



**PERMANENT MISSION OF THE
UNITED REPUBLIC OF TANZANIA TO THE
UNITED NATIONS**

201 EAST 42ND STREET, SUITE #1700
NEW YORK NY 10017
TEL: 1-212-972-9160
FAX: 1-212-682-5232



**PERMANENT MISSION OF
IRELAND TO THE
UNITED NATIONS**

1 DAG HAMMARSKJÖLD PLAZA
885 SECOND AVENUE, 19TH FLOOR
NEW YORK NY 10017
TEL: 1-212-421-6934
FAX: 1-212-752-4726

United Nations System-wide Coherence: Funding

**Joint Statement by the UN General Assembly Co-Chairs
on System-wide Coherence**

Delivered by

H.E. Ambassador Paul Kavanagh

**Permanent Representative of the Ireland
to the United Nations, New York**

at Informal Consultations in the General Assembly

Monday, 7 April 2008

Excellencies,

On behalf of my colleague, as Co-Chair, Ambassador Mahiga of the United Republic of Tanzania and on my own behalf I would like to welcome you to this Open Consultation on the question of Funding in the context of System-wide Coherence. We would like to thank you again for your active participation in these on-going consultations.

This dedicated discussion on Funding has been foreseen in our programme of work from the outset. It responds to the priorities repeatedly expressed by a large number of member States.

Delegations will have received the Co-Chairs' joint letter of 4 April 2008 which seeks to set a context for today's consultation. Once again, your Co-Chairs will be eager to hear the views of the member States.

Excellencies,

The achievement of the Millennium Development Goals, and of the other internationally agreed development goals, remains a paramount priority and is the principal frame for our efforts at greater coherence. The Millennium Development Goals are not an optional extra to our development efforts. They are solemn objectives agreed by our governments and we are, to date, not on a sufficient trajectory to meet them. As last week's High Level discussion in the General Assembly made clear, they will not be achieved without increased commitment, including financial commitment, and we cannot lose sight of that context in our discussions. Similarly, coherence is not an end in itself. Within the UN system it is a contribution to aid effectiveness which is a wider context, with a wider variety of possible approaches, which we must also keep in mind.

Without wishing to go into detail, and fully aware of the competencies of other fora, as Co-Chairs we can say that the figures for overall ODA released by the OECD-DAC last week are not an encouraging backdrop for our work. While some have legitimately argued that additional funding can follow increased coherence, in the

context of falling overall aid figures this can appear to be a hollow prospect. Inadequate funding of the UN system as a whole is a poor starting point for the journey we wish the organisation to take toward being an effective and relevant mechanism of support for national development priorities and achievement of our internationally agreed goals.

Excellencies,

Delegations will recall that the Co-Chairs on System-wide Coherence during the Sixty First Session, the distinguished Permanent Representatives of Barbados and Luxembourg, highlighted in their report to the then President of the Assembly a number of Funding-related questions which had arisen in open consultations of the membership last year. This indicative list comprised the following six elements:

- the issue of the quality, quantity and predictability of funding;
- the issue of a better balance to be achieved between non-core and core funding;
- the reinvestment of reform savings back into the system, notably at country level;
- the review of funding mechanisms and practices, including the alignment of budget cycles and the establishment of one budgetary framework in the pilots;
- the issue of resource mobilization, and
- the funding of a strengthened Resident Coordinator system.

Our predecessors as Co-Chairs reported also that these multiple issues were clearly linked to the questions of 'Delivering as One' at country level and the improvement of Business Practices. They recalled that Funding clearly plays a central role in overcoming the current fragmentation of the United Nations System and in supporting efforts to promote a more coherent and coordinated performance of the System as a whole, and a more cost-effective and improved delivery of services.

In this, the former Co-Chairs were echoing the commentary of the High-Level Panel, which itself highlighted the fact that:

Quote

‘Inadequate and unpredictable funding of the system also contributes to fragmentation, undermining the multilateral character of the United Nations. The exponential growth of extrabudgetary (non-core) versus core resources has encouraged supply-driven, rather than demand-driven approaches to assistance, undermining the principle of country ownership. Lack of donor coordination and competition for non-core resources among United Nations agencies squander significant time and effort on fund-raising, undermining the ability of the United Nations to make long-term strategic decisions that would deliver more effective results. Nor does the United Nations have a common system for its overall development funding or for measuring results transparently and systematically.’

Unquote

Who can reasonably question the merit of this commentary? It has been echoed in turn by many member States in the current Session of the Assembly when they have expressed concern for the adequacy, predictability and timeliness of funding. We have heard by the same token, the widely-held view that the promotion of coherence should not give rise to any new conditionalities.

Excellencies,

It has been repeatedly pointed out that the Assembly – in its consideration of System-wide Coherence – is no longer in the same place as it was last year. In the first instance, and as it clearly emerged from our consultations on 28 March, much has been happening in a growing number of countries which are applying a ‘Delivering as One’ approach, as they take on greater national ownership and leadership in their bilateral partnership with the United Nations System representatives in their country. Second, there is much transpiring in the area of Harmonisation of Business Practices across the System. Indeed, we hope to hear from the Secretary-General in mid-May on all that he and his senior colleagues are achieving on this front, within their own competencies. As delegations will be aware, we believe that it will be appropriate and

timely for the Assembly to express itself, if in an interim manner, on such developments during the current Session.

Of course, the major legislative development of recent months has been the adoption, by the Assembly, of resolution 62/208: the Triennial Comprehensive Policy Review (TCPR). The TCPR sets the overall strategic policy direction for UN development activities and the operational activities of the UN System for this three-year period, 2008 - 2011. The TCPR includes an extensive section on Funding for Operational Activities of the United Nations Development System. It also contains a further section on Transaction Costs and Efficiency. Through the TCPR, the Assembly has in fact declared itself on many Funding-related questions highlighted by the previous Co-Chairs on System-wide Coherence.

It is not our intention here to replicate the negotiation of the extensive consensus agreement reflected in the TCPR. Your Co-Chairs would suggest that the Assembly's time today might be best employed hearing from diverse parts of the Hall, constructive signals as to how – bearing in mind our focus on System-wide Coherence – the TCPR's Funding-related provisions can be implemented. We have already stated that we will be attentive not least to the contributions of development partners in this regard.

Nor would your Co-Chairs suggest that our consultations today should focus on the future of Overseas Development Assistance (ODA) in a global sense – the obvious read-across to overall levels of ODA spending, to which I earlier referred, notwithstanding. Discussion of global ODA will be taken up in separate and ongoing consultations on Financing for Development, under the capable leadership of our distinguished colleagues from Egypt and Norway, and no doubt also in preparation for other the High Level events related to the MDGs.

Excellencies,

Before proceeding further, it may be useful to reiterate that your Co-Chairs have observed a very strong consensus view in the Assembly that the promotion of greater coherence in the UN System is not, and must not be, a 'cost-cutting exercise'.

Equally, we have heard a strong consensus in support of the TCPR—enshrined principle that administrative and other savings arising from reduced transaction and overhead costs should be ‘ploughed back’ into development programmes in programme countries. This ought to create an entirely legitimate incentive for individual programme countries to realise for their own national development the benefits accruing for reduced transaction costs, as a result of greater coherence in the UN System activities at country level. In our contacts with Heads of Agencies, Funds and Programmes we would continue to encourage early and decisive action to realise such savings and to plough them back into development at country level.

Excellencies,

Developing countries which are leading the way in advancing greater coherence – and indeed the Deputy Secretary-General on the basis of her recent stocktaking exercise – have told the Assembly that significant progress has been made through a) agreements between United Nations Country Teams and the countries concerned on One Funding arrangements and b) the agreed establishment of One Funds. All of this is in support of One Programmes in-country which have been agreed under the leadership and with the assured ownership of the developing countries in question. Moreover, your Co-Chairs have observed for themselves that a number of development partners have come forward and placed significant and additional resources in these One Funds at country level. This too has been described in earlier consultations,

At the same time, the operation of these One Funds under One Funding Arrangements has only just begun. While the agreements between the Governments and the entire UN country Teams concerned augur very positively, considerable experience in their operation and functioning will be needed before any definitive conclusion may be reached as to their effectiveness. Many States will be particularly interested to hear of additionality and predictability of funding in the context of greater coherence and effectiveness.

I might mention that we are joined today by experts from within the UN Development System who would be in a position to address any questions of a technical nature which delegations may have concerning coherence-related Funding arrangements.

In this connection, it may also be appropriate to recall the comments of the High Level Panel itself that contributions to the One Country Programme ‘should be consolidated within a single budgetary framework, which would not constitute a legal constraint on the spending authority of the Funds, Programmes and Specialised Agencies.’ As regards the Agencies, Funds and Programmes, their mandates, role and functions and identity – which your Co-Chairs know is a matter of concern to many States – let me recall part of what my colleague, Ambassador Mahiga stated in our joint statement here on 28 March:

Quote

‘We recognise fully the individual mandates and vitally important capacities of individual entities within the System. It would be a travesty to promote coherence at the cost of seriously weakening these bodies. That is not and cannot be the intention. In our view, ‘Delivering as One’ will have to strike a judicious balance between the ‘oneness’ of UN delivery and the strength and roles of individual agencies as they are brought to bear on the ‘Delivering as One’ synergy. These represent an enormous asset for the international community and for developing countries in particular.’

Unquote

Excellencies,

Delegations will be aware that your Co-Chairs have consistently taken an open, transparent, inclusive and balanced approach in the discharge of our task. We have said repeatedly that we will maintain this approach through to the end of our mandate. We have not presented fixed or rigid views to the membership, nor will we do so in the future. We will continue to be factual and empirical. We will be most keen once again in today’s consultation to hear the views, priorities and concerns of the member States, whose interests as a whole we are here to serve.

Before concluding, allow me to make one or two points concerning process.

First of all, since the very outset, your Co-Chairs have been open in their aim to present to the President of the Assembly a focused and balanced report, one in which all parts of the membership will recognize a significant reflection of their respective priorities. Our hope is that such a report would find favour with the Assembly. It follows that our report and any subsequent position adopted by the Assembly would flow from the consultations among member States. In other words, let us repeat once again, there will be no attempted faits accomplis on our watch. Nor are there any a priori decisions in our mind. Clearly, by the same token, there are no artificial deadlines for decisions by the Assembly. The Assembly itself is the master of its own house.

Secondly, we have paid close attention to the views expressed during consultations as to the manner in which the Assembly ought to approach its decision-making in this matter. As we indicated on 28 March, we have discussed these views with the relevant group leadership and we have been very gratified by the indications we received that there is an underlying intention to afford the Co-Chairs latitude and flexibility, consistent with our open, transparent and inclusive and pragmatic manner of work. For our part, your Co-Chairs have heard clearly the preference of a significant number of States that the Assembly should take a single decision. We also believe that all quarters envisage the Assembly acting, when it does so, in a united manner bringing together all parts of the membership. Clearly any outcome will have to have sufficient 'buy in' and 'full ownership' in the Assembly.

Returning to the issue of 'Delivering as One' for a moment, let me reiterate once again that anything that the Assembly may say on this topic during the current Session can really only be interim in nature. A united, definitive view of the Assembly in practical terms must await the independent evaluation of lessons learned which member States will receive and consider in the latter part of 2009. This is without prejudice to a future inter-governmental decision. This is the import of the TCP/R consensus resolution of last December. Clearly, as a matter of fact, the Assembly is unlikely to sign off on any independent evaluation that is not designed and conducted to its satisfaction.

Excellencies,

As you know, we have programmed our work on System-wide Coherence in response to the priorities expressed from various and indeed from all parts of the membership. In this manner, our overarching focus is on Development. We have already conducted open consultations on 'Delivering as One'. Today's consultation on Funding will be followed in ten days time by one on Governance. In mid-May, we will take up Business Practices and we will focus an increasing effort on the issue of Gender. Of all this, delegations are already aware.

At the same time, we have paid close attention to the interests and concerns expressed during the consultations by member States. From the outset, we have said that in light of such concerns we will be entirely open to scheduling further consultations as appropriate.

In this regard we have heard in particular an interest in having further clarification on the role and authority of an empowered Resident Coordinator at the head of an empowered UN Country Team in those countries which are applying a 'Delivering as One' approach. This has an evident bearing on the institutional firewall between UNDP's management of its programmatic role and of the Resident Coordinator system. Codes of Conduct are relevant here too.

Accordingly, your Co-Chairs propose to arrange for an update briefing of member States on developments in this regard. This will provide an opportunity for a more in depth exchange of views among member States. We will revert to delegations with proposed timing for this, additional open consultation.

With those opening remarks, I open the floor to those delegations which would like to make an intervention.

Thank you.