



UN Monitor: COVID-19 Round-Up on Development Activities and Financing - 25/05/2020

Across the UN development system, Member States, the UN Secretariat and UN leadership are exploring the profound socio-economic impacts of COVID-19 and what macroeconomic policy changes are needed to “build back better”. From UN-led programme activity responses to COVID-19 to needed policy responses both by the Financing for Development process and Member State-led initiatives, there are several opportunities to monitor these developments in the coming weeks.

On 27 May, leadership of UN agencies headlines the final session of the Economic and Social Council on the [Operational Activities for Sustainable Development \(OAS\)](#). Panelists include Deputy Secretary-General Amina Mohammed, UNDP Administrator, Executive Directors of UNICEF, UN Women and UNEP, ILO Director-General and WHO Deputy Director-General. This session will address issues and questions raised during the previous sessions of the segment held from 19-22 May, sessions which took stock of the implementation and progress of reforms to make the UN development system (UNDS) “fit for purpose”.

This final session will be webcast on UNWebTV on 27 May, 10AM EDT – 1PM EDT. The previous sessions can also be viewed at WebTV.un.org.

The official OAS agenda, panel presentations and Member State queries brought critical issues to the fore. These ranged across most of the UNDS reform measures including the inadequacy of funding not only for the Resident Coordinator system, the lack of support (both fiscal and logistical) for the Multi Country Offices, the ownership and purpose of the regional architecture and the extent to which Resident Coordinators feel empowered to convene and coordinate across the UNDS in-country.

The official OAS agenda included the following questions:

- What are the comparative advantages of the UN and how is the UN development system strengthening its support in realizing key SDGs highlighted by developing countries such as poverty eradication, rural development, addressing natural disasters, basic social services, infrastructure, among others?
- How will the UN development system be held accountable for its work at regional level? Are Member States changing the way they fund due to the [Funding Compact](#)? What are the success stories from specialized agencies, funds and programmes regarding joint initiatives?
- What are the system-wide reports and reporting lines to Member States, to include those at the regional level?
- How does the UN system intend to support territories covered by Multi Country Offices (MCOs) as they seem to require a different support mechanism within the MCO and a different source of funding? Does this affect MCOs in any form?
- What is the status of the fundraising efforts thus far in support of the proposals made under the MCO review?

Member State and UN contributions deepened the sessions with many specifics:

- G77 and China, represented by Guyana, inquired about funding of the Multi Country Offices: “express its **concern about the sustainability and predictability** of this mode of funding as resources will not be drawn from the Special Partner Trust Fund but will be **dependent on RCs leveraging funding** to support the non self-governing territories covered by MCO”.
- Some Member States queried the MCO review process. While 2020 marks the official “review” year of the MCOs, Belize issued a “call for continued monitoring and reviewing of the reforms. Just getting off the ground, COVID intervened”. **What will the review process look like for MCOs beyond this current review?**
- G77 and China on Resident Coordinators: "**What has been the experience and the role of the international financial institutions or the regional development banks**, particularly in supporting the country programmes?"
- Robert Piper of the Development Coordination Office on how the lack of core funding incites competition rather than collaboration among UN agencies: **“As non-core becomes so large the incentives for competition go up**. It's created a sort of marketplace dynamic, it got too big proportionally.”
- Piper on availability of funds overall: “Of course we would like to increase the amounts from a number of Member States who were supportive of assessed contributions and nevertheless providing much smaller contributions than they would have had they been providing assessed because it's voluntary...And we would hope that some of those Member States are looking at somehow aligning their contribution to their policy position on the assessed and assessed budget for this.” **Does the funding model need to move from voluntary to assessed contributions?**
- G77 and China also prioritized the discussion of funding for the UNDS: "there is a gap of approximately 58 million dollars in relation to the full budget of the RC system. **What actions will be undertaken by the system in order to bridge the funding gap for the full operationalization?**"
- Sweden raised concerns regarding the competition amongst UN agencies as a hindrance to reform: “As the Secretary -General expresses concern in his report over what he calls the provisions of **competition and exclusion instead of cooperation and joining**...how does the Secretary-General intend to address this...How do we build on them to foster the right incentives and the organizational change that we need?”
- Sweden, Belgium and the Netherlands all raised concerns regarding the sustainability of financing the Resident Coordinator system, namely through provision of core funding, rather than non-core funding. In this context, Belgium asked, “We still don't see enough progress in **giving core funding and core funders more visibility and to honour in a way the fact that core funding is given** except for reports. But of-course that gets very little visibility. So how to improve the visibility and the honouring of core funding?”
- On measuring progress, the Secretary-General stated: "Traditionally all economic analysis and all development analysis have been based on a number of macro-economic indicators and essentially on GDP. And so it is GDP that classifies countries based on GDP, that policies are discussed or adopted. **And it's time to recognize that this is a very poor way to look into a very much more complex reality**...there is a key concept, which is the concept of vulnerability.”

On 28 May a high-level event by the Group of Friends of SDG Financing will be convened by the Prime Ministers of Canada and Jamaica and UN Secretary-General. The event will be held at the level of Heads of State or Government and will also bring together “leaders from international institutions” for high-level panel presentations, followed by Member State discussions.

It will be held virtually on 28 May 8AM-12PM ET and webcast on UNWebTV and follows or builds on previous meetings.

Following a 10 April meeting of the Group of Friends, co-conveners Canada and Jamaica released a [joint statement](#):

“We convened an extraordinary video conference bringing together Ambassadors from across the entire membership of the United Nations with high-level representatives from the UN, G20, IMF, World Bank Group and OECD to engage in the first truly global discussion on managing the socio-economic and financial impacts of COVID-19. We thank the more than 300 participants who attended.

“We welcomed the commitment by the UN, G20, IMF, World Bank Group, OECD and individual countries to coordinate their actions to ensure an effective response, with all participants recognizing that no one country or organization can tackle the challenge of COVID-19 on their own.

“We were also reminded of the particular vulnerabilities many countries suffer. Small island developing states and many other developing countries in Africa and parts of Asia, Latin America and the Caribbean are confronted with a multi-pronged challenge, including a reliance on imported food; logistics and transportation hubs whose operations have been curtailed; pre-existing high levels of indebtedness; a loss of primary revenue sources; and the need to use scarce foreign currency reserves to procure essential medical supplies.

“We discussed the need to take urgent action to ensure that global supply chains remain open, and that the flows of remittances are able to continue with minimal disruption and at reduced costs. We also stressed the crucial importance of supporting our private sectors through these difficult times as they are the primary source of jobs and livelihoods. No economic recovery will be possible without it.”

At the 19 May meeting of the Group of Friends, the [President of the General Assembly highlighted](#) some priorities of the upcoming high-level event:

“...we must ensure that developing countries that are hit hard due to the lack of appropriate fiscal space and vital finances needed for crisis response are helped. Therefore, I am pleased to see particular attention being devoted to the **urgency of debt relief and debt standstills** for the poorest countries. This is critical in the fight against COVID-19. We must step up our commitments on sustainable debt management and alleviation. We cannot risk turning an already dire situation even more so for many developing countries. This could fundamentally threaten our prospect of achieving the SDGs.

“I also welcome the focus on **inclusive growth, credit and capital, and efforts to expand liquidity** for developing countries.

“Achieving the SDGs is also partly dependent upon **combating illicit financial flows and asset recovery**. I am pleased to see the continued commitment to this important issue during next week’s high-level event.”

According to [a UN media advisory](#), the meeting will: “discuss the challenges and opportunities to act quickly on the six issues:

- The need to expand liquidity in the global economy and maintain financial stability to safeguard development gains.
- The need to address debt vulnerabilities for all developing countries to save lives and livelihoods for billions of people around the world.
- The need to create a space in which private sector creditors can proactively engage in effective and timely solutions.
- Prerequisites for enhancing external finance for inclusive growth and creating jobs, including lowering the transactions costs of remittances.
- Measures to expand fiscal space and foster domestic resource mobilization by preventing illicit financial flows.
- Ensuring a sustainable and inclusive recovery by aligning recovery policies with the Sustainable Development Goals.”

On 2 June the Financing for Development (FfD) Forum will hold a meeting titled, [Financing a Sustainable Recovery from COVID](#).

Following the truncated FfD Forum in April, this informal meeting “will act as a platform to discuss concrete financing solutions in response to the pandemic in the framework of the Addis Agenda, paying particular attention to the needs of countries in special situations that face specific challenges in tackling the crisis”.

The meeting presents the urgency to tackle the economic impacts of COVID-19, cognizant that: “There is a significant risk of backsliding on progress in achieving the 2030 Agenda and the Addis Ababa Action Agenda on financing for development.”

With this in mind, the meeting has “a dual objective: (i) to present concrete solutions to finance the response to the pandemic and (ii) explore policy options to set the world on a resilient and sustainable recovery”.

The meeting will be held virtually on 2 June 9AM-12PM ET and webcast on UNWebTV.

Social Watch

Avda. 18 de Julio 2095/301
Montevideo 11200, Uruguay
socwatch@socialwatch.org
www.socialwatch.org

Global Policy Watch

205 E 42nd St | 20th Fl
New York, NY 10017, USA
globalpolicywatch.org

Global Policy Forum

Koenigstrasse 37a
53115 Bonn, Germany
gpf@globalpolicy.org
www.globalpolicy.org