



## **Panel Speech by Mr. Olav Kjørven**

*Assistant Secretary-General and Director of Bureau for Development Policy*

*[Introduction]*

Thank you for inviting UNDP to speak on the panel today addressing the important theme of the institutional framework for sustainable development.

As an organization on the ground in 166 countries, as care-taker of the UN Resident Coordinator system, as Chair of the UN Development Group and as an active participant and contributor in a number of other UN inter-agency mechanisms – such as the Chief Executives Board, the Environment Management Group, UN-Energy, UN-Water – UNDP, has a wealth of experience to share.

The institutional framework for sustainable development must be understood in the context of the challenges we are facing and the integrated responses they require.

*[Sustainable development challenges]*

To illustrate, let me start by referring to some of those challenges.

Among the emerging challenges for sustainable development in the coming decade, climate change and its impacts on ecosystems and human development provide a particularly strong example of interconnectedness and vulnerability. As we all know, climate change is directly linked to the way we develop our economies, including the ways we choose to pursue economic growth.

Climate change and resource scarcity (water in particular) are very likely increasing the number and gravity of potential conflicts and disasters, challenging governance and further impacting already important economic, social, and environmental concerns. It is the very potential and possibility of human development and well being over coming decades and centuries that is at stake.

Other major challenges before us are inequalities and imbalances in access to economic resources (such as land and income); environmental resources (such as water, energy, biodiversity and ecosystem services); and – despite some progress in achieving the MDGs – social resources (such as health, employment, and education). Furthermore, we are witnessing shifts in inequalities and poverty patterns with more poor people now living in Middle Income Countries as opposed to earlier when most of the world's poor lived in Low Income Countries. This raises numerous questions about the future of poverty reduction in heterogeneous contexts, about the role of inequality, about structural societal change, and about aid and development policy.

*[Improved institutions]*

Governments as well as international agencies must work better and differently, if these challenges are to be met. Improved institutions are crucial if we want to be able to deal with the sustainable development challenge and ensure that countries and the world as a whole move towards sustainable and equitable growth and human development.

In the context of sustainable development, we have, in the past 20 years, strived to build much needed environmental capacity. While continued capacity building (systemic, institutional and individual) in the environmental pillar should continue, there is a need to expand its scope to build environmental capacity as an integral part of economic, social and development institutions at all levels.

This means, inter alia, that better linkages must be made between the environment agenda and the vital policy areas of economic growth, reducing poverty and inequality, democratic governance, the empowerment of women, etc.

*[Appropriate and effective coordination mechanisms]*

However, even the strongest ministry – say for energy or agriculture - cannot deliver sustainable development in the absence of appropriate and effective coordination mechanisms at all levels. This is true at the national level. The same can be said of the regional and global levels. Coordination and synergy across sectors is key.

*[National level]*

At the national level, UNDP's experience shows that coordination mechanisms are more likely to be effective, if led or chaired by strong cross-sector ministries such as finance or planning.

Our experience also shows, based on, inter alia, the GEF Small Grants Programme, that the role of sub-national governments in sustainable development implementation is crucial. The problems hit home at that level. They are best aware of local problems and needs. Local authorities can be a substantive contributor to the achievement of the objectives of sustainable development goals, opening up the scope for effective cross-

sectoral interventions, a pre-condition for success. However, the role of local authorities is often limited by the lack of effective links between national and sub-national planning and too centralized systems of budget allocations to be used at sub-national level. This needs to be addressed.

*[Delivering as One and bottom-up]*

Worth noting in this context, are the results of the evaluation of the UN Delivering as One pilot phase in 8 countries.

What makes the process around Delivering as One unique is that change is being driven from the country level up - fostering national ownership. Indeed, the process couldn't get off the ground if host countries did not want it. The findings emerging from the country-led evaluations of the pilots suggest that the hard work of the last three years is paying off.

For example, national partners and donors report that UN Country Teams in the pilot countries are increasingly responsive and aligned to national development priorities. This is critical – the UN system needs to move from being supply driven to being demand driven. National counterparts in the pilot countries are noting that they now have better access to and are benefiting from the full range of the mandates, expertise, and experience that the UN agencies collectively bring to the table.

In fact, taking a bottom-up, country based, perspective from the level of “implementation” would reveal a need for the UN system to come together as service deliverers with countries being in the driver's seat. This would imply a rethinking of approaches and moving away from designing programmes globally for “implementation”, and instead moving in the direction of defining services to be delivered by the UN system as a whole on a demand driven basis against countries own development objectives. This does not

imply giving less attention to our norms and standards. Rather, it is about making them more relevant to the way we work on the ground.

There is also evidence from the Delivering as One pilots that the simplified and harmonized operational processes being developed will lead to reduced transaction costs, and to a more efficient and effective UN development system overall.

The message from the outcome document from the Hanoi conference of pilot and self starter countries in June last year was that “Delivering as One is the future for UN development activities.” The UNCSD/Rio+20 process would benefit strongly from taking these lessons into consideration in discussions on the Institutional Framework for Sustainable Development.

*[UN inter-agency coordination mechanisms more broadly]*

Moreover, as part of UNDP’s response to the Questionnaire for the Synthesis report, we have suggested an independent study of how UN inter-agency coordination mechanisms, more broadly, have evolved over the past 10 years. Such a study may also help provide an answer in ensuring effective coordination among different agencies and organizations responsible for aspects of sustainable development. It should include an analysis of how Member States’ have been supporting inter-agency coordination, including at the level of governing bodies of individual agencies.

In UNDP’s opinion, the UN coordination mechanisms have, in fact, come quite a long way in ensuring greater coherence at the global and at the national level also, in the later years, through including issues such as environment and climate change as core issues of coordination. Coordination is difficult and in the daily struggle to move issues we may sometimes overlook the bigger picture. In UNDP’s experience, a key factor to the success

of these mechanisms is neutrality, e.g. that they serve to promote the issue and not the perspective or ambitions of one or another agency. Another key factor to success is that we keep in mind the needs and requirements of countries we service, and that we look through the lens of countries (reality, needs) rather than the lens of individual UN agencies (themes, mandates).

It is undoubtedly true that if we could begin again with a clean sheet of paper, the UN development architecture and the UN architecture more broadly, would be differently designed with fewer agencies. It has grown like Topsy over the years, with the international community proving to be better at creating new agencies than merging existing ones. UN Women is a notable recent exception and should be seen as the new standard in some ways.

What is within the UN development system's power is to co-ordinate and collaborate closely to get the most development impact.

Sustainable change in this area takes time and patience, and certainly involves more than one flick of a switch. It requires continued commitment from agency principals, and unwavering support from Member States.

That means Member States communicating their expectations of better co-ordination and improved performance consistently through the governing boards of the UN agencies, so that all agencies get the same message.

Finally, I have focused my presentation today on Delivering as One being one clear example. What some may consider incremental changes that need to take place, are, in some cases, already taking place. But, this is not enough. The problems we face are

existential and urgent and a new paradigm for how we do development is indispensable. This involves a step change, not small improvements, in how we work. For UNDP, this is beyond mere words. It is an action agenda that demands far reaching changes in how we support countries and work with partners. Supporting institutional innovation and capacity development at national and local levels geared towards attacking the sustainability challenge in a cross-sectoral way is one key element.

Another element involves far more catalytic use of official development assistance to unleash the power of all relevant development resources – public and private, domestic and international – to drive the transformation towards sustainability. Rio+20 could and should help accelerate such key transformations in the way we as the UN development system works, including the IFIs.

Beyond this, further structural reforms may also help strengthen the global response to the sustainability crisis. UNDP stands ready to engage also on this at the request of governments and major groups. But structural change would amount to little in the absence of policy and behavioral change in the way we utilize what we have, which is therefore what I have focused on here.

With Member State support and with continued good will and professionalism from members of the UN system, I am confident that we can improve our effectiveness in achieving sustainable development in an increasingly challenging climate – literally and figuratively.

Thank you for your attention.