



Economic and Social Council
Operational Activities Segment
17 July 2012
General Debate

Mr. President,

I have the honour to address the Economic and Social Council on behalf of the European Union and its Member States.

The Accessing country Croatia*, the candidate countries the former Yugoslav Republic of Macedonia*, Montenegro*, and Serbia*, the countries of the Stabilisation and Association Process and potential candidates Albania and Bosnia and Herzegovina, as well as Ukraine and the Republic of Moldova align themselves with this statement.

We welcome the opportunity during this ECOSOC substantive session to provide some general remarks ahead of the upcoming Quadrennial Comprehensive Policy Review of UN operational activities for development.

Let me take this opportunity to thank the Secretariat – DESA in particular – for the wide-ranging and consultative preparatory process undertaken for the QCPR. We believe that the analytical reports and stakeholder surveys as well as the Delivering as One independent evaluation constitute an important evidence-base for the QCPR.

Mr President,

The international development landscape is experiencing far-reaching changes. We have seen the emergence of new development actors, drivers, institutions and partnerships. We have witnessed significant progress in many developing countries towards achievement of the MDGs, but also rising inequalities within and among countries as well as continued insecurity, poverty and wider global challenges associated with conflict and transition settings.

Within this complex and fragmented landscape, the UN system – with its norm-setting agenda and interconnected mandates on human rights, peace and security and development – plays a key role as a convening and implementing body of critical global public goods. It is of paramount importance to forge a shared vision on how the UN system can reposition itself at the centre of this fast-changing development architecture to deliver coherent, effective and efficient development outcomes. The outcomes of relevant UN conferences and processes, including Rio+20 and the Secretary General's High-Level Panel on the post-2015 development framework should also shape this shared vision.

* Croatia, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia continue to be part of the Stabilisation and Association Process.

We hope that the upcoming QCPR can make an important contribution towards such a shared vision by addressing questions of coherence, effectiveness and efficiency of UN operational activities for development. The QCPR resolution should pay due regard to the need for a delivery that is results-oriented and that meets the legitimate and ever increasing needs for transparency and accountability. Moreover, it will be important for the QCPR to provide guidance on how to effectively and coherently take forward the important tasks assigned to the UN system in the Rio+20 outcome document, including support to developing countries in elaborating green economy policies, coordination of matching developing countries with interested partners, supporting collection of data, but also mainstreaming their own mandates and programmes including their facilities and activities to become more sustainable.

Mr. President,

Financial flows to the UN development system have increased substantially over the last 15 years. While recent growth has been concentrated in the non-core category of resources, core resources are the bedrock of the UN Funds, Programs and Specialised Agencies. In 2010, the EU and its Member States provided over 40% of total core funding for UN development-related activities. The EU and its Member States are supportive of multilateral organisations that are efficient and effective. All Member States share a common interest in ensuring adequate and predictable funding of the strategic plans they approve in the respective governing bodies of UN development agencies. We see a need for a more structured dialogue in the governing bodies on how to achieve this. Additional non-core resources – when aligned with national priorities and the strategic plans of UN agencies – can play an important complementary role to core funding. However, we also recognise that an overwhelming majority of non-core contributions are single-donor contributions at project level with associated fragmentation and transaction costs. Recognizing that non-core contributions are likely to remain a modality of choice for some donors in the foreseeable future, it is of utmost importance that we, through the QCPR, discuss how to improve the predictability, flexibility and alignment with national and agreed organisational strategic priorities of non-core resources where Member States are in a position to do so.

Mr. President,

The issue of cost-recovery from non-core contributions should be systematically addressed in the context of the QCPR. We feel strongly that core-funding should not subsidize earmarked funding. In this regard we look forward to further discussions as part of the QCPR on ways to ensure that the principle of full cost-recovery is adhered to across the UN-system and other possible incentives towards improving the quality of funding to the UN system. We look forward to greater transparency on how the costs are calculated and applied which will further incentivise cost efficiency and would welcome a discussion on how the cost recovery rate can be used to incentivise good donor behaviour. In addition we welcome an ongoing focus on efforts within the UN system to reduce the costs required to support programmes through improved efficiencies, including through the simplification and harmonisation of business practices.

Overall, we believe that all funding – core and non-core – should be delivered in a way that promotes coherence, is responsive to the needs of programme countries in line with the respective mandate of the implementing Funds, Programmes and Specialised Agencies, and delivers the maximum development impact. Here, we believe that the principles confirmed at Busan last December of national ownership of development priorities; focus on results and

managing for results; inclusive development partnerships, and transparency and accountability should guide the funding practices of all Member States. Equally, the UN system needs to develop and put in place robust results frameworks and results-based management systems. These instruments are key for demonstrating development impact and for ensuring that all funding actually supports those frameworks and the strategic plans agreed by the governing bodies of UN Funds, Programmes and Specialised Agencies.

Mr. President,

We warmly welcome the outcome of the recent Tirana conference, in which the Delivering as One pilot countries and self-starters expressed strong leadership and determination to take forward the reform process. It will be crucial for the Tirana outcome document to feed into the deliberations on the QCPR in order to ensure that those aspects of DaO that have been shown to work are captured and taken forward.

The independent evaluation of the Delivering as One initiative has clearly shown that a more coherent UN approach at country-level has strengthened national ownership and leadership, allowed for better alignment to national priorities, reduced transaction costs for national governments, and contributed to improved coherence and effectiveness of UN activities at the country-level, including allowing the UN system to better deliver against cross-cutting and multi-sectoral issues such as human rights, gender equality, economic development and the environment. DaO pilot countries and self-starters have also emphasised these positive results – as demonstrated most recently in Tirana.

As the pilot phase of DaO comes to an end and building on the SG's call for a second generation of DaO, it is time for the UN system to come up with a new business model with Standard Operating Procedures that would enable the effective functioning of DaO implementation on the ground. The QCPR should then lead to specific, concrete actions at a system-wide level and incorporate the DaO principles in order to ensure that they are applied throughout the UN system in support of more coherent and effective country-level programming and delivery, while always recognising that "one size does not fit all".

For DaO to fulfil its potential, both the independent evaluation and the stakeholder surveys undertaken by DESA have underlined that there is an urgent need for the UN system to address bottlenecks at the headquarter-level through streamlining of programming, funding, reporting and accountability mechanisms, and further harmonisation and simplification of business practices.

We especially recognize the importance of horizontal and vertical accountability between the RC-function and the UNCT, as well as headquarters. In this regard, we urge the full and immediate implementation of the Management and Accountability Framework.

We call on the SG and the undg to urgently show strong leadership in bringing forward these reforms.

Mr. President,

The QCPR should also reflect the common recognition that development rarely, if ever, happens in a linear fashion and that development programs therefore need to include a broad spectrum of activities from service delivery to preparedness, disaster risk reduction, as well as capacity and resilience-building. It will be important for the QCPR to examine further the

capacities of the Resident Coordinator especially in humanitarian situations, conflict- and post conflict countries, and to address issues such as programming, flexibility, risk management, effective cooperation with international partners as well as improved coordination and integrated approaches across the UN system of security, political and development actors, including a stronger role for women in these situations.

Mr President,

The European Union and its Member States attach great importance to the QCPR. We value the UN operational activities and recognize their relevance. At a time of strained national budgets, when all donors need to make special efforts to make good on their ODA commitments, effective and efficient use of the scarce resources available is all the more important.

Thank you.