**Input to UNITAR QCPR Training Module 4**

**Looking forward to the 2020 QCPR**

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Excellencies, Ladies and Gentlemen,

I would like to thank the organizers for inviting me to speak at this important forum. The next QCPR is critically important as it will define the priorities and operational modalities for the UNDS, when the world is going to deal with the consequences of Covid-19 and seek to build back better. It is also a critical period during the SDG Decade of Action, when we know most goals are off track and a concerted effort is needed.

What kind of guidance and support do we hope to receive from our Member States? In his 2020 report on the QCPR, the Secretary-General invited Member States to provide guidance to the UNDS not only on how it should work, but also on the kind of integrated policy and programmatic support they expect it to provide to accelerate SDG implementation. Amongst others, he specifically pointed towards a) evolving the system’s offer to meet country demand; b) supporting governments with policy options and technical advice on trade-offs to make difficult choices, which require the system  sharpening its offer on critical priorities such as poverty eradication, climate change, and sustainable economic growth as well as its ability to work with other partners, and c) assisting governments in leveraging of partnerships and financing, especially in MICs. It is in this forward-looking spirit I will offer a few thoughts for discussion.

1. **Interconnectedness of policy issues and the need to strengthen collaboration**

This year’s QCPR will be formulated when significant shifts in sustainable development are taking place. These shifts are placing new demands on the UNDS to support our programme countries. These shifts, along with the complexity, scale of challenges and enormity of impact that Covid 19 has brought upon us, are complex and interconnected in nature.

Let’s start with the big picture: ***the very contents of development are shifting***. We are in the midst of one of the most complex crises of our lifetimes:

* Growth: 170 countries are projected to experience negative GDP per capita growth, compared to their 2019 averages. These projections imply a cumulative loss to the global economy over two years (2020–21) of over $12 trillion. (IMF June 2020 update)
* Poverty: COVID-19 is estimated to push between 70 to 100 million into extreme poverty, measured at the international poverty line of people living on less than $1.90 per day (WB, June 2020).
* Food insecurity: The number of people in food crises is expected to double, with about 270 million people in low- and middle-income countries expected to face acute food insecurity by the end of 2020 (WFP April 2020)
* School closures: As of September 2020, an estimated 827 million learners, or 47% of the total enrolled, are affected by school closures. As a result, 346 million children are estimated to be missing school meals, 47% of which are girls. With school closures, UNDP estimates of the “effective out-of-school rate” indicate that 6 in 10 children are not getting an education, leading to global levels of effective enrollment in primary education not seen since the mid-1980s." (UNESCO/WFP/UNDP 2020).
* Global public debt is expected to reach an all-time high in 2020-21, exceeding 101% of GDP, 19 percentage points higher than 2019. The average overall fiscal deficit is projected to reach 14% of GDP in 2020, 10 percentage points higher than 2019 (IMF, June 2020).
* Human Development Index (HDI). With the triple hit to income, health, and education – three constitutive components of human development – the HDI is set to decline for the first time since it started 30 years ago (UNDP, May 2020)

And the list goes on…

Beyond the visible effects, there are not-so-visible drivers of change that might alter the contents of sustainable development. This is directly relevant to UNDS as they will be translated into various mandates and priorities of the various UNDS agencies and departments. We are witnessing ***multiple tipping points*** – small shifts that may drive structural changes – around the world, just like they did during previous episodes of great global disruption including the Great Depression of the 1930s and the Spanish Flu Pandemic of 1918. For example:

* A digital disruption is happening: tele-working, tele-schooling, tele-medicine won’t be going back to where they were in 2019 – they will shift the way we work, travel and provide services for a very long time.
* A window to slow down CO2 emissions is also opening: The past 6 months have seen a cleaning up of air pollution and a CO2 emission reduction of 8% - precisely the rate of change we need to meet the IPPC CO2 goals for 2050. The price of oil is dropping, and the cost-efficiency of wind solar and other renewable energies is rising.
* Social expectations are shifting between governments and citizens, with respect to universal health care (UHC), paid care work and even universal basic incomes (UBI) – in the summer UNDP proposed a Temporary Basic Income – a basic income guarantee for all poor and vulnerable people around the world – that we believe captured the potential scope of changes.
* An increase in Gender-based violence has put a spotlight on the gross social, economic and political inequalities between men and women, and highlighted the role of changing social norms, overt and hidden biases. Gender equality must accelerate, we cannot wait decades for labor parity and political parity to happen in a leisurely pace.
* Any more.

All of the issues mentioned above are complex and interconnected. None of them can be solved by a single sectoral ministry or competently dealt with by one UN agency. Amplified by COVID-19, they have highlighted to us once more how intertwined sustainable development issues are and how they are changing. Issues such as inclusive growth, poverty eradication, urbanization, governance systems improvement, jobs, or the prevention, peace building and humanitarian-development-peace nexus agenda are all entry points to address complex and interconnected systems challenges. Working on the interconnectedness and provide coherent and systematic solutions is what the UNDS needs to focus on and how the UNDS can translate international norms into its practical operations. In the next four years, this means the UNDS needs to build on UNDS reform, intensify collaboration, focus on policy innovation and find integrated solutions to complex systems problems.

**2. Multilateralism 2.0 and UN’s public goods role**

Sustainable development in the next four years will require a renewed commitment to multilateralism and a strong affirmation of the UNDS’s place in it. If the contents of development are shifting, so is the demand for multilateral action. The UNDS has been a provider of public goods, and COVID-19 again demonstrates that the world needs the UN to play this role. In many ways, the swift response from the UN systems during the current pandemic – across health, humanitarian and socio-economic streams – demonstrates the UNDS’s capacity to do so and gives us a glimpse of hope. To respond to COVID-19, the UNDS has pulled together and broadened partnerships beyond the UNDS, including with the IFIs. For example:

* In the time span of six months the UN has supported governments in developing 113 socio-economic impact assessments (SEIAs), 104 socio-economic response plans (SERPs).
* The estimated cost of the response plans is $34.6 billion; with $22.7 billion as a funding requirement. UNCTs have reported to have repurposed $2.8 billion so far.
* UNCTs have also been working with IFIs and a wide set of other partners, including the private sector. UNCTs report that in 55% of cases they received input from the World Bank and in 32% of cases from the IMF. Within the UN, the UNCT, in 54% of cases, received input from the Regional Commissions.
* The SG’s COVID19 Response and Recovery Fund has disbursed $40 million to 47 UNCTs; a second call for proposals is under way; the Joint SDG Fund has repurposed 20% of its $70 m social protection portfolio in 35 UNCTs and has provided over $60 million to 62 UNCTs to support their governments in formulating their Integrated National Financing Frameworks (INFFs) that will help shape national policies for COVID-19 response.

The UN’s COVID-19 response suggests that the capacity of the UNDS to repurpose and tailor to the changing needs is significant. There are many other examples of UNDS providing policy and operational support to our programme countries at scale. An important example is the UN’s support to our governments to incorporate the 2030 Agenda in their national development strategies and plans in the first two years of the SDGs. The SG’s Special Advisor on Climate Change Mr. Selwin Hart kindly mentioned UNDP’s support to NDCs. That is UNDP’s Climate Promise <https://www.undp.org/content/undp/en/home/climatepromise.html>, in which we are currently supporting 114 countries to review and renew their NDCs (as part of a comprehensive strategic review), the very core on which the success of the Paris Agreement depends. UNDP, for example, is focusing on high demand areas of SDG integration <https://sdgintegration.undp.org/>, SDG acceleration (through its 90 Accelerator Labs) <https://acceleratorlabs.undp.org/>, SDG financing <https://sdgfinance.undp.org/>, and more.

We know there are structural challenges in the UNDS. The UNDS reform has come up with a set of measures to deal with some of them. Despite the challenges, we are seeing more and more practical collaboration across the UNDS, focusing on issues and solutions.

One issue we need to address is adequate funding for the UNDS to play its public goods role effectively. Barbara Adams of the Global Policy forum spoke earlier about this eloquently (including on the imbalance between core and non-core). The demands for UNDS support remain strong, yet many UNDS entities face high levels of financial pressure and uncertainty. This situation undermines the UN’s ability to be strategic. The demands for UN support will likely expand to new areas and require the UN to provide new public goods – responding to the immediate impact of the pandemic is just a starting point; other issues will follow: preparing for future pandemics, providing a framework for restructuring sovereign debt, securing financial mechanisms to accelerate energy transitions, reduce fossil fuel subsidies and implement carbon pricing, among others. None of this can be effectively supported by the UNDS if it were not adequately supported.

**3. A shifting development paradigm**

COVID 19 has shown us the limitations of our current systems (of development and how we think about it) and created a political momentum for us to shift the development paradigm, challenge long standing assumptions, and raise our ambition in how we think about and address development complexities. The cost of keeping GDP per capita as the key measure of development success is enormous: so many things are invisible to GDP such as biodiversity, pollution, inequality, and vulnerability. UNDP’s HDR 2019 on inequality made a convincing call for us to move beyond income, beyond average and beyond today. It is time to finish the work started by the Stiglitz-Sen-Fitoussi Commission <https://www.oecd.org/statistics/measuring-economic-social-progress/>. The world needs to move beyond GDP with a set of national and global metrics that capture a harmonious sustainable development pattern – within planetary boundaries and leaving no one behind, as demanded by the SDG agenda.

One visible issue of the current approach relates to how resources are allocated to developing countries. It is dominated by the countries’ GDP per capita. This means that most of MICs, SIDs (most of which are MIC) receive negligible amount of core resources when the poverty and inequality challenges of the world are in fact the most serious in these countries. Granted that the governments would have more capacity and more resources to deal with their development challenges when they are MICs, but the situation is complex and not straightforward. These countries’ development status cannot be measured by average income alone and the UN needs reasonable amount of resources to provide effective policy support to help these governments address the most stubborn development challenges. Aside from the UN and more importantly, the GDP per capita criteria limit these countries’ access to concessional finance and market finance. The SIDS, for example, are dependent on a very limited number of sources of income (e.g. tourism, fisheries, fishing rights and ODA), highly indebted and deeply vulnerable to CC and natural disasters. Decades of development gains can be wiped out by a single episode of natural disaster. AOSIS has advocated for the UN to come up with a multidimensional vulnerability index. The UN needs to respond, so do the Member States.

The vision (Agenda 2030/SDGs) is there, the how needs more work. Many UN bodies and agencies have worked on this issue, many academics and practitioners have thought about alternatives. It would be time to embrace a shift towards new methods of measurement. Can QCPR call on the UN to set up a blue-ribbon commission with the best minds in the world to think about what it means to take that next step for the SDG agenda and for sustainable and inclusive finance? Can QCPR call on the UNDS to put a proposal on the table by the end of the next QCPR?

**4. Embracing complexity and uncertainty**

Despite the innovations that have taken place in the UNDS, we have not fully embraced development complexity and became capable of dealing with uncertainties. Too often do we still look for ‘single dimensional answers’, which we address through standalone projects. Development is not linear and complexity and interconnectedness are defining most of the challenges we face. The UNDS needs to build uncertainty into its response, embrace the notion of ‘programme’ instead of ‘project’ and look to the broader picture. For the UNDS this means acquiring new capabilities and skills that will be of crucial importance if it were to stay relevant and continue to be a credible and value-adding partner to our governments and other partners.

We have witnessed some extraordinary statements from governments globally in the wake of COVID-19. The Dutch PM Mr. Mark Rutte, for example, said: “*We need to take 100% of decisions with 50% of information*.” Ghana’s president Mr. Nana Akufo-Addo had this statement: “*We know how to bring the economy back to life. What we do not know is how to bring people back to life”.* Whatever the statement, they all have a common theme: the need for a dose of humility and the acknowledgement that situations of great uncertainty call for a very different way of operating.

COVID-19 is not a black swan, it is a black elephant: we knew that a pandemic was very likely to happen, lots of reports warned about that, but we just could not predict exactly when, no matter how much big data or modelling we threw into the issue. How will we tackle situations like this in the future? How do we work together to build a new set of capabilities? Or how does the UN respond to the requests of our governments for support on complex issues for which we don’t have immediate solutions? Several speakers suggested we should be able to walk through the thinking and solution exploration process with the governments, with national ownership and leadership. Can the UNDS do this in the increasing face of complexity and uncertainties?

I believe the UN can do so, but the UNDS needs to make three big shifts:

**First, from magic unicorns to system approaches**: no contract tracing app, no testing equipment in isolation will “solve” COVID-19, just like no hackathon or blockchain solution in themselves will “solve” climate change. Look at the examples of Vietnam, South Korea, or Senegal, all widely credited as COVID-19 successes: they put in place comprehensive programs that tackled social, regulatory, procurement, behavioral issues on top of medical and technology responses. And when the Singaporean government launched its contact tracking app, it did so with a blog titled: “This is no panacea”. Let’s embrace this spirit and acknowledge the complexity of the issues we are dealing with. Unicorns are not the answer: in face of complexity, we need to expand our options, not reducing them by locking ourselves into one single path in the hope that it scales up, as if by magic.

**Second, from trying to predict the future to sensemaking in the present:** there is a fundamental difference between risk (which is quantifiable) and uncertainty (which is not). We often conflate the two and expect that we can predict upfront what are by their own nature unpredictable events like COVID-19. We need to become better prepared at sensemaking the present, with all its contradictions and contemplating multiple possible futures (no matter how unlikely they might seem). The Philippines Senate has a dedicated committee on SDG, Innovations and Future Thinking. In the wake of COVID-19, UNDP will soon start working with the committee on resilient food systems, starting from the here and now. I am sure that many similar initiatives are under way in our countries. Increasingly, we need to focus our attention on new ways of understanding the present, without getting carried away with the false security of “predictions”.

**Third, from financing individual projects to financing portfolios and system transformations:** the government of Slovenia is working with Climate KIC to shift its entire national economy into a circular economy. In the wake of COVID-19, the city of Amsterdam has committed to radically shift its whole economic development paradigm to comply with the “doughnut” model of sustainable growth (within planetary and social boundaries). A number of governments, from Togo to Pakistan, have adopted temporary basic income schemes as a first step to rethink their safety nets. We need bold funders and donors who will be willing in the future to finance this type of big system transformations, moving beyond individual projects. This requires patient capital, taking a long-term view (we won’t “fix” inequality or plastic waste in 3 years) and the willingness to shift towards portfolio approaches. At UNDP, we are lucky that thanks to the support of the Danish government we have been able to start working on seven “deep demonstrations” – from Burundi to Bolivia, from Tunisia to Vietnam – to learn by doing what funding systems transformation means in practice. We need more of this.

These shifts are important. They deserve our Member States’ encouragement and support.

To conclude, by adopting a systems approach, think strategically, building on UNDS reform and with the support of the Member States, the UNDS has a great potential as well as a great opportunity to enhance its support to our programme countries’ drive for sustainable development in COVID-19 response and in the Decade of Action.

Thank you very much!