



**Executive Board of
the United Nations
Development Programme
and of the United Nations
Population Fund**

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UNDP AND UNITED NATIONS REFORM

I. INTRODUCTION

1. The present report, prepared as a basis for discussion on item 3 of the provisional agenda, highlights the specific contributions of UNDP to the follow-up to the Programme of Reform of the Secretary-General (A/51/950) and the corresponding General Assembly resolutions 52/12 A and 52/12 B as well as resolution 53/192 on the triennial policy review of operational activities for development of the United Nations system.

2. In addition to the above legislation, UNDP has taken as its basis for its implementation of United Nations reform the mandate given it by the Executive Board in its decision 94/14 of 10 June 1994, to help the United Nations family become a unified and powerful force for sustainable human development.

3. At the request of the Administrator, the United Nations Development Group Office (DGO) has prepared an update of overall progress to date pursuant to the Secretary-General's reform initiative (see annex to the present report). The Administrator wishes to express his sincerest appreciation to United Nations Development Group (UNDG) partners, especially the members of the United Nations Development Group Executive Committee, without whose full engagement and participation none of the achievements to date would have been feasible.

II. SPECIFIC RECOMMENDATIONS FROM THE PROGRAMME OF REFORM

4. The Programme of Reform (A/51/950) made five specific recommendations that directly involve UNDP: (a) the creation of the United Nations Development Group (Actions 9 and 10, paragraphs 73 and 153); (b) predictable funding through multi-year arrangements (Action 11 (a), paragraph 167); (c) relations with the World Bank (paragraphs 79 and 167); (d) support for natural disaster mitigation activities (paragraph 189); and (e) establishment of the United Nations

Enterprise Liaison Service (Actions 17 (c) and (d)). These recommendations are discussed below and outstanding issues are highlighted.

A. United Nations Development Group

5. As indicated in the report of the Administrator to the Economic and Social Council (DP/1999/10), the creation of UNDG represented, from the UNDP perspective, a strong boost to the implementation of General Assembly resolutions on operational activities, namely resolutions 47/199, 50/120 and 53/192. UNDP provides important support to this recommendation of the Programme of Reform through its funding of DGO, which serves, *inter alia*, as the permanent secretariat for UNDG. The reaffirmation in the Programme of Reform of the role of UNDP as the funder and manager of the resident coordinator system as well as the provision that the Administrator chairs UNDG provide for considerable managerial coherence both at headquarters level and at the country level. A very positive development has been the secondment of senior staff from the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and the United Nations Industrial Development Organization (UNIDO), which has increased the sense of common ownership of and participation in DGO by other United Nations entities.

Remaining challenges

6. UNDG has achieved rapid progress on specific provisions of the legislation in operational activities, as detailed in document DP/1999/10. The main remaining challenge is to achieve effective outreach to the United Nations system as a whole since operational activities coordinated under the resident coordinator system concern the system as a whole. Bridge-building through the Administrative Committee on Coordination (ACC) and its subsidiary machinery, especially the Consultative Committee on Programme and Operational Questions (CCPOQ) will be a priority in 1999 and coming years. The encouraging role of governing bodies of the funds and programmes as well as of the specialized agencies will be crucial to further progress here. At the inter-agency level, CCPOQ, at its fourteenth session in March 1999, approved, on behalf of ACC, the landmark ACC Guidance Note on the Common Country Assessment and the United Nations Development Assistance Framework (CCA/UNDAF), which de facto converted the CCA/UNDAF into tools for the use of the system as a whole and not only of the United Nations entities. This step helps to address a major concern of Member States regarding the involvement of the United Nations system as a whole. At its first session for 1999, on 9 April, ACC took note of the CCPOQ action and also approved a statement supporting the follow-up to resolution 53/192.

Recommendations

7. The Executive Board may wish to call on UNDP, through its participation in UNDG, in ACC and the ACC machinery, and through its direct support to DGO, to continue to support and promote ongoing efforts to build bridges between the work of UNDG and the operational activities of the United Nations system as a whole.

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B. Predictable financing through multi-year arrangements

8. The Programme of Reform calls for the development of a proposal on core funding with burden-sharing and multi-year pledges. The landmark Executive Board decision 98/23 of 23 September 1998, as well as its decision 99/1 of January 1999, paved the way for a new era in the core funding of UNDP. UNDP is currently in the process of developing the multi-year funding framework (MYFF), which integrates programme objectives, resources, budget and outcomes. The overall objective of the MYFF is to increase core resources; in doing so, it will both serve as the basis for future multi-year funding by all UNDP contributor countries and outline the results to be achieved with the announced resources.

Remaining challenges

9. The focus of the present discussion is less on UNDP itself than on the contribution the organization can make to United Nations reform in general; the challenge presented in this context, therefore, is to ensure coherence, cross-fertilization and learning among the different multi-year funding initiatives under way in the United Nations funds and programmes as well as in the broader United Nations system. Here the role of the Economic and Social Council at the intergovernmental level and that of ACC at the inter-agency level are crucial.

Recommendations

10. The Executive Board may wish, taking into account the results of the first annual funding session held in April 1999, to call upon Member States to increase core funding for all United Nations operational activities on a continued, assured, predictable and multi-year basis; and to provide the Economic and Social Council and the General Assembly with specific recommendations on the future of the United Nations pledging conference, taking into account the views expressed by Member States.

C. Relations with the World Bank

11. UNDP has always had, and will continue to have, a strong operational relationship with the World Bank. Efforts to strengthen these operational relationships continue and these are reflected in the annual report of the Administrator.

12. At a more general level, the reform processes both within UNDP and within the World Bank have focused attention on the need to redefine, and indeed to reinvent, the relationship between UNDP and the World Bank. With the adoption of its strategic compact, the World Bank has made a major commitment to poverty eradication and to a significant change process that would help it to achieve its objectives. As a result of this change process, there is no longer the same clarity that previously existed between the rules and functions of the World Bank on the one hand and United Nations entities on the other.

13. The new situation presents tremendous opportunities and also some concerns. The new focus of the World Bank on a number of the key goals articulated by the

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global conferences is providing significant support to the achievement of those goals. The Administrator believes there is enormous potential for strengthened collaboration to attain globally agreed objectives.

14. UNDP and the World Bank are engaged in extensive discussions on a number of issues that have arisen out of the change processes being undertaken by both organizations. Constructive exchanges of views have been held regarding the issue of access to grant-based funding for technical cooperation.

15. Discussions have also been held regarding the World Bank's initiative to launch comprehensive development frameworks (CDFs). UNDP has always been deeply involved at an operational level in supporting national capacity-building for aid management. To the extent that Governments may wish to launch a CDF process, UNDP stands ready to respond to requests for assistance. At the same time, it is clearly premature to reach a conclusion on what the CDF means in operational terms. UNDP, through UNDG, will also focus on the future relationship between the CDFs where they are launched and the United Nations Development Assistance Framework (UNDAF) and a number of issues will need to be clarified in this respect.

16. From the perspective of UNDP, the comparative advantage of UNDG lies precisely in considering such questions as the relationship of the CCA/UNDAF to the CDF and how a forum can be established through which the United Nations entities can arrive at a common understanding on these matters. Direct outreach to the World Bank should continue to be at the level of the individual funds and programmes, such as UNDP, who have active and growing bilateral operational relationships with the World Bank. In this bilateral relationship, the funds and programmes could express the common understanding within UNDG.

Recommendations

17. The Executive Board may wish to:

1. Take note of the efforts of the United Nations Development Programme and the United Nations Development Group regarding collaboration with the World Bank;

2. Encourage the United Nations Development Programme to develop further its productive, direct relationship with the World Bank, particularly at the operational level.

D. Support for natural disaster mitigation activities

18. The Programme for Reform called for the transfer to UNDP of technical cooperation support functions in natural disaster mitigation. This transfer has now been effected and the funds corresponding to 1998 from the \$2.3 million foreseen for it in the United Nations biennial budget have now been transferred from the regular budget of the United Nations.

19. UNDP has absorbed the responsibilities previously held by the Emergency Relief Coordinator for operational activities in natural disaster mitigation,

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prevention and preparedness. The responsibilities formally discharged by the United Nations Disaster Management Training Programme and Disaster Mitigation Branch (in the Office for the Coordination of Humanitarian Affairs (OCHA) in the past) have now been integrated into the Disaster Reduction and Recovery Programme (DRRP), based in Geneva, as part of the Emergency Response Division of UNDP.

20. Seven professional staff along with additional support staff have been recruited to support the ongoing efforts of UNDP in disaster reduction and recovery activities. UNDP goals in disaster reduction and recovery are to achieve a sustainable reduction in disaster risks and the protection of development gains; reduce the loss of life and livelihoods due to disasters and ensure that disaster recovery serves to consolidate sustainable human development.

21. DRRP has already initiated new capacity-building activities in developing countries aimed at promoting comprehensive disaster reduction approaches, establishment of national and subregional disaster reduction strategies, incorporating disaster mitigation, legislation in disaster-prone countries. UNDP also supports a coordinated inter-agency approach within the United Nations system and with other development partners, including NGOs.

Remaining challenges

22. The importance of this area of cooperation was highlighted by the recent series of natural disasters, including those related to the El Niño phenomenon and Hurricane Mitch. These natural disasters emphasize the importance of continued efforts at developing national capacity for disaster mitigation, prevention and preparedness.

Recommendations

23. The Executive Board may wish to:

1. Take note of the progress achieved so far in the transfer of these functions to the United Nations Development Programme;

2. Encourage the creation of further links between these activities and the mainstream capacity-building activities of the United Nations Development Programme in the area of disaster mitigation, prevention and preparedness within country cooperation frameworks, especially in those countries prone to natural disasters.

E. Establishment of a United Nations enterprise liaison service

24. In his Programme of Reform, the Secretary-General requested a proposal on a liaison service with the private sector along the lines of the Non-Governmental Liaison Service (NGLS), which is already in operation for relations with civil society. UNDP, after consultations within UNDG and with NGLS, developed a proposal that was submitted to the Secretary-General on 5 December 1997.

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Remaining challenges

25. Subsequent inter-agency discussions within ACC and elsewhere have shown little enthusiasm for the creation of yet another liaison service, regardless of its location. Such units have considerable problems in ensuring lasting material and financial support from member organizations.

26. The challenge has been now redefined as the need to achieve some common understanding among organizations of the United Nations system on interaction with the private sector, especially in view of the statements made by the Secretary-General at the World Business Forum held in Davos, Switzerland, in 1998 and in 1999. He called for greater collaboration and for a global compact between the United Nations system and the private sector, based on the norms of the United Nations system, initially in three areas: human rights, environmental norms and labour standards. Interaction with the private sector was also the main theme of the first session of ACC, 9-10 April 1999. Clearly, most entities of the United Nations system have growing relations with the private sector and such a common understanding is an imperative.

Recommendations

27. The Executive Board may wish to:

1. Take note of the changed focus of the recommendations contained in Actions 17 (c) and (d) of the Programme of Reform;

2. Encourage the United Nations Development Programme to pursue its inter-agency dialogue with other members of the Administrative Committee on Coordination with a view to arriving at a common understanding on interaction with the private sector.

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