



## **2011 ECOSOC OPERATIONAL ACTIVITIES SEGMENT**

### **Informal summary**

#### **Panel discussion on “2012 quadrennial comprehensive policy review of the General Assembly – What are the expectations: Issues, process and outcome?”**

**Thursday, 14 July 2011**  
**03:30 p.m. – 6:00 p.m.**

In opening the panel, the Vice-President of ECOSOC, H.E. Mr. Gonzalo Gutiérrez Reinell, said that the UN General Assembly will undertake its quadriennial comprehensive review of UN System’s operational activities for development (QCPR) in the fall of 2012. It will take stock of how far the UN system has gone to improve the way it works and implement the GA past decisions in this regard. It will also guide the system in making further progress and in addressing new challenges. Such challenges include the changing landscape of development cooperation, with the emergence of new actors and approaches and the focus on demonstrating fast results and “doing more with less”. There is also a need to help “aid orphan countries”, countries in post-conflict situations, and middle income countries -- while keeping the focus on Least Developed Countries. The concern for sustainable development also had to be given priority.

#### **Presentations**

Ms. Jane Stewart (moderator) began by stressing that the contours of the modern UN development system are: cost effectiveness, results orientation, coherence as well as agility and flexibility. All areas have seen progress. In terms of cost effectiveness, harmonizing business practices will continue to be a priority. The UN system is pursuing “low hanging fruits” in terms of reforms in this area. On results, UNDG works hard on finding how to best to report on results in the context of development. UNDG is working around strategic priorities which are derived from the last GA review of operational activities, and shared by the entire UN system at the national and global levels. UNDG is reviewing the UNDAFs and their impact, notably on capacity creation at the domestic level. In terms of coherence, she said that this “is the sweet spot for whether we’ll be able to be transformational”. An in-depth understanding of each element of the UN system and its comparative advantages is critical to arrive at a division of labour and partnerships that benefit the countries. Ms. Stewart asked the panellists to address the following question: “do countries feel that they truly own and lead the programs of the UN system?”

Dr. Sambili stated that national ownership of UN programmes has been evolving. Recent developments such as the UNDAFs and “delivering as one” have greatly contributed to responding to the country’s priorities. The joint formulation of country programmes and action plans has been very well received by the country. So was the UN’s willingness to revise the UNDAF to align it with Kenya’s new national strategy. UN system programmes are becoming better coordinated because they are aligned with the country priorities. This is just a beginning however, and the benefit of this new way of working are just starting to appear. There should be greater clarity about the role of resident coordinators as both coordinators of the UN system and resident representatives of UNDP. The UN has played an important role in capacity development by providing advisors. But the process took very long and must be simplified so that it can better respond to the needs of the country in a timely manner. The actual transfer of skills from experts should be monitored. With the growing role of regional organizations, it is important that the UN is not marginalized.

Ambassador Gass stated that it is important to agree on how much ownership and leadership countries can realistically expect. The UN operational system has two sides: (i) values, approaches and mandates, owned by all member states; and (ii) the products and services delivered, which have to respond to the exact needs and demands of a specific country. The QCPR has to strike the balance between these two forms of ownership and leadership. He added that the QCPR has to be ambitious and clear, or else a vacuum will be created that will be filled by the bureaucracies of the agencies. When consensus is not reached, ownership is “delegated down”. At country level, the leadership of the recipient country is only as strong as the coordination of the UN country team. Coherence is about rationalization and effectiveness, but also about giving the governments in programme countries a coherent and coordinated system to talk to and interact with, focusing on the efficiency and effectiveness of that relation.

Ms. McDade said that, in the last six years, she had seen progress in the way the UN system works under national ownership in the two countries where she served as resident coordinator. The UNDAFs have served to focus the UN system around priorities defined by the host country’s government. In Uruguay, UNDAF preparations have become more inclusive of various UN system agencies since the “Delivering as One” initiative was launched. The 16 joint programmes have enabled to develop inter-ministerial, inter-agency groups to address cross-sectoral areas in the UNDAF. The One UN Fund and the Expanded Funding Window have been essential incentives for agencies to work together. The existence of a common fund also enabled to empower the government. Multi-donor trust fund mechanisms have been extremely important in Uruguay, which is an “aid orphan” because of its middle income status. UN country teams are important for sharing experiences across agencies and for seeking opportunities for joint programming. In Uruguay the UN system has implemented the “2<sup>nd</sup> generation” of joint programming, in which agencies bring their own funds and coordinate them around a joint topic. The care economy program and the prison reform were good examples. Both require an inter-disciplinary approach, which is why the government has chosen to partner with the UN. Ms McDade stressed that in middle income countries, the UN can be very relevant, and bring non-UN competencies into joint program mechanisms. She agreed with Dr. Sambili that “we’re just starting to see the fruits of these experiences”. Regarding the “Delivering as One” (DaO) initiative, the on-going independent evaluation would be important. But the country-led evaluation in Uruguay shows already that country’s ownership has increased as a result of the DaO. The government feels that its priority setting role and its overview of UN system’s work has improved. It appreciates the resident coordinator’s ability to bring the UN country team together. It also finds it easier to communicate with just one person.

Ms. Stewart highlighted that the fact UNDAF is working in Uruguay and Kenya speaks to its being flexible enough to apply in middle income countries. She stated that involving non-resident agencies continues to present a challenge. Next, she asked the panellists to refer to the areas that require improvement and should be looked at by the General Assembly in its QCPR.

Dr. Sambili stated that the availability of core funding and the question of agility and flexibility were key challenges for the UN system. Timely accountability to donors is essential to address the issue of resources.

Ambassador Gass stated that the first challenge is that the UN system evolves too slowly. As globalization and the issues that are driving the world are moving with an increasing speed, there is no time for complacency. UN Member States contribute to this weakness because it takes them too long to reach consensus. He cited the example of the time it took to create UN Women, an entity that everyone knew was necessary. But once an agreement is reached among Member States, the challenge is to face the inertia of the UN system, which will resist implementation. Implementation is lagging behind for example on: UN system participation in Sector Wide Approaches (SWAs) and budget support at country level; on reporting by specialized agencies on the implementation of the TCPR; on improving staff mobility and on standardizing cost recovery. Many of the recommendations of the 2007 and earlier TCPRs still have not been addressed. Ambassador Gass hoped that there will be a clear and sharp analysis of this kind of issues for the 2012 QCPR.

The second challenge relates to Sector Wide Approaches (SWAs) and budget support. Programme countries want the bilaterals and multilaterals to engage in these modalities. It is not possible to say that national governments can not deliver on certain tasks.

The third challenge is the issue of transition from relief to development. There continues to be a huge gap in support when a UN Security Council mission leaves.

The fourth challenge relates to administration and business processes. Different agencies often have large back-offices at the country level which has implications for resources. Agencies are driven by the need to do business. The priority of the head of the office is to keep the large number of staff supporting the large back office on the job. Merging back-offices has a huge potential to enable the teams representing different agencies to flexibly respond to the needs of the country.

Ms. McDade described the urgent need to harmonize operational procedures and business practices among UN system organizations. There are very different guidelines developed by different boards, composed of delegates from different Member States. She cited the example of having to carry out five different audits for a programme. She agreed with Ambassador Gass that back-offices need to be merged, but added that operational harmonization is also needed. She called for Member States to ask their representatives to prioritize the harmonization of business practices when they participate in the Governing Bodies of UN system agencies.

Another challenge is to ensure the continued strengthening of the resident coordinator system. The resident coordinator is not a Queen or King of the UNCT, but a team leader. Resident coordinators should have the competencies to lead the UN system, contribute to the work of the country team and promote change. There should be mutual obligations between resident coordinators and members of the team, who must work together to move the whole system in the same direction. An incentive structure and mutual accountability frameworks should be put in place.

It is also important that the UN development system is able to operate effectively and is flexible enough to bring about results in a diversity of countries and circumstances. There is no one size fits all for the staffing and operational activities of UNCTs at country level. The way in which effectiveness is measured is also important.

Finally, in a time of worldwide budget scarcity, it is essential to be more ambitious in finding economies of scale and savings - while preserving the diversity of UN system organizations thematic knowledge and specialization.

### **Questions and Answers**

The following points emerged from the first question and answer session.

There is often a lack of consultation between the UN country team and the government, where the former sees the latter as a competitor and doesn't "allow it" to lead the UN programmes. One delegate asked about progress in national execution, and whether more steps are needed to ensure real country ownership.

It was underscored that the UN system has a particular role in middle income countries, which should be examined in the GA upcoming QCPR.

More reflection is needed on how to ensure that the UN system has greater flexibility and is able to respond to various country needs. At the same time, it was said that UN country teams must not only be demand and country driven: they must be equipped to deliver on UN mandates.

Effective coordination can reduce costs and lead to better outcomes and impact at the country level. At the same time, improving coordination entails costs which are very difficult to measure. One agency said that, particularly in times of budget reduction, the provision of knowledge and technical expertise should be recognized as co-financing. On delivering as one, it was important to focus on evaluating the programmatic impact.

One UN system speaker felt that resident coordinators lack the authority and tools to coordinate development assistance for results. She looked forward to further mechanisms for UN country teams to "deliver as one". Another UN agency said that Non resident Agencies continue to face difficulties in participating in many projects, although there has been progress towards greater inclusiveness.

There is a need to improve the links between UNDAFs and agency-specific programming, specifically because the UNDAFs are aligned to the country's priorities and allow the agencies to prioritize and respond in accordance to these.

In responding to the speakers, Ms. McDade said that, regarding middle income countries, UN principles state that people have the same rights regardless of where they live. The development system must recognize that there are poor people living in different income-level countries. In this regard, the QCPR should have a preamble on rights-based approaches. There is a debate on who bears the responsibility to fulfill those rights. As countries become wealthier, the burden should shift towards national authorities, with the UN contributing knowledge on e.g. what policies have worked elsewhere (the UN is not a "funder"). On national execution, in order to increase national capacity, the system must work with national execution. The UN's function is to bridge gaps, not to develop parallel administrations.

Dr. Sambili said that many countries reach middle income country status because of resources, and not because they have built the required national capacity. They thus still need support. About the alignment of UN actions to the country's priorities, the UN many times tries to look at its own broad mandates and to accommodate the country priorities within them. There is need for flexibility to respond to national priorities even though they might not be strictly aligned with the broader UN agenda.

Ambassador Gass stated that, before the Paris declaration, the UN was a pioneer in national execution, but that bilateral donors are now on board. The UN system should implement the GA guidance on Sector Wide Approaches and budget support. It has to put in place a new model of operation – since national execution means adapting to the way the country “wants to do business”. UN organizations should make their programming more open. Regarding the cost of coordination, it is inversely proportional to the willingness to be coordinated. The higher the level at which coordination takes place, the smaller the costs of coordination. If the Resident Coordinator is doing his or her job properly, and if in the future there are common back-offices, there will be no such thing as a non-resident agency.

When the floor was opened for questions again, speakers made the following points:

The 2012 QCPR will cover a very important period, from the perspective of the achievement of the MDGs and of the goals agreed in Istanbul for LDCs.

One speaker said that national ownership of UN operational work has long been recognized as critical, but there is still a tendency of bypassing states and governments. The social sector has been given the utmost importance in development cooperation, while undermining the importance of infrastructure and productive sectors. It was noted that an important aspect of the role of the UN system is to bring best practices, knowledge and technical assistance. The role of the UN is to build enough national capacity so that it is not needed anymore.

It is important for the resident coordinator to implement what comes out of the GA and ECOSOC, while maintaining close and continuous contact with national authorities, listening and reacting to their priorities and their needs. Despite the UN agencies' various mandates, the actual activities must respond to the needs and priorities of the concerned countries.

The need for UN system to help address inequalities in middle income countries was stressed. One delegate said that support to middle income countries should not be funded by the UN because that would be taking away from the needs of the LDCs and conflict countries. In her view, the answer is tax raising and income generation in middle income countries.

It was noted that, in many countries, much of the development assistance goes through NGOs. The role of the resident coordinator is crucial to guarantee that these flows of assistance not only are aligned to goals set up within the UN system, but also with those of the government. Sometimes these civil society organizations are not equipped or skilled enough to deliver on the expected services.

One UN system speaker stated that more progress has been made in last three or four years than over the past 10 years in the way agencies work together and in aligning UN programmes with member states priorities.

One problem with coordination is that its benefits are not seen as quickly as its costs. One speaker asked the panel whether they felt it is time to have self-directed country teams, without the “enormous machinery” they carry, working individually with governments.

Support was expressed to the “Delivering as One” initiative. One speaker said that reform should continue on this path, since countries that have implemented it report enhanced ownership and better thematic coordination. Another speaker warned that piloting the initiative is contingent on whether it is acceptable to national governments and consistent with their regulations.

One UN agency said that it is keen to engage that Sector Wide Approaches (SWAs) – and that those should work together with UNDAFs.

Critical obstacles to cooperation between a country and the UN were found to be the widely differing and frequently changing UN procedures. Measures are needed to increase simplification and harmonization. Governments could also be trained in the procedures needed to deal with the UN system. The ECOSOC Vice-President asked the panel if it was possible to have a standardised cost of project support in different agencies and countries.

Regarding coordination and coherence, it is important to focus on areas where the gains can be the highest. The guiding principle must always be to enable developing countries to improve the lives of their citizens.

It was stressed that the UN system often forgets that the results that matter most are the changes in the lives of the people, and that donor countries are not as worried about execution as they are about real impact and change. This has implications for the way the UN develops strategic plans and measures progress.

One speaker asked whether, after the upcoming Rio+20 Conference, the system would be flexible enough to start a new generation of UNDAFs.

Another delegate asked the panellists how to enhance the impact of the UN activities considering the current resource scarcity. It was also noted that there is a contradiction between the need for more focused strategic planning and the fact that most of the UN system funding is non-core. The issue of non core resources should be an important theme for the QCPR. One delegate underscored the need for improving burden-sharing for UN system funding among industrialized and emerging economies. She said that emerging economies should become emerging donors to UN system’s operational activities, and not only in the bilateral and south-south modalities. On core-funding, she stated that it is not sustainable for small countries to be huge contributors of it, and that it is essential to fundraise for core funding or find another funding mechanism.

Regarding the process of the GA review of operational activities (QCPR), it was asked whether past GA resolution on the review were too general to deliver clear guidelines at the country level. There could be more precision so that the UN knows exactly what is expected from it and what should be monitored. Another speaker from the UN system felt that the past TCPR resolutions were actually too long and too detailed. He wondered if we have not come to a point of saturation, where the policy review approach must be rethought.

It was said that the QCPR will be important in maintaining the momentum of UN system-wide coherence and it was critical to maintain dialogue among countries and agencies.

One delegate said that his country is in favour of pragmatic reforms of UN system's operational work. He stated that what is important is not just the reform, but how reform is carried out. Slow implementation is often the consequence of over-hastiness – and pressure of some groups of countries - in deciding on reform, which generates a general lack of trust in reform. His country would like to avoid a clash of interests in the 2012 QCPR. There should be an open process which takes into account the views of all parties involved. It is extremely important for reforms to be consistent and for existing intergovernmental mandates to be implemented by the organization.

Issues addressed in the QCPR were found to be complex, which requires sensitizing government officials. One speaker said that it will be important to have a compilation of all relevant legislation on the funds and programmes in time for the QCPR, so that the governments can better understand each process.

In replying to the questions raised, Ambassador Gass began by stating that when there is vagueness in agreements, it is because member states don't agree, but in the QCPR there are things that are very precise. The problem is that not many UN country teams follow these precise instructions. In his view, if the QCPR guidance were implemented, "we would be a lot further than we are now". In terms of UN system funding, emerging economic powers have to participate in core funding. He added that the countries must fund the agencies they want to have, and that each country that can contribute should do so. Some countries that are calling for more core funding are putting their own resources into non-core, which raises the need to be more consistent.

Dr. Sambili stated that when the UN is going to deliver as one, communication needs to flow to the government on how these structures are going to deliver. There might be a need for clear guidelines on how to "deliver as one". He suggested that resident coordinators could be empowered to engage countries in identifying some of the issues that they would like to see addressed in the QCPR.

Ms. McDade noted that Uruguay will host the 4<sup>th</sup> intergovernmental conference on "Delivering as One" later in 2011. What came out from the previous such conference is that there is "no turning back", because countries appreciate this reform. The Montevideo conference will contribute to the QCPR. Regarding implementation of UN system reform, she stated that the real guidance for the funds and programmes comes from their respective governing body. The QCPR will only be implemented if it is translated into the work of governing bodies of individual agencies. She also stated that coordination should not be just in cooperation in activities, but should also include better burden sharing of many financial costs that are currently falling on UNDP and are not necessarily for development.

## **PARTICIPANTS:**

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PANELISTS:

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**Dr. Edward Sambili**

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**H.E. Mr. Thomas Gass**

Ambassador of Switzerland to Nepal and Facilitator of the 2007 triennial comprehensive policy review of the General Assembly

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