

CEB Retreat

Towards a More Effective UN at the Country Level

Greentree Foundation, New York, 29 October, 2004

Executive Summary

1. The purpose of the Retreat was to focus on how the UN system could be strengthened at the country level to better help achieve the Millennium Development Goals.
2. In his introductory remarks, the Secretary-General outlined several questions of particular relevance:
 - i. how can we overcome our own fragmentation and competition for funding so that we can continue to ensure that the increased ODA flows that we are now seeing can have their maximum impact;
 - ii. is the UN Development Assistance Framework the right country level planning process for the UN system to respond to national needs; and
 - iii. what do we need to do to have a Resident Coordinator who is a truly neutral and empowered leader with the necessary support and oversight?
3. At the outset, two distinguished ministers, Madame Louise Diogo, Prime Minister of Mozambique and Madame H.F. Johnson, Minister of International Development of Norway, presented their views on the issues under discussion.
4. In her remarks, Madame Diogo stressed that the key to achieving the challenges of the MDGs would be to achieve true national ownership – in the design of policies, plans and programmes as well as in their implementation. While this responsibility rests with the national government, external partners have a responsibility to maintain a conducive international environment, including adequate aid flows for investments in both infrastructure and the public sector.
5. The support provided by the UN system to Mozambique since its independence has been indispensable. As the country's own capacities evolve, the role of the UN needs to change as well. Fifteen donor countries now work closely together and provide 50% of Mozambique's ODA in the form of budget support. To avoid the risk of "falling aside" and becoming marginalized, the UN must focus its contribution on capacity- building and helping to mobilize resources from others. Technical support in areas such as international trade negotiations, preparation of the PRSP, and internalization of the

MDGs is particularly relevant. In this perspective, to maximize its impact, the UN should integrate its activities into a single programme that nevertheless respects the capacities of the different agencies in the system.

6. In her remarks, Madame Johnson stressed that the UN is uniquely positioned to respond to the inter-linked issues of peace, security and development. Despite its success in developing the MDGs as the global framework for action, increased aid flows are bypassing the UN. Donors are attempting to address the problems caused by their procedures and the proliferation of projects they support and the UN system must do likewise. Too little progress has been made too slowly. While the donors are moving away from projects and service provision to broader sector programme and budget support, the UN is not seen to be adapting fast enough. It risks being left on the sidelines, losing its relevance for many of the donors. Duplication, competition and unwillingness to adjust is resulting in wasted resources. If the UN were to present donors with a package that linked reform efforts with a strengthening of the Resident Coordinator system, the Minister believes that donors would support it.

7. To move forward, she believed that the UN must:

- i. implement the reforms already agreed;
- ii. reassess its role, and make the required adjustments;
- iii. increase its commitment to national ownership and reorient its country presence to reflect national priorities; while
- iv. individual agencies must work with their individual governing bodies to overcome the structural constraints in implementing CEB decisions.

Discussion of Introductory Remarks

8. The need for the UN to respond with renewed commitment and a renewed sense of urgency to the challenges that the attainment of the MDGs and the evolving aid architecture pose for the system was generally recognized. The imperative for the system to achieve a closer alignment to national priorities was also generally shared.

9. Efforts to secure greater coherence at the country level must be accompanied by, and build on greater policy coherence at the global level.

10. Form must follow function. This implies that programme coherence needs to receive more attention, over organizational and procedural issues. Economic and growth initiatives, in particular, seem increasingly to fall outside of priority setting processes which are heavily oriented to social issues.

11. With regard to country-level arrangements, it implies that, in actively pursuing a strengthening of the RC's role, it is necessary to articulate that role in relation to the different functions performed by various types of agencies within the system, including those without field representation. The importance of avoiding a "one size fits all" approach was particularly voiced by the smaller technical agencies and those with a predominantly advocacy function. The need to seriously invest in human resource

development and provide the RC with adequate substantive support, such as that of extended Humanitarian Coordinators through OCHA, was also widely shared.

12. Differentiated approaches based on country requirements on the one hand, and the different nature of the functions performed by various agencies on the other, should also guide the effort, streamlining agencies' field presence away from purely representational functions, so as to enhance cost-effectiveness and strengthen advocacy and programmatic impact – an effort for which progress was being made and a strong commitment reiterated.

13. The need for more coherent and consistent policies by the donors themselves, with positions by the same government varying significantly from one governing body to another was also discussed, as were the distortions to agreed strategies brought about by earmarked funding.

14. In concluding this phase of the discussions, the Secretary-General made two observations to the effect that:

- i. the focus needs to shift from agency programmes that we have to defend and advance, to government programmes to which different parts of the system are called upon to contribute;
- ii. equally, integration of country representation must be pursued to better serve the country rather than the system as such; at the same time, all parts of the system, whether present on the ground or not, must feel that there is, in the RC system, the will and the knowledge to fully exploit the contribution that each of them can bring to countries' progress.

Feedback from Working Groups

15. Three separate working groups reported back with their views on the questions presented by the Secretary-General. The main themes were:

- i. a general sense of urgency that the UN system must move towards a qualitative shift in its culture;
- ii. the need for one common UN strategy, closely linked to the country's own priorities and to a 'more inclusive' PRSP;
- iii. the importance, given the wide range of activities of the UN system's various components, of providing for differing expectations of coordination and harmonization intensity for different types of agencies, including the unique perspectives of some of the smaller highly specialized organizations; and the need to service effectively those without field representation.
- iv. the need for strengthening the Resident Coordinator function, based on a clear understanding of the roles to be played, more inclusive governance arrangements, and greater universality of the supporting information systems, as a requirement for an improved overall UN stance in the country;
- v. continued efforts to rationalize support services, including better use of the lead agency approach.

Conclusions

16. It was agreed that several principles have strong support. First, there is a clear sense of urgency on the need to increase effectiveness at the country level. Second, 'more of the same' will not suffice, as there is a need for a 'step change' in the system's reform process. And third, the starting point of UN reform at the country level has to be a common coherent programme, firmly grounded in the national priorities and responding to national needs.

17. In terms of action steps, it was concluded that:

- i. strong agreement exists on strengthening the role of the Resident Coordinator, including a better understanding of the role to be played and the capacities required. This must be factored into the ongoing work of the UNDP, building on the indications provided to CEB by the UNDP Administrator;
- ii. greater clarity is required on the appropriate roles each agency plays in each country, including how the defined role effectively translates into country presence and how the UNDAF can foster broader programme coherence. This issue should be addressed in the Southern Africa pilot;
- iii. effective sharing of appropriate information is fundamental and the UN must address how this can best be achieved through the use information technology. The Secretary-General intends to pursue the offer made by the World Bank President to benefit from its experience in this field;
- iv. the work being done on the harmonization of tools and procedures needs to be continued and accelerated within the UNDG and other relevant bodies;
- v. the system should not wait for a master reform plan, but achieve progress by building on specific initiatives already underway, such as that for Southern Africa; and
- vi. UNDG, in collaboration with HLCP, should develop an action plan with practical steps for implementation, so that CEB, at its next session, may be apprised by the chairs of UNDG and HLCP of concrete agreements reached on practical steps to be implemented.

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Summary of Discussions

I. Introduction

1. In conjunction with the Fall 2004 session of the CEB, Executive Heads held a retreat on the subject of the coherence and efficiency of UN development cooperation at the country level on October 29, 2004 at the Greentree Foundation, Manhasset, New York.

2. Participants had been provided with two background notes to help stimulate the discussion. The first was a paper prepared in a personal capacity by the DAC Chairman on 'ODA Trends and Implications for the UN System at Country Level'. In summary form the paper concluded that:

- i. *the volume of aid will increase moderately but significantly, for several years ahead.*
- ii. *aid to sub-Saharan Africa, particularly to the better performers, will increase particularly sharply, and more of this will be provided in programmatic form. Similar developments are likely in aid-dependent countries in other regions.*
- iii. *pressure for greater harmonisation and alignment will increase.*
- iv. *the UN needs to find its role in the new environment, and to do so quickly.*

3. The paper also noted that:

- *In a world where there is greater pressure for high-quality, collective support for genuinely locally-owned strategies and systems, with scaled up sector programmes and budget support for achieving the MDGs, the UN system's own coherence on the ground will be even more essential. The UNDP, the Funds and Programmes, and the Specialized Agencies need to find their place in the evolving architecture.*

4. A discussion paper entitled "Towards a More Effective UN at the Country Level" was also provided. This paper assessed the general situation within the UN today and raised five specific topics for review:

- i. a more coherent and strategic focus at the country level;
- ii. mobilizing all relevant capacities within the UN system;
- iii. the Resident Coordinator system;
- iv. rationalizing the UN country presence; and
- v. the funding of UN operations.

5. In summary, this paper presented four questions for consideration:

- i. *by 2010, how will we have ensured a common, coherent and strategic programming focus for all UN operations, harmonized and in line with national processes and priorities;*
- ii. *what concrete measures have we adopted to strengthen the RC system in such a way that it is capable of directing the UN system at the country level towards the agreed-upon development results;*

- iii. *how do we intend to optimize the UN's country presence, office structure, procedures and supporting systems to utilize effectively all capacities of the system both resident and non-resident in response to national needs and priorities;*
- iv. *how do we intend to play a significant role in the discussion on funding for development and the contours of a new aid architecture, in light of the ongoing discussions on IDA-14 and the High-Level Event on the Millennium Declaration in September 2005.*

II. Introduction by the Secretary-General

6. The Secretary-General opened the retreat by noting that the purpose was to reflect on how to strengthen ourselves as a system at the country level, so that we are truly working as a team to help people around the world in their quest to achieve the Millennium Development Goals. He stated that he often hears States offer congratulations for the effective and timely support provided by the UN system and about the many excellent people we have who work very hard and very creatively, often under very difficult circumstances. At the same time, he believed that all would agree that there is ample room for improvement, and that it has become urgent for the system to keep its own structures and internal problems from undermining effectiveness. The retreat represented an opportunity to think a little more deeply about how we are organized as a system and what changes are needed.

7. To that end, the Secretary-General posed three questions for the consideration of the group:

- “First, how can we overcome our own fragmentation, and our own internal competition for funding, so that we can continue to play a significant role in ensuring that the increased ODA flows we are finally seeing can have their maximum impact?
- Second, do we have, in the UN Development Assistance Framework, the right country level planning process for the UN response to national needs?
- Third and probably most important, what do we need to do to have a Resident Coordinator who is a truly neutral and empowered leader with the necessary support and oversight?
- While his personal view was that the RC system was the right model, and that very good progress has been made with it, he was sure the Administrator would agree on the need to make it more inclusive and participatory, and to strengthen its governance. UNDP has made major investments in managing the RC system, and others devote significant staff time to it. The executive heads' guidance was now needed on how to meet the increasing demands for coherence and effectiveness, while having an adequate capacity for policy analysis, and strategic planning at the country level.”

8. The Secretary-General continued by expressing the hope that the retreat would focus on a “small number of big steps” that will make a real difference. We need to improve on business as usual, and the MDGs offer an opportunity to do just that - to raise standards of living throughout the world, and, at the same time, to reinvigorate the United Nations itself. He concluded: “At our last retreat, I said in reference to Iraq that our goal should be to work as a single, integrated team, with a strong and respected leader, and with one UN programme driving our work. What was true for Iraq should be true more widely, not just in other specific countries but in our work towards the MDGs. So let us do our best to reposition ourselves for the future”.

III. Introductory Remarks by Ministers Diogo and Johnson

Remarks by Madame Louise Diogo - Prime Minister of Mozambique (Annex 2 for full text)

- The MDGs represent a worthy challenge to the world at large. However, if they are to be achieved, the key is national ownership, both in the design of policies, plans and programmes, and in their implementation. Also, each country will have specific national needs, so the global goals have to be “country tailored”.
- While the greatest efforts have to be made by national governments, the external partners have an important role in guaranteeing external resources and in providing a conducive international environment. There are many who argue that enhanced aid flows are not critical to the achievement of the MDGs, and call for a focus on trade, private sector investment and economic growth. However, these all require investment in infrastructure and a public sector that can regulate and protect investment.
- Aid flows are therefore very important to success with the MDGs, and the quality of aid is as important as the quantity. The current efforts by the international partners to harmonize procedures are very welcome, in order to improve predictability, and timeliness, and to reduce transaction costs for national partners.
- The role of the UN has changed over the past 40 years. In Mozambique, the UN played an important role in the struggle for independence and in helping to consolidate that independence. In the 1990s the UN helped support our democratic processes after the peace agreement, led and coordinated the demining programme, coordinated the reconstruction programme, and supported us in consultative group meetings in a very difficult time of confidence building, as well as coordinating the international response to our flood disaster.
- As the capacity of the Mozambique Government (and private sector/civil society) grows, the role of the UN needs to continue to change. Almost 50% of ODA in Mozambique is now provided by budget support, with a group of 15 countries working closely together. While the UN is a member of that group through the RC and UNDP, UN agencies risk to ‘fall aside’ and become marginalized. We do

not expect the UN to be a major funder of budget support, but we do look to it to support capacity building efforts and help to mobilize resources from others. We also look to the UN to provide advocacy and technical support, especially for international negotiations (like access to trade), and to support the internalization of the MDGs and the preparation of our PRSP.

- While playing these new roles, we want to see a more integrated UN with one unique programme, while respecting the capacities of the different agencies in the system.

Remarks by Madame H. F. Johnson, Minister of International Development, Norway (Annex 3 for full text)

- Today we understand that issues of peace, security and development are more closely linked than ever before. There is no other body positioned to respond to the challenges of the 21st century like the UN. The use of the MDGs as a global framework for action is a victory for the UN. While developing countries have the biggest responsibility for their achievement, they also depend on ODA flows being sufficient and well used. They also wish to have the UN as a key player in development. However, while ODA is increasing, it seems to be bypassing the UN. There is a risk that the UN could be marginalized with its role in development eroded.
- There is a major effort spearheaded by OECD/DAC to ensure that ODA is more effective and creates fewer burdens for the recipients. Donors have recognized the problems caused by their procedures and the proliferation of projects they support. The UN is also seen to cause similar problems, with recurrent themes of too many projects, projects that are too small, inflexible procedures, cumbersome decision making, competition, duplication, and fragmentation.
- While the donors are moving away from projects and service provision to broader sector programmes and budget support, the UN is not seen to be adapting fast enough. It risks being left at the sidelines, losing its relevance for many donors. While progress is being made, it is too small and too slow. Too many resources are still being spent on administrative overheads. UN resources are spread too thinly.
- What should be done? First and foremost, the reform actions already agreed upon must be implemented fully and swiftly. These reforms should not up for re-negotiation at any step of the management ladder. Second, doing what the system is doing today will not suffice. This means more internal streamlining that goes beyond the simplification of internal UN procedures. And it means supporting and adjusting to the changes taking place in-country. Third, we need an increased commitment to national ownership. UN activities must be demand driven and not supply driven. And they should be carried out from one joint UN office, led by a RC with strengthened resources, authority and accountability. And fourth,

agencies should work with their own Boards to overcome structural constraints in implementing inter-agency decisions.

- The UN will probably remain a limited contributor in terms of filling the resource gap – but it could assume a much more central role in closing the capacity gap. With the national priorities at the centre of decision-making, the UN has key roles to play in:
 - i. advocacy and normative;
 - ii. building national capacity;
 - iii. monitoring and reporting on progress; and
 - iv. assisting implementation in special situations such as post conflict and least developed countries.
- Some of the greatest problems you face are caused by the donor community, including the way the system is funded. But the donors are changing themselves, and they want you to lead the change in the UN. Norway is prepared to commit more predictable and adequate funding for entities that are visibly active in reform. If the UN presented the donors with a package that linked renewed reform efforts with a strengthening of the RC system, donors would support it financially.

IV. Discussion of Introductory Remarks

9. Following their presentations, the two Ministers participated in a first general round of discussions. The following were among the views expressed:

- Much more attention needs to be paid by the system to national ownership, with closer alignment of the UN programme framework to national priorities (and PRSPs).
- The UN system needs to clarify and better understand its role recognizing that this role will vary from country to country.
- Non-resident agencies need to have more systematic access to national planning/policy setting processes, to provide appropriate, balanced advice and technical support.
- The intensity of coordination need not be identical for all agencies, reflecting in particular the special nature of the work of some of the smaller, highly specialized technical agencies.
- Measures to strengthen country-level coordination will have the required impact only if they are accompanied and supported by a renewed effort at achieving greater policy coherence at the global level. Also, enhanced coordination should not be limited to country activities but should also extend to the many transboundary issues facing the system. Policy coherence is the glue that can bring the system together at all levels.
- The programmatic dimensions of the effort to enhance system-wide coherence at the country level need to be given much greater attention than they have been receiving so far in reform discussions.
- Economic issues such as productivity, investment, trade – largely covered by non-resident organizations and agencies – are not being given sufficient attention in

- shaping UN system support. This limits the system's capacity to advance durable progress towards poverty eradication and its responsiveness to actual country requirements.
- Achieving greater coherence with the World Bank is crucial to overall progress. Several noted that enhanced collaboration with the Bank is, in fact, more critical for their agencies than their coherence with other parts of the UN.
 - The pace of the reform process, however well started, is too slow. A more fundamental shift in culture is required. A clearer definition of the role of the RC and the provision of adequate support at the country level should be an important, integral part of the renewed reform effort to be mounted in the months ahead. A comparison was made between the high level of support that OCHA could provide in times of humanitarian crisis, and the marginal resources available to UNDG and UNDP to support the ongoing developmental work of the RC.
 - The main considerations to guide further efforts to streamline the system's field presence, reinforce field-level coordination, and strengthen the authority of the Resident Coordinator should be enhanced cost effectiveness and responsiveness to national needs and priorities.
 - Increasingly, it is not representation as such that is driving the posting of country personnel, but substantive or technical requirements. In this perspective, a number of organizations have already taken significant steps to consolidate field offices (WFP and UNESCO) and/or re-designed field structures and operations to maximize administrative savings and enhance impact. Innovative partnership arrangements have been concluded (UNIDO/UNDP, Habitat/UNDP) and different arrangements are being devised to have the appropriate capacity at the field level, without having to open representational offices (IFAD, UNEP). Further efforts in this direction should be guided by actual country needs and the nature of the activities being undertaken (advocacy functions, for example, can be a valid rationale for maintaining a visible field presence, in spite of the size of the office or of the actual programme).
 - Enhanced authority for the RC in relation to the system's in-country activities should be geared to strengthening country ownership/leadership of UN system support, and to facilitating programme coherence. It will require changes in culture on the part of the RCs, as well as in methods of selection and reporting. It should be accompanied by a focused effort to build knowledge bases and support arrangements that can make the RC a credible representative of the entire system. It should be without prejudice to the maintenance of functional reporting relationships to individual agencies.
 - Progress in achieving greater system-wide coherence also requires much greater harmonization of positions within individual Member States. Often, the staff of New York missions of programme countries are not aware of what agencies are doing 'back home' and can contradict the messages of the national ministries. In the same way, donor government representatives participating in different UN bodies can take contradictory positions. Donors should also recognize the problems caused by the increasing use of earmarked, short term project funding, much apparently driven by anxiety about visibility. Sometimes, the UN should be more ready to refuse funds from donors that get us into other agencies' areas, redirecting the funds to the most appropriate channel.

10. Reacting to the discussions, Prime Minister Diogo stressed that clear signals on the part of the system of its determination to significantly enhance programme coordination and integration will be key to enable developing countries press donors to increase resource flows through the system, and make the case for the system's unique comparative advantage to support capacity-building in developing countries, and help them make the most effective use of the budget support they receive. A common approach on the part of the system to the assistance it provides to countries' development should not detract from the particular expertise that each agency has to contribute to the common effort. It would, at the same time, serve to maximize the capacity of the system to respond in a comprehensive and coherent way to countries' own needs and priorities, as established by them.

11. Minister Johnson acknowledged the constraints to effectiveness and harmonization that donor policies and practices sometimes bring about. There was, among donors, increasing awareness of the need to bring about changes in these policies and practices to become a positive force for progress. Decentralization to the country level of aid decisions on the part of many donors was a move in the right direction, provided that there was an effective system of communication that would alert aid ministries to problems that agencies perceive resulting from local donor practices. Donor constraints need to be, and are being, addressed, but should not be used by the system to hold back reform. Joint programming is the most effective way to avoid many of the problems that result from having to compete for donor funding. The system's country representation should be selective, based on an analysis of individual country needs and priorities and of where, in the system, there is the greatest capacity and the clearest mandate to respond. Agencies should seek to advance solutions to the problems facing developing countries to the point of rendering themselves superfluous in as many countries as possible. What countries truly need and wish, and not agencies or donors' policies, should be the main substantive basis of reform, and the glue that brings together the contribution that UN agencies, the BWIs and donors make to development.

12. The Secretary General thanked the Ministers for their active and challenging participation. He emphasized two main aspects of the changes in culture and practices that have to take place to maximize progress:

- The focus needs to shift from agency programmes that we have to defend and advance, to government programmes to which different parts of the system are called upon to contribute.
- Equally, integration of country representation must be pursued to better serve the country rather than the system as such; at the same time, all parts of the system, whether present on the ground or not, must feel that there is, in the RC system, the will and the knowledge to fully exploit the contribution that each of them can bring to countries' progress.

V. Feedback from Working Groups

13. The meeting split into three break-out groups to address the challenges raised by the first round for discussions.

Group I

(Facilitator: Mark Malloch Brown, Rapporteur: Peter Hansen)

14. The first question addressed by the group was what can be done in practical terms to increase coherence at country level. Two basic premises were established: “form should follow function”, and “one size does not fit all”. Practical arrangements should take into account different country situations and corresponding support requirements; and the wide range of activities the UN system pursues at the country level, from advocacy through to programme implementation. Based on these premises, two issues were considered. The first was the feasibility of a single strategic “paper” covering the totality of the system’s programmes, aligned with the PRSPs, which, in turn, led to a discussion on how to make the PRSPs more inclusive and how to better harmonize the PRSPs and UNDAF processes. The second issue had to do with UN houses and the common logistical and administrative support they can provide, as instruments to advance coherence and cost-effectiveness. Discussions focused on whether common facilities should extend to all or only certain support services, and the benefits that some agencies consider they derive from location in the relevant government ministries. .

15. The other basic question addressed was how can we be more integrated to better serve host governments. The group felt that there was considerable scope for progress here, although the form and intensity of the effort at integration would obviously vary, depending on the commonalities that different areas of work present. Also, coordination and integration need, in many cases, to be pursued going beyond country lines (examples being activities relating to river basin systems or coastal areas).

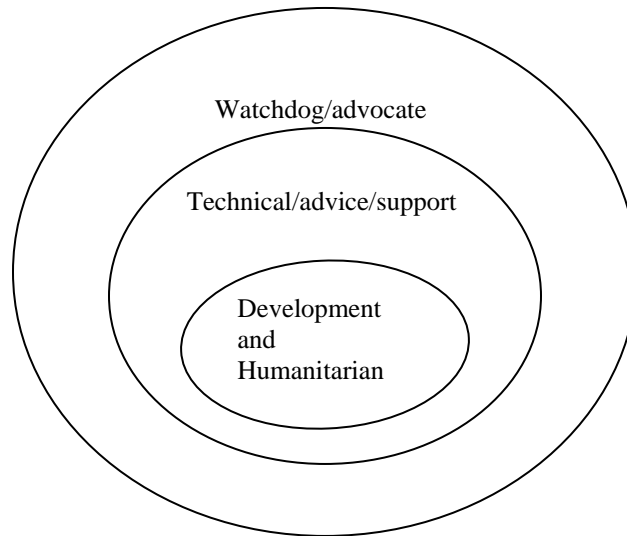
16. Across these two sets of questions, concrete proposals were made, ranging from the increased use of video-conferencing, so as to more systematically engage particularly non-resident agencies in both the programming effort and in services to countries, to the establishment of a facility in UN houses to enable the government to make appropriate contact with the right agency, particularly if not represented in the country, for expert advice. Modalities and approaches for strengthening the RC system were considered by the group in the same context. Further clarifying the different roles and responsibilities of the RC and RR was deemed especially important in this regard. Convergence in the thinking of UNDP and its partners on the matter, and on related human resources and management approaches, appeared to be well advanced.

Group II

(Facilitator: James Wolfensohn, Rapporteur: Peter Piot)

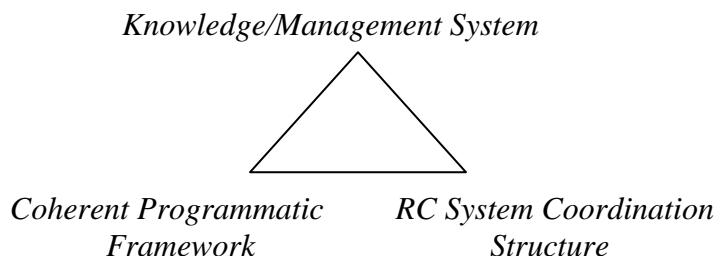
17. The group shared a strong sense of urgency with regard to the issues under discussion. The *status quo* is not an option. Rather the need is for a qualitative cultural change in the UN.

18. In the view of most, a strengthening of the RC system to effectively represent the whole UN family was critical, as the current system is not sufficiently empowered. Given the extreme diversity of the UN system, it would be appropriate to think in terms of different degrees of intensity of coordination depending on the clusters of activities on which the different agencies are focussed. The most urgent need for harmonization is in the development and humanitarian areas. There was also a need to be realistic about the ability to bring peace and security, development, humanitarian, and highly specialized normative and technical areas under one umbrella and to see to it that watchdog/advocacy function are not jeopardized. Using the diagram below, less harmonization and integration is required as the function moves away from the core.



19. There are three main pillars of country coherence and harmonization:

- i. the programme framework, based on an inclusive national plan/PRSP that is reflected in the UNDAF;
- ii. the Knowledge Management system; and
- iii. the coordination system (field and headquarters).



20. With regard to the resident coordinator, the “ambassador” model was addressed by the group, not as a diplomatic envoy of the UN Secretariat, but as a marketer of the system, a facilitator, an orchestra conductor, the harmonizer of a real team. The model should not however imply that he/she could be the only decision-maker on whether difficult issues could be raised with the country or not. Investments in the quality of the resident coordinators becomes, in this model, a must. De-linking this coordinator role from the line management of the UNDP programme was seen as important in this context, as was the distinction between management support for the resident coordinator and the overall governance of the RC system.

21. The establishment of effective country information/knowledge systems was also viewed by the group as key. Currently, there is no cross-UN information system, except in some areas such as humanitarian assistance and AIDS. Creating/expanding such systems will be crucial to progress in advancing system-wide, coordinated engagement and support. The WB President offered to exchange experiences with the rest of the UN on how it has approached and handled information both for the purposes of better management, and for more effective marketing.

22. There was little time to discuss the programmatic framework. As to the next steps, the group considered it necessary to: move immediately; review roles and functions of RC; and start with a pilot.

Group III

(Facilitator: Louise Frechette, Rapporteur: Thoraya Obaid)

23 In attempting to respond to the questions raised by the SG, the group acknowledged that the system was facing a real challenge which required an urgent response. Key to meeting this challenge was to focus on the countries themselves and on how we, as a system, can serve them better from our various mandates. This means that we need to assess our respective roles and coordination instruments against real country needs, beginning with the UNDAF, as a key tool if well used, to shape the response of all parts of the system, to country priorities and to further joint programming and the pooling of resources required.

24. For the system to advance in this direction, the RC will have to play a central role, and be:

- a. strong, neutral, serving and representing all;
- b. a facilitator, able to link different functions and tasks;
- c. an enabler of synergy of the system so that the full strength of the system is captured and utilized;
- d. an authoritative repository of knowledge and socio-economic data on the country and its MDGs “status”;

- e. able to guide the development of a UN Plan for each country, so that each agency knows how it fits into the larger picture and in response to national priorities.

25. To support this role, two basic requirements are:

- a. an effective local support system, for which costs should be appropriately shared ; and
- b. a well defined, more inclusive governance structure, which will, in turn, require a reinforcement of the UNDG.

26. On the question of the efficiency of operations, two measures were in particular advocated:

- a. to work towards a common services provider; and ;
- b. a more frequent resort to the "Lead Agency" mechanism, including as an interlocutor with the government when many ministries are involved.

VI. Concluding remarks

27. The UNDP Administrator was invited to comment on the discussion on efforts to strengthen the RC system. He outlined the changes UNDP is currently considering introducing to address the challenges identified:

- a. establishment of UNDP Country Director (CD) posts, to run the UNDP Country Programme, and to raise funds locally for UNDP. This would allow for the separation of the RC and CD functions;
- b. UNDP would limit itself to raising funds only in areas for which UNDP is recognized as legitimate system leader;
- c. the RC function does need some resource base as well as access to UNDP funding for programmes that are already supporting UN coordination. Therefore, we need to find a system that allows the RC to be separate from the UNDP Programme, but to maintain the right linkage to UNDP; and
- d. the UNDG Executive Committee will pilot the strengthening of the RC system in Southern Africa over the next few months, which could give us examples of how a well-supported RC system would work.

VI. Conclusions

28. At the invitation of the Secretary-General, the Deputy Secretary-General set out the retreat's broad conclusions by pointing to a number of principles that appeared to have strong support. First, there is a clear sense of urgency on the need to increase effectiveness at the country level. Second, 'more of the same' will not suffice, as there is a need for a 'step change' in the reform process. And third, the starting point of UN

reform at the country level has to be a common coherent programme, firmly grounded in national priorities and responding to national needs.

29. In terms of action steps, it was concluded that:

- vii. strong agreement exists on strengthening the role of the Resident Coordinator, including a better understanding of the role to be played and the capacities required. This must be factored into the ongoing work of the UNDP, building on the indications just provided by the UNDP Administrator;
- viii. greater clarity is required on the appropriate roles each agency plays in each country, including how the defined role effectively translates into country presence and how the UNDAF can foster broader programme coherence. This issue should be addressed in the Southern Africa pilot;
- ix. effective sharing of appropriate information is fundamental and the UN must address how this can best be achieved through the use information technology. The Secretary-General intends to pursue the offer made by the World Bank President to benefit from its experience in this field;
- x. the work being done on the harmonization of tools and procedures needed to be continued and accelerated within the UNDG and other relevant bodies;
- xi. the system should not wait for a master reform plan, but achieve progress by building on specific initiatives already underway, such as that for Southern Africa; and
- xii. UNDG, in collaboration with HLCP, should develop an action plan with practical steps for implementation, so that CEB, at its next session, may be apprised by the chairs of UNDG and HLCP of concrete agreements reached on practical steps to be implemented.
