

**Economic and Social Council**

Provisional

12 October 2000

Original: English

Substantive session of 2000**High-level meeting of the operational activities segment****Provisional summary record of the 29th meeting**

Held at Headquarters, New York, on Tuesday, 18 July 2000, at 3 p.m.

President: Mr. Niehaus (Vice-President) (Costa Rica)**Contents**Operational activities of the United Nations for international development cooperation (*continued*)

- (a) Follow-up to policy recommendations of the General Assembly and the Council (*continued*)
 - (i) Resources and funding of the operational activities for development (*continued*)
 - (ii) Simplification and harmonization of programming, operational and administrative procedures (*continued*)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent *within one week of the date of this document* to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.

In the absence of Mr. Wibisono (Indonesia), Mr. Niehaus (Costa Rica), Vice-President, took the Chair.

The meeting was called to order at 3.20 p.m.

Operational activities of the United Nations for international development cooperation (*continued*)
(E/2000/7, E/2000/20, E/2000/36 and E/2000/54; E/2000/CRP.1)

(a) Follow-up to policy recommendations of the General Assembly and the Council (*continued*):

- (i) Resources and funding of the operational activities for development** (*continued*)
- (ii) Simplification and harmonization of programming, operational and administrative procedures** (*continued*)

1. **Mr. Mazhukhou** (Belarus) said that his delegation attached great importance to operational activities of the United Nations system, and commended the work of the funds and programmes in the interests of many countries, including Belarus. He welcomed the steps being taken to improve the quality of services and the effectiveness of programmes, particularly the enhancement of monitoring and evaluation mechanisms, the strengthening of country offices, the simplification of administrative procedures, the improvement of accountability and the facilitation of field offices' access to centrally managed funds.

2. Clearly, the most significant element in determining the effectiveness of operational activities was reliable funding. Owing to continuing cutbacks in core resources, the introduction of the multi-year funding framework (MYFF) was one way to ensure predictable funding, and it deserved the support of member States. The policy of the United Nations Development Programme (UNDP) in the area of communications and information focused on dialogue with Governments, the private sector in leading donor countries and non-governmental charitable organizations and funds with a view to ensuring joint funding of specific projects and programmes. The potential for closer cooperation between United Nations funds and programmes and the Bretton Woods institutions, non-governmental organizations, civil society and Governments in solving financial difficulties and improving the effectiveness of

operational activities for development had yet to be fully explored.

3. The preparation by the United Nations Children's Fund (UNICEF) of a medium-term plan which included the identification of core activities as well as long- and medium-term goals for such activities, was a good example of practical cooperation between Governments and the non-governmental sector. The plan laid the groundwork for the preparation of country cooperation programmes which reflected national priorities and those of the medium-term strategic plan.

4. He welcomed the steps that had been taken to decentralize operational activities and strengthen country offices. The strengthening of the resident coordinator system would help to achieve better results from operational activities and to increase cooperation among agencies of the United Nations system. It was important to promote cooperation between the resident coordinators and the Governments of their host countries through regular consultations. The resident coordinators should at all times seek the cooperation of Governments in implementing decisions of high-level conferences and meetings held under United Nations auspices.

5. Belarus valued the role of the United Nations system in the development process, and its Government cooperated actively with the UNDP country office on a co-financing basis. The UNDP country team in Belarus strove to align its work with national development priorities. The UNICEF Regional Office for the countries of Central and Eastern Europe and the Commonwealth of Independent States, and the UNICEF office in Minsk played a significant role in helping Governments and non-governmental organizations to solve problems in the areas of childhood and maternity.

6. Belarus encouraged United Nations funds and programmes to become more actively involved in the implementation of specific projects to assist Belarus, the Russian Federation and Ukraine in mitigating the long-term consequences of the Chernobyl disaster. His delegation hoped that the financial position of the United Nations system as a whole would be stabilized and that the reforms in progress would enhance the effectiveness of its funds and programmes. Belarus would continue to participate actively in the reform process and, in that regard, supported unconditional adherence to the principle that programme activities

should be universal and take due account of the interests of all countries, including the specific needs of countries in transition.

7. **Mr. Zarie Zare** (Observer for the Islamic Republic of Iran) said that his delegation associated itself with the statement made by the representative of Nigeria on behalf of the Group of 77 and China. The activities of United Nations funds and programmes played an important role in supporting national development efforts and provided a platform for cooperation between developing and developed countries. The universal, voluntary, neutral and multilateral character of those activities provided a unique opportunity for flexible responses to the needs of programme countries. However, insufficient funding jeopardized the ability of the United Nations system to respond to global challenges and to implement the decisions of its major conferences. Moreover the efforts of the United Nations system to strengthen national ownership of programmes and integrate them into the national development process could be adversely affected.

8. A key factor in the loss of core resources was the decline in official development assistance (ODA), which had fallen by 21 per cent in real terms in countries members of the Organisation for Economic Cooperation and Development over the period 1992-1997. In 1998, ODA had been 0.24 per cent of the gross domestic product, as compared with the United Nations target of 0.7 per cent. Moreover, between 1992 and 1999 the share of ODA funds in the core resources of development funds had declined by about 25 per cent. While non-core resources could help to expand the capacity of funds and programmes, they were no substitute for a solid foundation of regular and core resources. Another major constraint on the programmes was the shifting of ODA resources from operational activities for development to other activities, such as emergencies and debt initiatives, which should be funded from new and additional sources of financing. The only way to stem the continuing decline in core resources was to strengthen the political will of the donor community.

9. The modalities for simplifying and harmonizing programming, operational and administrative procedures should facilitate fulfilment of the mandates of the funds and programmes, without extra cost to the organizations and recipient countries concerned. At headquarters, such modalities should take account of

existing arrangements and inter-agency cooperation, since each fund or programme had its own rules and procedures. The main objective should be to achieve accountability and improve operational activities. The modalities should also focus on the fundamental role of Governments in managing and implementing development programmes and projects, and should reflect the procedures prevailing in programme countries. There should be full consultation with Governments and full national involvement in the design, implementation and evaluation of programmes and projects. The efforts and resources allocated for the programming and coordination of such modalities represented transaction costs for both recipient countries and system organizations. Such costs should be considered in the analysis of the efficiency and effectiveness of the United Nations system's development support and its operational activities.

10. **Ms. Leonce** (Saint Lucia) said that her delegation fully supported the statement by the Group of 77 and China. Saint Lucia viewed the discussion on operational activities for development in the context of the ongoing discussions on an international development strategy for the next millennium, the forthcoming Millennium Assembly and the upcoming high-level event on financing for development. All Member States should participate in formulating the new development agenda so that all peoples could benefit from the globalizing economy. Development must be approached in an integrated manner, and the issues of the financial, monetary and trading systems must be fully assessed.

11. Saint Lucia attached great importance to the central role of the United Nations and its operational activities, particularly in the light of the accelerated pace of globalization and trade liberalization. The needs of developing countries were increasing, and funding for operational activities must be secured. She was concerned at the continuing decline in core resources for funds and programmes, especially for UNDP. At a time when donor countries were more capable than ever before of giving, a disproportionate amount of development costs was being borne by small States. Moreover, the little that was given was subject to so many conditionalities that it became meaningless. Any serious discussion of good governance must address the undemocratic decision-making processes of international development institutions. Corrupt countries had received just as much or more aid than

others, and stable democracies with a sound institutional infrastructure were being barred from concessional financing. Non-core resources were continuing to be allocated according to political, strategic and economic interests. Those resources should be governed by the same rules and priorities as core resources and be spent in a transparent manner.

12. The decline in core resources undermined international development cooperation and marginalized the role of the United Nations in the development process. The resources needed for the Organization to fulfil its mandate were being deliberately withheld or subjected to conditions. That question should be specifically addressed at the next policy review session.

13. While her delegation welcomed the continuing dialogue with the Bretton Woods institutions, it stressed that such cooperation must be conducted in full consultation with Governments and in the light of national development priorities. It should include other institutions involved in the development process, such as the World Trade Organization. The ongoing simplification and harmonization of procedures must also be conducted in close consultation with Governments.

14. Small vulnerable States increasingly depended on the United Nations to ensure that development mechanisms addressed their concerns and needs. As for good governance, if the countries that were capable of financing development denied the United Nations the resources to meet development needs, they had no right to pontificate on the principles of good governance or human rights. Saint Lucia hoped that the Council would address the question of finance and development in a holistic manner in the context of globalization and trade liberalization. Only genuine partnership could ensure that all peoples benefited from the global economy.

15. **Mr. Nguyen Xuan Ang** (Viet Nam) said that, over the past 50 years, the operational activities for development of the United Nations system had yielded notable results. Because of the enormous development challenges facing the international community, effective development cooperation was more necessary than ever before. Significant reforms had been made in both the substance and the working methods of United Nations funds, programmes and agencies. Viet Nam had expanded its cooperation with the United Nations

in the areas of policy dialogue, strengthening of institutional capacity, human resources development and advocacy, and had made serious efforts to implement the resolutions and decisions of the General Assembly and the Council concerning the simplification and harmonization of programming and operational and administrative procedures. A common country assessment had been conducted to identify key development issues in Viet Nam. On the basis of those findings, a second United Nations Development Assistance Framework was being developed for Viet Nam.

16. His delegation shared the grave concern at the continuing decline in core resources, since that was a serious obstacle to the enhancement of United Nations operational activities. If that situation was not reversed, the ongoing reforms would not bring about the desired results. Simplification and harmonization should not lead to extra burdens for programme countries and the field offices of United Nations funds, programmes and agencies. The process should also be guided by the fundamental principles governing the United Nations operational activities. His delegation strongly supported the impact evaluations being undertaken within the United Nations system.

17. Cooperation between Viet Nam and the United Nations dated back to 1977. On the whole, the resources provided under United Nations programmes in Viet Nam had been put to good use. The central goal of cooperation between the Organization and Viet Nam was to facilitate sustainable and equitable social and economic development, with a view to eradicating poverty by 2010. Viet Nam was determined to strengthen its cooperation with the United Nations development system and support reforms to make the Organization's development activities more effective and efficient.

18. **Ms. Izata** (Angola) said that her delegation associated itself with the statement made by Nigeria on behalf of the Group of 77 and China. The current discussion of operational activities for development was of particular relevance for Angola, which had enjoyed extraordinary support from United Nations agencies in recent years on the basis of three-year programmes set up within a general cooperation framework. Owing to the current situation in Angola, the programme for the triennium 1997-1999 would remain in effect until the end of 2000.

19. With financial support from UNDP, Angola had implemented measures in the areas of good governance, business management, poverty eradication, restoration of community infrastructure and post-conflict capacity-building. Approximately \$69 million had been spent during the current cycle. The Angolan Government had given special attention to the reintegration of former soldiers through job-training programmes and reinforced capacities for the coordination of humanitarian, community rehabilitation and business management activities. An assessment of the implementation of those projects would shortly be conducted with a view to facilitating the preparation of the next three-year programme which was scheduled to start at the beginning of 2001.

20. Invaluable support had also been received from other United Nations bodies including the World Food Programme, the Food and Agriculture Organization of the United Nations, the United Nations Population Fund (UNFPA) and UNICEF. UNICEF was currently supporting the Government's implementation of emergency and recovery plans in the fields of health, education and water supply, at an estimated cost of \$40 million. Her delegation fully agreed with the need to harmonize the programme cycles of funds and programmes with each other and with national and budgetary planning cycles. The current financial crisis of the Organization and its agencies had made it impossible to increase the amounts allocated for the various programmes or to extend support to other areas. In order for the United Nations to play its full part, agreed levels of resources for development must be forthcoming.

21. **Mr. Oratmangun** (Indonesia) said that his delegation associated itself with the statement made by Nigeria on behalf of the Group of 77 and China. The issue of operational activities for development was of central importance for developing countries such as Indonesia. Despite the gains of the past 50 years, severe poverty and inequality, disease, pollution and other threats to the human condition were still widespread. While those challenges necessitated an international response, the continuing decline in funding posed an acute threat, particularly in the light of the increasing requirements of programme countries. His delegation welcomed the initiatives on the part of United Nations funds and programmes to increase core resources in order to achieve the agreed levels of funding on a predictable, continuous and assured basis. The funds and programmes, as well as Member States,

should endeavour to achieve a substantial increase in resources for operational activities for development.

22. There was still room for improvement of the harmonization and simplification of procedures. That objective should be pursued in full consultation and cooperation with programme countries. Procedures should be adapted to the needs of the developing countries in the context of decentralization, and efforts must be made to ensure that assistance from the United Nations system was integrated into national development processes.

23. While his delegation supported the simplification and harmonization of operational rules and procedures, such changes should not entail additional burdens for programme countries. However, the simplification and harmonization process should proceed expeditiously, since that would help the developing countries to formulate and implement operational activities effectively, and would increase ownership by the respective countries.

24. **Mr. Alemán** (Observer for Ecuador) said that his delegation supported the statement made by Nigeria on behalf of the Group of 77 and China. His Government was fully committed to the principles of international solidarity and development cooperation, which were essential in an increasingly interdependent world. UNDP should become a genuine development and humanitarian assistance agency with the capacity to generate viable alternatives for all Member States requiring its assistance, foster their development and prevent and mitigate the impact of natural disasters. The Programme's involvement in post-conflict situations should not divert resources from development programmes in other areas that could give rise to social unrest. All Member States should redouble their efforts to provide to the Programme with the resources it needed to operate effectively and efficiently and should support its current restructuring measures. Multilateralism must be given a chance to function as a valid mechanism for international development cooperation.

25. UNDP had the institutional capacity to respond to the growing needs of the developing countries, and all Member States should be responsible for strengthening multilateral cooperation mechanisms in order to build a more equitable world. Ecuador would demonstrate that political will by participating in the Executive Boards of UNDP/UNFPA beginning in January 2001.

The meeting rose at 4.15 p.m.