

UNITED NATIONS



NATIONS UNIES

TELEPHONE: 1-212-963-8138 FACSIMILE: 1-212-963-8193 E-MAIL: AZAmin@un.org

**Secretary-General's High-level Panel on UN System-wide Coherence  
in the Areas of Development, Humanitarian Assistance, and the Environment**

**Meeting with International Financial Institutions  
Washington, DC, 26 June 2006**

**AGENDA**

**9.00 – 9.30 Overall introduction**

- Welcome by Paul Wolfowitz, President, World Bank
- Welcome by H.E. Prime Minister Aziz, Pakistan and H.E. Prime Minister Stoltenberg, Norway  
(*By video-conference, proposed*)
- Welcome by Ann Krueger, Deputy Managing Director, IMF

**9.30 – 10.30 How to improve the planning and monitoring process towards achieving the MDGs and other internationally agreed development goals, and strengthen the PRSP and country ownership**

- Presentation by Jim Adams, Vice-president, OPCS, World Bank
- Comments by Kemal Dervis, Panel Member/Administrator, UNDP, and by IMF/AfDB (*proposed*)
- Followed by discussion
  - a. What are the respective roles of the UN and the World Bank in these processes? Engagement WB country Directors with the UN country team
  - b. Capacity and institutions building

**10.30 – 11.30 Global issues management, global public goods, funding**

- Presentation by the IMF, comments by World Bank and IADB
- Comments by Jose Antonio Ocampo, UN DESA (*proposed*)
- Followed by discussion
  - a. Cooperation on global issues: sustainable development and environment, communicable disease, including HIV-AIDS, trade and macro-economic policy: global reports, statistics and advocacy
  - b. Lessons from IDA replenishment model; competition and IDA grants
  - c. Intergovernmental linkages: ECOSOC; Development Committee; Peace Building Commission (PBC)

**11.30 – 12.30 Cooperation on post conflict and reconstruction**

- Presentation by Sarah Cliffe, Head, Fragile States Group, World Bank
- Comments IMF and ADB
- Followed by discussion

**12.30 – 13.00 Wrap up**

**Lunch with Board members**

-----

UNITED NATIONS



NATIONS UNIES

---

 TELEPHONE: 1-212-963-8138 FACSIMILE: 1-212-963-8193 E-MAIL: AZAmin@un.org
 

---

**Secretary-General's High-level Panel on UN System-wide Coherence  
in the Areas of Development, Humanitarian Assistance, and the Environment**

**Meeting with International Financial Institutions  
Washington, DC, 26 June 2006**

**ISSUES NOTE**

The aim of the consultation is how to explore options for further enhancing coherence and effectiveness of the UN system, through cooperation with the international financial institutions (*IFIs*).

The past few years have seen a convergence on the international agenda between the UN and the international financial institutions, on the basis of the Millennium Development Goals and other internationally agreed goals, as well as the Financing for Development (*FFD*) conference of 2002 and its follow up process. The follow up of Paris Declaration offers another opportunity to strengthen cooperation, this time at the operational level.

But the policy advice of individual agencies has not always been similar, for instance on trade liberalization. In the UN General Assembly, the international financial architecture has frequently been the topic of heated debate, including the issue of the voice of developing countries within the international financial institutions as well as the issue of 'policy space.' In terms of cooperation at the country level, development partners have increasingly focused on supporting nationally owned development and poverty eradication strategies.

What follows is an overview of issues that can be further discussed in the consultation, based on the agenda.

**1. How to improve the planning and monitoring process towards achieving the MDGs and other internationally agreed development goals, and strengthen the PRSP and country ownership**

- a. What are the respective roles of the UN and the World Bank in these processes? What should be the engagement of WB country directors with the UN country team? What are best practices in cooperation between the UN country team and the IFIs? Where would the IFIs be positioned with respect to a consolidated UN presence at country level, and what would be the implications?*

Both UN and IFIs have made efforts to support nationally owned development strategies. Issues that remain are the link to the MDGs and other internationally agreed development goals as well as enhancing ownership, capacity and participation. This includes issues such as scaling up and resource constraints, and addressing issues such as environment and gender

(which are part of the Panel's mandate). How can UN and IFIs best cooperate on these issues?

While World Bank and IMF are officially UN specialized agencies, and the World Bank in particular is increasingly represented in the field, cooperation shows great variation between countries. In several countries World Bank country directors have joined to some extent in the UNDAF exercise. Also there has been cooperation on joint analytic work. Regional development banks have also worked closely with the UN at times.

***b. Capacity development and institutions building: what would be the right approach to cooperation on institution building and capacity enhancement?***

The traditional strength of the UN system has been capacity building. World Bank and IMF have in recent years also increasingly stressed the importance of strong institutions, as exemplified in the recent Global Monitoring Report 2006. The World Bank in particular also has substantial capacity building activities, mostly but not exclusively associated with its lending portfolio. In scaling up activities at country level in order to achieve development goals, what would be the right approach to cooperation on institution building and capacity enhancement?

**2. Global issues management, global public goods, funding**

***a. Cooperation on global issues: sustainable development and environment, communicable disease including HIV-AIDS, trade and macro-economic policy: global reports, statistics and advocacy.***

Traditionally, the UN has been a forum where global issues are identified and a universal normative framework is developed and initiatives are taken to address them, whether it concerns sustainable development and environment, communicable disease including HIV-AIDS, or trade and macro-economic policy. The international financial institutions have traditionally had country based programmes that are only to some extent focused on global issues and realizing universal goals. This has however changed with the focus on urgent global issues such as combating communicable disease, promoting capacity building for trade, ensuring financial stability, and tackling environmental challenges.

The international architecture and governance on these issues is however weak and the policy framework to achieve these objectives is often said to lack coherence. What improvements are needed, and what lessons can be drawn from the work of the upcoming report of the Global Public Goods international task force? How can funding structures help enhance coherence?

The BWI, UN organizations and regional development banks produce well-known annual analytical reports on many of these issues, such as the Human Development Report, the World Economic and Social Survey, Global Economic Prospects, the World Development Report and the Global Monitoring Report. Is there sufficient exchange of data, macro-

economic policy analysis and ideas and experience to allow for creative synergy, and sometimes divergent policy advice, within the overall framework? A specific question is how exchange and cooperation can help improve and consolidate the statistical base for monitoring progress on the MDGs. Another issue is how regional structures can contribute, including regional development banks, the regional commissions and the regional structures of the operational agencies.

- b. Lessons from IDA replenishment model; competition and IDA grants: what lessons can be drawn for predictability of UN funding from the IDA replenishment model? Is there a risk that IDA grants lead to competition instead of complementarity between the UN and the World Bank? How can there be a better allocation of resources between the World Bank and the UN system to support cooperation on policy, research and programmes, given the universal consensus around the MDGs?***

The International Development Association (*IDA*), the concessional lending arm of the World Bank, has a successful replenishment mechanism based on three year cycles of negotiations with donors, leading to an agreement for three years. The IDA model has achieved great consistency and has led to increasing contributions to IDA over the years. It has been suggested that the IDA model could be used for more predictable funding of the UN. One complication in the UN context is that it is hard to imagine a replenishment model that would not have strong involvement of recipient countries.

The way IDA has developed over the past replenishment has offered scope for greater use of grant funding by the World Bank. This potentially leads to competition with the UN, which has traditionally used grant funding.

- c. Intergovernmental linkages: ECOSOC; Development Committee; Peace Building Commission (PBC): how can coordination and cooperation in intergovernmental bodies be improved? How can more coherent decision making be encouraged by Member States that are represented on the governing boards of international development institutions? What would improve the status of ECOSOC as a forum to discuss global goals and issues as well as overall coordination? How can the link of the UN to the Development Committee be improved? What potential does the Peace Building Commission have for improving cooperation between UN and IFIs on post conflict countries, based on a single international strategy?***

The UN and the IFIs have worked together in preparing summits and conferences (*such as Financing for Development, World Summit for Sustainable Development*). The traditional forum for discussing cooperation and global issues is the Economic and Social Council, but the effectiveness of its role in following up on summits and conferences in general, and the Monterrey conference on Financing for development, in particular, should be further enhanced.

A new forum is the Peace Building Commission (*PBC, discussed further below*), aimed at enhancing international support for countries recovering from conflict. There has been great

interest in involving World Bank and IMF in particular in the work of the PBC, given their traditional roles in early recovery.

### **3. Cooperation on post conflict and reconstruction**

*Post conflict transition cooperation, including division of labour and funding models, PBC: how can rules of engagement and division of labour be further clarified? Is there agreement on the need for flexible funding in the immediate recovery period until more traditional development funding modalities can be utilized? What role can the Peace Building Commission potentially play?*

In post conflict transition, the IFIs and the UN have cooperated closely over the past few years in cases such as East Timor, Afghanistan, Iraq and Sudan. There has been some increase in clarity over the rules of engagement (*need for joint assessments for instance*), but not sufficient. Also, there is unclarity over what funding modalities are needed in what phase of recovery and early reconstruction. In the Panel consultation on transition in Rome, May 19 2006, there was agreement about the need for flexible funding instruments in the interim between humanitarian funding and Multi-Donor Trust Funds and PRSP based funding.

A new forum is the Peace Building Commission, aimed at enhancing international support for countries recovering from conflict. There has been great interest in involving World Bank and IMF in particular in the work of the PBC, given their traditional roles in early recovery. It is hoped the PBC can contribute to early attention for reconstruction as well as to a more coherent international strategy to help the governments concerned.

-----