's report on the implementation of General Assembly resolution 67/226 is the product of an extensive consultative and analytical process.

In addition to the annual and other reports of individual UN entities and data from the new UNDG Information Management System, 4 DESA surveys were conducted in support of gathering information and views among programme country governments, Resident Coordinators and Operations Managements Teams on the ground. These surveys had an unprecedented level of response, representing between 81% to 87% of country level expenditures; and the 25 entities that responded to the UN Agencies Headquarters Survey represent 97% of total expenditures.

In this regard, I would like to convey my sincere thanks to the **129** programme countries, **116** Resident Coordinators and **119** Operations Management Teams that have

responded to surveys, and to UN Development Group (UNDG), the UNDG Development Operations Coordination Office (DOCO), the Secretariat of the Chief Executives Boards (CEB) and the High-Level Committees on Management and on Programme for their close cooperation.

The report also benefitted from field missions, consultations with the UN development system at large, and independent analyses, which are posted on the QCPR website

As we launch into a new development era, marked by fast changing priorities, interconnected challenges – many of which know no borders, protracted crises in regions and States marked by man-made or natural disasters, but also increasingly diverse capacities and needs, we must be ready to live up to this new reality.

Against this backdrop, the document before us reports on progress to implement the 2012 QCPR resolution, and also provides a strategic analysis of needs and priorities to support Member States in their deliberations for the next QCPR cycle.

Your feedback today and the conclusions of the ECOSOC Dialogue will provide critical elements in the preparatory process leading- up to the next QCPR resolution. In order to capture your views and the outcome of the Dialogue, an update to this report with recommendations for the way forward will be produced and released ahead of the start of the negotiations of the QCPR negotiations in the Fall.

Excellencies,  
Ladies and Gentlemen,

Allow me to bring to your attention some key messages of the Secretary-General's report.

**The report findings suggest that the UN development system remains a preferred partner for programme countries, but that it also needs to adjust to deliver on changing priorities and respond to the universal, integrated and tailored challenges posed by the 2030 Agenda.**

Surveys reveal that the UN development system remains the best in the areas of global challenges requiring collective action; peace, security and humanitarian assistance; policy advice on national strategies and plans; and institutional capacity development.

Yet, programme countries have requested assistance for the next four years in the areas of environment and natural resources, sustainable development policies, agriculture and rural development, economic growth and employment, health and education. This reflects the changing priorities and needs of programme countries, and underscores the need for the UN development system to examine how and in which areas it delivers its support.

The system did lose its first rank of preferred provider for regional and sub-regional cooperation; other multilateral and regional institutions topped the UNDS by a significant margin.

In order to be relevant in a development landscape increasingly populated by new development actors, and respond to the challenges of the 2030 Agenda, the UN development system needs to adopt a more *horizontal and unified approach*. It needs to tailor its responses vis-à-vis increasingly diverse needs, such as those of *middle-income countries*. It should overcome the strategic, financial and operational gaps that continue to hamper the ability by the

different arms of the Organization, to come together and work as a system, particularly in *humanitarian, peacebuilding, human rights and development efforts*. The importance strengthening the links among the humanitarian, peacebuilding, human rights and development sides of the Organization is captured by 2030 Agenda and the inclusion of SDG 16.

In this regard, the report highlights to the need to move beyond coherence and coordination towards integrated efforts, defining *integration* as a shared understanding of goals, their interlinkages and the normative frameworks that underpin them, with interventions that are based on a shared vision, strategy and plans to create synergies and address trade-offs.

**The report emphasises that the nature of funding has much to do with the ability of the system to deliver in an integrated manner, and that the 2030 Agenda requires a shift in funding practices to reflect the integrated, multidimensional approach of the agenda, and enable the UN development system to work as a system.**

Funding trends that have been in place over the past two decades continue. Total contributions for UN operational activities for development amounted to \$28.4 billion in 2014. This represents an increase of some 7% in real terms compared to 2013, and was entirely due to an increase in non-core funding. Core contributions actually declined by 0.5% and now account for just 24 per cent of total funding – the lowest share ever. Furthermore, the majority of non-core funding is restrictively earmarked to specific projects. Pooled funding have received limited amount of resources and often rely on just a few donors.

Many UN entities have responded to these concerning funding trends by undertaking structured financing dialogues with Member States in an attempt to improve the predictability, flexibility and alignment of funding, and facilitate a sufficient and even distribution of resources across programme areas.

Efforts at full cost-recovery should be continued, and efforts targeting broadening of the donor base must be strengthened, as UN operational activities for development continue to rely heavily on the top 3 country donors, namely the United States, the United Kingdom and Japan.

Developing countries contributions are growing, having risen by 26% in real terms since 2011, amounting to \$703 million in 2014 excluding local resources. Local resources channeled to programmes with the countries of origin amounted \$1.32 billion.

*Enhancing transparency of funding flows and accountability* for results offer incentives to move towards a shift in increase of core resources: common budgetary frameworks and integrated budgets are tools that exist towards that end.

What is missing is an aggregated system-wide overview of financial flows to capture, monitor and account for system-wide results, also due to the difficulties in collecting such information given the disparate funding tracks.

**The report shows that the UN still needs to fully deliver on some of the key areas that the 2012 QCPR identified as critical, namely poverty eradication, capacity development and South-South cooperation.**

Poverty eradication remains the overarching priority of the UN development system and will continue to guide UN interventions in least developed countries. However, the face of *poverty* has changed. While progress has been made toward poverty eradication, inequality has

risen., and over 70% of the global poor now live in middle-income countries. The challenge is to ensure that interventions are highly tailored to the increasingly different capacities and needs.

While progress has been made in engaging national institutions in design and implementation of programme, there has been no visible trend towards greater use of national procurement, financial, monitoring and reporting systems. While this is often due to capacity gaps, political instability and inherent risks, as well as insufficient funding, few entities include in their plans a systematic approach for the use of national institutions.

The potential of *south-south and triangular cooperation* remains underutilized. Much of the support the UN development system is expected to provide requires additional capacity and funding, and moving away from a predominantly individual-agency based approach.

*Results-based management* is at varying stages of maturity in its practice. Some entities have tried to align results with budgets by introducing integrated results and resources frameworks, but the general dependence of budgets on funding from multiple non-core sources makes it difficult and contributes to results-based management and budgetary processes running in parallel. Results-based management systems should also align with those of programme countries, yet more than half programme countries do not have results-based management systems. Disincentives to the use of results-based management throughout the UN development system continue to persist.

**The report asserts that in order to ensure that it is able to deliver, the UN development system needs to reflect on the structures, tools and arrangements in place. As we enter the era leading-up to 2030, mechanisms such as Delivering as One, the Resident Coordinator system and the UNDAF, must represent a floor rather than a ceiling.**

There is a need to examine how the instruments in our hands can be fully utilized and built upon to address new country needs and priorities to deliver on the 2030 Agenda.

#### *DaO*

DaO countries have significantly stronger positive views of the UN development system performance than non-DaO countries. Most governments view DaO as a major step towards greater coherence at the country level. The Standard Operating Procedures offer an integrated and comprehensive package of support and their voluntary adoption by non-DaO countries demonstrates their usefulness.

Yet, programme country survey results also show that governments are still assessing what benefits the DaO approach brings, and transaction costs associated with adopting DaO, appear to discourage some programme country governments.

Limitations in the approach remain particularly with regard to the “Operating as One” pillar, mostly due by different policies and procedures. Also, the effectiveness of the DaO approach is in part dependent on resources available for Delivering as One Funds. Unfortunately, these pooled funds have declined by some 45 per cent over the past five years.

Looking forward, the 2030 Agenda may require a further evolution of DaO. This could involve providing more integrated policy support, as well as addressing the multi-dimensional and interdependent challenges of the SDGs, including of the normative dimension into the operational.

#### *UNDAF*

Surveys show that the UNDAF has enabled to closely align UN activities with national plans and strategies. At the same time, the UNDAF may also require review in terms of its applicability for different contexts, forms of presence and programming arrangements.

A longer strategic horizon up to 2030, with a comprehensive approach that links sustainable development and humanitarian action, peacebuilding, human rights, and disaster risk reduction, may be needed to translate the 2030 Agenda into focused, practical and achievable actions.

#### *Resident Coordinator system*

The Resident Coordinator system has seen improvements in the functional firewall, recruitment diversity and performance appraisals, but Resident Coordinator offices often remain understaffed and underfunded.

Another main ingredient for success on the ground is leadership. This must be adequately supported, including by necessary measures at Headquarters, which need to catch with realities in the field and strengthen a system-wide approach for integrated action.

**The report also observes that different organizational models and business practices will be needed to match expectations with the limited resources available. Overall, UN business models and organizational arrangements at country and regional levels have not gone through a systematic rethinking to better match growing capacities and differentiated priorities and needs. The time has come to address these challenges.**

Change in business practices has been incremental and largely voluntary, notwithstanding the successful development of the Business Operations Strategy and other initiatives. UN entities must strengthen efforts to eliminate barriers that prevent harmonization and simplification within and across entities, including to access institutional infrastructure and information of other entities. Implementation of the existing tools for harmonization and simplification of business practices would be a first step towards effective and high quality operational support services.

In the future, different forms of country presence and programming arrangements to deliver, at regional, sub-regional and country level, will be needed. Multi-country offices are needed that combine integrated vision, leadership, decision-making power, reach and access.

In that regard, it is essential to be clear that a reduction of physical representation does not equal a reduction in UNDS engagement, but rather maximizes comparative advantages and resources.

Excellencies,  
Ladies and Gentlemen,

The UN development system confronts the contradictions that a highly integrated development agenda poses for a still loosely integrated system. We must rethink how to reposition the Organization to deliver the promise of the 2030 Agenda.

The report captures the first phase of the ECOSOC Dialogue on the longer-term positioning of the UN development system and notes that, moving forward, we must begin by clearly defining what functions the system should perform, building on its comparative advantage and harnessing the strengths of outside players, in line with UN principles and in full transparency.

The UN development system must provide a truly integrated response, be agile and nimble, and align its functions, funding, governance, organizational arrangements, capacity, impact and partnership approaches with the imperatives of an interdependent 2030 Agenda. To that end, the ECOSOC Dialogue can provide key elements.

Better clarity is also needed on what is meant by “UN development system” and “Operational activities for Development”. These terms are mostly defined by funding practices, limiting and not adequately mirroring expectations vis-à-vis the 2030 Agenda.

The 2016 QCPR will play a key role in setting the stage for the implementation of the 2030 Agenda over the next four years. The QCPR can serve as the system-wide framework that is needed to plan, budget, implement, monitor, evaluate, and report truly as a system, or alternatively, provide guidance on such a system-wide framework.

We must elevate the QCPR into a strategic instrument that enables the United Nations to deliver as a system in the new, ambitious era marked by the adoption of the 2030 Agenda. We can and must do so. Your discussions during this year’s Segment on Operational Activities are critical to advance in that direction. I encourage you to be bold. The Department of Economic and Social Affairs will continue to support Member States in their efforts to that end.