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**Statement by**

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**UNDER SECRETARY-GENERAL**

**UNITED NATIONS DEPARTMENT OF ECONOMICS AND SOCIALS AFFAIRS**

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***Introduction of the 2018 Report of the Secretary General on progress in the implementation of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the UN system***

**Economic and Social Council  
Operational Activities for Development Segment**

**Wednesday, 28 February 2018**

Your Excellency, Mr. Marc Pecsteen de Buytsverve, Vice-President of ECOSOC  
Distinguished Ministers and Ambassadors,  
Excellencies,  
Ladies and Gentlemen,

It is my pleasure to join you today to introduce the 2018 report of the Secretary-General on progress in the first year of implementation of General Assembly resolution 71/243 on the QCPR.

The report covers progress regarding the QCPR mandates for which Member States have already charted the way forward. On the basis of data and accounts from the ground, it assesses how the system is shifting vis-à-vis the new mandates, to better support the implementation of the Agenda at national, regional and global levels.

To gather information from the field, three DESA surveys were conducted, targeting respectively, programme countries' governments, resident coordinators, and operations management teams, with a response rate of 80 to 88 per cent. In addition, DESA conducted another survey at headquarters, to which 29 UN entities responded, that represent 98 per cent of total expenditure of UN operational activities in 2016. The report is also based on data collected through UNDOCO's Information Management System, the Secretariat of the Chief Executives Board and the High-Level Committees on management and Programme, and information from reports, documents and inputs from entities of the UN development system.

Excellencies,

The three major agreements adopted two years ago imposed very high demands on the UN development system. The present report offers a base of evidence on the current state of play to inform your deliberations on the proposals put forward by the Secretary-General on repositioning the system to meet the requirements of the new agenda.

I will highlight key messages and findings of this year's QCPR monitoring report:

*First*, the full shift needed to move from an MDG to an SDG mindset, skills-sets, architecture and organizational arrangements is still in progress, partly as it awaits Member States' decisions on critical elements.

Alignment of the system's planning and activities with the QCPR is still in its initial stages, partly due to the sequencing of internal planning and management alternatives, which need to follow from forthcoming Member States' decisions. A common chapter across four UN entities strategic plans for 2018-2021 that commits to working better together with stronger coherence and collaboration is a first step.

The implementation of the SDGs, where the UN development system has made the most contributions so far, are primarily the unfinished business of the MDGs. Namely, health, food, poverty eradication, gender equality and education. Looking forward, the UN will need to boost its capacities in the areas that go beyond the unfinished business of the MDGs.

The analysis shows that the UN is successful in assisting governments to identify those people that are furthest behind, particularly in Least Developed and Land-Locked Developing Countries, and Small Islands Developing States. But less so in helping governments reach those furthest behind -- in many cases resources were the main limiting factor.

*Second*, the capacity to deliver key functions needs to be matched to the needs of the new agenda.

Evidence shows that the system is effective in developing national capacities, but governments see the need for more systematic and coordinated approaches to capacity development, and more use of national systems and institutions. The system still needs to shift from sectoral entity-based approaches, and strengthen its own capacity to provide integrated policy advice. This will be important in middle-income countries, where Resident Coordinators pointed to the need to move away from direct support into policy advice and innovative thinking and support around resource mobilization.

*Third*, the picture is mixed on the quantity and quality of funding for operational activities for development of the UN system.

Total funding reached an all-time high of \$29.5 billion in 2016, and more than doubled in real terms between 2002 and 2016. Most of the increase in funding can be attributed to high growth in humanitarian assistance, which nearly tripled during this period.

However, the quality of funding continues to deteriorate, with only 22 per cent of total funding for operational activities in the form of core contributions. There has also been no growth in contributions to the more flexible, non-core funding modalities. Contributions to inter-agency pooled funds remain at the same level as in 2009, and contributions to broadly-earmarked thematic funds have declined in recent years.

The allocation of resources remains concentrated in a small number of programme countries. Specifically, 71 per cent of country-level expenditures in 2016 were spent in 27 countries. At the other end of the spectrum, 79 countries had under \$50 million in expenditures, of which 43 countries with under \$20 million. On average, there are 9 to 10 entities physically present in these 79 programme countries, implying that expenditures average out to \$2.7 million per entity.

*Fourth*, mechanisms and capacities in support of leveraging the partnerships needed in support of the new agenda are a work in progress.

The UN continues to engage in many partnerships through multiple avenues, but only a few entities report tracking the status and results of partnerships. More effective policies and guidelines are needed to mitigate potential reputational risk to the Organization. Evidence also points to the need for the system to develop its own capacities to assist governments in leveraging partnerships to mobilize funding, technology, knowledge and expertise.

There is good progress on south-south cooperation, which has been incorporated in most UN entities' strategic plans. Eighty-four per cent of governments report that the UNCTs have supported south-south cooperation activities. A promising new model of cooperation is being modelled in Latin America, based on a memorandum of understanding signed by government, the UNCT and the UN Office for South-South Cooperation.

*Fifth*, aligning UN presence to meet specific country needs is essential to maximize results effectiveness, efficiencies in the context of the new agenda

RCs report skills gaps especially in economic analysis and integrated approaches to SDG implementation, limited RCO capacities, the weak authority they hold of the UNCT's activities and presence. It is revealing that 94 RCs commented on potential synergies to improve human, financial and physical resources, with numerous calls for increasing joint programming or even making it the "default mode" and many proposals to improve presence on the ground.

*Sixth*, the support and interface of the system's regional and national activities needs strengthening.

Roughly half of programme countries' governments report that the regional commissions effectively contribute to regional issues of greatest relevance to their country, noting broad variations across regions. RCs' response on key areas of regional commissions' support indicates a perception of limited benefits, likely because the commissions often interface directly with governments.

These and other findings further substantiate the need to explore alternative, cost-effective programmatic models at both the country and regional levels, including to improve the substantive interface of UN country teams with the technical expertise of the regional commissions.

*Seventh*, there is a need to step up harmonization of business practices and shift to a common UNCT back-office.

A doubling of the number of Business Operations Strategies (BOS) from the previous year is a good step forward. In terms of harmonization and the potential of a common back-office, 75% of UNCTs view different rules and regulations as the largest barrier, but this may be a perceived barrier as per a recent HLCM exercise on the subject, which the UNDG and HLCM are working to address.

*Finally*, action is necessary on key aspects of results-based management.

There is strong agreement by programme countries' governments of the need to simplify the UNDAF, rationalize agency-specific planning and programming processes and improve the content and coverage of reporting to government. Knowledge management is not yet a strategic priority, and there is significant scope for more rigorous evaluation of UNDAFs and improving management response.

Mr. Vice President,  
Excellencies,  
Ladies and Gentlemen,

We hope that the findings and analysis contained in this report will serve you well as a basis of evidence to inform your deliberations forward on the repositioning of the UN development system.

We want to thank our colleagues in all agencies, but especially DOCO, the CEB, the HLCM and HLCP for their collaboration. As the custodian of the QCPR, DESA will continue to work with our partners in the UN development system as well as Member States, to ensure the quality of this reporting, as part of enhanced accountability to intergovernmental bodies.

Thank you.

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