

Discussion Note

Strengthening governance of operational activities for development of the United Nations system for enhanced system-wide coherence

United Nations Secretariat
New York

15 April 2009

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List of acronyms

ACC	Administrative Committee on Coordination
AMR	Annual Ministerial Review
BWIs	Bretton Woods Institutions
CCA	Common Country Assessment
CEB	Chief Executives Board (for Coordination)
DAC	Development Assistance Committee
DCF	Development Cooperation Forum
DaO	Delivering-as-One
DOC	Development Operations Coordination Office
ECESA	Executive Committee of Economic and Social Affairs
ECHA	Executive Committee on Humanitarian Affairs
ECOSOC	Economic and Social Council
ECPS	Executive Committee on Peace and Security
EMG	Environment Management Group
EPTA	Expanded Programme for Technical Assistance
FAO	Food and Agricultural Organization
GA	General Assembly
HLCM	High-level Committee on Management
HLCP	High-level Committee on Programmes
HLS	High-level Segment
IADGs	Internationally agreed development goals
IASC	Inter-agency Standing Committee
ICGFI	International Consultative Group on Food Irradiation
ILO	International Labour Organization
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
MDGs	Millennium Development Goals
NRA	Non-resident agency
OAS	Operational Activities Segment
OECD	Organization for Economic Cooperation and Development
RC	Resident Coordinator
RCM	Regional Coordination Mechanism
RDT	Regional Directors Team
SF	Special Fund
SG	Secretary-General
TCPR	Triennial Comprehensive Policy Review
UN	United Nations
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDESA	United Nations Department of Economic and Social Affairs
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization

UNFPA	United Nations Population Fund
UNHCR	United Nations High-Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency
UPOV	International Union for the Protection of New Varieties of Plants
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

A. Introduction

1. The current note has been prepared in response to General Assembly resolution 62/277 on System-wide Coherence, adopted by consensus on 15 September 2008, which requested the Secretary-General "drawing on the resources and expertise of the United Nations system and building on the outcome of [the] triennial comprehensive policy review, to provide to Member States substantive papers on the issues of funding and governance, as these issues arise in the context of system-wide coherence, with a view to facilitating substantive action by the General Assembly". The present note focuses on the issue of governance.¹

2. Member States have engaged in extensive informal consultations on United Nations (UN) system-wide coherence during the 61st and 62nd sessions of the General Assembly (GA). There has been broad consensus that further strengthening of governance of UN operational activities for development should be guided by the following principles:

- ❖ Governance at the global-level should be fully supportive of nationally-owned development strategies at the country-level;
- ❖ The comprehensive policy review of operational activities for development is an effective legislative framework within which the GA establishes key system-wide policy orientations for the development cooperation and country-level modalities of the UN system;
- ❖ Changes to governance structures should focus on strengthening existing intergovernmental bodies such as the Economic and Social Council (ECOSOC) and the governing bodies of UN entities;
- ❖ Governance structures should more fully contribute to greater efficiency in the delivery of operational activities for development of the UN system at the country-level;
- ❖ Intergovernmental oversight should promote enhanced development effectiveness at the country-level and full access of programme countries to UN resources, including those of specialized and non-resident agencies and regional-level entities;
- ❖ Strengthening governance of operational activities for development of the UN system should advance collaboration and coordination between the Bretton Woods Institutions (BWIs) and the rest of the UN system;
- ❖ Strengthening the effectiveness of the governance system is inseparably linked to the funding of UN operational activities for development.

3. This consensus has guided the formulation of the recommendations presented later on ways to further strengthen governance of UN operational activities for development for enhanced system-wide coherence.

¹ This note should be read in conjunction with a separate paper on funding, which is closely related.

B. Background

Functional approach applied to the design of the UN system

4. Many of the "coherence" problems which have arisen can be traced back to the founding of the organization. A functional approach, rather than a federalist one, was seen as more responsive to the needs of Member States in different thematic or sectoral areas. Consequently, the UN system came to be organized around independent specialized agencies, whose relationship with ECOSOC was established by set of formal agreements. The relationship came to be contractual rather than hierarchical with new organizations, each with a distinct identity and not fitting a preconceived model, created as needs arose.²

5. In the early years, however, the UN system rarely engaged in operational activities for development. Neither did the predecessors of several of the current specialized agencies, which were established prior to the creation of the UN.³ UNICEF was created in December 1946 by the GA to provide food, clothing and health care to children. It was in 1948 that the GA, in resolution 200 (III), "authorized technical assistance to be carried out by the Secretary-General of the UN, in addition to the programme already undertaken by the Specialized Agencies." In response to this resolution, the Expanded Programme for Technical Assistance (EPTA) and the Special Fund (SF) were established in 1949 and 1958 respectively, both financed through annually pledged voluntary contributions. An Advisory Committee on Coordination (ACC) consisting of the Secretary-General of the UN as Chair and the Executive Heads of the specialized agencies was created in 1946. With the growth of the funds and programmes of the UN and the creation of new organizational entities, the scope of the work of the ACC expanded beyond the initial emphasis on the implementation of the relationship agreements between the UN and the specialized agencies, to encompass whole range of substantive and management issues facing the UN system, including operational activities.

Coordination deficits emerge during the 1960s and 1970s ...

6. The creation of many new UN entities during the 1960s, including the World Food Programme (WFP) (1961), the United Nations Conference on Trade and Development (UNCTAD) (1964) and the United Nations Industrial Development Organization (UNIDO) (1967),⁴ added further complexity to the coordination of UN operational activities for development. By end of the 1960s, a wide range of UN bodies such as specialized agencies, regional commissions and other Secretariat entities were engaged in operational activities for development. This rapid expansion of engagement in operational work led to calls for the creation of a new structure of system-wide nature that could promote greater synergy and coordination in operations and funding. In 1965, the GA, decided to establish the United Nations Development Programme (UNDP), a new body charged with coordinating the funding of technical assistance provided by the

² The term "specialized agencies" refers in this document to those agencies mentioned in article 57 of the UN Charter that have been brought into relationship with the UN under agreements approved by the GA. They are commonly grouped together with a few autonomous bodies who are not de jure specialized agencies, but who work in close cooperation with a UN organization (e.g. International Trade Centre (ITC), International Consultative Group on Food Irradiation (ICGFI), International Union for the Protection of New Varieties of Plants (UPOV) and World Trade Organization (WTO).

³ The International Telecommunication Union (ITU) was established in 1865; the World Meteorological Organization (WMO) in 1873; and the Universal Postal Union (UPU) in 1874.

⁴ UNIDO was established as a UN programme in 1967 with headquarters in Vienna, Austria, and became a specialized agency of the United Nations in 1985.

UN system. According to the new arrangement, development projects were generally executed by a UN entity, other than UNDP. The normative and specialized entities of the UN system therefore looked to UNDP to fund projects that allowed them to implement programme priorities established by the respective governing body.

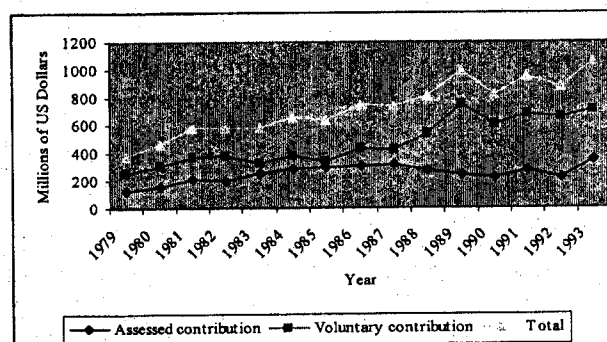
7. The 1970s witnessed continued expansion of UN operational activities for development. To address the coordination deficit that had emerged, the GA, in resolution 32/197, decided to authorize the Secretary-General to appoint a Director-General for Development and International Economic Cooperation. An important task assigned to the new Director-General was to ensure the provision of effective leadership to the various components of the UN system in the field of development and international economic cooperation in order to ensure a multi-disciplinary approach to the problems of development on a system-wide basis. The post, however, was not provided with the kind of support structures that would establish a powerful new locus for policy coordination within the system. The function was abolished in 1992.

... with coordination arrangements coming under growing pressure in the 1980s

8. In the 1980s, funding for UN operational activities for development became increasingly earmarked for specific purposes, as donors attempted to exercise greater control over the direction and activities of the UN system. At the same time, in the context of the Cold War, the UN system went through a major crisis of funding as some donors withheld contributions. This period also witnessed a growing sentiment questioning the ability of the UN system to deliver development support to programme countries in an efficient, effective and coherent manner. Moreover, the system of execution by UN agencies came under further pressure in the late 1980s and early 1990s as programme countries opted for government and later national execution as the preferred modality for delivering UN technical assistance.

9. The centralized approach to funding was gradually abandoned in the early 1990s, culminating in a major systemic change in 1995, when UNDP transformed itself from a central fund to being primarily a substantive organization. The shift towards national execution of projects and programmes, instead of the previous modality of execution by UN agencies, also meant that the specialized agencies could rely much less on UNDP for funding for operational activities for development and became increasingly reliant on direct resources mobilization from donors.

Graph 1 - Contributions to operational activities of specialized agencies 1979-1993



and became increasingly reliant on direct resources mobilization from donors. This, coupled with gradual erosion in core funding, led to significant growth in the share of extra-budgetary resources of overall contributions to specialized agencies from 1987 onwards (see Graph 1). This agency-specific resources mobilization approach was a significant factor in accelerating fragmentation of the UN development system.

Shift towards programmatic cooperation and common approaches as means to enhanced coordination in the 1990s

10. The latter half of the 1990s marked a step change in the approach pursued by Member States to promote enhanced coordination and coherence within the UN system. The institutional reform undertaken during the 1960s to 1970s had not resulted in marked improvement in coordination within the rapidly expanding UN system. The main reason was that these measures had not been complemented by initiatives to strengthen programmatic cooperation among UN entities. Furthering enhanced programmatic cooperation and common approaches was therefore at the centre of the 1997 reorganization, which, inter alia, led to the creation of the UN Development Group (UNDG), chaired by the Administrator of UNDP; the merging of three Secretariat departments into the new Department of Economic and Social Affairs (UNDESA); the creation of common UN houses at the country-level to facilitate enhanced cooperation and coherence; the introduction of the UN Development Assistance Framework (UNDAF) and Common Country Assessment (CCA) as key instruments for joint programming and development analysis within the UN system; the creation of the post of Deputy-Secretary-General to help the Secretary-General in ensuring coherence and to support the incumbent in raising the profile and leadership of the UN in the economic and social fields; and the establishment of the joint meetings of the Executive Boards of funds and programmes. In addition, a series of UN conferences and summits held during the 1990s and early part of the new century defined a set of objectives for the UN system and led to enhanced interagency cooperation in key areas.

11. Subsequent efforts to strengthen coordination within the UN system have largely been consistent with the general thrust of the 1997 reorganization. Since 2002, for example, there has been continued focus on improving field-level coordination of operational activities for development; further strengthening of both interagency cooperation through UNDG, whose membership was expanded to include virtually all UN organizations with a development mandate, and of the Resident Coordinator System; greater emphasis on measuring field-level results; and the acceleration of the establishment of common UN houses in programme countries.

12. The new pilot "Delivering-as-One" initiative is among the latest in this series of measures aimed at promoting enhanced UN-wide coordination through strengthened programmatic cooperation and common approaches. A stock-taking exercise conducted by UNDG/CEB in late 2007 suggests that progress has been made in implementing the one programme, one budget, one leader and one office in the 8 pilot countries. Through the one programme, national partners now have full overview of the range of UN activities and financial resources, as well as information on funding gaps. This has resulted in the UN system more fully aligning its programming with national development plans, under national leadership.

13. It is probably accurate to say that the past five-to-ten years have resulted in more far-reaching change to UN operational activities for development than in the preceding several decades.