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**Operational activities of the United Nations
for international development cooperation**

**CONSOLIDATED LIST OF ISSUES RELATED TO THE COORDINATION OF
OPERATIONAL ACTIVITIES FOR DEVELOPMENT, 2005**

UNDG Executive Committee

**2005-2007 Programme of Work
for the implementation of GA resolution 59/250**

Introduction

The present report is submitted in compliance with the request of the General Assembly resolution 59/250 (paragraph 37) that requests the Secretary-General, in full consultation with all members of the United Nations Development Group (UNDG), through the Executive Committee of the Development Group¹, to submit to the Economic and Social Council, at its substantive session in 2005, *a programme of work for the full implementation of the above-mentioned actions* (paragraph 36), *to be completed before the end of 2007, including benchmarks, responsibilities, provisions to phase out redundant rules and procedures, as well as a timetable to monitor the progress made towards meeting these targets.*

This Programme of Work complements and is fully harmonized with the actions, targets and benchmarks indicated in the management process for the implementation of the General Assembly resolution 59/250 contained in the Secretary-General report to ECOSOC (document E/2005/58). It lays out the activities which are ongoing or will be undertaken up to the end of 2007 as part of the reform processes set in motion by the Secretary-General in 1997 and 2002 and as requested in the 2004 Triennial Comprehensive Policy Review. Its focus is fully congruent with the views expressed by the Chief Executives Board for Coordination (CEB) at its retreat of October 2004 with regard to the development of a practical action plan for the implementation of United Nations reform.

The report focuses on simplification and harmonization in the following six areas which are mentioned in paragraph 36 of the 2004 TCPR: (a) rationalization of country presence, (b)

¹ The UNDG Executive Committee consists of UNDP, UNICEF, UNFPA and WFP.

implementation of the joint office model, (c) common shared support services, (d) harmonization of the principles of cost recovery policies, (e) alignment of the regional technical support structures and regional bureaux at headquarters level, and (f) further simplification and harmonization measures.

The report will give a rationale for each of the different themes, an update of what has been achieved since the 2001 TCPR, and will list the activities and actions to be undertaken between 2005 and 2007 by UNDG.

Rationalization of country presence through common premises and co-location of members of United Nations country team

a. Rationale

The United Nations' share of development cooperation resources is declining. At the same time the need for innovative, effective interventions to help developing countries address development challenges is growing. The United Nations must find ways to reduce its administrative and support costs that hobble the delivery of development aid. Freeing up additional resources and channelling them to nationally driven programme work is an imperative.

Rental and maintenance of United Nations agencies' offices in programme countries account for a considerable part of the system's support costs. Because of this, the United Nations is prioritizing placing agencies together in common premises, such as United Nations Houses, and common sub-national and regional offices. Sharing premises leads to a major reduction of costs related to the maintenance of buildings, safety and security, and information technology support. Common premises also increase the ability of the United Nations to address successfully common support issues.

Apart from the increased cost-effectiveness of the United Nations presence at the country level, being together in common premises usually results in closer ties between United Nations agencies and their staff. This increases cohesiveness, leads to better coordination and helps to bring about stronger United Nations cooperation. In common premises, coordination often becomes an intrinsic natural feature of the United Nations work, with agencies working together in multiple aspects of their day to day tasks.

The sharing of premises serves one more important purpose. It contributes to strengthening the image of the United Nations at the country level as one unified force striving to support countries in reaching their development objectives. It also makes it easier for people to deal with United Nations agencies. United Nations Houses offer a very visible and concrete example of agencies' efforts to work better together and to improve performance.

b. Progress to date

The establishment and improved management of common premises is one of the major elements of the Secretary-General's reform programme. Significant results have been achieved to-date.

United Nations Houses have been established in 60 countries. United Nations Houses were originally designed to host the Resident Coordinator and the offices of all resident Country Directors / Representatives of UNDP, UNFPA, UNICEF and WFP. Now, they often provide a home to many other United Nations entities that have missions at the country level.

To help country teams to establish United Nations Houses and common premises, the UNDG inter-agency Working Group on Common Premises and Services has been created to offer important guidance and support. The Working Group has devised a step-by-step guide to help colleagues in the field to prepare a United Nations House proposal and to smooth the progress of decision-making and approval processes with Headquarters. It has also developed a set of relevant documentation that is being used by Country Teams worldwide to manage United Nations Houses and common premises.

In addition to sharing central offices, United Nations agencies in a number of countries strive to establish and share their sub-national offices as well. Available information on such co-locations is, however, not exhaustive and more work will be required to come up with a comprehensive picture and recommendations for future action

c. Proposed actions for scaling up

To further integrate United Nations agencies at the country level, there has to be a renewed effort to reduce the dispersal of United Nations offices. UNDG has agreed to establish at least three new United Nations Houses every year up to 2007 as well as to explore possibilities to support other types of common premises including at the sub-national level.

Apart from encouraging the creation of new United Nations Houses and common premises, UNDG will take a critical look at the current offices to ensure that they are optimally set up to support agencies' operations while providing maximum benefit to all of them. Improved security of United Nations Houses and common premises will be reviewed in close consultation with the United Nations Department of Safety and Security.

Special attention will be given to exploring possibilities for co-locations of United Nations agencies at the sub-national level and maximizing their efficiency. Co-locations should be strategic and designed to meet both current and future needs of the participating agencies. Where appropriate, consideration should be given to sharing sub-national offices with other donors.

One of the immediate priorities is the development of a set of clear criteria and principles for co-locations, based on the experience and lessons learnt related to the creation and administration of United Nations Houses. These will provide a starting point for a more formal UNDG agreement to co-locate and establish common sub-offices. This agreement will be translated into a detailed plan for the gradual co-location of current sub-offices, where appropriate, and the establishment of new common premises. As part of the process, an analysis of the existing practices will be carried out with support of the Working Group on Common Premises and Services.

Implementation of the joint office model

a. Rationale

In countries where the United Nations system presence is very small, the combined representation, staffing and support costs of United Nations agencies are often excessive in proportion to their small programme budgets. The joint office model is designed to improve the effectiveness of the United Nations in such countries by rationalizing representation and improving the ratio of programme to support costs.

b. Progress to date

The Executive Committee agencies have agreed to pilot the joint office model in two countries beginning in January 2006. To design the joint office, detailed inter-agency

discussions have taken place with the Governments concerned and within the United Nations at country, regional and headquarters levels. The agencies have agreed that the joint office will be led by one single representative, representing all four agencies, who will also at the same time be the United Nations Resident Coordinator. The four agencies will support one single common country programme. The office will have a single organizational structure, and use one set of unified or harmonized business processes, rules and regulations, support mechanisms and services. The common country programme for the first pilot country will be presented to the Executive Boards in September and November 2005. The design of the organizational structure and operational systems is still under way.

There has also been some progress in conceptualising other typologies of unified representation, for example, in countries where United Nations presence is significantly dominated by one agency which “hosts” the limited presence of other agencies.

c. Work programme 2005-2007

In terms of process targets, it is intended that by the end of 2005 the design of the joint office pilots will be agreed. A system will also be decided for the expansion of the joint office model in 2006 and 2007 and further roll-out countries will be identified.

By mid-2006, a review and classification of existing “hosting” arrangements will have taken place, and new arrangements designed where needed.

With regards to implementation targets, the aim is to have two joint office pilots by January 2006, and a total of five countries moving towards undg Executive Committee joint representation and common country programmes by the close of 2006. By December 2007 this number is expected to have risen to a total of 10 countries.

Although the joint office model is currently being planned amongst the Executive Committee agencies, discussion will take place with other undg members regarding their participation in future pilots.

Common services

a. Rationale

One of the primary aims of United Nations reform is to ensure that operational activities are streamlined to reduce the burden on national partners and to engineer efficiencies wherever possible.

With this in mind, undg agencies are exploring opportunities and pursuing initiatives to develop common United Nations operational services in country offices. These joint operational arrangements aim to generate cost-savings as well as increase operational efficiency. Agencies can, for example, leverage significant reductions from service providers in areas such as travel or procurement when they negotiate together as one larger business entity offering greater throughput of goods or services. By working together as one, agencies obviously also save staff time.

The common service areas that will be addressed in the current work plan period involve core country office administrative services such as banking, security, information technology, telecommunications, travel, banking, administrative and financial procedures and procurement. Operational support to country programme implementation will also be addressed including logistics, warehousing, field communications, field housing and common offices, air charters and freight forwarding.

b. Progress to date

A number of strides have already been made in advancing common services. In 2004 the undg Management Group declared common services mandatory for all members of the United Nations Development Group Executive Committee, i.e. UNDP, UNFPA, UNICEF and WFP. As a further measure to institutionalise common services, Executive Committee agencies also agreed to include common services in the job descriptions of their respective Country Heads and Operational Staff as well as making it a part of their agency-specific performance measurement exercises.

2004 saw the establishment of regional inter-agency teams of common services experts with a remit to help country offices get common services initiatives off the ground. By the end of June 2005, 35 percent of the country offices targeted will have received some form of direct common services support from the inter-agency regional teams. Included in this group are the 14 countries that were targeted during the common services pilot programme that ran from 2002 to 2004.

Providing country teams with information about the initiative has been a priority. The common services website is an important communication and information medium in this respect. The website also contains regional locker rooms that act as knowledge management tools for common services regional teams, encouraging them to share country and regional experiences more broadly. Other information management measures that have been piloted include a technical roster on common services experts that is currently being used by the regional teams.

In addition to the common services that already exist in many countries, the undg Management Group has established new targets: each United Nations country team that receives assistance from the common services experts must aim to develop three new common services. To date, all countries that have benefited from the help of the common services experts have agreed to add a minimum of three new common services initiatives in addition to their current joint arrangements.

The undg Management Group has also recommended that HIV/AIDS in the workplace should be addressed by country offices as a common services initiative. As a follow-up to this recommendation, a pilot module was developed by the undg Working Group on Common Premises and Services to encourage these efforts. Since the development of this pilot in March 2005, more than six countries have agreed to establish inter-agency HIV/AIDS in the workplace initiatives.

An important part of work to date that will continue to be a priority is the development and implementation of a system to measure the results of the many common services initiatives underway. A common services Results Tracking System is currently being developed in South Africa, of which the first pilot will be available by September 2005. The pilot module will be tested globally in three or four countries that have advanced their common services arrangements.

With the goal of harmonising technology standards in field offices, the United Nations has negotiated a global pricing contract with IBM for IBM desktop and laptop computers at favourable prices for all agencies. In addition, the United Nations has entered into an agreement with Microsoft that provides United Nations agencies advantageous access to Microsoft products. Following on from these measures, the undg Management Group has agreed to harmonise standards for information technology platforms among United Nations organisations. The aim of harmonization is to increase the inter-operability of information technology systems and enhance IT effectiveness in country offices. Included

in this programme of work is the development and roll-out of a desktop harmonisation programme.

c. Work programme 2005 – 2007

In support of information technology harmonisation, by end of 2005 the UNDG Management Group will develop recommendations for common standards for hardware (desktop, servers, laptops, printers) and “packaged” software across agencies in country offices. In addition, recommendations will be developed on how to harmonise information technology support required for country offices, including maintenance, contracts and staff requirements.

A common services global meeting is scheduled for September 2005. At that meeting a new batch of common services experts will be trained on the new Common Services Programme Approach. Progress on respective regional implementation plans developed in 2004, targeting 80 percent coverage by the end of 2005, will be reviewed and adjusted on the basis of the situation on the ground.

It is intended that the common services programme reach 100 percent country intervention by the end of 2006. The programme will revisit certain problem countries and ensure sustainability of earlier arrangements. This is particularly important for countries in transition from crisis or that are under emergency status.

Harmonization of the principles of cost recovery policies, including that of full cost recovery

a. Rationale

Currently, United Nations agencies charge a variety of different rates for cost recovery. The differing cost-recovery rates and methods of calculation used by United Nations agencies cause unnecessary confusion amongst partner governments and other stakeholders. In addition, the existence of differential cost recovery policies contributes to delays in the development of joint programmes and problems in the participation of United Nations agencies in multi-donor trust funds. A joint programme is a set of activities contained in a common work plan and related budget, involving two or more United Nations organizations and (sub)-national partners. A multi-donor trust fund shares a number of characteristics with a joint programme and is a pooled funding mechanism, preferred by donors when they are seeking a harmonized, simplified and more transparent funding channel that maximises available resources for programme impact and minimizes administrative overheads.

The CEB High Level Committee on Management’s Finance and Budget Network is expected to harmonize the principles of cost recovery policies and full cost recovery by 2007. Linked to this and in support of this exercise, the UNDG Executive Committee agencies are aiming to review cost recovery rates applied to joint programmes and multi-donor trust funds.

Work is urgently needed to harmonize common principles and approaches to cost recovery in joint programmes and multi-donor trust funds. A harmonized regime for cost recovery for joint programmes and multi-donor trust funds will contribute to transparency with both contributors and beneficiary governments, and reduce administrative burdens. It will also facilitate United Nations participation in World Bank administered multi-donor trust funds where differential overhead rates are harder to negotiate.

b. Progress to date

A Working Group of the Finance and Budget Network of the CEB’s High Level Committee on Management, chaired by UNESCO, has been tasked with addressing support costs for

extra-budgetary activities. The Working Group has developed a survey, launched in the first quarter of 2005, to look at common principles as well as the direct charges and mechanisms used in different United Nations organisations. In support of these efforts, in April 2005, the Management Group requested the undg Working Group on Financial Policies to review current cost recovery rates and policies amongst the Executive Committee agencies, i.e. UNDP, UNFPA, UNICEF and WFP. This work will complement the information gathered by the Finance and Budget Network.

c. Work programme 2005 – 2007

In order to avoid duplication and dispersion of effort, the undg Management Group relies on the work of the Finance and Budget Network of the CEB High Level Committee on Management to make further progress on cost-recovery harmonization for all members of undg, focusing its attention on measures that Executive Committee agencies can effectively undertake. To this effect, a sub-group of the undg Working Group on Financial Policies is charged with the responsibility to reach Executive Committee agencies' agreement in cost recovery in the context of joint programmes and multi-donor trust funds by December 2005.

Alignment of the regional technical support structures and regional bureaux at headquarters level, including their regional coverage

a. Rationale

United Nations funds and programmes are increasingly focusing on ways to improve the quality of support they provide to national governments and partners. Agencies recognise the need to draw more effectively on their combined technical know-how and to work still more closely together to deliver that expertise.

In order to augment support to national partners, a process of decentralisation is underway in many of the agencies, with authority and resources being shifted from headquarters closer to the country level. Correspondingly, increasing emphasis is now placed on regional structures and their capacity to provide technical, operational and administrative support to country programmes.

A key function of the regional structures within the operational agencies is to provide technical support and oversight to country-based agency staff. As the role of country teams increases in prominence, the provision of technical support is shifting commensurately to support United Nations country teams and the Resident Coordinator system.

However the ability of the regional structures to provide this coherent support is hindered by the fact that regions tend to be defined differently from agency to agency. Similarly, the agencies locate their Regional Offices or Bureaux in a variety of differing regional centres. The technical support structures of the agencies are likewise stratified. Some agencies provide their technical support through decentralised Regional Bureaux. Others, whose Regional Bureaux are based in New York, provide support through Headquarters and through decentralised regional technical support facilities.

Harmonizing regional groupings and aligning the Regional Bureaux and technical support structures would allow regional technical and programme staff to work more effectively together. It would also allow staff to provide more coherent joint and multidisciplinary support to Country Teams and increase the quality of regional oversight.

b. Progress to date

Agencies have already responded in a variety of ways to the need to align and further strengthen regional support.

The joint approach to the quality support and assurance that regional bureaux provide to countries developing their CCAs and UNDAFs has gone some way towards forging linkages between regional structures. All Executive Committee Regional Directors now exercise joint oversight over countries' CCAs and UNDAFs through the Regional Peer Support Groups that provide feedback on draft documents. These Peer Support Groups also generally include non-Executive Committee agencies that play a significant role in country level programming and agencies that do not have representation at the country level. (so called 'non-resident' agencies). The Executive Committee agencies in particular now work closely together on matters of joint mission planning, sharing of country information, and technical support to countries preparing for harmonized programme cycles. This increased cooperation between regional structures not only results in higher quality assistance to United Nations country teams but also reduces unnecessary demands on the country offices.

The Southern Africa Initiative has provided insights into innovative ways to strengthen the United Nations regional response to national and regional challenges and priorities. UNDG agencies initiated the formation of a Regional Directors' Team based in Johannesburg to focus the support provided to the 10 countries in the region most severely affected by the triple threat of food insecurity, HIV/AIDS, and weakened capacity for governance. This Team, whose work is supported by the Development Group Office, currently consists of the four Executive Committee funds and programmes, FAO, WHO, UNIFEM, OCHA and UNAIDS. Experience to date suggests a very positive increase in quality of regional support and in the efficacy of the country level and regional linkages. The Regional Directors Team therefore offers a potential model for enhanced regional support and coordination.

c. Work Programme 2005 – 2007

Although there has been some progress in developing stronger regional cooperation, UNDG recognizes there is much scope for further alignment of the regional management and technical support provided by agencies to country teams. As the demands on regional levels increase, so does the imperative to boost the capacity of regional structures to provide timely management, guidance, support, and substantive technical advice to the field.

UNDG will therefore review, as a first step, country clustering by region with the aim of addressing anomalies of regional classification that inhibit cooperation and communications. Proposals for improved clustering and a timeline for the implementation will be completed by January 2006.

Although there is some progress with regard to harmonizing the location of technical support structures, there is still a great deal of work to be done in this area. Some agencies locate the Regional Bureaux at their Headquarters whilst others have decentralised the physical location (if not full decision making authority) to the regions. UNDG will therefore address the issue of the alignment of regional bureaux and technical support structures and table a proposal and an implementation plan on this by December 2007. Both the review of country clustering and regional alignment will be carried out in close collaboration with agency Regional Directors in order to capture their experience regarding management and oversight of country offices and sub-regional technical support teams.