

Informal QCPR workshop

Dialogue on UN operational activities for development

Venue: Permanent Mission of Indonesia to the United Nations

12 July 2012

New York City

SUMMARY

Introduction

The Permanent Mission of Indonesia to the UN, the Friedrich-Ebert-Stiftung New York Office and the UN Department of Economic and Social Affairs sponsored a half-day informal workshop on 12 July 2012, ahead of the ECOSOC Operational Activities Segment (OAS) that took place on 13-17 July 2012. The informal workshop brought together developed and developing country policymakers attending the OAS, along with a small number of representatives of Permanent Missions to the UN, and UN staff actively involved in the Quadrennial Comprehensive Policy Review (QCPR) preparatory process.

The proceedings were informal in nature as the workshop followed Chatham House rules in order to encourage open and frank debate. This summary highlights key findings and recommendations that emerged from the policy dialogue, without any specific attribution, except for the opening sessions and introductory remarks.

Reference material

The policy dialogue was informed by three background documents that were distributed before the workshop:

- ❖ Report of the Secretary-General “*quadrennial comprehensive policy review of operational activities for development of the United Nations system*” (advance, unedited version);
- ❖ Report of the Secretary-General “*Analysis of funding of operational activities for development of the United Nations system for the year 2010*” (advance, unedited version); and
- ❖ Report of a 2012 survey conducted by the Secretary-General of programme country governments on the relevance, effectiveness and efficiency of the UN development system.

These reports, as well as other QCPR-related material, can be found on UNDESA’s QCPR home page: <http://www.un.org/en/development/desa/oesc/qcpr.shtml>

Key questions for discussion

The informal QCPR workshop was articulated around two sessions, focusing on the following questions for discussion:

1. What should be the top priorities for enhancing the relevance, effectiveness and efficiency of the UN development system in the next QCPR cycle (2013-2016)?
2. How can the Resident Coordinator system be improved?

Summary of the policy dialogue

H.E. Ambassador Yusra Khan (Deputy Permanent Representative of Indonesia to the UN) and Mr. Navid Hanif (Director of the Office for ECOSOC Support and Coordination at UNDESA) welcomed participants and emphasized the importance of the policy dialogue for the QCPR process and the ECOSOC OAS.

Ambassador Khan acknowledged the high expectations attached to the outcome of the QCPR, noting that Member States' decisions would have important ramifications on the funding, organizational arrangements, strategic positioning and governance of the UN development system. He pointed out that a high-performing UN development system requires a "critical mass" of core funding, and expressed his hope that *"the upcoming QCPR should not only reap the low-hanging fruits of greater UN coherence, but also address more significant weaknesses in the way the UN development system is coordinated, particularly at the country level."*

Mr. Hanif added that the informal workshop deliberations would provide critical input for developing Secretary-General's recommendations for the QCPR, to be formulated following the ECOSOC OAS and finalized by mid-August. He urged participants to provide their ideas and perspectives, shaping recommendations around four major issues covered by the SG QCPR reports: (1) the funding architecture of the UN development system; (2) the instruments used to deliver operational activities for development (e.g., Resident Coordinator system, UNDAF process and business operations); (3) the capacity development of programme countries; and (4) development effectiveness. Mr. Hanif emphasized that improvements in operational effectiveness and coherence also depend on broader governance issues, with the QCPR setting the stage for such considerations by Member States. He noted that the QCPR was more likely to initiate a change process for broader governance considerations rather than resolve governance issues within the timeframe of the QCPR.

Session 1: Top priorities to enhance relevance, effectiveness and efficiency of the UN development system

Mr. Kristinn Sv. Helgason (Officer-in-Charge of the Development Cooperation Policy Branch at UNDESA) opened the discussion by providing an overview of the substantive findings of the QCPR analytical preparations, including feedback from surveyed programme countries on the relevance, effectiveness and efficiency of UN operational activities for development.

Mr. Helgason indicated that 85 per cent of programme country respondents to the global QCPR survey recognise the increasing relevance of the UN development system, relative to the previous four-year cycle. Similarly, 83 per cent of programme countries felt that UN operational activities for development are more aligned to national priorities today than they were four years ago, even more so for the Delivering-as-One countries. These percentages take on greater significance when one considers that 75% of UN Member States governments responded to the global QCPR survey.

The policy dialogue acknowledged significant progress in terms of how the UN development system carries out its development functions, providing an endorsement to further strengthen the relevance, coherence, effectiveness and efficiency of UN operational activities for development.

On a less positive note, although funding of the UN development system over the last 15 years remained strong, in aggregate terms, its growth (350% in real terms) is mostly driven by non-core contributions. This has reversed the ratio of core to non-core contributions over the past 15 years, with the imbalance in core funding now affecting the ability of UN development entities to effectively fulfil their operational and normative mandates. Moreover, the largest proportion of non-core resources (approximately 80 per cent of total) are heavily earmarked and involve single-donor and project-specific interventions, which further contributes to the fragmentation of UN operational activities for development.

The imbalance between core and non-core funding was regarded as unsustainable, as it was deemed to start impacting the neutrality, capacity, flexibility and responsiveness of the UN development system in meeting national development needs and emerging global development challenges. Participants felt that the UN has reached a juncture where establishing a critical mass of core resources should be a top priority of the QCPR, to sustain the substantive leadership of the UN in international development cooperation.

The simplification and harmonization of business practices was identified as another key priority area. Participants acknowledged that the UN development system made considerable progress in this area, but they underscored the potential for efficiency and productivity gains through further inter-agency rationalization of business processes. This was discussed from both a short- and long-term perspective. The harmonization of business practices was perceived as a complex and long-term effort, which the QCPR could advance by defining concrete targets and deadlines over the longer-term horizon. However, this does not imply that significant progress has to wait indefinitely. Low hanging fruit can be harvested fairly quickly over the short-term by adopting a 'Lead Agency' or a 'Regional Service Centre' model for business operations, especially where UN operational activities involve a large volume of transactions over a select number of business services.

Other key priority areas for the QCPR discussed by participants included the following:

- Strong emphasis was placed on recognizing the critical role played by the UN development system in building national capacity, providing policy advice on

key development challenges, and addressing cross-cutting development issues, such as poverty, human rights, gender equality and vulnerable groups;

- Nevertheless, participants were of the view that although the UN development system is effective in building national institutions and capacity, it is not equally adept at making use of this capacity by favouring national procurement and evaluation systems;
- The need to expand the funding base of UN operational activities beyond the 10 countries that currently account for approximately 80% of total contributions was also emphasised. Emerging market economies must be more involved and domestic resources better mobilized (e.g., through increased tax revenue, wealth distribution policies, development of capital markets, etc.);
- The heavy earmarking of non-core resources could be mitigated by a more broad and thematic approach. Earmarking should be minimized at the level of sector. Within this broad and thematic designation, an agency would then have the flexibility to direct resources based on strategic priorities and country needs, while at the same time being responsive to donor strategic priorities;
- On the programmatic side of UN operational activities, views were expressed as to the required changes in existing instruments so as to improve coherence, effectiveness and efficiency through the adoption of One UN Plans. This would foster a welcome transition from the current practices and limitations associated with Joint Programmes to true joint programming by the UN development system. Such a shift would entail strong government leadership over the allocation and prioritisation of UN development resources, as well as a shift towards Single-Budgetary Frameworks where core, non-core and One Funds are integrated are not seen as separate funding sources;
- Participants also highlighted the unique development needs and circumstances of LDCs, calling for a differentiated approach on how the UN allocates development resources and the type of development assistance it promotes in such contexts. They argued that LDCs require priority assistance to develop infrastructure and build human resource capacity. Given the difference in focus relative to traditional development cooperation approaches, participants called on the UN to ensure that future operational activities for development target the more immediate and pressing needs of LDCs;
- The adoption of single formats for both programming instruments (such as the UNDAF Action Plan) and monitoring and evaluation reports was singled out as an additional recommendation. The proliferation of reporting formats and requirements was perceived to induce unnecessary transaction costs on government and UN entities, distracting from the central focus on development results;

- Finally, a strong recommendation was made for the QCPR to establish concrete follow-up mechanisms that provide periodic progress status on the implementation of policy directives established by the future QCPR resolution.

Session 2: Improving the Resident Coordinator system

Mr. Douglas Lindores (former Chair of the UNDP Executive Board and former Chief Operating Officer of the Canadian International Development Agency) opened the second session with a reminder that the Resident Coordinator system (RCS) is more than the Resident Coordinator 'individual'. He remarked that the effectiveness of the 'system' underlying the RCS depends on the full integration and proper functioning of the UN Country Team, the Resident Coordinator Office, as well as other support structures at the regional and global levels.

Mr. Lindores explained that the voluntary nature of the RCS underpins the degree to which the UN development system can function in a coherent, effective and efficient manner. He highlighted the relative management and governance independence of UN development entities, which explains why the executive function of the RCS is referred to as a resident "coordinator" rather than a resident "manager".

The policy dialogue urged the QCPR to address the governance underpinnings of an effective RCS. Participants discussed the weaknesses in RCS institutional structure and governance. Stressing the importance of the latter, they noted that the challenge for RCS effectiveness lies with the Governing Bodies of the UN development entities, rather than the management of different entities contending with a wide spectrum of operational mandates, policies and procedures. They questioned the value of incremental changes, particularly since the costs incurred would draw on resources that would otherwise be available for development. Without a shift from incremental changes to structural and governance enablers, they felt that the RCS would continue to function in its present form, raising similar issues over the long run.

The capacity, training and recruitment of RCs and RCO staff also emerged as a key concern in the deliberations of the workshop. With core resources falling drastically relative to previous years, training budgets have suffered and staff skills have fallen short of what is required. Participants stressed the need to recruit and place RCs with the capacity and skills to perform in both normal development situations and emergency or difficult humanitarian situations. Solutions to building and sustaining ideal staff capacities should be benchmarked against the best public services and private sector organizations.

Participants offered a number of practical recommendations to support improvements in the functioning of RCS. The following can be highlighted as feasible within existing governance and management structures:

1. Implement established agreements under M&A Framework

Although the UNDG has endorsed the Management and Accountability (M&A) Framework, to date it is not consistently applied.

2. Revisit General Assembly decisions not fully implemented

Recommendations in this area included *inter alia*: systematically applying the RC input to the appraisal systems of UN entities; providing the RC with the right to comment on all substantive documents of UN entities before they are presented to their respective governing bodies; and ensuring that the structure of the UN presence in any given country is based on the need of the country and not the structure of the UN development system.

3. Look beyond field structure

RCS improvements must increasingly stem from HQ-level functions, structures and actions. It is unrealistic and unfair to place responsibility for greater UN coherence solely at the level of field operations. Headquarters must assume this responsibility, not field structures. Experience demonstrates that UN entities at country level are committed to building UN coherence but that agreements tend to fall apart when individual agencies seek HQ approval for intended actions.

4. UN Secretary-General actions

Three specific actions under the authority of the SG could be implemented to authorise RCs to: recommend to governments not to endorse initiatives that undermine the coherence of UN development assistance and are not in alignment with national priorities; determine who participates in programming processes, as a means to balance inclusiveness of UN development system with the costs of such inclusiveness; and comment on individuals to be appointed by UN entities to the UN Country Team.

Closing remarks

In their closing remarks, participants at the informal workshop observed that the upcoming QCPR resolution is of great significance to the future relevance of the UN development pillar. They noted that in recent inter-governmental processes, resource issues have always been the deal breaker, used as *quid-pro-quo*. Participants called on Member States to bear in mind the objective behind the QCPR resolution, which is to improve how the UN development system functions and delivers for programme countries. They urged Member States not to allow the issue of resources to impede their progress towards meeting this broader objective.