**Opening statement by
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**2011 Operational activities segment:
"Maintaining the momentum in furthering system-wide coherence of the
United Nations development system"**

**Geneva, 14 July 2011
(Afternoon session)**

Excellencies,

Distinguished delegates,

Ladies and Gentlemen,

It is my pleasure to welcome you to the 2011 Operational Activities Segment.

38 years ago, ECOSOC decided to "carry out a comprehensive policy review of operational activities throughout the UN system". Over the years, the review has become a critical instrument to transform the UN's work in the field.

It is this same aspiration - to see the UN perform at its best to help developing countries - which brings us together today.

This year, we have the important responsibility to steer the preparations for the 2012 General Assembly Comprehensive Policy Review of UN operational activities, the QCPR. The ultimate goal of our collective efforts is to improve the

lives of people in developing countries. I cannot imagine a more stimulating undertaking.

Yet, the task is daunting. The development landscape is changing fast and profoundly. We must anticipate demands and craft solutions in advance.

Several years down the road, the UN will operate in a scenario very different from now.

Today's developing and emerging countries are likely to account for nearly 60% of world GDP by 2030, up from 49% in 2010. Since Istanbul, Member States are committed to halving the number of LDCs by 2020. Many middle income countries are catching up fast with high-income countries.

Meanwhile, climate change and other major challenges are affecting the world as a whole. The combined crises have reminded us of the vulnerability of economies.

There are signs that the commitment to aid may be waning. This has amplified the concern for results and effectiveness of development cooperation.

These changes have spurred the need for countries to develop a common agenda and joint responses. This opens opportunities for multilateral institutions that are inclusive and representative.

Yes, multilateralism is slowly gaining ground. The share of multilateral aid of total ODA has grown from 37 to 47 per cent between 2006 and 2009. The UN share of multilateral aid picked up from 30 per cent to 33 per cent in the same period.

This is a unique opportunity that the UN cannot afford to lose.

To capture it, the UN must demonstrate that it is able to produce development results in developing countries. It must be more agile in responding to changes and to various country needs. It must be more coherent to maximize its impact. It must reinforce its results-orientation. And it must be more efficient and cost-effective.

We are taking steps in this direction.

A wealth of initiatives has been launched in the wake of the 2007 milestone GA review of operational activities.

The system-wide coherence process has led to tangible results. The establishment of UN-Women – and the excellent leadership it has - consolidated United Nations strengths.

Nevertheless, more remains to be done. With the QCPR fast approaching, the time is now.

First of all, <u>agility and flexibility</u> are critical. The UN should anticipate challenges and help countries stay ahead of the curve.

It must respond to their varied and changing demands. With more countries graduating from LDC status and Middle Income Countries moving up the ladder, the current modalities of operational activities are subject to revision.

Countries reeling from conflict or natural disasters demand a different kind of development cooperation. The UN development community also increasingly stays the course during such crises. UN policies, as well as institutional set up and rules, must allow UN agencies to deploy resources and capacity fast in order to work seamlessly with each other and with other partners. The QCPR would need to identify and address the bottlenecks.

At the same time, the UN must be demand driven in all circumstances. National priorities and ownership are the ultimate denominators. This is an overarching principle established by Member States.

The Internationally Agreed Development Goals, including the MDGs and those emerging from other processes, such as Rio + 20 next year, are setting the broad framework for UN operational activities. The QCPR is expected to reiterate these dimensions.

Second, for a system of around 30 largely independent organizations, coherence should stay on top of the reform agenda.

I have seen the impact of overlapping and sometimes competing UN activities in countries of Latin America and the Caribbean.

We have to recognize that it is spurred by good intentions. Organizations rally around a priority objective or country. Member States create new structures or new funds to address pressing issues.

But there is a kind of a herding phenomenon. And at the same time, pressing issues are left unattended. There are forgotten diseases, "aid orphans" and silent emergencies And sometimes national priorities are kept aside.

The cost of incoherence is too high to bear. It may also undermine the hardly gained trust in the UN – which has been built over generations.

A few incoherencies are however rooted in the institutional setup of the UN system and in their strategic plans. And we, the Member Countries, should understand that they cannot be addressed only bottom-up.

The 2012 QCPR will be the opportunity to explore better ways to overcome overlaps and competition.

It should also spur inter-agency coordination that better fits the need in developing countries. This includes enhancing the functioning of the resident coordinator system.

Another important dimension is better coordination of intergovernmental bodies. ECOSOC should lead the way. I am proud to report that in March, the Bureau of the Council for the first time met the bureaux of the Executive Boards. This is a small step, but one of many to build coherence. Let us allow the experimentation to grow.

Third, greater impact requires a strengthened <u>results orientation</u>.

There is scope to do so. Results frameworks, for example the strategic plans, can be further improved in the wake of the QCPR.

Of equal importance is to cultivate a culture of results orientation by enhancing results-based performance management.   The evaluation function across the system should be reinforced.   The GA resolution on system-wide coherence launched a major process to do so.

The QCPR should give impetus to such efforts. At the same time, it is critical to keep the focus on long term development results. The purpose of the UN is to help poor countries as they overhaul their economies and uproot deeply enshrined poverty. It can not be done overnight. Although it is felt deeply in the daily lives of people, it cannot be measured easily.

Fourth, the UN system must maximize the share of resources that directly support developing countries. It has to function in the most cost effective way.

Since 1997, reforms in the area of programmes have far outpaced those in the area of administration. The time has come for UN business operations to be up to the speed. UN Executive Heads have launched joint efforts to this end.

UN agencies must invest to track and lower transaction costs. I call on you to consider further support and guidance for the UN system to optimize, simplify and harmonize their business systems in the context of the QCPR.

Let us not look down upon small changes as we engage in the QCPR. From small beginnings could come great things.

Let us not either shy away from bold ideas - and even iconoclast views - as we engage in this important review. When the GA launched consultations on system wide coherence, there seemed to be no appetite for big-bang reforms. Yet, UN Women was born of this process.

This brings me to the end of my remarks. As the famous Swiss proverb goes, "Words are dwarfs, deeds are giants". Let's get down to the important work that is before us and make the segment a successful one.

I wish you very lively and fruitful deliberations. Thank you.