

ADDITIONAL BACKGROUND INFORMATION

Conference room paper

Economic and Social Council

Substantive Session of 2004

Agenda item 3

**Operational activities of the United Nations
for international development cooperation:
follow-up to policy recommendations of the
General Assembly**

Consolidated list of issues related to the coordination of operational activities for development, 2004

UNDG Executive Committee
Report on the Greentree Retreat, 6 January 2004

Introduction:

A special informal meeting of the UNDG Executive Committee (ExCom) was held on January 6th, 2004 in an atmosphere of both accomplishment and ongoing challenge. Much has been achieved in recent years to build the fundamental foundations for an improved development effort overall – and for an improved UN contribution to that effort. The MDGs for the first time have brought all major development players on to a common development agenda. That agenda not only emerged fundamentally from the major conferences of the 1990s, the policy organs of the UN system, but also was heavily based on the poverty orientation and people-first principles that evolved from the field operational experiences of the UN agencies. UN reform processes have increasingly provided the foundation for a more coherent overall UN effort – particularly between the funds and programmes.

In addition to the importance of the universal consensus surrounding the MDGs, the funds and programmes can point to important progress in a variety of areas. New guidelines have been adopted for the preparation of the CCAs and UNDAFs, while the results matrix establishes a clear chain between national goals and UN system agency goals. Agreement has been reached on a harmonization of key programme approval, implementation and monitoring tools, and the results will start to show through in late 2004. Revised Joint Programming Guidelines introduce new mechanisms for passing funds through one agency and clarifies the value of added joint programming. Agreement has been reached on the UN Fund Mechanism, with initial experience now being developed in Iraq. Finally, the Resident Coordinator selection process has been greatly improved.

Despite these important accomplishments, we still have a considerable way to go. Donors, while recognizing the critical role of the UN system in developing the MDGs, have increasingly opted for other channels as their preferred choices for additional and new types

of funding flows. Having been instrumental in achieving consensus on the MDGs, the UN system is not sufficiently benefiting from the new resource flows arising from them. Perceptions of complexity, duplication and overlap still persist in the minds of important donors about UN operations in the field. Competition rather than coherence is still seen as the defining characteristic of the UN field system. These perceptions have a very real impact on donor funding decisions.

New approaches are still required to improve the funds and programmes role in sectoral programming, while assessment of the UN's results-based strategies, especially for countries in transition, calls for a more thorough integration of political, developmental and humanitarian analysis. Considerable opportunities to improved efficiency in the field exist through a variety of mechanisms including intra-agency field hosting, joint offices, and the use of common services.

A particular challenge is to respond to changing trends and donor practices in multilateral funding with a UN system strategy based concretely on the system's comparative advantages in relation to the World Bank, bilateral donors, NGOs and the private sector. Perceptions of UN coherence at the field level must be improved through some rationalization of the UN's field presence and through better communication of the extensive measures underway or planned. And finally, governance structures must also reflect the new demands and expectations of the operational system.

In this context and recognizing that more needs to be done to make governments fully aware of the new mechanisms adopted in response to the ongoing UN reform, ExCom members underlined the importance of accelerating the process of reform, particularly in the field, in order to:

- ✓ increase programme impact through greater coherence of action and true partnerships;
- ✓ improve operating efficiencies in order to lower transaction costs for programme countries and donors alike;
- ✓ strengthen the image of the UN development system as one characterized by coherence rather than competition; and
- ✓ agree that UN actors have to communicate better to donors and partners progress already attained in achieving greater coherence and cooperation.

Members also recognized however those reforms already undertaken had not yet been fully implemented. It was important to assess changes already agreed as to their impact in yielding results of higher quality. The need to allow sufficient time for the quality application of measures already introduced was stressed in order to avoid overcrowding with quantity.

To do this, ExCom members used their discussions to:

- ✓ take stock of the considerable progress achieved to date in the implementation of previous decisions aimed at enhancing coherence of the UN's overall development efforts;
- ✓ reinvigorate action on items where decisions had been taken but implementation may have slipped; and
- ✓ agree on the main priorities for additional future action.

Following a fairly free-flowing initial exchange of views on a wide range of related issues, it was agreed to focus on seven main questions as priorities for ongoing action:

- i. improving the alignment of programme instruments;
- ii. strengthening the Resident Coordinator system;
- iii. rationalizing the country presence;
- iv. improving response in post-conflict transitional situations;
- v. responding to the ongoing issue of a joint governing board;
- vi. addressing common problems of resource mobilization;
- vii. enhancing UNDG ExCom agency effectiveness through increased focusing by issue or geographic area (i.e. HIV/AIDS in Southern Africa within the context of the agreement with UNAIDS); and
- viii. communicating UNDG ExCom agencies' agreed reform agenda more effectively.

1. Improving the alignment of programme instruments

UNDG guidelines already reflect the wide-ranging decisions taken on the mechanisms for aligning programming instruments at the country level. These guidelines provide great flexibility to ensure that the approach adopted in a country is tailored individually to its own situation. It has been agreed that the UN funds and programmes must work towards national leadership and ownership of an MDG-based PRSP. A good and timely CCA can also help advocate for and influence the selection of the right priorities for development by the country itself (national plans, PRSPs etc). It has already been agreed that where PRSPs exist, UNDAFs must succinctly reflect how the UN system will work together through its common business plan contribute to the broader MDG-based PRSP effort. Where PRSPs do not exist, then other existing national plans should be the primary framework where they are suitable for the task. National ownership must be key to all the UN's efforts. CCA/UNDAF processes should benefit from and not duplicate appropriate work done elsewhere. Again, as previously agreed, the UN's role must be based on its areas of proven competence and the programme services of each institution should be provided only when relevant to the country's priority needs. UN participation must be based first and foremost on the country's priorities, and not be simply a roll-up of the services that each agency is able to provide.

It was feared that in some cases, the UNDAFs are perceived as an end in themselves, rather than a means to an end. Excessive time allocated to preparing these documents was distracting staff from more important program delivery tasks. The resulting products were sometimes perceived as too complex and rigid. It was underlined again that the CCA and UNDAF tools are meant to be short, light, flexible, and rapidly developed, with a primary emphasis on producing a strategic results matrix that can serve as a practical programme management and results assessment tool. Members agreed on the importance of a quality CCA, which if done at the right time can serve as a strategic contribution to the debate on MDGs and national development priorities.

It was recognized that achieving this shift in mindset would require simplification of the CCA and UNDAF based on the circulation of good examples that can be readily emulated by UN Country Teams (UNCTs). It would also require an effective and repetitive communications process. It would be critical for regional directors of the funds and programmes to endorse this approach and to act as quality control agents in its implementation. Upcoming meetings should be used for this purpose.

2. Strengthening the resident coordinator system

Members agreed that the future success of the Resident Coordinator system and function would depend on at least four interdependent factors:

- i. the leadership qualities and professional competence of the individual selected;
- ii. the ability of the UN Resident Coordinator (RC) to inspire, delegate to and share the burden with other members of the UNCT;
- iii. the formal authority attributed to the function;
- iv. the support resources made available for country level planning and coordination functions; and
- v. the attitudes of all UN staff operating in the country.

Members agreed that, first and foremost, the RC function must be exercised in a collegial manner. Creating a team spirit was essential. Delegation of coordination functions to individual UNCT members is an important element of a collegial approach. Similarly, the nominees of individual organizations for RC positions must be from the ranks of their best staff with skills appropriate to the position. A shortage of candidates with the right mix of qualifications has emerged. Excessive lobbying for candidates of limited competence based on concepts of appropriate institutional representation is undermining the integrity of the selection process. RC positions should be viewed as an opportunity for promotion and enhanced responsibility for staff currently serving as Country Representatives or Regional Directors.

The personal qualities of the RC are in themselves no guarantee of success. Members recognized that some basic capacity at the field level to support the RC with strategic thinking and planning will be a key to future value added. Members agreed to investigate how such a capacity could be established and funded.

Members also agreed that the RC be given more formal authority over the development and monitoring of the results matrix and that this authority should be exercised in close cooperation with national counterpart authorities. This enhanced authority is particularly important in ensuring a strategic focus to the UNDAF and to minimize pressures to include all interests of all agencies irrespective of their importance or relevance to country priorities. Disputes arising from the exercise of this enhanced authority would be referred to the relevant regional directors for resolution. The RC's annual report should focus on achievement of the results matrix.

Tools for a more effective assessment of individual RCs and UNCT members must continue to be developed, including institution of 360-degree performance feedback among members of the UNCT. Members agreed that RCs must input to the performance assessments of individual agency representatives in their capacities as UNCT staff members. Regional directors are responsible for ensuring that this input is received in a timely manner.

3. *Rationalizing the country presence*

Members agreed that it is fundamentally important to address the realities that have led to perceptions of competition rather than coherence at the field level. This includes the urgent need to find ways to reduce the costs that arise from (sometimes) many different agencies replicating similar service functions in the same country. Members agreed that great opportunities exist to improve efficiency through an increased sharing of services at the field level. Indeed, given progress already underway on more coordinated programming, the greatest potential for the future rests in combining the impact gains achieved with a lowered delivery cost.

Members recognized that their organizations need to move forward expeditiously with the pilot Joint Office Project. In addition to the Maldives, it would be desirable to find two or three additional possibilities that can be pursued in order to gain a broader range of experience on the issues involved. While the focus will continue to be primarily on smaller countries with very small combined programming levels, it would be equally appropriate to consider a common office in certain advanced middle income countries where the operations of the individual agencies also tend to be small. This item will be added to the agenda for the next ExCom meeting.

Members agreed to pursue more imaginative inter-agency hosting arrangements where possible. The increased use of common/shared sub-national offices appears justified from the experiences to date. Methods should be developed to replicate these positive experiences elsewhere. Members requested that a more systematic approach to identifying where such options exist and to moving them forward to resolution be developed and presented to the ExCom.

Members agreed that they required a more creative and constructive strategy for the expanded and more effective use of national staff throughout the field system. UNDG ExCom recognizes that locally recruited staff should be treated with the same level of respect and consideration as international staff, including continuing efforts to ensure that safety and security of national staff is given equal attention to that of international staff. The UNDG Management Group is asked to return to the ExCom with a proposal as to how this might be carried out in a professional manner that would benefit all ExCom members and others as appropriate.

Members agreed that there might well be some future role for UNOPS in providing certain common services at the field level. It was agreed that the UNOPS Executive Director should meet with the Directors of Management of the ExCom agencies to identify possible areas for provision of common services. Recognizing that UNOPS is currently engaged in a major transformation, the UNOPS head is requested to return, when ready, to the ExCom with ideas in this regard.

Members were acutely aware of the image problems created in the field by the variety of UN actors present and by patterns of behavior that sometimes reinforced unfortunate perceptions of incoherence and competition in the eyes of both local citizens and the expatriate personnel of other agencies and foreign governments. As initial steps towards addressing these concerns, members agreed that:

- i. members were particularly concerned about the negative impression created by the excessive and inappropriate use of flags. With the exception of those situations where security and host government protocol requirements make the use of flags necessary, members decided that no flags are to be flown by their staff including by the Resident Coordinator. Visits of heads of organization should be characterized by a reduction in pomp and circumstance without reducing opportunities for advocacy and policy influence;
- ii. members also agreed that the public visibility of 'excessively large' vehicles damages overall UN credibility, particularly in urban areas where operational requirements do not justify the vehicles being purchased. Members therefore agreed on three measures to be applied wherever possible: 1) to assess the feasibility of introducing car pooling where a common UN House exists, 2) a

general move towards smaller and less expensive vehicles for urban use (i.e. sedans, not SUVs), and 3) a general awareness of the advantages of a “low profile approach”, particularly in post-conflict situations.

Integrally linked to the preparation of the results matrix is the review and updating as required of the staff profile requirements for the UNCT. Members agreed that increasingly, country teams should develop a cross agency skills requirements profile that is complementary and which supports effectively the MDGs and the PRSP. In other words as vacancies occur, they should be filled with more attention to the overall requirements and current strengths and weaknesses of the overall.

Members agreed that an ongoing focus should be improving the effectiveness of the support provided by virtual integrated regional advisory teams. It is first important for the UNCT to identify the support required. Since the regional teams do not fully align geographically between the different agencies, further building the virtual networks and regularly scheduled meetings of regional directors becomes particularly important.

4. *Post-conflict transition*

Members agreed on the need to draw the appropriate conclusions from recent experiences in post-conflict situations. In particular, it was agreed to build on experiences of Sierra Leone, Afghanistan, Iraq and Liberia to structure more appropriate assessment planning processes and clearer, simplified programme framework documentation based on modifications of existing procedures. Linkages between political, peace and security, humanitarian and developmental issues are increasingly complex. Within the UN system, closer links are required between the Secretariat and the funds and programmes. Preparation for the transition phase where capacity and nation building issues assume greater importance, warrants close and early cooperation between the Secretariat, especially DPKO and DPA and the developmental and humanitarian agencies. Members agreed to pursue the discussion of these issues at the UNDP/ECHA/ECPS meeting on January 29, 2004.

5. *Joint Boards*

Members recognized that governance issues remain the prerogative of the member states. They agreed that the increasing use of a variety of common instruments by the different funds and programmes might lead to proposals to expand the scope and mandate of a joint board. A constructive approach to the mandate and operations of such a board would require that it has the ability to deal with both the issues common to all and with the issues unique to just one agency, perhaps through a mechanism that would see both a common session and sessions devoted to each individual organization. The respective roles of such a board and ECOSOC would also require review. The potential positive benefits of a joint board were recognized, as was the importance of nurturing and protecting the public goodwill enjoyed by individual institutions and the important differences that exist between their structures and operations.

It was also recognized that due to its heavy focus on responsive humanitarian activities and the geographic distance of its headquarters from the New York based agencies, WFP could prove to be a legitimate exception to the joint board concept.

6. *Resource Mobilization*

Members were acutely aware that the ability of their organizations to set and maintain strategic directions was being impacted not only by overall resource constraints, but also by the increased use of resource earmarking over the past two decades. In some cases, the erosion of core funding now threatened even minimal levels of field infrastructure and critical mass in programming. While recognizing the importance of supplementary resource flows to developing countries, and the importance of these flows to maintaining programme delivery machinery at both headquarters and in the field, members agreed that a common strategy to halt the erosion of core funding was an urgent requirement. A group of ExCom resource mobilization staff should meet to develop a common position on this issue.

7. *Identifying substantive issues for closer collaboration*

Members agreed to work together to identify substantive issues for closer collaboration. Enhanced collaboration on the issues of HIV/AIDS in Southern Africa, which has already been agreed, was given as an example, while recognizing the respective role of UNAIDS and its co-sponsors. Members discussed the potential for the UNDG ExCom to take the lead in promoting closer UN system collaboration in other areas and on other issues.

8. *Communication for Reform*

Members agreed on the importance of effectively communicating the “field reform message” throughout their institutions. To be effective, this communication must reflect a shared vision for the future, which could take the form of an ExCom agencies’ common mission statement, commonly held positions, be clear and precise, and be repeated often. If communicating the message is a challenge even at headquarters level, the challenge is compounded as one moves to the widely dispersed field operations. Honest feedback from country teams on barriers to the implementation of reform would be an essential component of any communications initiative. Members agreed that a communications strategy be developed aimed at effectively communicating at the country level UNDG decisions of 2003/2004.

To help support the image of ExCom agencies working together in the field as well as at headquarters, members agreed that a new logo be developed for the UNDG ExCom agencies to be used in conjunction with each organization’s individual logo based on the concept “a member of the UN Development Group” (i.e. UNDP would display both the UNDP logo and the “member of UNDG” logo). It was recognized that much public, member state and staff loyalty is invested in the individual institutions. This goodwill must be maintained. At the same time, the need is evident to position each organization as part of a larger, coherent UN development presence. The use of two logos is considered appropriate for identification on such items as vehicles, accommodation, stationery, and public information material.

Conclusion

Members expressed their general satisfaction with the informal but constructive discussions held throughout the day. And agreed that the spirit and momentum of reform towards an integrated country team was a vital managerial and organizational priority for each of the members of the ExCom.