Statement by Shri Rajeev Kumar, Under Secretary [UNES], at the General Debate of the Operational Activities Segment of the 2009 Substantive Session of the Economic and Social Council on 15 July 2009, Geneva

Mr. President,

My delegation welcomes this opportunity to participate in the discussions on the Operational Activities Segment of the ECOSOC Annual Session. We thank the Secretary General for the comprehensive reports which have been prepared for this Segment. My delegation aligns itself with the Statement delivered by Sudan on behalf of G-77.

Mr. President,

In these exceptional times, when we are faced with the gravest financial and economic crisis since the great depression, millions of peoples in developing countries are forced into poverty and degraded living conditions. Coming as it does with crises in food and energy sectors, climate change, increasing concerns on sustainable development and environment sustainability, a concerted global effort is necessary to successfully confront the challenges before us. FAO estimates that one-sixth of the global population will face this spectre and hunger by end of 2009.

Financing for Development is under pressure. Even before the crisis, the key issue for attainment of MDGs was the quantity of financing available. The requirement of enhanced ODA is all the more critical now when developing countries are faced with an increasing curtailment of capital flows, economic slowdown and consequent limitations to national development budgets and social spending. The achievement of MDGs is at risk. Unless concerted efforts are made, the progress made so far in achieving the MDG goals is likely to be reversed. Quantity, therefore remains the most important issue regarding financing for development, including the UN’s development activities.

The UN’s operational activities for development must meet the needs and aspirations of the developing countries. They must be the drivers and national ownership and leadership must be a real fact in the UN’s development programmes.
By their universal, voluntary and grant nature, the UN operational activities for development are best suited to plug into national development plans steering clear of any conditionality based “from us to you” approach which is common among the major MFIs. Therefore, exploring ways and means to enhance core, predictable, timely and without conditionalities funding for the UN is critical to achieving the objective of making the UN delivery coherently, relevantly and effectively. New and innovative sources of funding are needed to revitalize the ODA flows.

Unfortunately, during 2002-2007, the annual growth in ODA contributions channelled via the UN slowed from the previous decadal annual rate of 9.9% to 5.6%, while the non-UN multilateral ODA grew at the faster rate of 6.6% and bilateral ODA at 6.1%. Moreover, the share of core resources as percentage of overall contributions has rapidly declined from around 80% to 30% in 15 years since 1991. This continuous decline in core resources as a proportion of total resources provided through the UN and the preference for other multilateral and bilateral routes, coupled with high fragmentation of non-core resource flows poses a great challenge to developing countries in terms of conditionalities and high transaction costs.

Mr. President,

There is therefore, need for the UN system to be more efficient and cost effective. The over-arching objective of the system-wide coherence efforts should be to lower administrative/management and support costs in implementation of the country programmes. There is need for the Funds and Programmes moving beyond roles which are largely confined to advocacy, advice and monitoring. Allocation of higher share of funds towards targeted interventions for eradication of poverty, infrastructure development, and for upgrading the human, physical and financial asset base of the poor will be much more effective and helpful.

There must be greater interaction between the CEB and the ECOSOC. While ensuring greater synergy of efforts, his will be helpful in the ECOSOC playing an effective coordination and supervisory role. In the context of system wide coherence efforts, we need to carry out an independent evaluation of the progress made in Delivery-as-One Programme pilot countries. The insights and feedback of such evaluation would be helpful in formulating appropriate strategies to enhancing efficiency at the country level.

Simplification and harmonisation are laudable objectives to the extent that they contribute to reducing transaction costs for recipient Governments. We perceive the added value in harmonisation of the programming cycles of funds and programmes with the QCPR. However, more important is to harmonise them with the budgetary and planning cycles of recipient Government. We are happy that efforts are underway in this direction.
My delegation remains of the view that coordination of external assistance should be the prerogative of the recipient Government. The exercise of coordination by the UN should be confined assistance channelled through the UN system. Field level coordination is perhaps the most important channel to the effectiveness of UN development cooperation. This should be carried out by national authorities wherever it is possible.

Mr. President,

India has always been a strong advocate of South-South Cooperation. Increasing cooperation amongst the countries of the South while integrating the inputs of developed countries through triangular partnerships could be useful for furthering the development objective. The UN system should further mainstream South-South Cooperation in its strategic plan for carrying out the operational activities for development.

The SG’s Report rightly points out that flexibility and predictability and absence of policy conditionalities are some of the key features which characterize South-South Cooperation. Attempts to interpret South-South Cooperation from a traditional donor perspective are certainly not helpful.

Before I conclude, let me once again underline the basic fact that developing countries are varied and have different requirements. Therefore, we must eschew a one-size-fits-all approach. National ownership, priorities and leadership must remain the key drivers of the UN development programmes.