



30th Meeting of CEB Finance and Budget Network

Videoconference, 5 December 2017

9.00 – 12.00 EST/15.00 – 18.00 CET

Conclusions of the 30th meeting of the Finance and Budget Network

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I. Introduction

On 5 December 2017, the Finance and Budget Network held its annual Video Conference meeting. The main purpose of the meeting was to provide updates on on-going work under the FBN.

II. Update on the Initiative on a UN- System Data Cube

Presenter: Ms. Henriette Keijzers and Remo Lalli

Facilitator: Mr. Nick Jeffreys, Co-Chair, FBN

Documentation: Terms of Reference of the Working Group.

The FBN received an update from the co-chairs of the joint HLCM-UNDG Ad-hoc team on “The UN’s future data cube”, Ms. Henriette Keijzers from the Multi Partner Trust Fund Office and Remo Lalli, HLCM Secretary. The presenters provided the rationale for the work, to enable the UN system to respond to financial reporting requirements related to the SDGs and the 2030 Agenda through harmonized data collection. The work, whose first phase will be funded from the HLCM Harmonization and Simplification of Business Practices Trust Fund, will provide a mapping of existing data and approaches to data collection and will identify gaps and actions required to enable proper SDG-compatible reporting.

Mr. Lalli also asked the group to nominate possible candidates with the appropriate background to be able to carry out the work that is expected.

The FBN welcomed the initiative which was seen as critical in enabling the system to respond to upcoming requirements.

The FB Network took note of the report and encouraged the Task Team to move forward and report to the Network.

III. The UN relations with the World Bank and other International Financing Institutions.

Presenter: Ms. Bettina Bartsiotas, UN Controller

Facilitator: Mr. Darshak Shah, Co-Chair, FBN

Documentation: 2006 Financial Management Framework Agreement and 2008 Fiduciary Principles Accord

The UN is currently facing a movement towards complex projects, where funding and financing are interlinked and multiple International Financial Institutions are involved.

In the case of the World Bank, the administrative and financial relations are framed by two old agreements: The Financial Management Framework Agreement from 2006 and the Fiduciary Principles Accord from 2008. These agreements are not very much used, but their principles are being replicated in the Standard Forms of Agreements that several UN organizations are developing to provide Technical Assistance, Supplies or Outputs to World Bank borrowers.

At different fora, several UN organizations have raised the necessity to have some coordination mechanism to share knowledge and practices to work with International Financial Institutions, as well as to share existing agreements and contractual models.

A good example to replicate can be found in the coordinated relations with the European Union, in which the Controller acts as focal point for the UN-EU Financial and Administrative Framework Agreement and the UN speaks with one voice. The co-ordination would only aim administrative and financial issues and not entitle substantive agreements, i.e. each organization would of course remain completely autonomous to negotiate content with its stakeholders.

The UN Controller, Ms. Bettina Tucci Bartsiotas, introduced the topic of UN relations with International Financial Institutions, and a proposal with three lines of work. The Finance and Budget Network welcomed the lines of action outlined below and decided not to ask for any additional action or follow up of this group to the Network:

- Establishment of a UN Group on the financial and administrative relations with International Financing Institutions, coordinated by the UN Controller. Each organization was invited to appoint and communicate its focal points to Carlos.Casal@un.org and Controlleroppba@un.org. The first meeting is foreseen in early January 2018. The immediate actions of the Group will be decided then.
- Assessment by the UN Network on International Financial Institutions on the relations with the World Bank and the opportunity to update the 2006 UN-WB Financial and

Management Framework Agreement and to work in common templates to work with the World Bank. This initiative will build on the existing agreements and the work already done by different UN Organizations.

- As several UN Organizations have already done, the UN Secretariat will discuss with the World Bank a template for the provision of Technical Assistance to World Bank borrowers. This standard template will be shared with all UN Organizations.

IV. After Service Health Insurance (ASHI)

Presenter: Mr. Pedro Guazo, Director, Accounts Division, UN Secretariat
Facilitator: Mr. Darshak Shah, Co-Chair, FBN

General Assembly Resolution A/RES/68/244 requested the Secretary-General to undertake a survey of current health care plans within the United Nations system to explore options to increase efficiency and contain costs. A working group Chaired by Mr. Guazo of the UN Secretariat has continued the work in this area.

Mr. Guazo addressed the FBN and provided an update on the work of the working group. An analysis of the viability and potential benefits from using national systems, which has been requested by member states, is on-going. To date, an analysis of using national systems in Switzerland and France, two countries where many UN staff retire, has been carried out. Preliminary findings indicate that there would be no savings from seeking to join these national systems, and there may be additional complexities. The work will continue with other duty stations.

FBN members took note of the progress report of the ASHI Working Group.

V. Common definition of Implementing Partners, Grant recipients and Vendors

Presenter: Pedro Guazo
Facilitator: Mr. Darshak Shah, Co-Chair, FBN

In accordance with its Terms of Reference, the HLCM Task Force on Common Definitions Related to Fraud and Implementing Partners has continued work in 2017 to develop common definitions for vendor, implementing partner and grant recipient. The Task Force will also explore the possibility of agreeing on common internal control parameters and criteria to be applicable to arrangements with implementing partners and recipients of grants, and a menu of best practice principles.

After completion of these activities, the next stage for HLCM would be to look at developing an information sharing platform for tracking and managing implementing partners, including an assessment as to what extent existing tools are already being used by organizations and which tools may be available such as the UN Global Marketplace.

Mr. Guazo addressed the FBN and informed them that definitions have been developed by the Task Force. The definition for vendors has been shared with the Procurement Network for clearance. More consultations are still required in connection with the definition of Implementing

Partners, as well as with that of grant recipient. The Co-Chairs of the Task Team are seeking to address these concerns and the outcome will be reported to the FBN.

The FB Network took note of the update.

VI. Update on Working Group on Treasury Services

Presenter: Mr. Nick Jeffreys, Co-Chair, FBN.

Facilitator: Mr. Darshak Shah, Co-Chair, FBN

Mr. Jeffreys, the Co-Chair of the Working Group on Common Treasury Services, updated the FBN on the work of the Group. Work is progressing well on the banking contracts and contracts have been finalized with three global banks to date. For the country level banking harmonization work, the Working Group has been prioritizing those locations with the largest banking transaction volumes and therefore higher overall banking costs. The Working Group is also looking at collaboration in the area of payments and work is progressing. Over all, the work of the Group is progressing well and is producing important results.

The FBN took note of the update.

VII. Update from Task Force on Accounting Standards

Facilitator: Mr. Nick Jeffreys, Co-Chair, FBN

Due to the non-availability of either the Chair and Vice-Chair of the Task Force, this briefing did not take place. However, the Co-Chairs of the FBN requested that this item is put on the agenda of the next face to face meeting, as there are important developments taking place.

The FB Network agreed that this item will be on the agenda at the next face to face meeting of the Network.

VIII. Working Group to Review the Funding Model for Joint Financed Security Costs

Opening remarks on the joint work of UNDSS and FBN: Mr. Darshak Shah, Co-Chair, FBN

Presenter: UNDSS Menada Wind-Andersen

Facilitator: Mr. Nick Jeffreys, Co-Chair, FBN

During the review of the 2018-2019 JFA Security budget proposal, the FBN members agreed to participate in a working group to be initiated by DSS with joint representation from the FBN, IASMN and DSS, to review the funding methodology, with the aim to devise a more equitable methodology that ensures contributions are reflective of the usage of security services.

The FBN was provided with an update by Ms. Wind-Andersen of UNDSS. The work has started on establishing the working group under the co-chairmanship of UNDSS. Focal points have been identified and work will start soon.

The Network took note of the update, emphasized the importance of this work and encouraged DSS to move forward on it as soon as possible.

IX. Any other business and open discussion on the future activities of the FB Network

Presenters: FBN Co-Chairs

- a) Sharing of experiences with recent data collection initiatives by Dalberg and McKinsey and their potential implications and sharing of lessons learned.

The FBN held a general discussion on the data collection exercises carried out by the consultancy firms. It was agreed that the requests lacked specificity and that the deadlines were too tight for many organizations to provide quality data. Concern was raised that requests of this kind are likely to continue. Hence, the importance of the work of the Ad-hoc UN Team on the UN's future data cube was emphasized. Successful work on the Data Cube would help address lack of common definitions and would help ensure that data is consistent and useful. It was, however, noted that although extremely important, the UN System Data Cube may not ensure the ability to meet all needs of such requests, but was, nevertheless, seen as critical for the UN system.

- b) Date and venue of the the 31st meeting of the FB Network: 12-13 June 2018, to be hosted by IAEA in Vienna. The date and venue were confirmed. It was also agreed that the Co-Chairs and the CEB Secretariat will review and discuss proposals for hosting of the 2019 meetings.