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**Substantive session of 2005**  
**Operational activities segment**

**Provisional summary record of the 20th meeting**

Held at Headquarters, New York, on Friday, 8 July 2005, at 10 a.m.

*President:* Mr. Moncayo (Vice-President) . . . . . (Ecuador)

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Operational activities of the United Nations for international development cooperation: interactive dialogue on operational reforms in the United Nations development system

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*In the absence of the President, Mr. Moncayo (Ecuador) took the chair.*

*The meeting was called to order at 10.25 a.m.*

**Operational activities of the United Nations for international development cooperation: interactive dialogue on operational reforms in the United Nations development system**

1. **The President** emphasized the importance of the operational activities of the United Nations, which faced a complex task in coordinating the implementation of internationally agreed development goals in line with the national priorities and strategies of developing countries. A constructive dialogue was needed to strengthen the most useful operational activities, to define the reforms needed and to make a valuable contribution to the United Nations development agenda.

2. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that the central question of the United Nations system's role in country-level development operations should be approached in the broader context of the Secretary-General's report "In larger freedom: towards development, security and human rights for all" (A/59/2005), the United Nations development agenda and the follow-up to the High-level Forum on Harmonization, particularly the recently agreed Paris Declaration on Aid Effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability. Within that context, United Nations development cooperation was a vehicle for taking action on the ground against many pressing problems and did not involve a major injection of financial resources.

3. The United Nations system had a unique capacity to provide multilateral, neutral and flexible support to developing countries owing to its unparalleled ability to engage with diverse actors at the country level; its distinctive normative and advocacy role for the promotion of development; its capacity to analyse complex economic and social issues with a keen awareness of the conditions and needs of the poorest and most marginalized groups; its particular role in conflict prevention and resolution, linking economic and social issues with peacebuilding; and its unique expertise in the provision of technical assistance for the strengthening of national capacities.

4. Increasing the effectiveness of United Nations country-level development work would require the system to overcome a number of challenges. In that connection, it might be useful to discuss such issues as how to promote national ownership and leadership of country-level processes and how to ensure full mobilization of support for country-level efforts, systematic engagement of non-United Nations actors and effective post-conflict development.

5. **Mr. Nyong'o** (Minister of Economic Planning and National Development, Kenya) recalled that United Nations operational reforms would only bear fruit if they helped national Governments to implement policies, programmes and projects leading to the attainment of the Millennium Development Goals within the agreed time frame. He also stressed that United Nations Development Assistance Frameworks (UNDAFs) needed to be in line with national plans and programming processes.

6. His Government had been working in close cooperation with the United Nations Development Programme (UNDP) on all activities related to the implementation of the Millennium Development Goals. However, given the cross-sectoral nature of the Goals, the involvement of all United Nations agencies in their implementation, monitoring and evaluation, within a framework agreed by national Governments, was vital. In that connection, he wondered to what extent Governments were aware of the implementation assistance available from United Nations agencies.

7. His Government expected its development partners and the United Nations system to bring their activities and development assistance programmes into line with its own reform agenda. Similarly, international efforts to eradicate poverty would be most effective when tailored to suit specific national Millennium Development Goal projects. In that connection, the United Nations system, regional economic commissions and national Governments should draw up timetables for issuing progress reports on the extent to which national needs had been met.

8. His ministry had presented a memorandum requiring all ministries to incorporate the priorities of the Millennium Development Goals into their strategic plans. Similarly, the United Nations should work more widely with national parliaments to raise awareness of the Goals by means of sessional papers.

9. **Mr. Leikvoll** (Deputy Secretary-General for International Development, Ministry of Foreign Affairs, Norway) said that the true litmus test of reform was results on the ground. Every decision taken to reform the United Nations system must therefore contribute to improved and concrete results and the transaction costs thereof must never become so high as to outweigh the benefits. While the reforms contained in the consolidated list of issues (E/2005/CRP.1) provided ample evidence of many positive past and future reform efforts, such reports should focus more on results than processes.

10. All Member States favoured a more coherent, coordinated and efficient United Nations at the country level, such as the activities undertaken to strengthen the resident coordinator system. The challenge in that respect was how to provide more authority to the Resident Coordinator while retaining flexibility, access and visibility for the individual agencies. The establishment of United Nations Houses would also serve to strengthen the unified image of the organization at the country level. At the same time, the key issue was how well “cohabitation” contributed to improving the coherence, efficiency and accessibility of the United Nations with respect to recipient Governments, donor countries and other actors. A more unified country presence and operation would surely mean that developing countries could draw on the entire system’s accumulated experience and services.

11. In the broader development context, while common country assessments (CCAs) and UNDAFs were key tools for achieving coherence at the country level, it was worthwhile asking recipient countries how serious and far-reaching they believed United Nations efforts were, in order to align those instruments behind national priorities. New aid modalities, such as direct budget support and sector-wide approaches, were important elements in enhancing aid effectiveness by promoting national ownership, alignment and harmonization. Some believed the United Nations needed to adapt to be able to participate fully in those modalities, while others felt that it should instead assume a more visible role as an adviser, providing assistance in capacity-building. In either case, budget support required a high degree of competence and political dialogue among donors and recipient countries, in which the United Nations must be directly involved. The United Nations was in a unique position to play a significant role in achieving the Millennium

Development Goals, but to do so it would require reform.

12. **Ms. Rodríguez** (Secretariat for Planning and Programmes of the Guatemalan Presidency) said that Guatemala had been selected as one of the pilot countries for the implementation of United Nations reforms. Although the CCA and UNDAF processes had raised awareness of United Nations actions in Guatemala, increased participation in decision-making on the formulation and execution of cooperation was required. Planning bodies must be given the necessary space to identify better opportunities for enhancing development from a global perspective rather than contributing to sectoral actions. It was important to remember that technical coordination between the United Nations system and the Government was equally as important as political coordination.

13. The achievement of certain development goals could be facilitated by harmonizing the country programmes of the United Nations Fund for Population Activities (UNFPA), the United Nations Children’s Fund (UNICEF) and the United Nations Development Programme (UNDP).

14. In general terms, the system reforms had been well formulated, but their development and implementation were not flexible enough to meet development and aid requirements. The United Nations could gain ground by devoting a sizeable portion of its resources to strengthening national capacities and increasing South-South cooperation. In the case of Guatemala, if national capacities were not reinforced, the country would continue to be dependent on international advisory assistance and would run the risk of failing to achieve the development goals.

15. With respect to South-South cooperation, significant progress in goal achievement had been made in the developing countries, where the transfer of knowledge and experiences was quicker and less costly.

16. The reduction in official development assistance meant that Governments had to be more creative in allocating aid resources and that middle-income countries such as Guatemala would continue to require the support of the United Nations system.

17. The current Government had drawn up several political guidelines that would contribute to the achievement of the Millennium Development Goals.

The guidelines were resumed in a national initiative entitled “Vamos Guatemala”, which sought to recover economic well-being and social harmony through rapid, broad-impact programmes.

18. The programme included the following components: “Guate Solidaria”, aimed at providing a social protection system for groups at the lowest socio-economic levels; “Guatemala Crece”, including projects to promote key productive sectors, increased public investment and the building of strategic alliances between the State and society; “Guate Compite”, supporting exports and the development of microenterprises and small and medium-sized enterprises; “Guate Verde”, aimed at reversing the loss and deterioration of national resources and improving access to safe drinking water.

19. In view of its commitment to sustaining the guidelines, the current Government had promoted important sectoral policies including, among others, the Policy for Food and Nutritional Safety, the Policy for Decentralization, the Policy for Rural Development and the Policy for International Cooperation.

20. **Mr. Severino** (French Development Agency) said that it was important to recognize that progress had been made within the United Nations system in terms of operational effectiveness. The resources allocated to certain United Nations agencies, such as UNDP and UNICEF, had been substantially increased. Unfortunately, other agencies had seen their resources cut back. Little cash was available for new disbursements and all the operational United Nations agencies found themselves in an extremely difficult strategic position, despite the reforms.

21. The United Nations was facing “competitors” such as the Bretton Woods institutions, regional development banks, the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccinations and Immunization (GAVI), which had increasing access to donors. The Bretton Woods institutions and regional development banks, in particular, were now in a position to intervene in post-conflict situations, emergencies and crisis management — situations which, in the past, had been managed by the United Nations system.

22. The United Nations would have to define the “value added” of its institutional reforms in view of the large number of new competitors. It also would have to devise a strategy to attract donors who might otherwise

donate funds to the competitors, all of whom were equally committed to meeting the Millennium Development Goals.

23. The fact that the United Nations was scattered among so many operational agencies remained a crucial problem. It was the responsibility of the Organization itself to propose a reduction in the number of agencies and funds. Finally, greater thought should be given to finding ways to accelerate the reform initiatives.

24. Clearly, the emergence of the UNDAF process was crucial. Nevertheless, he wondered whether it was possible to have convincing country strategies if they were not based on a trans-agency country team and were not validated and discussed by the whole system, particularly by the Member States.

25. With respect to the role of the Resident Coordinators and their commitment to the role of UNDP, it would be a shame to create another coordinating stage. A public debate of the country strategy papers was definitely required, but it was not clear whether the official debate should take place in the countries concerned or in New York. The delegates must also decide on how budgetary structures for the different funds and programmes should evolve. Should they move towards an administrative system where expenditures would be covered by the United Nations regular budget or was it preferable to have an obligatory contribution or assessment system?

26. Finally, it must be reiterated that the United Nations needed to improve its managerial performance by accelerating the movement to improve the effectiveness of its services and premises. Indeed, it had already proven that it had the capacity to do so.

27. **Mr. Tungpalan** (Philippine National Economic and Development Authority) said that the Philippine Government was strongly committed to seeing the reforms on harmonization, alignment and development effectiveness implemented at the country level. The President himself had called for the harmonization of donor programmes and procedures with those of the Government.

28. The National Economic and Development Authority (NEDA) served as the principal coordinating agency for official development assistance (ODA). NEDA worked with the ODA partners, including United Nations agencies, to ensure that the

development cooperation programmes were supportive of the national plan.

29. As a champion of country leadership and ownership of development programmes funded by ODA, the Philippine Government had made every effort to encourage its ODA partners to translate the commitments and declarations made at the High-level Forum on Joint Progress Toward Enhanced Aid Effectiveness held in Paris in 2005 and at the High-level Forum on Harmonization in Rome in 2003 into country-level actions.

30. The CCA and the UNDAF processes represented a major step towards harmonization. UNDAF, which had been translated into Country Programme Action Plans (CPAPs), allowed the United Nations agencies to work together, complementing and reinforcing each other on priority areas decided jointly with the Government. NEDA ensured that UNDAF was tightly aligned with the emerging national development agenda.

31. It was felt that the next generation CCAs could be expanded to draw in the larger donor community so that it could join United Nations agencies in working with the Government on assessing development issues and key challenges. While alignment remained important, harmonization and synchronization with government processes and timelines also played an essential role in achieving coherence between CPAPs and government priorities.

32. During the course of implementation, a lead government agency for a given sector or theme could make the relevant United Nations portfolio an integral part of a broader government programme, where the United Nations-funded activity could be assessed in terms of its contribution to broad sectoral and national objectives.

33. With respect to programming and resource mobilization, UNDP, UNICEF and UNFPA had been successful in mobilizing resources from other bilateral aid agencies. However, because those resources were earmarked for specific activities, it was not possible to reprogramme them to other opportunities that would contribute to higher-order outcomes. A possible solution would be for the United Nations and other donors to directly fund government priorities as presented in the national expenditure programme.

34. It was well known that capacity-building was essential to achieving development goals. To accomplish their work, United Nations agencies, the Government and local institutions all required competent personnel, knowledge and financial resources. Because the United Nations often recruited government personnel, it was more difficult for the Government to build capacity. The United Nations and the Government must work together to find a solution.

35. Monitoring and evaluation systems should be mainstreamed and simplified. Instead of setting up a new or separate system, United Nations agencies should strengthen and expand the use of country-owned systems.

36. The United Nations needed to improve its operational efficiency at the country level. Possible solutions included joint offices and common services. An effective United Nations resident coordinator system could enhance the gains arising from such approaches. The resulting increase in efficiency should make it possible to shift resources to tangible outputs.

37. In conclusion, there was evidence that strong country leadership and ownership improved the likelihood of obtaining positive development outcomes. A strong Government-United Nations coordination system was equally important.

38. The Philippines' second Progress Report on the Millennium Development Goals showed that the Philippines was on track, particularly with regard to halving poverty by 2015. The Government's mainstreaming of the Millennium Development Goals in the Medium-Term Philippine Development Plan augured well for further progress. If carried out at the country level in partnership with the Government, the United Nations operational reforms would further boost the likelihood of meeting the Millennium Development Goals.

39. **Mr. Jenks** (United Nations Development Programme (UNDP)) said that a larger question seemed to underlie the current debate, a question of whether the United Nations had reached a point where something larger and more strategic than reform was going on. In his view, a more open discussion and a new vision were needed as to where reform was heading and how the United Nations could reposition itself at the country level.

40. In an environment where the Bretton Woods institutions and regional development banks had become huge, the role of the United Nations in the development of the Millennium Development Goals and the Poverty Reduction Strategy was a classic demonstration of the Organization's importance, as neither would have existed without its contribution to policy debate and capital development.

41. Ownership of the development process meant choice, and it required the analytical ability to look at options and make decisions. On the resource side, there had been a good deal of debate over whether the United Nations system was doing better or worse than before. The system needed a critical mass of core funding to make the country presence viable. There had been major growth on the non-core resources side. The two major new developments in funding were simplification through direct budget support and the multiplicity of funding sources, and there was a need to accommodate that reality.

42. As for partnerships, the United Nations had convening power at the country level that it could use as a platform for coalitions to promote change. A fundamental issue was the need for a longer-term review and vision for the United Nations development system. The United Nations was at the service of Governments, and it should ask them what they envisaged 10 years down the road.

43. **Mr. Roselaers** (International Labour Organization (ILO)) said that the specialized agencies brought elements of added value through their unique networking and outreach experience which extended beyond government entities to employers and workers' organizations. They also brought experience in standard-setting and implementation, as well as substantive knowledge and expertise in income, productivity, rights and social protection, which provided a basis for capacity-building at the country level. It remained to be determined, however, how to move towards a more unified structure at the country level. ILO was considering proposals for action on that score that would take into account the specificities of agencies and the interrelationship between standard-setting and development cooperation intrinsic to the mandate of an organization like ILO.

44. **Ms. Kaag** (United Nations Children's Fund (UNICEF)) said that in general terms, UNICEF felt strongly about a rights-based agenda and intended to

continue playing an active role as a global agent of change and convener of dialogue. Harmonization and alignment were critical elements of reform, and issues of vulnerability and marginalization of children and children's rights should not be forgotten in the process. UNICEF had a particular role to play in the new environment of comparative advantage and added value, and was moving away from project implementation towards capacity development and working through partnerships. The Fund was receiving significant non-core resources for humanitarian emergencies and disaster mitigation, but such resources did not enable it to acquire the new skills needed to work with programme countries on capacity-building issues. It was looking to develop its in-house skills to deal with humanitarian emergencies. It also had a lead role in the areas of water and sanitation.

45. UNICEF maintained a healthy dialogue with the Bretton Woods institutions, especially with regard to countries in transition and in post-conflict situations. The Poverty Reduction Strategy was being implemented through the resident coordinator system at the country level, and the United Nations had an active and critical role in making sure that rights-based issues remained at centre stage. UNICEF worked with Governments and the World Bank to ensure a comprehensive and holistic view of development and longer-term planning.

46. As could be seen from the new medium-term strategic plan, UNICEF had a new focus on leveraging resources. Accountability was very important in the triangular relationship among the United Nations, the World Bank and national donors and programme countries. It would be useful to know how partners would envisage the future of that relationship, especially regarding national ownership of the Millennium Development Goals having to do with children and women. In her view, ownership also entailed empowerment. She would welcome feedback on issues concerning marginalization and inequities, as there were tremendous disparities in progress towards the Goals at both national and regional levels and between sectors.

47. In closing, she said that an empowered resident coordinator system was important, but how to achieve that was still a subject of debate within the system. The results of that debate would provide greater clarity for all partners.

48. **Mr. Mertens** (World Health Organization (WHO)) said that just as the Millennium Development Goals were interrelated, so were the 12 themes outlined in General Assembly resolution 59/250, "Triennial comprehensive policy review of operational activities for development of the United Nations system". The guiding principle was that Governments had prime responsibility for development, and the main task of the United Nations development system was to assist them in building national capacity, through technical support aligned with national systems.

49. The World Health Organization (WHO) adhered to the principles of ownership and alignment of its programmes according to country needs and priorities. Accordingly, the countries defined, in close cooperation with WHO, where and how the latter could make a meaningful contribution. The Country Cooperation Strategy (CCS) took into account national poverty reduction strategies, the needs and priorities of the health sector and the internationally agreed development goals. The Strategy linked up, to the extent possible, with national planning and programming modalities and with the CCA and UNDAF processes, which were also interrelated; change in one of those parts of the process would result in changes in other parts.

50. The resident coordinator system was constantly evolving in response to new and emerging paradigms for delivering development assistance. In a world where at any given time about 25 per cent of Member States were in some form of crisis, the ability to respond and adjust quickly was priceless. Thus the resident coordinator system must be flexible and robust and able to act as one. The United Nations development system was often portrayed as fragmented, but its diversity became a strength in that context, because it could call on specialized and general expertise at the same time.

51. The question of system inclusiveness was very important. Document E/2005/58 referred frequently to the need for concerted action by the Chief Executives Board (CEB) and the United Nations Development Group (UNDG), and a strong case could be made for linking the UNDG to the CEB platform. Discussions on changing the function of the resident coordinator into representative functions for the United Nations would also be appropriate when connected to that overarching coordination platform.

52. WHO was firmly committed to reform, and its World Health Assembly had adopted a resolution on the role of WHO in harmonization of operational development activities at country level.

53. **Mr. Hein** (Food and Agriculture Organization of the United Nations (FAO)) said that his agency was also strongly committed to reform. As a membership organization, it depended on the views of Governments to guide and lead its activities. The outcome of the meeting of the eight major industrialized countries that was taking place was likely to involve major changes in official development assistance, and in seeking its role, the United Nations system would once again find that its strength lay in its diversity.

54. The mandate of FAO was not just operational; it also had standard-setting and normative capabilities and convening powers that could have a direct impact on national policies. It had collaborated with the resident coordinator system for 30 years, and over that time it had seen the need for dialogue on changing modalities. It agreed with the emphasis on harmonization and alignment, as the litmus test for success was what was happening at the country level. Within the United Nations system, government ownership of the process had always been clear, but it had taken some time for bilateral arrangements to come to that conclusion.

55. When looking at the resident coordinator system, two principles must be taken into account: leadership and management. Leadership defined the right thing to do; management determined how to do it. Combining those functions could sometimes be difficult, but the strengthening of the resident coordinator system would ensure that necessary support could be rendered. Most United Nations agencies would prefer common premises, but the wishes of Governments on that subject must be kept in mind.

56. There was a great deal of complexity and interdependence among the Millennium Development Goals. For example, FAO interventions might seem to be limited to Goal 1, but hunger also impacted on education and health goals as well. The question of capacity development and sustaining that capacity must be kept in mind.

57. **Ms. Tortora** (Chief, Technical Cooperation Services, United Nations Conference on Trade and Development (UNCTAD)), noted that the experience of UNCTAD was different from that of other agencies

because of its specific identity, duly recognized by Member States. Its technical cooperation was aimed at promoting national ownership of trade and development policies, in accordance with the policy of capacity development and the Paris Declaration. In the context of the reform process of United Nations development operations, its concern was with mainstreaming trade in national development processes, particularly in the light of Goal 8, which implied coherence between the domestic and the international economic environment.

58. UNCTAD was seeking to introduce trade into common country assessments (CCAs) and the United Nations Development Assistance Frameworks (UNDAFs). The main difficulty was that most CCA/UNDAs focused on issues other than the economic and trade components of development, minimizing in particular the interface between the domestic and the international economic environments. The social, environmental and humanitarian domestic agendas usually dominating UNDAF operations should not exclude the economic and trade policies contained in the Integrated Framework for Trade-related Technical Assistance to least developed countries (IF).

59. UNCTAD was one of the six agencies responsible for the assistance provided under IF, which was becoming the overarching economic assistance plan, encompassing trade and related issues. At country level, its coordinating role among agencies and donors was outstripping that ensured by the CCA/UNDAs.

60. She pointed out that the non-resident status of UNCTAD was an obstacle, but not a major one, so long as the United Nations Resident Coordinator and country team took due account of relevant trade components in the design of CCA/UNDAs. A more significant obstacle was the financial structure of UNCTAD in that all its non-core resources, being project-based and donor-driven, were unpredictable. Innovative mechanisms needed to be established to enable UNCTAD to contribute directly to the joint financing of UNDAFs and Poverty Reduction Strategies.

61. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs), referring to the point made by Mr. Severino about the opposition between the United Nations system and the international financial institutions, said that, as a result of decisions taken over some 25 years, the United Nations system

had indeed shrunk but that at the same time it had clearly demonstrated its strengths. One such strength was its unique capacity to convene different actors, both national and international, while another was its normative role vis-à-vis Governments. A third basic strength lay in its capacity for choosing among a diversity of ideas, which was a key to promoting policy ownership by developing countries. The emergence of a United Nations agenda centred essentially on development had been underpinned by those three strengths, which were at the heart of the system's strong partnership with the Bretton Woods institutions.

62. He noted, however, that the 10-year-old concept of national policy ownership offered a major challenge to all cooperation agencies, bilateral and multilateral alike, and meant that financial cooperation had to be channelled through national budgets. A further challenge lay in capacity-building, or capacity development, which nothing could replace.

63. Turning to the question of United Nations system fragmentation, he stressed that, where it was due to a desire for visibility or a spirit of competition, it should give way to a culture of cooperation. That being said, it was also a strength, since in any given country different ministries required different services. There was a dichotomy: the United Nations had to operate as a system while responding to the different needs of countries, which valued its very diversity.

64. Noting that the resident coordinator system had been greatly strengthened, he agreed with Ms. Tortora that ways still needed to be found of incorporating economic cooperation into UNDAF. He mentioned the implications of the debate for the Council, recalling the Secretary-General's words at the high-level segment about the Council's role in ensuring the coherence of the system in the social and economic fields. He said that the operational activities segment should serve more actively to guarantee that coherence. Accordingly, more thought needed to be given to the question of how broad principles were to be applied at country level, particularly in view of the importance of country-driven practices.

*The meeting rose at 12.50 p.m.*