



2023 ECOSOC Operational Activities for Development Segment Financing for effective UN Development System & Country Teams

In This Issue

This Round Up focuses on core themes extracted from the 2023 ECOSOC Operational Activities for Development Segment (OAS). Themes include:

- Issues of Funding & Debt
- Goals & Challenges to Sustainable
 Development
- Accountability & Implementation of the UN Development System (UNDS) & UN Country Teams (UNCTs)

The ECOSOC OAS is held on an annual basis. It serves to provide "overall coordination and guidance to the governing bodies of the United Nations Development System".

Resources/Links

Key Areas & Documents:

- Meeting Home Page
- Vice President's Summary
- Programme
- <u>Key Issues</u>
- Operational Activities Past Years

Mechanisms:

- Quadrennial Comprehensive Policy <u>Review QCPR</u>
- Monitoring Framework
- <u>Resolutions on QCPR</u>

UN Resident Coordinator

The UN Resident Coordinator (RC) is the highest-ranking representative of the UN Development System at the country level. RCs lead UN Country Teams and coordinate UN support to countries in implementing the 2030 Agenda.

The Resident Coordinator is the designated representative of – and reports to – the UN Secretary-General.

UN Sustainable Development Group

The Dominican Republic speaks on its challenges and development

- "While COVID-19 affected us all everywhere, it didn't affect us equally and that was quite evident in the Dominican Republic context. In spite of this important economic breakthrough, the Dominican Republic continues to face challenges that were worsened by the pandemic. Gender violence and teenage pregnancy. The country is also exposed to external short and medium term economic and social development [challenges]."
- "As a small island, the country challenges are compounded by climate change and evidenced by the frequent tropical storms and hurricanes."

<u>UN Special Coordinator for Development in</u> <u>the Sahel</u> Urges Enhanced Focus on Transboundary Development Challenges

• "Global and regional trends are getting increasingly national and transboundary yet policies and programmatic responses tend to be more and more **country-centric** with **low focus at border levels.**"



• "The latest activities implemented by UN agencies' plans and programmes in the Sahel show that 22 percent of them address **borders and cross-border issues.** This is commendable and to be saluted but in a region with low GDP per capita, combined with low density, the size of the challenges requires that we **expand** this **cross border and transboundary programmes** and scale them up for **increased commitment.**"

Nepal warns about current SDG situations and impact on people in LDCs

• "It is appalling that only 12 percent of the Sustainable Development Goals (SDGs) are on track and some 30 percent have either seen no movement or are below the 2015 line....on current trends, 575 million people are projected to be living in extreme poverty in 2030 and around half of them will live in Least Developed Countries (LDCs). Around 266 million people were malnourished in LDCs in 2021."

Samoa on behalf of Alliance of Small Island States (AOSIS) strives to further UN mechanisms, but highlights funding and debt gaps

- Remain committed "to make the repositioned UN development system and the invigorated **Resident Coordinator** system successful, because as programme countries we rely on the contribution the system brings to us".
- Highlight that funding these initiatives is not seen as feasible by AOSIS: "We are already grappling with **high indebtedness**, continual outrageous financial and economic impacts as a result of climate change inaction, along with the numerous other economic, financial and health shocks, of which we contribute very little to or none at all, but are the most affected."

Rwanda highlights the challenges faced by small communities in LDCs and LLDCs

• "Many LDCs and Landlocked Developing Countries (LLDCs) have small populations, many are mountain societies as well. So in small numbers of the communities, the ability for the states to provide the plentitude of service and assistance is challenged because the **economics do not match up with the needs.**"

Director of UNDP's Regional Bureau for Africa highlights challenges and calls for fair credit ratings and increased development funding in Africa

- States that "the cost of borrowing for many African countries has skyrocketed" and explains that the main reason is "**biased credit ratings**".
- "UN Development Programme (UNDP) did a study recently that showed that 19 African countries could save US \$75 billion if their credit rating was done without the subjectivity and sometimes negative perceptions that put them at a higher risk rate."
- "In a time where more money is really needed to fund development, **total debt**, external debt and service payments, due in 2023 are anticipated to reach US\$ **22.3 billion and rising**."
- "The African Resident Coordinator Programme (RCP) and coalitions have a focus, one to address **transboundary and cross border issues** and the second to make sure that our **residence teams and member nations** have the **support** they need to accompany country development."

"At the high-level interactive dialogue of ECOSOC OAS (23/05), Amb. Hari called OAS to accelerate the implementation of SDGs & called for:

Continuous improvement in the coordinating role of RC &

Greater role of UNDS and RC to galvanize support to fulfill the SDGs financing gaps."

Indonesia UN Mission (via Twitter)

Switzerland highlights SDG financing concerns

• "The lack of collective pooled opportunities limit the options for donors to provide quality



funding for integrated programming. We read in the report that only 28 country level pooled funds exist globally and only one out of three have resource mobilization strategies in place.

- Urges **UNDS** to establish **pooled funds** and "ensure these serve as funding framework for implementation of the UN corporation frameworks accompanied by sound mobilization strategies. More quality funding at country level will only happen if country offices and **Resident Coordinators** ask for it."
- "At the same time, we note with concern the low levels of capitalization of global funds such as the Joint SDG Fund which we consider an important catalyst for SDG Financing."

Brazil cautions on the short funds from the targeted amounts

- "In 2022, only 21 percent of total funding in UN development corresponded to regular resources
 9 percent short of the 30 percent target. That figure which is said to be more somber in 2022 disguises discrepancies across agencies."
- "Last year, only around 12 percent of UNDP's total revenue was made up of regular resources, an entity that plays a fundamental role in the attainment of SDG 1, the overarching objective of the 2030 Agenda. All of that has been playing out to the detriment of multilateral mandates on development, the public nature of entities of the UN Development System and host country ownership."
- "There has also been a systematic failure by Member States to live up to multilateral commitments they voluntarily subscribed to, in terms of contributions to the Special Purpose Trust Fund of the RC system. Then again, that is only one symptom of a larger trend that entails faltering ODA... decreasing core resources, increasing earmarked funds. Regrettably, the funding compact runs the risk of becoming a debt ladder."

The Republic of Korea finds funding gaps an ever-present problem that need to be addressed

- "We need to continue exploring more innovative ways to narrow the **funding gap**."
- Signs of encouragement include "[T]he core share of **development funding** exceeded the target of 30 percent for the first time since the funding compact was adopted."
- There are still some issues with a **funding gap** of US\$85 million towards the **Resident Coordinator** system.
- Calls for countries to "accelerate the implementation of the **funding compact**, while the United Nations Development System should also make continued efforts to reduce cost, diversify partnerships and enhance efficiency".

"The SDG Stimulus, the proposed Reforms of the Global Financial Architecture, the Acceleration Agenda on climate, the Transforming Education Summit, Food Systems transformation, the Global Digital Compact, the Global Accelerator on Social Protection and Jobs, the Black Sea Initiative and the Memorandum of Understanding on promoting Russian food and fertilizers to global markets – all these initiatives are aimed at reducing poverty, inequality and hunger, and getting the 2030 Agenda back on course."

Secretary-General's remarks (19th Plenary Meeting)

Kenya addresses fragmented funding that can cause damage to states

- "Projectization is killing us and killing countries like Kenya. We are more fragmented ironically, I think, in some ways than we have ever been because of the erosion of core and inability to come to funding arrangements."
- The UN Resident Coordinator added that this has impacted the drive toward SDGs which "has been **undercut** by the way we are being **funded**".

The Arab Republic of Egypt highlights the underfunded nature of the UN Resident Coordinator System



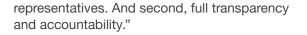
- "In 2022, the **Resident Coordinator System** faced the largest funding gap to date."
- This **funding gap** requires action, that being: Taking the "time to initiate consultations on the **Resident Coordinator** funding model".
- States that nations should reconsider "the options put forward by the Secretary-General in his 2021 report entitled '<u>Review of the functioning of the resident coordinator system:</u> rising to the challenge and keeping the promise of the 2030 Agenda'".

Vice-President of the ECOSOC Calls for Sustainable Funding of the Resident Coordinator System

- "Member States have clearly recognized the value of the **Resident Coordinator system** as the anchor of the **UN Development System** efforts in achieving the 2030 Agenda. At the same time, there was a clear message that the RC system cannot fulfill its important role unless its **funding gap** is urgently addressed...."
- "I therefore invite Member States to take a constructive and open approach in the consultation process to be launched by Secretary-General Guterres in the coming months, on the **Resident Coordinator system funding,** and work together to find a sustainable solution that will guarantee adequate predictable and, even, flexible funding of the RC system."

Sweden Highlights the importance of funding in enhancing effectiveness of the RC System

 "Since late 2021, Sweden has in total provided support of approximately US\$ 6 million to the RC office multi-partner trust fund. This contribution has enabled the RC office to carry out more coherent, efficient, and effective implementation of the development corporation framework. Consistent support at very high levels and with substantial core components comes with high expectations. Our expectations...have to do with first UN leadership, RCs and UN agency



The United States calls for a balanced approach to empowering Resident Coordinators and encouraging agency collaboration

• "We, the UN and the Member States need a balanced approach in handling Resident Coordinator's agency dynamics, namely **empowering the Resident Coordinators** to be effective leader coordinators to UN country teams while **fostering** and **encouraging agency initiatives** and **joint actions.**"

The Quadrennial Comprehensive Policy Review (QCPR)

The mechanism through which the General Assembly (GA) assesses the effectiveness, efficiency, coherence and impact of UN operational activities for development and establishes system-wide policy orientations for the UN Development System. The QCPR is the primary policy instrument of the GA to define the way the UN development system operates to support programme countries in their development efforts.

UN ECOSOC OAS/QCPR

The UK highlights issues in agency accountability and urges enhanced expertise utilization

 "The Secretary-General's reports outline too many examples where heads of agencies are not following the requirements set out in the management and accountability framework. This includes: too few Resident Coordinators contributing to the performance appraisals of heads of agencies and **Resident Coordinators** not being consulted when agencies select their country level representatives."



 "50 percent of host governments encounter difficulties accessing the expertise of non-resident entities. These figures are a decline from last year. So given the myriad of challenges that many countries face we need to be able to harness the expertise of the UN system in order to better support country needs"

Kenya spotlights the importance of joint programming and participation

- "We need **UN country teams** that can mount joint programming at scale, at speed, and with an emphasis on actions that catalyze and unlock much bigger investment..."
- "In Kenya we have gone beyond the15 percent. We set ourselves a target of delivering 50 percent through joint programming in the lifetime of our cooperation framework..."
- Emphasized that "the **funding compact** is simply critical. Without it we won't succeed in Kenya, we won't succeed elsewhere. In 2022 we held our first national compact dialogue in Kenya with the support of the foundation. We had a participation of some 12 international donor partners either head of mission or head of corporation level. We looked at country level in Kenya...there's a lack of awareness on the part of head of mission, head of corporation at the country level...for many it was the first time they heard of funding compact or of its vital commitments."

Norway points towards issues with earmarked contributions

- Strongly believes that "joint programmes and joint funding opportunities provide important opportunities to pool strengths and work together and minimize duplication.
- Requests a "change of mindset" from "the highest level of the UN" due to "entities' old habits of raising earmarked funding for their own programmes and projects rather than for joint activities".
- Critical mention from the EU member of the issue with **earmarked assessments** and



Nepal identifies bottlenecks in resources, technology, and institutional capacity for a Green Economy

- "In terms of bottlenecks, what I see is two aspects: inadequate resources and technology for a green economy. The Resident Coordinator office is still underfunded and other UN entities do not have adequate resources to assist the country to support just transitions."
- "In 2021 Nepal adopted a long term strategy for net zero emissions with aspirations to achieve sustainable development net zero emissions by 2045, five years ahead of the global target. We need resources and technologies to achieve this target."
- "Another aspect of bottleneck is of course inadequate institutional capacity of our own to devise and implement policies and plans and we need to strengthen institutional capacity."

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Eliot Minchenberg, UNESCO NY Director (via Twitter)

Tajikistan pushes for a new mechanism and places emphasis on technology

- Highlights a need for "collaborative action, innovative financing mechanisms, and asserts the exchange of expertise will unlock new opportunities for sustainable development".
- "Tajikistan made progress to roll out the Integrated National Financing Framework (INFF) and believes it will help to catalyze the flow of development finance to achieve the



goals of the National Development Strategy and SDGs."

- Notes that "rapid advancements in technology offer immense potential to accelerate progress towards the SDGs".
- The UN has to "embrace digital transformation, harnessing the power of artificial intelligence, big data, and other emerging technologies to address development challenges effectively".

Zimbabwe finds positive changes in the energy sector, bringing in new opportunities to women and youth

- The implementation of "UN's flagship financing mechanism for Sustainable Development Goals (SDG) has triggered a substantial change by youth and women working in the energy sector, through the creation of the Zimbabwe energy fund, the joint SDG fund..."
- "Combined integrated technical expertise of the UN and its capacity with investment in ten years, US\$ 200 million now by private management investment, US\$10 million enterprise led by women and youth in renewable energy businesses, creating jobs and sustainable energy for our society."

UN Resident Coordinator: <u>Viet Nam's</u> technological and sustainable progress

- "First and foremost, all 15 UN agencies housed in the One UN House now benefit from having shared and upgraded Information, Communication, and Technology services.... We have upgraded our ICT and integrated these services to improve the user experience but also to ensure savings. We went from needing 30 servers to 3, reducing our carbon footprint."
- "Second, we adopted hybrid working models since January 2022 to ensure smarter use of the workspace and anticipate future changes in the world of work."
- "Third, we are proud of the Green One UN House is an ecological frontrunner so we continue to push on sustainability."

Viet Nam's committed goals and the challenges it tackles

- "Viet Nam wishes to become an industrialized country by 2045, and is committed to achieve net-zero emissions by 2050, while lacking the resources needed due to the current economic downturn, as well as the consequences of the COVID-19 pandemic, and at the same time, the extent of finance and the fact that Viet Nam is now a **middle-income country**."
- "Viet Nam is now in the process of another challenge to ensure we are able to deliver the mandatory 66 services that are required. Currently we are only delivering 43 out of those 66. So this is a challenge but something we are committed to overcome."

<u>The Republic of Moldova</u> uses Energy Vulnerability Funds to support sustainable energy usage for households in need

- "In Moldova, the price of energy increased by eight times. So the task for us was to devise and put in place a support scheme to compensate the energy price for a targeted one to support the low-income households in Moldova. And this was done in less than six months and we were able for the cold period in Moldova, November of 2022 to April 2022 to have a support scheme close to 65 percent of Moldovan households in a targeted way. So most families on low income, we were able to support them by 50 percent."
- The UNDP resident representative explained: "The energy vulnerability reduction fund is a targeted mechanism for energy bill subsidies. The energy vulnerability fund aims to alleviate financial strain on energy vulnerable households on one hand, but on the other hand, also to foster a sustainable transition in the energy sector."
- Produced an increase in energy: "Initial results of the impact evaluation, which is currently ongoing of the energy vulnerability fund, are very encouraging and show significant reductions in energy poverty and income poverty, somewhere between 40 to 70 percent,



with varying impacts depending on energy sources used by the household and level of energy-the original energy vulnerability."

Executive Director for UNOPS advocates for Climate-Resilient Infrastructure and Partnership for Sustainable Development

- "There is a nexus between infrastructure, the SDGs and climate. 92 percent of the SDG targets depend on infrastructure and 79 percent of all emissions are related to infrastructure."
- Emphasizes that "if we want to achieve SDGs and the climate goals, we will need to dramatically change our approach to infrastructure and this shall be then in partnership with agencies that have a clear mandate in that area and with the governments that have their own development programmes".

Sweden Advocates for a shift towards Joint Development Results and Reform Integration

- "It is important that we get a shift in the narrative, we need to see a shift towards more on **joint development results**."
- "We need to see also that entities are fully integrating **reform and coordination** into their operations and displaying full **ownership** of this. In this context where systemwide ownership of the reform is essential, when we hear from agencies that they are compliant, that to us sounds very passive and outdated to be honest, in the forth or fifth year of the reform."
- Sweden "expects full ownership and proactive engagement from all UN entities with the objective of achieving more effective and efficient joint development results, and of course here, we must also recognize that as Member States we have an important role in our government board structure and our funding".

"■@UNECOSOC Operational Activities for Development Segment 2023: We need integrated approach to implementation of climate & development agendas. We cannot afford to work in



silos; draining scarce resources & capacities. And we need to ensure financing of #UNDS"

Denmark UN Mission (via Twitter)

Member State Statements 23 May, 2023

Australia on behalf of Canada, Australia, and New Zealand (CANZ)

<u>China</u>

Cuba on behalf of the Group of 77 & China

Costa Rica

Guatemala on behalf of Like-Minded Group of Countries Supporters of Middle-Income Countries

Mongolia on behalf of Landlocked Developing Countries

Nepal on behalf of Least Developed Countries

<u>Nepal</u>

Netherlands (Kingdom of the)

<u>Norway</u>

Republic of Korea

Samoa on behalf of the Alliance of Small Island States (19th plenary)

Samoa On Behalf of the Alliance of Small Island State (20th plenary)

<u>Senegal</u>

Secretary-General of the United Nations

Sweden (20th plenary) | (22nd plenary)

<u>Tajikistan</u>

United Kingdom of Great Britain and Northern Ireland

United States of America

UN Special Coordinator for Development in the Sahel

Vice-President of the Economic and Social Council

Zimbabwe