



**STATEMENT BY MR. A. GOPINATHAN, DEPUTY PERMANENT REPRESENTATIVE, ON AGENDA ITEM 3: OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION AT THE SUBSTANTIVE SESSION OF THE ECONOMIC AND SOCIAL COUNCIL ON JULY 12, 2005**

Mr. President,

We extend to you our congratulations on the able manner in which you have guided the discussions in the Operational Activities segment. We associate ourselves with the statement made by the distinguished representative of Jamaica on behalf of the Group of 77.

We thank the Secretary-General for the reports prepared for the Operational Activities segment in compliance with the request of the General Assembly resolution 59/250. The report on Management process for the implementation of GA resolution 59/250 on the Triennial Comprehensive Policy Review of Operational Activities for Development of the UN System has made an attempt to identify the key issues highlighted in the resolution and of setting targets and benchmarks for the implementation of these key issues. Similarly, the report on funding options and modalities for financing operational activities and the Conference Room Paper on the consolidated list of issues related to the coordination of operational activities, prepared for the panel discussions, provide a basis for the discussions on follow up to the resolution.

Mr. President,

The report identifies the importance attached in the 2004 review to national ownership, national strategies and priorities, the need for focus on long-term development challenges, enhancement of national capacity to pursue poverty eradication, sustained economic growth and sustainable development, as well as the need to pursue full implementation of the internationally agreed Development Goals, including those contained in the Millennium Declaration. We agree that constant efforts by all organizations of the UN system are required to ensure that country-level operations are carried out for the benefit of the recipient countries, at their request and in accordance with their own development policies and priorities. The 2004 review emphasized the responsibility of the national Government to coordinate all types of

external assistance and effectively integrate such assistance into their development process.

In the area of capacity building, the report recalls that the General Assembly reiterated that the United Nations organizations should use, to the fullest extent possible, national execution and available national expertise and technologies in implementing their operational activities. The General Assembly encourages all organizations of the UN development system to include reporting on their capacity building activities in their annual reports to their respective governing bodies. The 2004 review emphasizes the importance of South-South Cooperation and triangular cooperation. The General Assembly urged all the organizations of the system to mainstream in their activities modalities to support South-South Cooperation.

Mr. President,

As the General Assembly recognized in the 2004 review, the strength of the United Nations operational system lies in its legitimacy, at the country level, as a neutral, objective and trusted partner for both recipient country and donor countries. In its attempt to streamline its functioning, the UN development system has been engaged in a series of reforms over the last few years to improve its efficiency and effectiveness, while decreasing transaction costs and improving coordination. The objectives behind the reform process are undeniably attractive. However, perhaps, it is time to analyze whether in the excessive focus on process, results have been overshadowed. The effectiveness of the UN development system can only be assessed on the basis of the results achieved in assisting developing countries in realizing their development goals.

As the Resident Coordinator system is strengthened, it is expected that it would result in improved coordination and avoidance of duplication, while improving the overall visibility of the UN at the country level. At the same time, it is necessary that individual agencies retain the flexibility to fulfill their respective mandates without being overshadowed by the larger agencies in the field. Similarly, UN Houses are expected to improve cohesiveness and foster closer ties among UN agencies and their staff, leading to better coordination and stronger cooperation amongst them. The benefits of such pooling of resources are obvious. UN Houses have already been established in sixty countries. We believe that a review of the impact of the reforms, not just the financial savings that would accrue, but also on the performance of the agencies represented at the field, forms a natural component of the reform process. While analyzing the net benefits of the reforms, it would be useful to take into account the perspective of the smaller agencies.

Mr. President,

The primary requirement for enhancing the capacity of the UN system to achieve development results is, no doubt, the predictability, long term stability, reliability and adequacy of its funding. The 2004 review devoted an entire section to the aspect of funding for operational activities. It emphasized that funding operational activities for development should focus on long term development challenges based on national

development strategies. The section emphasized that increasing financial contributions to the UN development system is key to achieving the MDGs. The resolution stressed that core resources, because of their untied nature, continue to be the bedrock of the operational activities and called for substantial increases in the core/regular resources of the UN development system. The resolution also urged developed countries that have not yet done so to make concrete efforts to reach the Official Development Assistance target of 0.7% of the GNP.

The report indicates that despite the different "core" funding modalities adopted by the funds and programmes, specialized agencies and other UN entities, all of them face the same challenge, namely that of securing a steadily growing flow of resources for their core budgets. Despite some positive trends in levels of ODA, core resources have not grown significantly over the period from 1996 to 2003 and most funds and programmes are experiencing an increasing disparity between the core and non-core resources. Lack of sufficient core resources for both administration and programme development, according to the report, represents the single most important constraint on the performance of development entities.

The Secretary-General's report stresses that action to ensure that the level of UN development cooperation funding is adequate, should be accompanied by measures to introduce much greater predictability and long term stability to such funding. The report on funding identifies some of the adverse consequences of short-term solutions, like the expansion of supplementary funding. The competition created by dependence on supplementary funding, if excessive, would restrict the space for a strategic approach, while introducing the risk of distortion in priorities and result in introducing conditionalities in the long term. The report identifies the Multi-year Funding Framework as having the potential to increase core funding, or at least the predictability of core resources. Even as we look at non-traditional modalities for funding the operational activities, there should be no compromise on the basic attributes such as multilateralism, neutrality, flexibility, universality, voluntary and grant nature of such funding. Care would be necessary to ensure that non-traditional modalities of funding do not introduce new conditionalities.

The 2004 review has come at an important juncture, on the eve of the five-year review of the implementation of the Millennium Declaration. The UN development system can make a valuable contribution to the efforts being made by developing countries to achieve the Development Goals of the Millennium Declaration. It is important that we strengthen the operational arm of the UN by providing it with stable, reliable, untied and adequate flow of resources to equip the UN system for the role that we as Member States expect of it. Donor countries must join the efforts of the developing countries in a spirit of global partnership and solidarity in our collective determined efforts to achieve the MDGs. We expect that the High Level Plenary Meeting of the General Assembly in September would address this important issue and lead to the fulfillment of the 0.7% of GNI target for ODA for donor countries.

Thank you, Mr. President.

[BACK TO TABLE OF CONTENTS](#)