Secretary-General's report on QCPR

KEY MESSAGES

Context

- **A new development landscape:**
  - 2030 Agenda for Sustainable Development, Addis Ababa Action Agenda, Climate Change agreement have defined the context of this report;
  - Changing needs of developing countries
  - Changing roles of development actors

Process

- **An extensive consultative and analytical process**:
  - Special thanks to: UN Development Group (*UNDG*); UN Country Teams (*UNCTs*); *programme country governments*; *CEB Secretariat* - the *HLCM* in particular; *UN-DOCO*
  - *Independent studies*: QCPR meta-analysis; UNDS and OAD definitions; UNDS Funding in post-2015; transition from crises to development; functioning of the UNDS; RBM; capacity development; national systems and institutions
  - *Surveys* (administered by DESA): programme countries, UNDS Headquarters, UN Resident Coordinators; UN Operations Management Teams,
  - *Field missions* (conducted by DESA): Fiji and Samoa, Colombia, Rwanda
- **An update of the SGR to be produced in mid-2016 based on**:
  - ECOSOC Segment on Operational Activities for Development (22-24 February 2016)
  - ECOSOC Dialogue on the longer-term positioning of the UNDS (E/RES/2014/14)

Building blocks

- **Accountability**: Reporting on progress in the implementation of the 2012 QCPR mandates
- **Strategic approach**: Supporting Member States in their deliberations with analysis and pointers for the next QCPR cycle to align with the 2030 Agenda (to be further crystalized in the SGR update)

Key messages

- **The UNDS remains a preferred partner for programme countries**
  - *Best provider* in the areas of: global challenges requiring collective action; peace, security and humanitarian assistance; policy advice on national strategies and plans; institutional capacity development (SGR Table III)
  - *Lost first rank in being preferred provider for support to regional and sub-regional cooperation*, where other multilateral and regional institutions topped the UNDS by a significant margin (SGR Table III)
  - *Thematic areas programme countries have requested assistance for the next four years*: environment and natural resources, sustainable development policies, agriculture and rural development, economic growth and employment, health and education (SGR Table V)
- **The UNDS needs to deliver on the expectations of the 2030 Agenda**
  - *The integrated nature of the SDGs requires an integrated approach*: the interdependent nature of the SDGs require a much more horizontal and unified approach than the MDGs

- *Different needs require different responses*: developing countries with special challenges such as the LDCs, LLDCs, SIDS and conflict affected countries require integrated and tailored solutions aimed at building resilience and sustainable development based on their own specific circumstances
- *Middle-income countries are increasing and so are challenges*: the development landscape is increasingly populated today by the realities of MICs; most of the world poor live in MICs; each MIC has its own priorities and needs that require a targeted response
- *The links among the humanitarian, peacebuilding, human rights and development arms of the UN must be strengthened to achieve peace and sustainable development*: strategic, financial and operational gaps continue to hamper the ability by the different arms of the Organization to come together and work as a whole
- *What is integration?* The report attempts to provide a definition of what integration means vis-à-vis coherence and coordination (paras 13, 293, 310)

State of play

- **Funding**
  - Funding has increased largely due to an increase in non-core resources; core resources declined in 2014.
  - The 2030 Agenda requires a shift in funding practices, which must reflect the integrated, multidimensional approach of the agenda itself and allow the UNDS to work as a system. To that end:
    - *using pooled funding* (MDTFs, thematic funds, joined programmes) enhances the quality and predictability of non-core resources and must be used more
    - *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, an aggregated system-wide overview of financial flows is what is missing to capture, monitor and account for system-wide results (the HLCM collection of data only contains historical information that does not go down to outcome-, sector- or goal-level)
    - *achieving full cost-recovery* has the double benefit of releasing additional core resources, which in turn are likely to leverage additional core contributions
    - *expanding the donor base* remains a critical issue to address; UN-OAD continues to rely heavily on the top 3 country donors (US, UK, Japan)
  - Developing countries contributions are growing: their contributions have risen by 26% in real terms since 2011, amounting to $703 million in 2014 excluding local resources, which amounted $1.32 billion (channeled to programmes in their own countries).
- **Poverty eradication**
  - Poverty eradication remains the overarching priority of the UNDS and will continue to guide UN interventions in LDCs
  - A multidimensional approach that reflects the complexity of the 2030 Agenda will be required to achieve full poverty eradication
  - Today, 70% of the global poor live in MICs, requiring targeted and tailored interventions.
- **Capacity development**
  - Progress has been made in engaging national institutions in design and implementation of programmes
  - Capacity gaps, political instability and inherent risks continue to hamper a greater use of national procurement, financial, monitoring and reporting systems
  - A narrow understanding of capacity development as training, and a lack of sufficient funds, continue to persist

- **South-South Cooperation**
  - SSC is increasingly reflected in strategic plans and more units have been created system-wide to deal with SSC
  - Yet, additional capacity and funding is required to fully realize the potential of SSC and triangular cooperation
  - A system-wide approach to maximize knowledge and resources throughout the UN family is also needed, moving away from the predominant entity-specific approach today
- **Results-based management**
  - RBM is at varying stages of maturity in its practice
  - RBM and budgetary processes continue to run in parallel, despite efforts to be aligned, due to the dependence of budgets on funding from multiple non-core sources
  - RBM systems should also align with those of programme countries, but nearly half programme countries have RBM systems
  - There is also some way to go in building a strong results culture, and changing behaviors to that end

Structures and tools

- **Delivering as One**
  - DaO countries have significantly stronger positive views of UNDS performance than non-DaO
  - Yet, survey results also show that governments are still assessing what benefits the DaO approach could bring
  - Limitations in the approach remain particularly with regard to "Operating as One", mostly due by the persistence of different agency-specific policies and procedures
  - DaO effectiveness is also dependent on resources available for Delivering as One Funds
- **Resident Coordinator system**
  - The RC system has seen improvements in the functional firewall, recruitment diversity and performance appraisals
  - Yet, RC offices often remain understaffed and underfunded
- **UNDAF**
  - As different forms of presence and programming arrangements may be chosen as more efficient and effective options to deliver on the 2030 Agenda, the UNDAF may also require review in terms of its applicability for different contexts, forms of presence and programming arrangements

Organizational arrangements

- **Country presence**
  - The years to come will see the need for different forms of country presence and programming arrangements to deliver, at regional, sub-regional and country level.
  - The multi-country office (MCO) model is a case in point, whose benefits lie in an integrated vision, leadership, decision-making power, reach and access. The set-up of a multi-country office allows for greater integration of the UNDS and support for regional and sub-regional cooperation and partnerships.
  - *A reduction of physical representation does not equal a reduction in UNDS engagement*, but rather maximizes comparative advantages and resources.
- **Business practices**
  - Change in business practices has been incremental and largely voluntary, notwithstanding the successful development of the Business Operations Strategy (BOS) and other initiatives

- 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
- **Common support services**
  - UN entities must continue to focus on removing the currently existing barriers that prevent the use by multiple entities of the institutional infrastructure and information of others. Enabling UN entities to access the institutional infrastructure of one of more other entities, including through the adoption of compatible, contractual and procedural frameworks in each relevant function, to integrate business operations functions, could be solutions for efficient system-wide operational support services.

Way forward

- **Expectations from the UNDS** (paras 281 to 313)
  - Today's development challenges can only be addressed through collective commitment and response
  - It is critical to define what the UNDS should and should not do, building on its comparative advantage and harnessing the strengths of outside players, in line with UN principles and in full transparency
  - The UNDS 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, better clarity is needed on what is meant by UNDS and OAD. These terms are mostly defined by funding practices, limiting and not adequately mirroring expectations vis-à-vis the 2030 Agenda.

- **Expectations from the QCPR** (para 295)
  - 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
  - Alternatively, the QCPR could provide guidance on such a system-wide framework, shying away from micromanagement and transforming itself into a strategic tool