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Chair: Mr. Diallo (Senegal)
later: Mr. Dhanapala (Vice-Chair) (Sri Lanka)

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The meeting was called to order at 10.15 a.m.

Agenda item 24: Operational activities for development:

(a) Operational activities for development of the United Nations system (A/68/97-E/2013/87)

(b) South-South cooperation (A/68/212)

1. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs), introducing the report of the Secretary-General on the analysis of funding of operational activities for development of the United Nations system for 2011 (A/68/97-E/2013/87), said that, as in previous years, it consolidated financial data on contributions and expenditures of United Nations entities that had reported such funding in 2011. It also contained an in-depth analysis of funding issues that impacted the ability of the system to respond to country needs and examined the system's efficiency and effectiveness.

2. Contributions for operational activities for development in 2011 had been concentrated in a small number of United Nations entities, with the top 10 accounting for some 88 per cent of all funding. Long-term trends in such funding had been favourable but the pace had slowed down in the short term. While contributions by developing countries had increased by 16 per cent in nominal terms since 2006, the small number of donor countries that continued to be relied on for core funding to the United Nations development system remained a concern.

3. The report showed that the core ratio for development-related contributions of major donors to the system was considerably higher than was suggested by the aggregate figure. As for non-core funding, that had grown exponentially over the previous 15 years, with implications for the fragmentation, programme coherence and overall efficiency of United Nations operational activities for development. General Assembly resolution 64/289 had therefore urged improved governance and oversight of such funding and requested the inclusion in annual reports of an assessment of how it was aligned with the strategic plans of organizations. The predictability of core and non-core funding, together with reliability and stability of funding by individual contributors, continued to be a challenge. There was a significant difference in the distribution of programme support and management costs between core and non-core funding sources. Once

such costs had been recovered, only 66 per cent of core funding was available for programme activities, as against 90 per cent for non-core funding.

4. According to preliminary figures, total contributions for United Nations operational activities for development were estimated to have increased by 5 per cent in nominal terms in 2012 as compared with 2011. The core ratio of total contributions had dropped slightly to 27 per cent. That had to be seen, however, in the light of the change by a number of United Nations entities in 2012 from the United Nations System Accounting Standards to the Public Sector Accounting Standards; the impact of that change on trend analysis would need to be reviewed in greater detail in the near future.

5. **Mr. Zhou Yiping** (Director, United Nations Office for South-South Cooperation), introducing the report of the Secretary-General on the state of South-South cooperation (A/68/212), said that it considered in turn the new political dynamics shaping such cooperation; economic issues; social issues and interactions; the implications of environment and climate change; and the positive effects of South-south cooperation on the economic life of least developed countries. It also took stock of a new dynamism in regional and interregional South-South collaboration, reflected in a number of significant developments. He drew attention to the continuing support given by traditional donors to triangular cooperation which, together with South-South cooperation, was also attracting increased support from United Nations system bodies. Notwithstanding the surge in South-South exchanges, much remained to be done, however, to meet the needs of billions of people who still lacked electricity, clean water, sanitation and many other essential goods and services. The Secretary-General had therefore made six recommendations to Member States, set out in part V of his report; it was hoped that the Committee would give serious consideration to them in its deliberations.

6. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, expressed concern about the decline in core funding for development-related activities, despite the growth in non-core resources, and urged that it be given priority by donors. Core funding was the bedrock of the United Nations operational activities for development and crucial to the follow-up on the quadrennial comprehensive policy review, which was essential in ensuring that

communities most in need around the world benefited from development. The interim coordination mechanism for system-wide evaluation of operational activities for development was an important part of the review process: the Group welcomed its proposals and looked forward to an agreement on the themes for the pilot evaluations; they needed to be undertaken as soon as possible so as to ensure systematic feedback on the policy guidance resulting from the review.

7. Poverty eradication remained the overriding priority for developing countries and must be a core focus of United Nations activities for development, as recognized in General Assembly resolution [67/226](#). The ability of the United Nations development system to fulfil that mandate would be the litmus test of its operational activities. The Economic and Social Council had been reformed to enable it to long continue to provide the necessary oversight regarding the review process; those changes might require in turn changes to reporting cycles on the implementation of the review.

8. The Group welcomed the Secretary-General's recommendations on South-South cooperation and reiterated its position on the actions needed to strengthen further the United Nations Office for South-South Cooperation. Support for South-South and triangular cooperation should be mainstreamed by all the specialized agencies, as already agreed by some funds and programmes. Such cooperation was an effective means of enhancing the participation of developing countries in the global economy, allowing them to benefit from the best practices of other countries. The United Nations development system would do well to draw on the databases and knowledge of the Office, which had a system-wide coordination role. South-South cooperation, firmly rooted in agreed principles and supported by the United Nations development system, would truly complement North-South cooperation worldwide.

9. *Mr. Dhanapala (Sri Lanka), Vice-Chair, took the Chair.*

10. **Mr. Bart** (Saint Kitts and Nevis), speaking on behalf of the Caribbean Community (CARICOM), said that CARICOM continued to be concerned about the inadequacy and unpredictability of funding for operational activities for development and the resulting limitations, exacerbated by global crises, particularly the slow recovery of the world economy. Those

activities must continue to focus on poverty reduction, economic growth and sustainable development; they must be carried out at the request of countries, in accordance with their national policies and priorities, with adequate resources provided in a predictable fashion through the United Nations development system. The system played a crucial role in the transfer of new technologies to developing countries and provided them with the full range of services, including regional commissions and subregional offices.

11. The growing imbalance between core and non-core funding had been fashioned to suit donor countries at the expense of recipient countries. Despite the rationale for greater funding from non-core resources, such funding was unpredictable and increased operational costs and fragmentation. It was important to right that imbalance in order to ensure that development assistance was both responsive to national policies and free of conditionalities. The achievement of a critical mass of core resources could enable recipient countries to address their development challenges through national capacity-building.

12. CARICOM continued to be concerned that official development assistance (ODA) had not met the targets to which donor countries had committed themselves. Without considerable increases, the basic goals of recipient countries would be jeopardized. In that context, it was important to integrate South-South cooperation into the United Nations system, without sacrificing North-South cooperation.

13. **Mr. Alemu** (Ethiopia), speaking on behalf of the African Group, said that the Rio+20 outcome document had ushered in a new phase in international development cooperation, to be built on the Millennium Development Goals (MDGs) and leading into the post-2015 development agenda. That meant that the very nature of such cooperation was currently being defined for years to come and underlined the crucial role of both the Open Working Group on Sustainable Development Goals and the High-level Political Forum on Sustainable Development.

14. The centrality of the United Nations development system in that transformative process was clearly spelled out in General Assembly resolution [67/226](#) on the quadrennial comprehensive policy review which, like the Rio+20 outcome document, emphasized that poverty eradication was currently the greatest global challenge, with particular reference to Africa. It was

true that primary responsibility for the eradication of poverty rested with the countries directly affected, but the role of their partners, and first and foremost the United Nations development system, was also critical, especially as driven by core resources. The growing imbalance between core and non-core resources was for that reason a priority concern: while non-core resources addressed real needs, they had a number of disadvantages, noted in the Secretary-General's report (A/68/97-E/2013/87, para. 11), and were less likely to increase ownership of development strategies by programme countries.

15. The "One United Nations" initiative was supported by the African States as a means of enhancing the ownership of programme countries. They looked forward to receiving detailed guidance on its operating principles and notably on the challenge posed by the specific mandates of participating entities and the need for vertical accountability. The African Group also recognized the potential of South-South and triangular cooperation for enabling recipient countries to achieve their national goals, particularly through the development of their human resources, and welcomed the call to ensure that gender dimensions were systematically addressed in development planning.

16. **Mr. Le Hoai Trung** (Viet Nam), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the development pillar was of primary importance in the work of the United Nations and helped to shore up all its other activities. United Nations operational activities should promote national and regional ownership and reflect programme countries' own policies. The decreased funding for those activities and the continuing decline in ODA gave rise to concern. While welcoming growing contributions from developing countries, ASEAN called on donor countries to increase core funding of operational activities so as to ensure that they remained neutral, voluntary, universal and multilateral. It encouraged the United Nations development system to continue to provide assistance in the areas of poverty eradication, South-South cooperation, gender equality and women's empowerment, and sustainable development, and to give special attention to capacity-building.

17. ASEAN supported the reform of the system with a view to ensuring greater coherence, effectiveness and efficiency while recognizing the challenges of

simplifying and harmonizing business practices. Strong government ownership was critical, promoted in particular by the "Delivering as one" initiative in pilot and self-starter countries, which however still needed to be strengthened, bearing in mind the principle of "no one size fits all". ASEAN encouraged greater recourse to triangular cooperation, while calling on the United Nations to make a greater effort in favour of South-South cooperation, as a complement to but not a substitute for North-South cooperation.

18. **Mr. León González** (Cuba), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), agreed that operational activities should be carried out under the leadership of programme countries and in accordance with their national development priorities. Those activities should be determined by the specific mandate of the organization concerned, particularly its contribution to the overarching priority of poverty eradication. CELAC was concerned about the lack of progress on the concept of critical mass of resources and in efforts to address the imbalance between core and non-core resources and increase support for South-South and triangular cooperation. It believed that United Nations agencies, funds and programmes should be more involved in the CELAC region and physically represented there, particularly in middle-income countries. It called for more effective participation of developing countries in the governance of the United Nations development system, through innovative ways of associating them with its intergovernmental decision-making structures, in accordance with the principle of equitable geographical representation.

19. **Mr. Kommasith** (Lao People's Democratic Republic), speaking on behalf of the Group of Landlocked Developing Countries, said that it was critically important for developed countries to prioritize core funding for United Nations operational activities. Non-core resources should be made more flexible and aligned with national priorities; they were not a substitute for core resources.

20. In the context of a surge in bilateral partnerships, regional integration and international cooperation among countries of the South, landlocked developing countries had grown increasingly dependent on their neighbours and other developing countries and looked to emerging economies as major development actors and, in many cases, as leading trading partners and sources of direct investment and technology. South-

South and triangular cooperation needed therefore to be strategically focused on the challenges facing them, such as building resilience, economic diversification, infrastructure development, capacity-building and increasing trade and access to markets. The Group called on development partners and other countries to join in making voluntary contributions to the trust fund that it had established in preparation for the Ten-Year Review Conference on the Implementation of the Almaty Programme of Action, to be held in 2014.

21. The Group looked forward to the launch of the South-South Technology Transfer Facility for Landlocked Developing Countries, which would be a platform for transferring technologies to develop and strengthen production capacities. South-South cooperation was a complement to, but no substitute for, North-South cooperation and, as such, merited the full support of the United Nations system and development partners.

22. **Mr. Zinsou** (Benin), speaking on behalf of the Group of Least Developed Countries, asked why 52 per cent of the United Nations system's budget allocations in 2011 had gone to least developed countries, in contrast with the minimum figure of 60 per cent recommended by the Executive Board of the United Nations Development Programme. As the most vulnerable countries, they were in great need of United Nations support. They called on United Nations entities to incorporate the Istanbul Programme of Action in their respective work programmes and on Member States to ensure that at least two thirds of all United Nations operational activities were directed towards them. Those activities needed to be given a boost in the form of sufficient funding: the decline in core resources was a serious constraint on the financing of development. Moreover, the United Nations Development Assistance Framework must be aligned with national priorities: development programmes must be needs-based and not demand-based; they should not be bound by political conditionalities. There had to be a balance between national sovereignty in the framing of economic policy and collective governance.

23. South-South and triangular cooperation was of key importance to least developed countries and a vital force in the global economic landscape. Those countries therefore welcomed the opportunity to benefit from the capacities, resources and institutional experience of the countries of the South, and in particular from the technological know-how of

emerging countries. However, such cooperation had still not achieved its full potential: increased investments from the countries of the South would help to speed up the process of their industrialization. Emerging countries also stood to benefit, as they would thereby have a greater market share in expanding economies. Since, in addition, several countries in the Group were key sources of raw materials, the strengthening of South-South cooperation would be mutually beneficial. Least developed countries therefore called for the optimization of South-South and triangular cooperation and requested the support of the international community for a ministerial conference to be held in Cotonou in April 2014, which would give decisive impetus to the expansion of such cooperation.

24. **Mr. Vrailas** (Observer for the European Union), speaking also on behalf of the candidate countries Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Bosnia and Herzegovina; and in addition, Georgia, Liechtenstein, the Republic of Moldova and Ukraine, welcomed the progress made in implementing the quadrennial comprehensive policy review. In particular, the United Nations Development Group (UNDG) had conducted a useful review of the funding of the resident coordinator system. All funds, programmes and specialized agencies were urged to implement and monitor the cost-sharing arrangement in support of that system in order to ensure the availability of the necessary resources for greater impact at country level. The European Union and its member States also urged UNDG to operationalize the standard operating procedures for countries wishing to adopt the "Delivering as one" approach; those procedures should be fully implemented by the entire United Nations development system by the end of 2013; it was also important to streamline programming, funding, reporting and accountability mechanisms. A robust and coherent framework for monitoring and reporting on the implementation of the review remained crucial and required the use of consistent indicators and efforts in order to keep transaction costs and reporting burdens to a minimum, particularly at country level.

25. Non-core resources were an important complement to core resources, which were nevertheless the bedrock of the development system's activities. Both should be delivered in such a way as to promote

coherence, respond to the needs of programme countries and achieve the maximum development impact. The principles of national ownership, results-based planning, inclusiveness, transparency and accountability should guide the funding practices of all Member States, while the United Nations system should ensure robust results frameworks and results-based management systems. At a time of budgetary restriction, it was all the more important that the scant resources available should be used effectively and efficiently.

26. **Mr. Raja Zaib Shah** (Malaysia) said that South-South cooperation was a vital part of international cooperation for development and an essential basis for national and collective self-reliance. While primary responsibility for its implementation rested with developing countries themselves, the international community also needed to support the efforts of developing countries to expand it. Within that framework, triangular cooperation offered opportunities for cooperating with developed countries and other development partners in providing technical assistance to developing countries. Malaysia, for its part, welcomed such opportunities, having become an increasingly active international partner for development, particularly under its technical cooperation programme. South-South cooperation was not, however, a substitute for cooperation between developed and developing partners and Malaysia hoped that it would not prevent developed countries from continuing to cooperate significantly with less developed economies.

27. **Mr. McLay** (New Zealand) said that the UNDG action plan developed in response to the quadrennial comprehensive policy review had had four signal effects that were particularly supported by New Zealand. The priority given to a common set of results-based management tools would enable Governments to demonstrate convincingly to their constituencies the positive impact of United Nations operational activities. The streamlined United Nations Development Assistance Framework would foster a clear division of labour among United Nations entities and respond better to each country's needs and priorities. The new "Delivering as one" standard operating procedures would enable the benefits of that approach to be shared more widely. Lastly, the integration of the issues of women's empowerment and gender equality, persons with disabilities and disaster

risk reduction would contribute to more inclusive, sustainable and equitable development. It was essential to secure the commitment of all United Nations entities to the implementation of the action plan and his delegation looked forward to reports on the progress achieved. It also looked forward to hearing about the steps taken to give effect to the Plan of Action for the Harmonization of Business Practices in the United Nations System.

28. **Mr. Lazarev** (Belarus) voiced concern about the steady decline in core funding, which played an essential role in ensuring that the United Nations development system provided reliable and independent support for development. It was crucial that developed countries fulfil their development financing commitments, the shortfall in which was not offset by a few cases where increased core resources had enabled United Nations entities to raise the level of financing for country programmes. In addition, efforts were needed to widen the donor base and put in place reforms to reduce administrative costs and thereby free up resources for programme activities. His delegation looked forward in that connection to substantive discussions on the concept of a critical mass of core resources.

29. Targeted assistance should clearly show that United Nations entities and programmes continued to cooperate with developing countries, including the least developed among them, after they had achieved a higher level of development. In the case of middle-income countries, such assistance should be designed to ensure their transition to developed country status. It was unacceptable that such countries should be punished for their success in specific areas of development or be driven back down to developing country status by the volatile global economic situation. The United Nations system needed to adopt a single comprehensive approach to cooperating with those countries, while at the same time encouraging them to share their experience and knowledge with developing countries.

30. **Mr. Wennubst** (Switzerland) welcomed General Assembly resolution [67/226](#) on the quadrennial comprehensive policy review, which had already translated into significant progress in a number of areas. He noted, however, that the development of the new standard operating procedures had shown the need for a number of supporting measures to ensure their success. Switzerland called on UNDG to fully

implement those measures and report thereon in early 2014. UNDG and the High-level Committee on Management were also urged to continue their efforts to meet the request made by Member States in regard to the simplification and harmonization of business practices, and to do so in accordance with the timeline set by the Economic and Social Council. His country was concerned that the overall structure of funding did not ensure a better coordinated and thus more effective development system, given the decline in core resources. United Nations funds and programmes had been requested to make proposals to the governing bodies concerning the concept of critical mass by the end of 2013.

31. Lastly, noting the implications of the recent reform of the Economic and Social Council for the follow-up to resolution 67/226, particularly the shift of the operational activities segment from July to February, he raised the question of the timely availability of relevant data for the deliberations of Member States and requested the Secretariat to explain how a comprehensive and up-to-date monitoring framework might be tailored to the Council's decision-making process.

32. **Ms. Dyrud** (Norway) said that, while crucial steps had been taken to improve the United Nations development system, there were a number of areas in which its relevance, effectiveness and efficiency needed to be improved. First, and as a matter of urgency, the standard operating procedures for "Delivering as one" must be followed up at country level by all funds, programmes and the specialized agencies, while the governing bodies needed to establish new routines for approving joint programmes. Second, mechanisms for mutual accountability between resident coordinators and United Nations country teams must be established as prescribed in the quadrennial comprehensive policy review. Where countries did not yet have a single budgetary framework for the United Nations, agencies must provide information needed to establish one. Third, joint procurement efforts needed to be accelerated and more United Nations entities should adopt the common vendor sanctions framework. Fourth, individual agency funding needed to be based more on core resources; in addition, dedicated funding was still required to cover programme expenses in the growing number of countries that were adopting the "Delivering as one" modality. Fifth, better results reporting by individual agencies and at country level was required to document the impact of the reform agenda. Likewise, progress in

implementing the quadrennial comprehensive policy review should be systematically monitored and reported. Sixth, the system-wide action plan on gender equality and the empowerment of women must be fully implemented, both throughout the United Nations system and on the ground worldwide. In conclusion, she called on donor countries to be willing to accept risk and to provide funds and programmes with the tools and flexibility to achieve results, even under the most adverse circumstances.

33. **Mr. Al-Thani** (Qatar) said that South-South cooperation had an important role to play in eradicating poverty, enabling developing countries to achieve self-sufficiency and building a brighter future for coming generations. The unprecedented economic performance of countries of the South was both a cause and a result of the success of such cooperation, accelerating digital connectivity and boosting trade among them. Moreover, their greater share in international trade was further advancing their development, which called in turn for further transfers of technology and further trade with developed and developing nations alike.

34. Qatar had always been at the forefront of South-South cooperation and had hosted and participated in a number of high-level international meetings dedicated to the furtherance of such cooperation, including in matters of human resources and technical assistance, and especially in information and communication technology. It was of great value not only for participating countries but also for all other nations and Qatar would continue to promote it.

35. **Mr. dos Santos** (Brazil) said that the continued relevance of United Nations operational activities for development hinged on the availability of predictable, untied and increased funding. The significant reduction in total contributions in 2011 was therefore a cause of concern, as it seriously affected the availability of core resources. Poverty eradication required efforts on the ground to meet the specific needs of all developing countries, including middle-income countries, and needed to be underpinned by the principle of national ownership. South-South and triangular cooperation was an important part of those efforts but could not replace ODA. Indeed, it was governed by a different rationale, predicated on ownership, non-conditionality and demand-driven assistance. Brazil continued to support the mainstreaming of such cooperation in the work of United Nations funds, programmes and activities, particularly through the strengthening of the Office for South-South Cooperation.

36. **Mr. Krishnasswamy** (India) said that, as the overriding priority for developing countries and the greatest global challenge, poverty eradication must be the focus of the United Nations development system. That was the defining mandate issuing from the quadrennial comprehensive policy review and it required effective implementation mechanisms. In addition, operational activities must respond to the changing environment and needs of individual countries. They must contribute to national development plans and be free of conditionalities.

37. The current global economic slowdown had made ODA all the more critical and had also reduced capital flows; efforts were therefore needed to promote investment and trade through access to advanced technologies for developing countries. South-South cooperation continued to be vaunted but was yet to live up to its promises; flexibility was the key to its success, since it required that developing countries have policy space for their own development. Moreover, the so-called rise of the global South was falsely premised on economic indicators alone: those needed to be matched by an improvement in human development indicators, supported by multilateral investment. India's own contribution to South-South cooperation had consisted in sharing its experience and knowledge, particularly by way of the IBSA Fund, established jointly with Brazil and South Africa, in partnership with the United Nations Office for South-South Cooperation. His delegation hoped that the Office would be given the necessary resources to assist in the implementation of such cooperation projects. Institutional capacity-building in developing countries must in any case be a focus of operational activities for development. He regretted that industrialized countries were offering little support to that goal, which required a sustainable strategic choice by all stakeholders.

38. **Mr. Zagrekov** (Russian Federation) said that the issue of accountability needed to be discussed in the context of measures to strengthen the Economic and Social Council. He requested information on how the shifting of the Council's operational activities segment to early 2014 would affect deadlines for the reports of programmes and funds.

39. As a donor country, the Russian Federation was setting up its own international development system and was interested in increased cooperation with the United Nations system with a view to providing logistic support for the socioeconomic development of countries most in need. The work of the operational agencies should help programme countries to achieve

sustainable development, strengthen their healthcare systems, fight poverty, ensure economic growth and job creation, promote cultural development, trade and development, share knowledge and technology, achieve disaster-risk reduction, strengthen industrial potential and ensure food security. The thematic scope of operational activities should be more closely aligned with the real needs of developing countries and less determined by the internal considerations of agencies. It was also essential for there to be closer links between the project activities of programmes and funds and the domestic development strategies of programme countries. The planning cycles of operational agencies in those countries should be synchronized and results-based mechanisms should be established to ensure organizational accountability. In the interests of greater rationality, United Nations development reports should not contain too many indicators or unclear results. The Russian Federation called lastly for a further strengthening of cooperation between the United Nations operational agencies and the regional economic commissions.

40. **Mr. Nkombela** (South Africa) said that the United Nations development system, as guided by the quadrennial comprehensive policy review, served primarily to promote development at the country level. Operational activities should therefore remain universal, voluntary and neutral and respond to countries' development needs. The imbalance between core and non-core resources was of particular concern, as it fragmented support at the country level and militated against the predictability, reliability and stability of funding. The issue of a critical mass of core resources was therefore all the more pressing and should be taken up without further delay. South Africa, while noting that South-South cooperation could not be a substitute for traditional aid flows but served to complement them, called on United Nations system organizations to support the role of the Office for South-South Cooperation, in particular through progress reports on the implementation of the Nairobi outcome document of the United Nations High-level Conference on South-South Cooperation. His delegation trusted that the Committee's procedural resolution on operational activities for development would promote an effective, efficient and coherent United Nations system responsive to the needs of developing countries.

The meeting rose at 1 p.m.