



Economic and Social Council

PROVISIONAL

E/1998/SR.26
23 June 1999

ORIGINAL: ENGLISH

Substantive session of 1998

Operational activities segment

PROVISIONAL SUMMARY RECORD OF THE 26th MEETING

Held at Headquarters, New York,
on Tuesday, 14 July 1998, at 10 a.m.

President:

Mr. OLHAYE
(Vice-President)

(Djibouti)

CONTENTS

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT
COOPERATION (continued)

- (b) FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY
(continued)

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The meeting was called to order at 10.10 a.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT
COOPERATION (continued)

(b) FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY
(continued)

Dialogue with the United Nations country team in Guatemala

The PRESIDENT introduced Mr. Haemmerli, Chief of the Development Cooperation Policy Branch in the Department of Economic and Social Affairs, who would act as Facilitator of the panel discussion.

Mr. HAEMMERLI, Facilitator, introduced the panellists, who included members of the country team and, in accordance with General Assembly resolution 50/227, representatives of the Government of Guatemala. The selection of country teams for dialogue during the current session had been made on the basis of two criteria: their implementation of the reforms proposed by the Secretary-General the year before and their establishment of a linkage between operational activities and peacekeeping and reconstruction operations.

Mr. STEIN (Representative of the Government) said that reform activities were based on dynamic cooperation between the Government and the United Nations system, including the World Bank. He would describe to the Council the context in which those activities were taking place. On 29 December 1996, the Government had signed the Peace Agreements with the Unidad Revolucionaria Nacional Guatemalteca (URNG), ending 36 years of internal armed conflict. Those Peace Agreements had triggered a profound transformation in Guatemala, setting it on the path to democracy and integral and sustainable human development. The 18-month period in which the Peace Agreements had been implemented thus far had witnessed a number of concrete changes, of which the most important were the establishment of a pluralistic, democratic system and free elections, the active participation of citizens in Government affairs through the establishment of 15 multisectoral commissions, and the expansion of constitutional mechanisms designed to bring together the Government and the population. Other significant developments had included the redefinition of the

security, national defence and intelligence apparatus and the formulation of new policies that stressed the protection of citizens' individual and collective rights and their ethnic, linguistic and cultural diversity. The military forces and the military budget had been reduced, and military bases and other infrastructure had been dismantled. The executive branch of Government had been modernized; the distinct functions of the judiciary and administrative bodies had been clarified; and the functions of the Supreme Court, the Public Prosecutor and the Ministry of the Interior had been more effectively coordinated in the interests of procedural coherence and more efficient investigations, thereby guaranteeing due process to the citizens. Other changes had included the shift in public investment patterns from the use of external resources, concentrated in major urban centres, particularly the capital, to an infusion of domestic resources in poverty-stricken areas of rural Guatemala. Investments had been made principally in road infrastructure and the power and telecommunications sectors in an effort to link markets, overcome the geographical isolation of a large proportion of the Guatemalan population, attract further investments and generate permanent employment.

Efforts to build a multicultural, multi-ethnic and multilingual nation focused on training and the formulation of public policies designed to overcome Guatemala's historic practice of social marginalization. To that end, dialogues were being held with representatives of indigenous populations within the framework of commissions established pursuant to the Peace Agreements. The underpinning of all those changes had been sweeping tax reforms, including the strengthening and enforcement of tax legislation; the characterization of tax evasion as a crime; the elimination of exemptions and privileges; and the strengthening of oversight bodies. The rationalization of public expenditure had released resources for social spending in areas highlighted by the Peace Agreements.

Owing to the magnitude, complexity and abruptness of the changes, the country was still vulnerable and would require all possible internal and external support. During the transition period, Guatemalan society was still motivated more by past fears than present realities. Impediments to the peace process, which in some quarters was viewed as a threat, remained; and, in general, attitudes that had been hardened by 36 years of conflict were proving difficult to change.

With regard to the role of the international community, he stressed the importance of absolute respect for national priorities; coherent programming, clear priorities and coordination between international cooperation and local authorities; and the timely availability of resources for priority activities.

Mr. FRANKLIN (United Nations Development Programme, Resident Coordinator) explained that the title of the country team's presentation, "A contradictory but hopeful juncture", reflected the contradictions present not only in Guatemala, as a country in transition, but also in the United Nations system and the reform process. However, the country team, which was deeply committed to its task, was extremely hopeful about the prospects for success. Its work was facilitated by the compatibility of the national, regional and global agendas in Guatemala. The country team included a political mission, the United Nations Verification Mission in Guatemala (MINUGUA), as well as the agencies of the United Nations Development Group (UNDG), specialized agencies and financial institutions. It had approximately 1,000 staff members, 50 per cent of whom were from MINUGUA and 30 per cent of whom were international personnel, and the largest United Nations Volunteers programme in the world, with 160 national and international volunteers, the majority of whom were assigned to MINUGUA. It had a nationwide presence (offices were generally shared by one or more of the agencies) and a budget of approximately US\$ 400 million, including donations, World Bank credits and cost-sharing. One serious setback was the fact that the programmes of the agencies in UNDG were neither coordinated nor synchronized. He hoped that that situation would be remedied by the year 2000.

The reform process was a logical continuation of the International Conference on Central American Refugees (CIREFCA) held in 1989. Since that time, the peace process had been supported by a number of United Nations system agencies, which had provided valuable technical advice.

The country team was anxious to respond to criticism levelled by the United Nations system, donor Governments and civil society. In response to criticism that it was fragmented, it sought to become a holistic, solid network of human capacity. It hoped to confound contentions that it confused institutional interests with national interests by becoming more client-oriented; that its perspective was limited, by broadening its outlook on the basis of its global agenda; that it was old and deteriorating, by demonstrating that it was capable

of constant renewal; that it was passive, by becoming more active and promoting global agendas; that it was biased in its interpretation of events, by making every effort to be well-informed and capable of political dialogue and advocacy; that it was complex and complicated, by offering a more integrated response; that it was bureaucratic, by becoming more service-oriented and responsive to clients; and that it was costly, by becoming more cost-efficient.

Mr. MAYRIDES (United Nations Children's Fund) said that, on the one hand, the peace process in Guatemala represented an opportunity for change; created a favourable environment, including many potential partners, for the implementation of United Nations reforms; and had resulted in a large presence of the international community in Guatemala. On the other, sharp contrasts in development, violence, impunity, corruption, ethnic tensions and uncertainties about commitment to change in some sectors presented a daunting challenge.

The country team sought to establish enduring development processes that could be carried forward by successive Governments. Guatemala, a potentially rich and viable society, was currently at a crossroads in its transition process. It was undergoing a historical process of change and, at the same time, political modernization. In that context, United Nations reforms would help to ensure social equity, mainstream marginalized populations and influence prevailing attitudes in civil society. While all the United Nations development participants confronted the same reality, they had to contend with differing and highly politicized reform agendas. The country team realized the need for more consolidated analysis, action and programming, as well as for long-term commitment and the application of viable exit strategies.

The focal areas of United Nations development activities in Guatemala were demobilization and integration of combatants, human development, sustainable productive development, and modernization of the democratic State. The country team's approach to reform stressed the interactivity and accountability of the United Nations constituency and national counterparts along with bottom-up support. It was very important that the United Nations participants should be seen as neutral but catalytic in the reform process, and that joint analysis and focus on local needs should remain central to their activities. The moment of transition in Guatemala should be seized as a positive opportunity for improved inter-agency coordination.

Mr. VALDÉS (United Nations Development Programme) said that substantial progress had been achieved in improving harmonization of United Nations system programmes, procedures and implementation mechanisms. The United Nations Development Assistance Framework (UNDAF) was very effective in achieving convergence among the global, regional and national agendas. The country team had invested a great deal of effort in mobilizing human and financial resources for development and had compiled and analysed comprehensive statistical data and background information on the situation in Guatemala, which it was preparing to disseminate via the Internet. The common country assessment was being prepared on the basis of that information.

Mr. FINKELMAN (Pan American Health Organization/World Health Organization) said that theme groups and networks had become a central feature of the UNDAF process in Guatemala. They had achieved a number of successes in the fields of demobilization and integration of ex-combatants, public health, HIV/AIDS, consensus-building and gender, and could contribute greatly to the UNDAF process as long as they maintained a flexible approach to team composition, defined clear objectives and promoted the concept of shared leadership.

Mr. FORTMAN (World Food Programme) said that the promotion of common premises and services was an area in which progress had already been made. The next step would be to achieve complementary planning or even joint programming of development activities in order to bring the concept of the "United Nations house" closer to fruition.

Implementation of the common services concept required the identification and prioritizing of three type of actions: those requiring immediate application, those subject to local legal, budget or normative processes, and those requiring decisions at the headquarters level. Inter-agency task forces had been set up to implement the highest-priority actions, with leadership responsibility distributed among the various agencies participating. In the country team's experience, the level of common services achieved so far had already paid off in terms of reduced costs and increased goodwill among participants and contributors, although there was a continuing need for more ambitious inter-agency training programmes to facilitate the process.

Mr. FRANKLIN (United Nations Development Programme, Resident Coordinator) said that Guatemala presented a unique example of a situation where

the United Nations system had been able to play an extremely important role during a period of transition. However, reform came at a high cost in monetary and human terms. There was a need for more consistent policies from Member States and agency headquarters, and strong leadership was essential in order to prevent conflicting messages that could lead to conflict at field level. Reform was a continuous process that took place in an ever-changing environment; moreover, it was not a business concept but an active, institutional exercise with important political and human components.

Mr. ESCOTO (Representative of the Government) said that there had been three major factors in the success of the pilot project. First, the recent peace agreement had given Guatemala a new Government with a medium- and long-term agenda which provided a single framework for all development assistance. Second, the representatives of the United Nations system agencies had been both capable and experienced. Third, and perhaps most important, there had been support from headquarters at all stages of the process, adequate funding had been provided, there had been few changes in the staff seconded to the project and every effort had been made to combat a natural resistance to change in the institutional culture. He hoped that other countries would benefit from Guatemala's experience.

Mr. ROESCH (Germany) said that the pilot project in Guatemala represented, in effect, a reform within a reform. He wished the Government and people of Guatemala continued success in their progress towards democracy and sustainable development.

The representatives of UNICEF and the WFP had stressed the importance of targeting the poorest sectors of society for special assistance. However, in a country such as Guatemala, disenfranchisement took on a regional dimension that was further aggravated by the repatriation of refugees. He asked whether any programme to address that problem had been implemented at the regional level.

His Government supported the concept of common premises at the country level as a means of increasing cost-effectiveness and improving coordination. He asked whether anything had been done to establish a common information system and database at the headquarters of the various agencies in order to avoid sending conflicting signals which could hinder progress at the country level.

Ms. SUZUKI (Japan) asked whether there were plans to organize workshops or training programmes so that the lessons learned in Guatemala could

be applied to the situations of other countries. She wondered whether the country team had established mechanisms for discussion with bilateral donors. She also requested information on the promotion of teamwork between the different agencies and staff involved.

Mr. WEDENIG (Observer for Austria) requested comments on the relationship between peace-building and development in the light of the emphasis on that relationship in the Peace Agreements and asked how the United Nations system agencies were cooperating to bridge the gap between relief and development. Guatemala was emerging from a crisis, and restoration of the rule of law and respect for human rights were important factors in the reconciliation process; he asked whether the United Nations system agencies were taking steps to ensure a rights-based approach to development. Lastly, he wondered whether UNDAF would really lead to simplified procedures for administration and programming rather than adding an additional layer of bureaucracy in programme countries.

Mr. KVALHEIM (Observer for Norway) asked what could be done to improve both the UNDAF process and country-level coordination in general and what time-frame should be envisaged for the introduction of joint programming.

Mr. TOMASI (France) said that the "contradictory" aspects referred to in the title of the document accompanying the presentation had not been discussed and asked what limitations and obstacles had been encountered during the pilot project. Furthermore, in view of the portion of the high-level segment devoted to gender mainstreaming, he wondered why so many of the country team's members were men. He also asked why such a large percentage of volunteers were posted to MINUGUA and requested information on the nature, purpose and structure of the task forces and how they differed from the theme groups.

Mr. PÉREZ-SEGNINI (Observer for Venezuela) asked whether the United Nations system agencies were in a position to propose new types of coordination with, inter alia, the Inter-American Development Bank, civil society and non-governmental organizations (NGOs) or whether that function belonged exclusively to the Government. Like the representative of France, he wondered how the theme groups differed from the task forces, whether the latter's responsibilities extended to the coordination of specific activities and whether

Government representatives participated in the task forces' work. He also asked how Guatemala's neighbours could benefit from its experience.

Mr. LUNDBORG (Sweden) invited the representatives of the Government to discuss the question of national ownership of the UNDAF process. He asked the resident coordinator what, in his view, would be the ideal outcome of the upcoming triennial comprehensive policy review of operational activities for development of the United Nations system with respect to the pilot project in Guatemala.

Ms. COCHIUS (Observer for the Netherlands) said that she associated herself with the questions regarding the role of NGOs and the resident coordinator's task of ensuring coordination between all relevant agencies at the field and headquarters levels.

Ms. KING (United States of America) said that she welcomed the participation of representatives of the Guatemalan Government and agreed with the French representative's comment concerning the lack of women on the country team. Like the observer for Norway, she wondered whether any concrete measures were being taken with a view to joint programming or execution; such measures were important, not only from the standpoint of the United Nations system and the donor community, but also as a means of strengthening public confidence in the reform process. She also asked how authority was being apportioned among the various specialized agencies.

Ms. BLACKBURNE (United Kingdom) said that her delegation associated itself with the Swedish representative's question concerning the Guatemalan Government's involvement in the UNDAF process and asked how the relationship between UNDAF and the country strategy note was being handled. One member of the country team had stated that coordination of all the relevant United Nations programmes might be achieved by the year 2000; she wondered whether bilateral and multilateral donors and the Bretton Woods institutions would be included in that process. Reference had been made to the increased burden of work resulting from UNDAF, and she asked whether greater streamlining in some areas had also resulted and whether the country team had any suggestions for improving and rationalizing the UNDAF process. Lastly, she wondered why the list of bodies interested in becoming members of a "United Nations house" did not include any of the specialized agencies.

Mr. ESCOTO (Representative of the Government) said that the participation of civil society and NGOs was a fundamental condition for the success of the peace process and of United Nations reform. As part of its decentralization process, the Guatemalan Government had established urban and rural development councils in all departments and towns, with particular emphasis on rural development and with the participation of local communities in the identification of problems, the search for solutions and the management of funds. In addition, the more than 15 joint commissions established as part of the peace process were currently considering ways to ensure that all sectors, particularly those which had been marginalized in the past, were appropriately represented in decision-making and in the development of public policy. The Government was also working with national NGOs to develop mechanisms for decentralizing State funding and providing technical assistance to local communities.

Mr. LOPEZ-CALIX (World Bank) said that the World Bank welcomed the opportunity to create a new strategic alliance in the field. Conditions in Guatemala were promising. Work on UNDAF had started a year before the operational guidelines had been issued. Through the active participation of all agencies in the peace process, the Guatemala country team had had an opportunity to develop a close relationship with the Government before the pilot project had been launched. Guatemala had a strong Government team which was aware of the historic opportunity to achieve development with accelerated growth and equity. It also had extraordinary resources, since it had received \$2 billion under the peace process. There was close cooperation between the different development agencies working within the system, on the basis of their comparative advantages.

The World Bank was working closely with a number of other agencies and with MINUGUA and was providing support to the reintegration of ex-combatants and the development process. Its work would undoubtedly need to be coordinated more closely with the work being carried out by other agencies of the system. In the World Bank office in Guatemala, as in other World Bank offices, there was a high proportion of women, so progress was being made in that direction.

On the question raised by the observer for Austria about the relationship between peace-building and development, he said that the Peace Agreements included a full-scale Government agenda in key areas of socio-economic

development. The Peace Agreements also promoted the participation of civil society. The challenge now was to move on to a national consensus in the medium term which would survive changes in government.

Regarding coordination with other actors, to which the observer for Venezuela had alluded, he said that in the area of rural development, there was close collaboration between multilateral and bilateral donors. The Government of Guatemala had established a coordinating body on land questions, an issue which was central to dealing with the problems of exclusion and marginalization of populations, especially indigenous populations. Donors selected areas which they had the technical capacity to support; the World Bank, for example, supported land registration projects.

On the subject of collaboration between the specialized agencies and the United Nations system, it must be borne in mind that under the Peace Agreements, MINUGUA was able to consult with specialized agencies and bilateral or multilateral bodies in carrying out its work of verification. The challenge was to make the transition to medium-term development, and to a much more concentrated focus on poverty eradication and integral local development.

In any post-conflict society, there was rapid growth for a few years because of the peace dividend. In Guatemala, economic growth was expected to reach between 4.5 and 5 per cent in 1998 and over 6 per cent in 1999 and 2000. In 1997, Guatemala had benefited from good coffee prices; it was now having to absorb a decline in those prices and was seeking to diversify its exports with the help of foreign investment. It was gratifying to be able to report that Guatemala was building peace without disrupting its macroeconomic balances and was reducing its fiscal deficit without sacrificing its commitments under the Peace Agreements thanks to mechanisms of consensus which made it possible to implement measures which were unpopular with the population.

Ms. LATTES (United Nations Population Fund) said it was true that the UNDAF process required a great deal of extra time in terms of meetings, documentation and so forth. The new culture of participation was not yet fully internalized in the United Nations system; once it became internalized, coordination would be smoother. Another aspect was that coordination was being sought at the local level, but there had not been any change at the headquarters level; thus there was a period of confusion when agencies did not know which regulations they should follow. Rules needed to be developed which were common

to the entire system; that would simplify work at the local level and help offset the extra time involved in coordination.

The Guatemala country team was clearly not balanced in terms of gender. In Guatemala, women's rights were very far from equal with men's rights, and the country team reflected that situation. She hoped the situation would be remedied soon.

Mr. HAEMMERLI, Facilitator, said that there were structural problems in the system with regard to the advancement of women; each agency must do more to recruit women. In Guatemala the agencies were participating in a gender programme, which included a campaign to combat violence against women.

Mr. CHAMBERS (International Labour Organization), replying to the questions raised with regard to the regional dimension, said that while it was a donor's right to designate a particular area of priority, when that choice was geographical it was not always easy to shift a programme from one area to another. Greater coordination with the donor community and with bilateral programmes on issues of regionalization and decentralization within Guatemala would be desirable.

Responding to the observer for Venezuela, he said that ILO carried out regional programming in the context of Central America. There were two reasons: since the Governments of the region were committed to integration processes, the specialized agencies supported those objectives with regional programming; and there was a need for the more efficient use of resources, by taking advantage of experience in other countries of the region with similar conditions and allowing Governments to participate in common programmes. Difficulties of coordination arose among programmes of the United Nations system. ILO did not have an office in Guatemala, although it had project personnel participating in projects in Guatemala; there were therefore problems in respect of geographical responsibility, programming cycles and planning schedules.

ILO had offices which covered areas rather than single countries. It had a multidisciplinary team based in San José, Costa Rica, but it was not able to operate as effectively as it would if it were based in Guatemala. ILO had had to set priorities, which the member countries had determined for it, and to decide on the most efficient way to deal with issues at the subregional level.

Mr. FINKELMAN (Pan American Health Organization/World Health Organization) said that the difference between task forces and theme groups was

that the former aimed to make the most efficient use of available resources, whereas the latter were concerned more with programming based on national priorities. NGOs participated in some theme groups, particularly the Joint United Nations Programme on HIV/AIDS (UNAIDS), which had created a coordination mechanism to try to reconcile their different points of view. Donors which were interested in the activities of particular NGOs participated in their work.

Where joint programming was concerned, the first stage was to seek synergies and increase collaboration between the programmes. Joint programming depended on the granting of waivers by central offices. As to common premises, some agencies in Guatemala were unable to move because they already owned premises and the sale of those buildings was not viable.

Ms. MAULDIN (United Nations Volunteers) said that the reason why a large proportion of volunteers was assigned to MINUGUA (115 of the 160 United Nations volunteers fielded in Guatemala) was, first, cost-effectiveness: the assignment of regular staff to MINUGUA would give rise to high staff costs, and also most UNVs worked only for the duration of the mission, or even for a shorter time; and, second, the UNVs worked with communities in the field, and it was difficult to find regular staff willing to work in such conditions. Efforts were being made to attract more women to the national volunteers programme, since the majority of the volunteers were men.

Mr. BOGGIO (Office of the United Nations High Commissioner for Refugees) said that Guatemala faced the problem of assisting the victims of armed conflict in the first stage and then of assisting the population as a whole to recover from the after-effects of the conflict. Coordinated efforts in the first stage had concentrated on certain categories of the population, especially refugees and returnees, demobilized members of UNRG, and internally displaced persons. UNHCR felt that the efforts of the international community and the United Nations agencies should have a territorial or geographical approach, which would better enable all the people who had suffered from the consequences of armed conflict to enjoy the benefits of peace. It was trying to ensure that the zones most affected by armed conflict, which were also the areas of greatest poverty, received the most attention from the international community.

UNDAF provided an opportunity for agencies with shorter mandates to participate in efforts for long-term reintegration and development.

Mr. HAEMMERLI, Facilitator, responding to the representative of Sweden, said that the ideal outcome of the triennial comprehensive policy review would be for all United Nations agencies to give the Guatemala country team a complete waiver so that it could do whatever it considered necessary in Guatemala. With regard to "United Nations houses", it was much more important to determine what kind of coordination was needed between the different bodies than to focus on common premises, which were no guarantee of coordination.

Mr. STEIN (Government of Guatemala) said that the coordination of international cooperation had been a constant concern of the current administration in Guatemala; from the outset, his Government had identified the need for a single agenda, which would combine the agenda for development and the agenda for peace. It had made efforts to promote internal coordination by creating a council on cooperation for peace made up of cabinet ministers and headed by the Vice-President of the Republic. Guatemala welcomed the inter-agency coordination efforts, especially on the part of the resident coordinator.

With regard to the relationship between UNDAF and the country strategy note, he said that his Government regarded the former as an extension of the latter. UNDAF had the potential to maximize the impact of cooperation by the system and minimize concerns about conditions being placed on development.

The particular circumstances which favoured the UNDAF exercise in Guatemala were not replicable elsewhere. The question of the conditions which most favoured the reform process therefore remained open. A first conclusion which could be drawn was that the United Nations system should focus on those aspects which were within its control and within its reach. Headquarters must provide support to the work in the field to ensure that the needs of countries were taken into account.

The meeting rose at 1.20 p.m.