

**United Nations Economic and Social Council  
Operational Activities for Development Segment  
28 February to 2 March 2017, ECOSOC Chamber**

**Summary by the Vice President of ECOSOC  
H.E. Ambassador Cristián Barros,  
Permanent Representative of Chile to the United Nations**

### **Background**

The 2017 Operational Activities for Development Segment of the Economic and Social Council, held from 28 February to 2 March, marked the launch of the implementation of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. The segment had three objectives: *firstly*, contributing concrete ideas to inform the upcoming analytical work on the QCPR mandates to the Secretary-General; *secondly*, discussing concrete ways through which the UN development system should continue to enhance system-wide coherence and efficiency, and, *thirdly*, reflecting on the adjustments required if the UN development system is to better support development efforts tailored to different countries' needs, priorities and capacities.

### **Opening**

The segment was opened by the **Vice-President of ECOSOC**, H.E. Cristián Barros, who noted that Member States recognize that the 2030 Agenda poses a major new challenge for the UN development system. The question is whether the principles and modus operandi that currently underpin the delivery of operational activities of the UN system are fit to meet the integration and coordination requirements of the new agenda. He also underlined that the financing of UN operational activities has changed in a fundamental way in this period from the early reliance on *mandatory assessed contributions* to a major shift towards *voluntary unearmarked resources* and subsequently to a growth that is predominantly in *strictly earmarked funding*. These major shifts in funding have clearly impacted the functions, governance, organizational arrangements, capacity and impact and partnership approaches of the UN development system -- areas which are closely interlinked.

The **Deputy Secretary-General**, Ms. Amina J. Mohammed delivered the segment's keynote address. She emphasized that The UN system needs a much higher degree of integration, coordination, accountability and transparency. The UN development system must become more than the sum of its parts. Traditional coordination mechanisms are no longer enough. Three broad principles will underpin the work ahead: First, strengthening impartial leadership of the UN development system for coherence and integration at all levels. Second, addressing the trust deficit and third, ensuring that country-level results remain the litmus test of any reform or transformation. She also underlined that in some cases, it will be necessary to seek how reinforce existing mechanisms and solutions; in others, going a step further. The 2030 Agenda requires the UN development system to reinvent itself in service of Member States.

## Key messages and recommendations

### 1. Building a stronger UN development system for delivering on 2030 Agenda

In his keynote address to the panel on building a stronger UN development system, the **Minister of Social Development of Chile**, H.E. Mr. Marcos Barraza highlighted that in response to the integrated nature of the 2030 Agenda, Chile, like many countries, is rethinking existing planning and cross-sectoral coordination mechanisms at different levels. Just as in government, most institutions of the UN development system follow a sectoral approach and now face the need to make substantial changes in their ways of working to strengthen their efficiency and coordinate with multiple actors, including civil society and the private sector. We need holistic and dynamic planning fit to the twenty-first century and its multiple variables, where the economic is not dissociated from the social and the environmental dimensions in development strategy. The 2030 development agenda requires the deployment of new capacities to strengthen development cooperation and its support by the international community.

#### *A global leader in the multilateral system in the provision of integrated support*

Many Member States expressed the view that they want to see the UN development system transformed into a global leader in the multilateral system in the provision of integrated normative, policy and capacity-building support for 2030 Agenda. The multidimensional nature of development challenges requires new ways of thinking, planning and working together. Towards this end, the UN development system should reassert its role as a knowledge hub with strong capacity to leverage the normative, technical and data expertise that exists across different entities of the system, particularly the specialized agencies.

#### *Strong leadership and concerted efforts at joint work at global and country levels*

At global level, the UN development system will need bold leadership, strengthened coordination and joint planning to ensure the strategic direction in the collective contribution of the system in support of the 2030 Agenda. At country level, substantive and technical capacities need be strengthened and better aligned with countries' specific needs, priorities and capacities. Effective leadership and concerted efforts are critical around joint work – ranging from analysis and planning, resource mobilization, programming and operations, to monitoring, evaluation and reporting. In terms of programme delivery, greater emphasis is needed on both, establishing common operational platforms across entities to promote effectiveness, efficiencies and synergies, and on the wider use of national systems, mechanisms and institutions as part of strengthening national capacity.

#### *Improved transparency and accessibility of information is critical for good governance*

Incentivizing joint programming by the UNDS and voluntary funding by Member States would benefit from increased transparency and accessibility to information on the funding situation of UN entities individually and the system as a whole. Similarly, improved and timely reporting to governing boards is needed that links funding to results and impact at country level. The development of a system-wide balance sheet of key resources used by the UN development system in 2030 Agenda implementation was suggested as a possible instrument to enhance transparency and accountability of the system to central governing bodies like ECOSOC.

#### *Greater focus on leveraging partnerships, South-South cooperation & innovative financing*

In the SDG era, the UN development system needs greater capacity to leverage resources, partnerships and South-South cooperation in support of country level implementation. Member States' expect the UNDS to play a key role in supporting and building the capacity of programme

country governments to mobilize and leverage new partnerships and financing, though some recognized that the UNCTs' own capacities in that regard needed to be strengthened first.

## **2. Dialogue with the Executive Heads of UN Funds, Programmes and Specialized Agencies: functions and capacities to improve the UNDS collective support to 2030 Agenda implementation**

### *Coordinated strategic plans in line with the 2030 Agenda and the QCPR*

The new QCPR resolution (A/RES/71/243) of the General Assembly has requested all entities of the UN development system to work together to address the integrated nature of the 2030 Agenda. Seldom, if ever, has there been greater pressure on UN entities to demonstrate their ability to deliver results in a cost-effective manner to Member States. The Executive Heads participating in this year's dialogue confirmed that the strategic plans of their respective entities are being developed based on principles and vision set out in the 2030 Agenda as well as the mandates of the new QCPR resolution. The funds and programmes are closely coordinating the preparation of their respective strategic plans, with a view to enhancing coherence in formats, processes, results frameworks and indicators. This includes each strategic plan of funds and programmes starting with a chapter outlining a common approach to 2030 Agenda implementation; further harmonization and streamlining of reporting; establishment of a common position on how to link results to resources; and how to promote coherent and complementary approaches.

To facilitate UN Country Teams' support to national governments to achieve the SDGs, the UNDG has produced a number of reference tools. The UNDAF guidance has been updated in response to requirements of the 2030 Agenda, and guidelines to support SDG reports were approved by UNDG earlier this year. Strengthening of results groups at the country level has helped bring together the expertise and programming strength of different entities, and intra-agency cost-effectiveness and efficiency are being enhanced through shared service centres. The UNDG is exploring diverse financing options, including more predictable multi-year funding, increased emphasis on joint and pooled funding mechanisms and leveraging resources for SDG achievement in programme countries.

### *Maximizing collective support by the UN development system*

Member States emphasized that the development of the new strategic plans of UN entities provides a unique opportunity to ensure that these documents are not only fully aligned with the principles and vision of the 2030 Agenda, but also with one another, to maximize the collective support of the system as a whole, as mandated in the recent QCPR resolution. Business-as-usual is not an option in this regard and concrete steps should be taken to ensure that duplication, gaps and overlaps in programming and operations are addressed so that the system is more than the sum of its individual parts. Flexible, differentiated and cost-effective office presence models, common service centers and common back-offices are essential to improve coherence, effectiveness and efficiencies, as are significantly strengthened pooled system-wide funding mechanisms that incentivize cooperation across entities. It was pointed out that the experience in some programme countries suggests that contributions through a One UN Fund mechanism in the order of magnitude of 20 per cent of total resources can fundamentally change the nature of cooperation across entities if supported by an effective coordination function.

#### *Enabling effective leadership of UN Resident Coordinators*

Some Member States reflected on the critical leadership role the UN resident coordinator plays at the country level in ensuring that the collective support of the system as a whole is coherent, effective and efficient. Several Member States highlighted that relying on good will is insufficient to ensure effective leadership by UN resident coordinators, and there is need to vest them with actual authority. The upcoming proposal of the Secretary-General to strengthen the UN resident coordinator system provides an important opportunity for Member States to discuss how to enable and facilitate the collective support of the UN system to 2030 Agenda implementation.

### **3. Rethinking the funding and financing strategies of the UN development system to deliver on the 2030 Agenda**

The **Under Secretary-General of UNDESA**, Mr. Wu Hongbo, presented some key observations and messages from the 2017 Report of the Secretary-General on funding of operational activities for development of the UN system for the year 2015. Total funding in 2015 amounted to \$26.7 billion, which represents a decrease of nearly 7 per cent in nominal terms compared to 2014. This nominal decrease, however, can largely be attributed to weakening of several major currencies relative to the US dollar. In real term, total funding in 2015 increased by some 4 per cent compared to 2014. In 2015, three Governments accounted for nearly half of all government contributions for UN operational activities. In the 2000 to 2015 period, the volume of funding has more than doubled, taking into account inflation and exchange-rate differences. Funding for UN humanitarian activities, in particular, has contributed to this rapid growth, having more than tripled in real terms between 2000 and 2015.

#### *A more coherent funding architecture that supports the functions of the system*

The current fragmented funding architecture, relying largely on strictly earmarked contributions, has weakened the multilateral character of the UN development system and increased the risk of duplication and overlaps of activities across entities. Development needs and priorities of programme countries and intergovernmental-agreed strategic plans must drive funding for operational activities for development, not the power of the purse. This will require strong ownership and coherence by Member States at the level of vertical and horizontal governing bodies to align strategic priorities, funding requirements and organizational arrangements of entities and of the system as a whole. Reinforcing the core-resources in the UN system is critical for supporting the implementation of the 2030 Agenda.

#### *The leveraging role of the UN system increases in importance in the SDG era*

Trillions of dollars will be needed from international, domestic, public and private sources for the achievement of the 2030 Agenda, and ODA flows can be expected to play an important role in leveraging other sources of financing. Increasing the volume, predictability and long-term nature of funding flows will greatly impact the ability of the UN development system to contribute to 2030 Agenda implementation. As the system may increasingly be called upon to support Governments' financing efforts for country-level implementation, enhanced cooperation and sharing of experiences between the UN development system and international financial institutions on the potential for increased innovative sources of funding is highly desirable.

#### *A preventive approach to development requires stable, financing mechanisms with longer-term horizons*

The UNDS must make prevention a priority by engaging more in cross-pillar work that addresses the root causes of instability, and not just be reactive to shocks by providing assistance after the fact.

This would require more stable financing mechanisms with longer-term horizons. It was pointed out, for example, that UN entities could be more involved in climate-risk insurance initiatives that allow more preemptive action by directing private finance to address development issues. It was also suggested that the UN development system could learn from the WFP experience with resilience programmes, which complement their regular work.

#### *Alignment of strategic priorities, functions and funding*

The multilateral character of the UN development system has been weakened in the past two decades as funding has become largely strictly earmarked in nature, and governing bodies playing a limited accountability, coordination and oversight role of the totality of work of entities and of the system as a whole. In that regard, some Member States reiterated the 2016 QCPR resolution call to improve the functioning and effectiveness of structured dialogues on how to fund the development results agreed in the strategic plans of entities, towards enhancing governing bodies' ownership of the strategic plans and integrated budgets. The experience of the World Health Organization (WHO) with regular, carefully prepared structured dialogues, its efforts to enhance transparency through its online portal, and its governing body's formal approval of the entire programme of work, were highlighted as a good practice. Of note is that while the WHO experience has enhanced predictability and reduced vulnerability of resource flows, so far, it has had less impact in improving alignment of voluntary contributions to strategic priorities. While some Member States' call for a fundamental adjustment in the funding architecture and others limit their call to the quality and quantity of resources. Other Members States expressed concern about this alignment. The special QCPR mandates to the Secretary-General for a system-wide strategic document and options to align functions and funding provide an opportunity for Member States to engage in a critical discussion on how to ensure that the strategic priorities, as defined in the strategic plans, can drive the development of effective funding options and strategies in support of the 2030 Agenda.

#### **4. Improving the governance and coordination of the UN development system**

##### *The accountability, coordination and oversight role of governing bodies need strengthening*

Member States reiterated the call made in the new QCPR resolution (A/RES/71/243) to improve accountability, coordination and oversight role of governing bodies of the UN development system at both entity and system-wide levels. Towards that end, Member States want to see governing bodies engaging in policy-oriented discussions, towards stronger intergovernmental ownership of key documents, like the strategic plans and resources frameworks of entities. Some Member States suggested that governing bodies undertake substantive reviews of the results and impact of the work of entities and the system as a whole at the country level. The accountability, coordination and oversight role of governing bodies is not only determined by their specific functions, working methods and secretariat support, but also in relation to existing funding practices in the UN development system. At present, with the large strict earmarking of funding, governing bodies play a limited role in decision-making on key issues such as determining the overall budget and strategic priorities of entities; key outcome areas; funding requirements; and assessment of overall results and impact.

##### *Improved working methods towards increased coherence across governing bodies*

Changes to existing working methods of governing bodies are needed to bring about a cultural shift towards more open, transparent and accountable ways of working together. Issues that need to be further discussed in this context include: scheduling of meetings, strategic nature of agendas, timeliness and quality of background documentation, methods of reporting by inter-agency bodies,

greater participation of members in governing body meetings, the role of bureaux, more senior policy level representation in meetings, and improved secretariat support.

#### *Enhancing the role of ECOSOC as a system-wide governance mechanism*

There is strong support among many Member States for revitalizing the role of ECOSOC, particularly through its Operational Activities for Development Segment, in system-wide governance of operational activities of the UN system. Various ideas were shared by Member States to that effect, including greater oversight of the overall contribution of the Organization to 2030 Agenda implementation; improved monitoring of QCPR implementation; coordination of strategic planning of entities; policy guidance and oversight of country and regional level coordination arrangements; and addressing a host of interoperability issues. Member States also suggested consideration of whether the Operational Activities for Development Segment could meet and adopt decisions more frequently on strategic issues affecting the UN development system. Strengthened linkages were also suggested between ECOSOC deliberations and the work of various subsidiary bodies at global and regional levels, as well as the High-level Political Forum, towards increase coherence of decisions on issues related to delivery of UN operational activities. The role of ECOSOC and the Operational Activities for Development segment would be considered further in June 2017, in the context of the discussions on the Secretary-General's comprehensive report containing options for improving the accountability and overall coordination of the entities of the United Nations development system and their oversight by Member States.

#### *The Joint Meeting of the Boards could be better utilized*

Member States are generally of the view that the Joint Meeting of the Boards of the funds and programmes could be utilized more effectively. The finalization of strategic plans for the next cycle later this year provides an opportunity to further examine the potential role of the Joint Meetings of the Boards in fostering greater coherence and synergy in policy-making on issues of common concern, as well as effective division of labour with ECOSOC. Some Member States suggested that in order to be effective, the Joint Meetings of the Boards would need decision-making power on issues of common concern.

### **5. Moving QCPR forward at the field level: *creating a common back office to function as a system***

#### *Common back office operations are critical to enhance effectiveness and efficiencies*

A number of suggestions were made by Member States as well as practitioners to accelerate the establishment of common back offices in programme countries. These included the standard operating procedures (SOPs) and the business operations strategy (BOS) becoming an integral part of every UNDAF from the design stage, and all UNCT operations; vertical clustering of services at the regional level; stepping up efforts to establish UNCT common premises. Experience also suggests that achieving a common back office at the country level is less difficult and time-consuming when such services are financed through a single funding window or where pooled funding mechanisms are used to incentivize joint operations. Measures for greater transparency and accountability also mean being more forthcoming about programme versus operations costs.

#### *Accelerating the establishment of common operational platforms*

Progress in implementing long-time QCPR mandates on simplification and harmonization of business practices in the UN development system has been slow, and programming and operations are often disconnected at country and global levels. Options for a common systems platform (Enterprise Resource Planning) mandated under the 2012 QCPR are still not available, and existing

risk management controls prevent or limit effective service delivery, by curtailing UN entities' access to each other's institutional infrastructure and information. Common operational platforms and systems are critical to better enable joint work and integrated approaches, and governing bodies have an important role to play in that regard. This requires strong leadership from Member States, the Secretary-General and the Heads of UN entities, as well as proper incentives.

## **6. From coordinated to integrated implementation of the 2030 Agenda: *the development, humanitarian and peacebuilding nexus***

The **President of the General Assembly**, Mr. Peter Thomson, delivered a keynote address on the development, humanitarian and peacebuilding nexus. Conflict and humanitarian crises have resulted in untold human suffering and displacement across the world. This requires new ways of thinking, partnering, financing and delivering across all three pillars of the UN system, including changes to existing organizational, governance and funding structures. The new concept of "sustaining peace" provides the opportunity to bring a coherence and integrated approach across our humanitarian, development and peacebuilding effort.

### *Coherent delivery is hampered by multi-faceted challenges*

Existing mindsets, systems and operational procedures are not conducive to integrated support. Persistent silos are fostered by differing length of mandates and work plans, limited joint planning, differing financial and budgetary systems and administrative rule books; and limited use of common services, including procurement, and co-location of entities at the country level. Many countries in conflict and post-conflict situations are calling for bold action in harmonization of rules, regulations, procedures and systems, with a view to "*tearing down the administrative walls*", as it was described by one senior practitioner. Whole-of-system approaches are not new, and Member States expressed the hope that the 2030 Agenda and the QPCR would give strong momentum to strengthen existing integration policies and instruments.

### *Sustaining peace requires a shift from coordinated to integrated approaches*

A shift in mindsets and approaches is needed. This includes addressing drivers of conflict and other emergencies, such as lack of economic opportunities, poor natural resource management and other deficits in governance. An integrated approach, however, is made difficult at present by the specialized, functional and decentralized nature of the UN system, which emanates directly from the Charter. The growing complexity of the development challenges facing the countries in such situations seems to be outpacing the capacity of the UN system to respond, without greater clarity on roles, authority and better defined areas of work and parameters between peace and security, humanitarian and development efforts. Bold steps were recommended by some Member States, to include institutionalizing collaboration across pillars through enhanced leadership and mutual accountability; harmonizing administrative policies and procedures between Secretariat and UNDG entities; increasing the authority of the Resident Coordinators, especially those wearing "multiple-hats", such as Humanitarian Coordinator and Deputy Representative of the Secretary-General; and addressing fragmented funding patterns.

### *Political will can enable whole of system approach despite silos and operational barriers*

A whole-of-system approach to sustaining peace requires Member States, the Secretary-General and the system to exercise strong leadership in addressing the above capacity deficits, and letting go of old mistrusts in order to find common ground to enable the performance of the UN system. Greater clarity on leadership roles within the UN system is needed in such country contexts, at both field and HQ level.

## **7. Integrated implementation of the 2030 Agenda: the role of the UNDS in LDCs, LLDCs, SIDSs and countries emerging from conflict**

### *Continued need for comprehensive, normative and operational support*

In many countries that belong to these groupings, there is continued need for comprehensive normative and operational support to overcome structural obstacles to sustainable development. The eradication of poverty and hunger, strengthening productive capacity and access to social services, and addressing the impact of climate change should be at the heart of the UNDS work. Lack of disaggregated data is also likely to hinder reaching those left furthest behind; high priority should therefore be accorded by the UN development system in supporting capacity development of national institutions for collection and analysis of disaggregated data and monitoring and reporting on progress.

### *Programme countries are demanding much better coordination of support*

Member States emphasized that the success of the UN development system in supporting 2030 Agenda implementation in LDCs, LLDCs, SIDS and countries emerging from conflict, will depend on close alignment of UNDAFs with national needs, priorities and capacities, as well as concerted efforts by entities to significantly enhance coordination of support. There were also strong calls for strengthening of leadership capacity of the UN resident coordinator to ensure that the support provided by the UN development system is coherent, and aligned with the realization of national development plans. Support from the UN development system in mainstreaming the 2030 Agenda into national development strategies and plans and maximizing the impact of interlinkages that exist among the SDGs and targets will be key. The UN development system has also a particularly important role to play in supporting national efforts to coordinate resources mobilization for 2030 Agenda implementation, including through the promotion of South-South and triangular cooperation. One delegation also indicated that the UN development system should support the implementation of the 2030 Agenda in countries and people under foreign occupation.

## **8. Integrated implementation of the 2030 Agenda: the role of the UNDS in addressing the needs and diverse challenges of middle-income countries**

### *A focus on integrated policy and technical support in MICS*

In the SDG era, middle income countries (MICs) are likely to demand more integrated policy and technical support from the UN development system aimed at enhancing resilience of countries to complex sustainable development challenges through improved access to technology, leveraging of private finance, legislative and regulatory strengthening, data collection and analysis, as well as capacity building of national institutions and systems and the human capital in different areas. The promotion of sustainable development would also require further support to strengthen national statistical systems and evaluation capacity, including the ability to harness the potential of the data revolution.

### *Multi-dimensional indicators and methodologies are needed to better capture MICS' challenges and opportunities*

Some middle-income countries have increased their capacities and resources in the past decade, yet continue to face complex and diverse development challenges and vulnerabilities. It is estimated that some 73 per cent of the world's poor people currently reside in MICs. Rising inequality as well as skills and capacity gaps are development challenges shared by many MICs. Income was noted by many Member States as an insufficient indicator to measure the complex multidimensional development challenges facing many MICs. Consensus is needed in the international community on



the specific multidimensional indicators and methodologies that could be used to more effectively measure development progress in MICs. The Council's Committee on Development Policy was also highlighted as a potential venue for coordinating technical work to develop effective multidimensional indicators to measure development progress in MICs. Whatever indicators of development progress are used, support should be primarily focused on assisting the most vulnerable groups in the middle-income countries.

*A more strategic approach is required to support the development efforts in MICs*

A number of Member States argued that support by the international community to MICs to address multidimensional development challenges could be made more effective and efficient if guided by a UN strategy or action plan. It was suggested that ECOSOC could be an appropriate forum to further discuss this issue at the intergovernmental level.