



UNDG meeting

21 February 2013, 9:30 AM - 12:30 PM (EST)

DC1 – 21st Floor, Hank Shannon Conference Room

Meeting Report

Item 1 – Introduction by the UNDG Chair

1. The UNDG Chair, Helen Clark, opened the first UNDG meeting of 2013 by sharing her reflections on the outcome of the quadrennial comprehensive policy review of UN operational activities for development (QCPR), the future of Delivering as One, and system-wide cost-sharing of the Resident Co-ordinator (RC) system.
2. With regard to the QCPR, the Chair acknowledged the considerable effort the UNDG had collectively invested in the preparatory process of the General Assembly resolution under the leadership of DESA. The Chair noted that the resolution could be considered a success. It was very affirmative of the role of the UN development system and the many comparative advantages it had, which could not be taken for granted in light of the fast-changing expectations and requirements of developing countries and an increasingly crowded development space.
3. The Chair highlighted that Member States call for a UN development system, which is more strategic, coherent, nimble, and results-focused. The QCPR provided the UN development system with a strong mandate for working on poverty, equity, and sustainability, as well as for supporting countries in crises, in the aftermath of natural disasters, and during various stages of transition.
4. The QCPR also underlined the importance of fulfilling ODA commitments, the centrality of core resources, and the need for higher quality of non-core funding. There was also a strong call for system-wide coherence, including strengthened joint programming and a strong Resident Co-ordinator system, which required the UN development system to fully implement all existing commitments, including the Management and Accountability System, whose key elements only eight organizations report to have fully implemented to date. In this context, the Chair highlighted the urgent need for the system to put forward more high-calibre women candidates for the RC position as had been requested in several letters to UNDG Principals, including from the Secretary-General, as well as the importance of strengthening leadership capacity at all levels.
5. With regard to Delivering as One, the Chair highlighted that, for the first time, the approach had been recognized by the General Assembly as a modality of choice for programme countries. She emphasized that the second generation of Delivering as One would need to be firmly focused on results, based on significantly simplified and streamlined processes and procedures. The Chair recognized the outstanding work of the UNDG High Level Group under the leadership of its Chair, Anne-Birgitte Albrechtsen, and with competent support of DOCO had led the development of Standard Operating Procedures for countries choosing to adopt Delivering as One. The Chair emphasized that once the Standard Operating Procedures have been endorsed by the UNDG, it would be important to present concrete proposals for required reform measures at headquarters to the governing bodies of the UNDG member organizations later this year.

6. With regard to system-wide cost-sharing of the Resident Co-ordinator system, the Chair recalled the strong mandate, which the UNDG had been given by ECOSOC in 2011 and which had been repeated in the QCPR, to conduct a review of Resident Co-ordinator system funding modalities and how to cost-share them. The Chair acknowledged the work of the UNDG Task Team under the leadership of its Chair, Hans d'Orville, and informed the UNDG that she had requested HLCM to validate the outcome of the UNDG review. She stressed the importance and urgency to agree on a final set of recommendations, to be submitted by the UNDG to the Secretary-General and the CEB in April, before the Secretary-General will report back to ECOSOC on behalf of the system.

Item 2 – Implementation of the QCPR

7. Navid Hanif, Director of the Office for ECOSOC Support and Coordination, DESA, briefed the UNDG on the key messages of the QCPR resolution and on what DESA would do to ensure its effective implementation. He thanked the UNDG, and particularly the UNDG ASG Advisory Group and DOCO for their critical support and advice throughout the QCPR process. Mr. Hanif underlined that Member States were united in their determination to bring about a more effective and efficient UN development system based on system-wide coherence in support of sustainable development. The QCPR provided a framework for bringing all UN development organizations together in support of this vision and also provided the tools for monitoring its realization.

8. With regard to funding, Mr. Hanif noted that the QCPR sought to address the imbalance of core and non-core funding, the issue of incentives for increased core funding, and higher quality non-core funding, including through more flexible, predictable resources, greater usage of multi-partner trust funds and by recognizing cost recovery as a guiding principle. DESA will conduct a survey together with the OECD Development Assistance Committee to find out what prevents donors from making greater use of core funding. The results of the exercise will inform a structured dialogue with the governing bodies of UN system entities on critical mass, cost recovery and how core funding can be improved.

9. With regard to system-wide coherence, Mr. Hanif highlighted that the QCPR called for Standard Operating Procedures for UN Country Teams in countries wishing to adopt Delivering as One; an accountable Resident Co-ordinator system with a strengthened Resident Co-ordinator function and enhanced Resident Co-ordinator Offices with adequate capacities and resources, and improved reporting on system-wide results; and accelerated business practice reform, including through consolidation of common support services and further harmonization of rules and procedures. In order to realize efficiencies, the QCPR recognizes the need for accelerated reform at headquarters, including through intra-agency rationalization, common cost controls, systematic use of national systems, and streamlined monitoring, measuring and reporting of system-wide results.

10. With regard to ensuring effective implementation of the QCPR, Mr. Hanif recalled that even though the QCPR was not legally binding for all UN development organizations, no agency could afford to disregard the fact that the 193 Member States of the General Assembly had pronounced themselves decisively by providing the UN development system with 178 distinct mandates, which require system-wide follow-up and implementation.

11. In response to the presentation, the UNDG Chair noted that it would be of critical importance that the QCPR was embraced by the entire system and that to this effect, the resolution would need to be brought to the attention of all governing bodies, particularly the ones of the specialized agencies.

12. **Decision:** In order to drive effective implementation of the QCPR, the UNDG agreed to develop a common UNDG Action Plan to address issues, which relate specifically to the UNDG with a prioritized results focus. It will clarify on which issues the UNDG will be in the lead and in which areas the UNDG will play a supporting role. At the same time, the UNDG recognizes the need to remain flexible and ready to adapt to evolving processes, including the post-2015 agenda, united by a common vision, which goes beyond mere implementation of the QCPR. UNDG members further agreed to hold a structured dialogue with governing bodies, which will be reflected in the UNDG work plan.

Item 3 – UNDG strategic priorities 2013-2016 and UNDG work plan 2013

13. The UNDG Chair introduced the agenda item by noting that the development of the first set of UNDG Strategic Priorities in 2010 was a big milestone for UN coherence. It had helped the UN development system tremendously to focus and align its common work priorities at the global, regional and country level in support for maximum impact of the UN at the country level. The Chair thanked John Hendra for leading the development of the new set of UNDG Strategic Priorities 2013-2016 in his capacity as Chair of the ASG Advisory Group in 2012, as well as Yoka Brandt for agreeing to drive their implementation as the new Chair of the ASG Advisory Group. The UNDG Chair also thanked DOCO for high-quality support for preparing the draft UNDG Strategic Priorities.

14. The Chair of the ASG Advisory Group introduced the draft UNDG Strategic Priorities 2013-2016 by highlighting the key considerations that guided the ASG Advisory Group in the drafting process as well as the envisioned next steps for concluding the work planning. She noted that the draft had benefitted significantly from the feedback of the UNDG Working Mechanisms, the Regional UNDG Teams and a survey group of Resident Coordinators and UN Country Teams.

15. The ASG Advisory Group Chair noted that the central purpose of the UNDG Strategic Priorities was to give direction to UNDG efforts at the global, regional and country level to facilitate a step change in the quality and impact of UN support at the country level. To this effect, the Advisory Group recommended that the new set of UNDG Strategic Priorities remained at the strategic outcome level with four key characteristics: They should be (1) fully aligned with the QCPR, both in content and in duration; (2) focused on a limited set of key priorities; (3) measurable and easy to communicate, and (4) supported by sufficient incentives within agencies.

16. A more robust results and monitoring framework would then be required at the work plan level for the UNDG Working Mechanisms, the UNDG Regional Teams and DOCO. This would help the UNDG to keep better track of progress and make the UNDG overall more transparent and accountable to both the CEB and Member States. For this purpose, the Advisory Group recommended a two-year work plan with concrete outputs and deliverables, and outlining roles and responsibilities of key actors.

17. The ASG Advisory Group Chair presented the outline of the Strategic Priorities by highlighting the focus on four substantive areas: (1) MDG/IADG Achievement; (2) Post-2015 Agenda; (3) Crisis/Post-Crisis Transition; (4) National Capacity Development and Development Effectiveness. In order to be able to deliver on this substantive mandate, the UNDG would focus on four strategic approaches to make the UN development system more relevant, coherent, efficient and effective: (1) Promote a coherent results culture across the entire UN development system; (2) Ensure the functioning of the RC system as participatory, collegial and mutually accountable; (3) Accelerate simplification and harmonization of business practices; (4) Foster effective partnerships. Key entry

points for implementing the next generation of reform instruments would be the UNDAF roll-out countries, especially countries adopting Delivering as One, and crisis and transition countries.

18. In response to the presentation, the UNDG Chair emphasized that it would be important for the UNDG to demonstrate a robust results focus in its priorities and work plan and to better communicate the work of the UNDG, including at the regional level.

19. **Decision:** The UNDG endorsed the UNDG Strategic Priorities 2013-2016 in principle, subject to a few limited edits to be submitted by UNDG members in writing. In particular, it was agreed to streamline and simplify the statement of the overarching UNDG goal, which is to be further defined at the output level, to fully reflect the notion of sustainable development and engagement of non-resident agencies, and to consider Delivering as One as a strategic entry point for UN Country Teams in the context of the UNDAF roll-out process.

20. Following electronic endorsement of the final Strategic Priorities by the UNDG, a two-year UNDG work plan for 2013-2014 will be prepared based on a common template reflecting inputs from the UNDG working mechanisms, Regional UNDG Teams and DOCO. The work plan will be fully aligned with the UNDG Action Plan on the QCPR and be finalized in consultation with HLCP and HLCM so as to ensure maximum coherence among the priorities, strategies and work plans of the CEB pillars. It will subsequently be submitted to the UNDG for electronic endorsement by mid-March. The UNDG working mechanisms, Regional UNDG Teams and DOCO will align their work plans with the UNDG Strategic Priorities 2013-2016 and work plan. The working mechanisms of the UNDG at headquarters, including their chairing arrangements will be reviewed to ensure appropriate alignment with the new set of Strategic Priorities.

Item 4 – Standard Operating Procedures for Delivering as One

21. The Chair of the UNDG High Level Group, Anne-Birgitte Albrechtsen presented the draft Standard Operating Procedures (SOPs) for UN Country Teams in countries adopting Delivering as One. She thanked the members of the High Level Group, the members of the validation group, and the ASG Advisory Group for preparing the draft in a very limited amount of time, recognizing also the outstanding technical advisory support received from DOCO. She noted that the SOPs were intended as a first step of a phased approach with regard to what the UNDG would need to deliver when countries requested the UN development system to deliver as one.

22. The Chair of the UNDG High Level Group summarized the essence of the SOPs as consisting of two key aspects: First, the SOPs intend to shift the focus from the UN system planning together to delivering together, by drawing on best practices from the pilot experience and with a clear focus on simplification and streamlining of processes and instruments. Second, the SOPs focus on accelerated reform in the area of business practices, reflecting the call from the QCPR and in support of driving a focused results agenda. The annex of the SOPs outlines the considerable change process that will be necessary at headquarters in order to facilitate full implementation of the SOPs and which will need to be addressed in close cooperation with governing bodies.

23. In response to the presentation, the UNDG Chair noted that the SOPs would need to move the UN development system from joint planning to a firm focus on delivering, reporting and communicating results. Some UNDG members expressed concern that Member States were pursuing for parallel reform agendas across the

range of UN governing bodies, which were not always compatible, and which would make it difficult for some UN agencies to fully subscribe to all aspects of the SOPs. Acknowledging this risk, the UNDG Chair emphasized that the UNDG would need to make it a key priority to bring these parallel reform processes together by systematically engaging with governing bodies based on a coherent plan. She further recalled that the SOPs were only intended for UN Country Teams in countries, which explicitly requested the UN funds, programmes and specialized agencies to adopt the Delivering as One modality and that the SOPs were flexible enough to accommodate for the continued use of agency-specific instruments were appropriate.

24. **Decision¹:** The UNDG endorsed the Standard Operating Procedures and the Plan of Action for Headquarters, noting the annex would need to be discussed in the UNDG working mechanisms and HLCM Networks. The SOPs will serve as overarching guiding principles. The UNDAF Programming Network will meet on 19 March to determine how the SOPs can be effectively operationalized through specific technical programming guidance for UNCTs. The UNDG will drive implementation of the Plan of Action for Headquarters and UNDG working mechanisms are requested to develop the necessary Delivering as One-specific guidance and refine the Plan of Action for Headquarters in collaboration with the HLCM Networks where relevant. The Standard Operating Procedures will provide the basis for the work of UN Country Teams in countries wishing to adopt Delivering as One, recognizing that countries can request the application of agency-specific instruments. The UNDG will support the roll-out of the next generation of reform instruments based on the SOPs with dedicated training and capacity building measures. The UNDG Chair will inform the CEB on progress in the implementation of the SOPs and its Plan of Action for Headquarters at the CEB Spring Session in April.

Item 5 – UNDG Review of RC system funding modalities

25. The Chair of the UNDG Task Team on RC system funding modalities, Hans d'Orville, briefed the UNDG on the progress of the UNDG review of RC system funding modalities and the envisioned next steps for concluding the exercise. Mr. d'Orville noted that further to the last UNDG meeting in September 2012, he had convene a Task Team to review the findings and recommendations of the MSI consultants' report and to submit refined recommendations to improve the provision of resources and support to the RC system based on system-wide cost-sharing to the UNDG Chair. The Task Team was open to all interested organizations and comprised the following UNDG members: UNICEF, UNFPA, UNDP, UNHCR, UNEP, WFP, FAO, ILO, UNESCO, UNWTO, and DESA on behalf of the Secretariat. The Task Team submitted its detailed recommendations in a report to the UNDG Chair.

26. In January, the UNDG Principals Advisory Group discussed the report and reached agreement on the key parameters of the funding modality, including: A centralized, predictable funding modality to replace current ad hoc arrangements and requests for funds; overall funding levels to be maintained in line with 2011 expenditures – amounting to some USD 132 million annually; UNDP to continue to fund the backbone of the RC system, amounting to some two thirds of the overall costs; the remaining USD 44 million to be cost-shared by the system, including UNDP; all UNDG member entities would be expected to participate in the cost-sharing based on an annual membership fee, agency staff size and expenditures, and system load; the USD 132 million would cover support to UN country teams based on a typology of countries, the Regional UNDG Teams and the UNDG

¹ Further to the UNDG meeting, ILO, FAO and WHO re-submitted their written feedback on the SOPs, pointing to the need to operationalize the SOPs through concrete technical guidance, which would need to take into account the mandates and working modalities of UN system entities at country level.

Secretariat; at country level, ten functions are agreed to constitute essential coordination activities; a financial management system would need to be developed to measure impact and return on investment.

27. Mr. d'Orville noted that the recommendations of the UNDG Task Team and the Principals Advisory Group were currently being validated by the HLCM Finance and Budget Network. Mr. d'Orville advised that while most agencies were clearly committed to participating in the cost-sharing modality, there was still a difference of views on how much the humanitarian discount should be and there was concern that a growing number of agencies were pleading special cases for being awarded discounts, which would further increase the costs for the rest of the system. In response to the presentation, UNIDO stated that its share estimated by the proposed formula went beyond its affordability and that any further action being taken by the UNDG be dependent on the outcome of the HLCM FB Network review.

28. In terms of next steps, Mr. d'Orville noted that the Finance and Budget Network had agreed to provide the UNDG Chair with its feedback by 1 March 2013. The UNDG Chair will then submit a final set of recommendations to the Principals Advisory Group and subsequently to all UNDG Principals for endorsement. She will report to the CEB at the CEB Spring Session on 5-6 April. The Secretary-General will subsequently be expected to report on behalf of the system in his report to ECOSOC by the end of April. Once endorsed by ECOSOC, the final formula will form the basis for agencies taking the matter forward with their governing bodies in the context of the budget preparations for the next biennium.

29. In response to the presentation, the UNDG Chair emphasized that donors were determined to phase out extra-budgetary funding for the Resident Co-ordinator system and that unless UNDG member entities reached a timely agreement on the cost-sharing modality the future of the Resident-Coordinator system in its present form would be seriously jeopardized. The UNDG Chair further noted that since the Secretary-General was expected to submit his report to ECOSOC by the end of April, there was very limited time left for the UNDG to reach a final agreement.

30. **It was noted that the UNDG Chair expects to refer a final set of recommendations on system-wide cost sharing of the Resident Co-ordinator system to the Principals Advisory Group and subsequently to all UNDG Principals. The UNDG Chair is expected to report to the CEB at its meeting in Madrid on 5/6 April.**

Item 6 – AOB

CEB Spring Session, 5-6 April 2013

31. The UNDG Chair advised the UNDG that MDG acceleration will be a key item for consideration of CEB Principals at the CEB Spring Session in Madrid on 5-6 April 2013. The session will be informed by experiences of UN Country Teams and CEB Principals will consider gaps identified through application of the MDG Acceleration Framework. Specific suggestions from country level representatives will be considered. The Chair stressed that the World Bank was as determined as the UNDG to accelerate progress in achieving the MDGs, which opened up promising opportunities for enhanced collaboration.

MDG Task Force

32. The Co-Convener of the UNDG MDG Task Force, John Hendra, informed the UNDG that the MDG Task Force was preparing an amendment to the MDG report guidelines, which would shortly be circulated to the UNDG

for electronic endorsement. He suggested that the UNDG might wish to use its next meeting to discuss its engagement in the post-2015 process. The UNDG Chair noted that it was time for the discussion on post-2015 to shift its focus from process to substance. By mid-March, the Post 2015 Secretariat will produce report on the outcome of the thematic and country-level consultations, which will inform the High Level Panel report, the Secretary-General's report for the MDG Summit in September and the Open Working Group of the General Assembly, which will report in September 2014. The CEB Secretariat advised that the HLCP session in March and the CEB Principals retreat in April would also focus on the post-2015 agenda.

33. **Decision: The next UNDG meeting will take place in April/May with focus on the post-2015 agenda, including how the UNDG can ensure sustained momentum between the MDG Summit in September and the report of the Open Working Group of the General Assembly in September 2014.**