I. Introduction

1. The first regular session of the United Nations System Chief Executives Board for Coordination (CEB) for 2007, chaired by the Secretary-General, was held at ILO headquarters in Geneva, on Friday, 20 April 2007.

2. Following the conclusion of the session, a CEB retreat was held in the evening of 20 April and on Saturday, 21 April in Mont Pélerin. Executive Heads had an exchange of views on current developments, including in relation to Darfur and the Middle East, and on such themes as counter-terrorism, climate change and UN reform. The Board also took up at the retreat the review of its role and functioning, on the basis of an initial paper prepared by the Director-Generals of ILO and WTO (relevant conclusions will be covered in a separate document).

3. The Board expressed its appreciation to Juan Somavia, Director-General of ILO, for the excellent arrangements that he and his colleagues had made for the CEB session. The Board also requested Mr. Somavia to convey its sincere appreciation to the Swiss authorities.

4. The present report covers the outcome of the regular session.

5. On behalf of the Board, the Secretary-General welcomed Ms. Josette Sheeran, Executive Director of WFP, Dr. Margaret Chan, Director-General, WHO, and Mr. Hamadoun Touré, Secretary-General, ITU; who were attending CEB for the first time. He also introduced Ms. Asha-Rose Migiro, Deputy-Secretary-General, noting that her current portfolio encompassed many of the concerns that are high
on the CEB agenda, from economic and social development to reform and system-wide coherence.

Agenda

6. The agenda of the first regular session of 2007 of CEB was as follows:

(1) Adoption of the agenda.

(2) Programme issues.
   
a. Employment and decent work
b. Aid for trade
c. One United Nations at the country level
d. Other programme matters

(3) Management Issues (including issues arising from HLCP/HLCM Joint Meetings).
   
b. Other management issues

(4) Other matters.

Opening of the Session

7. The Secretary-General opened the session by thanking the Director-General of ILO and his staff for their warm hospitality and the excellent arrangements made for the session. Taking the chair of CEB for the first time, he was confident that he could count on the collaboration of all Executive Heads in leading the United Nations in the challenging years ahead. He assured, in turn, all members of CEB of his full support in advancing their respective, important missions. He emphasized that solidarity and collaboration are not merely assets that CEB must nurture. They are, in most instances, a condition for progress: many of the challenges that the system faces—from the MDGs to climate change to the linkages between security and economic and social progress—can be met only if the organizations of the UN system pool their capacities and bring them to bear in a coherent, mutually reinforcing way. In spite of the decentralized nature of the UN system, this was feasible, with political will. He saw CEB as the system’s highest manifestation of this will and as the main agent for forging the unity of purpose necessary for the system to deliver as one. The UN system—he stressed—must lead by example: by nurturing unity of purpose, CEB can help the system develop the credibility to promote and advance it worldwide. As a visible, model partnership, the UN system can serve as a spring board to foster all the other partnerships—with Member States, with other international and regional
organizations, with the NGOs and with civil society—that the UN requires to succeed in its mission. The mutual trust we cultivate in CEB—he concluded—will, in turn, greatly help build trust in the multilateral system.

II. Programme Issues

8. The Chair of the High-Level Committee on Programme (HLCP), Mr. Lennart Båge, briefed CEB on the work of the Committee at its thirteenth session, held in Castel Gandolfo on 20 and 21 March 2007. In introducing the Committee’s report, he noted that the premise guiding HLCP’s work was that UN organizations can only fulfill their mandates and respond to the expectations of Member States by working more intensively together. With global integration come challenges—such as climate change, migration, and the threat of pandemics—that can be tackled effectively only by a legitimate, effective and united multilateral system. HLCP had been focusing on system-wide coherence for some time: it had prepared the 2005 CEB report on “One United Nations”, pioneering a key concept further developed by the High-level Panel on System-wide Coherence.

9. Against this backdrop, the Committee had taken up at its last session the issue of One UN at the country-level. Stressing the importance of respect for diversity, inclusiveness, transparency and flexibility as key principles in applying the “One UN” approach, he congratulated the Administrator of UNDP and Chair of UNDG on the progress made thus far in carrying forward the experiment in the eight pilot countries. To build on it, and to draw lessons for the future, HLCP had recommended that an independent, system-wide evaluation of the pilots be undertaken under the aegis of CEB, and that the UN Evaluation Group be asked to provide guidance to the exercise, which needed to be properly resourced. He noted that UNEG had just concluded its Annual General Meeting, and that it had suggested a two-tier approach to such an evaluation. In the short term, a study of the evaluability of each pilot would be carried out; after an appropriate implementation period, a full-fledged evaluation of both process and results would be undertaken.

10. He also outlined the approaches that had guided HLCP to prepare, for the consideration of CEB, a “toolkit” for mainstreaming employment and decent work objectives in the policies and activities of UN organizations, noting that it was a good example of a concrete way to advance policy coherence within the UN system. HLCP intended to examine the potential of replicating this exercise in other areas.

11. Other matters covered by HLCP included a discussion of how to bring the UN system and CEB into more effective dialogue with Member States within the scope of the newly-reformed ECOSOC; the development of a strong, unified policy against corruption within the UN system; follow-up to HLCP and CEB decisions on migration; and UN system support to Africa. On this last item,
HLCP had recommended that, starting with its fall session, CEB hold periodic, thematic discussions on Africa’s peace, security and development, focusing on the actions required to support African countries in meeting the MDGs.

12. The Chair of HLCP also noted that the Committee had benefited from a joint session with HLCM. In this regard, he highlighted UNEG’s proposal for a new system-wide evaluation mechanism, which had also been the subject of a recommendation by the High-level Panel. UNEG had been requested to revert to the two Committees with further details on the scope, funding, and governance of the proposed mechanism.

13. HLCP looked forward to CEB’s guidance and support for its future work. The Committee was fully committed to enhancing inter-agency collaboration and creating new modes of operation, including more openness to outside expertise, thereby bringing added value to the work of the system.

A. Employment and decent work

14. The Secretary-General noted that the initiative taken by ILO, through HLCP, to develop a “toolkit” to mainstream the objectives of full and productive employment and decent work for all in the policies and programmes of UN organizations was both timely and extremely significant. These objectives were of great importance to developing, as well as developed countries. The initiative was highly relevant to both the goal of achieving greater policy coherence and the effort to strengthen the coordination of UN system’s country-level operations.

15. The Director-General of ILO stressed the fact that practically every area of activity of UN system organizations inevitably has an impact on employment and work, and is, at the same time, affected by labour market dynamics and changes in the world of work. Filling an obvious gap in the Millennium Declaration, at the 2005 World Summit, Heads of State “strongly supported fair globalization and resolved to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of national development strategies, including poverty reduction strategies, as part of efforts to achieve the MDGs.” This was followed by the ECOSOC 2006 Ministerial Declaration, which underscored the significance of full and productive employment and decent work for all as an end in itself and as a means to achieve the MDGs, including poverty eradication. On that occasion, Member States requested the whole multilateral system to mainstream employment and decent work objectives in its policies, programmes and activities. At its July 2007 session, ECOSOC will review progress made in this regard.
16. The Director-General of ILO hoped that the “toolkit” would be an effective response to this call. He noted that the development of the methodology used in constructing the “toolkit” had been a collective process led by ILO under the guidance of HLCP. The “toolkit” had the practical purpose of providing a means to facilitate policy coherence around a shared and common objective; such a process could well be replicated by CEB in other substantive areas.

17. The “toolkit” was conceived along the structure of the Decent Work Agenda, which consists of four pillars: employment creation and enterprise development; social protection; standards and rights at work; and governance and social dialogue. It contains sets of questions in each of these areas for organizations to use as a means to determine how their strategies, policies, and programmes are interlinked with employment and decent work outcomes, whether at the global, regional, country, sector or local levels, and how they may optimize employment outcomes. The “toolkit” could profitably be used in the UNDAF and One UN pilots.

18. As for the next steps, he anticipated that each CEB member would carry out its own initial self-assessment, as proposed in the “toolkit,” to establish a baseline to mark progress in 2010 and 2015. Initial assessments should be reported to HLCP in September 2007, so that CEB can provide an input to the Commission on Social Development, which will be reverting to the theme of employment and decent work at its session in February 2008. While conducting this exercise, each agency should start identifying and selecting its own knowledge-based tools, networks and good practices and post them in the interactive platform of the “toolkit” in order to make them available to all participating agencies. The HLCP should monitor this process and report on progress in ways that will enable all agencies to provide their inputs. Although the “toolkit” is mainly geared to assisting agencies in better advising countries, at a second stage, the “toolkit” can be branched out to focus primarily on the country level. This further development will be pursued through the adaptation of the “toolkit” to a set of countries, for example UN Pilots and selected countries at different levels of development for which employment and decent work is a critical challenge. Finally, a concrete plan of reciprocal capacity building should be developed, pooling together the resources of the ILO Turin Centre and the UN Staff College.

Discussion

19. The Board voiced strong support for the initiative, and expressed appreciation for the inclusive approach taken in developing the “toolkit.” Executive Heads considered that the methodology that had been developed for the toolkit could usefully be replicated in other areas, as an integral part of the effort to advance policy coherence within the system and to find practical ways for the system’s support to countries to derive concrete benefit from such enhanced coherence. Areas mentioned for such an effort included the system’s response to the challenges of globalization and urbanization. The Director-General of WTO in
particular noted that the “toolkit” was an excellent entry point to pursue coherence, while fully respecting the mandates of the respective organizations. In the same spirit, ILO and WTO had published a joint study on trade and employment.

20. A number of speakers stressed that MDG-1 could not be reached without employment generation. Indeed, it was observed that, for every 10 children being born, only one job is being created. It was further pointed out that this year, for the first time, 50% of people will be living in urban areas. By 2030, two-thirds of the world’s population will be living in urban areas, with the majority in slums and squatter settlements. Against this background, the Deputy Executive Director of UN-Habitat noted that tackling urban poverty was a challenge for all, and that there was a need for UN system organizations to work together to forge a strategy to deliver sustainable development. She proposed that CEB take up “Urbanization, poverty and international migration” in late 2007 or early 2008.

21. It was observed that, in order to design appropriate interventions, it was important for all parts of the UN system to be well versed in the policy issues that are at the core of development. For instance, ILO had provided training to Resident Coordinators on the decent work agenda. The wish was expressed that these senior field representatives be given training in other key policy areas as well. UNIDO, in the framework of its Manu River Union (MRU) youth employment initiative, had recently met with ILO and UNDP in Accra and found the “toolkit” relevant and applicable in that context. ILO was also consulting with UN-Habitat and the World Bank on employment in urban areas, particularly in slums. The Director-General of WIPO suggested that such a discussion would benefit from the added contribution of the International Organization for Migration (IOM).

22. With respect to the various components of the decent work agenda, it was observed that the first pillar—employment creation and enterprise development—was based on the premise that employment creation could not happen in a vacuum. The representative of IMF highlighted the need for a sound macroeconomic environment, conducive to employment generation. Several Executive Heads also referred to the contribution of their organizations to enterprise development. It was underscored, for instance, that information and communications technology is an important sector for generating jobs. In October, ITU would be hosting a meeting in Rwanda on “Connect Africa”, as part of the effort to launch a “Marshall Plan” for Africa, for which the ITU Secretary-General asked the support of all his CEB colleagues. ILO was also commended for recognizing, in the construction of the “toolkit”, the impact of education on employment outcomes, and the fact that lack of decent work is a root cause of some of the most serious problems facing the international community, from drugs, human trafficking and crime, to terrorism. Finally, the relevance of the “toolkit” to enhancing system-wide coherence at the regional level was recognized.
23. Several Executive Heads raised specific concerns. The Commissioner-General of UNRWA noted that, for the last year, 165,000 people who work for the Palestinian Authority had not been receiving salaries. At present, 60% of the population in the West Bank and Gaza were living below the poverty line. Although UNRWA was giving whatever help it could in providing jobs, its means were limited. She wondered how, under the circumstances, her organization could be part of this effort or of the One UN approach.

24. The Executive Director of WFP stressed the need to further develop the employment problématique in the context of ongoing humanitarian crises.

25. The Director-General of WHO raised the need to pay due attention to the health and welfare of UN system staff, many of whom are working long hours under stressful and dangerous conditions in the field. In a recent visit to the Republic of Congo, she had received a statement from staff in this regard. She stressed the importance of leading by example and ensuring decent working conditions within the system itself. The UN Country Team in the Republic of Congo is excellent and if the government agrees, it could be a possible future pilot country.

26. CEB gave its full endorsement to the “toolkit” It agreed to proceed along the steps outlined by the Director-General of ILO, as set out in paragraph 18 above.

B. Aid for trade

27. The Director-General of the WTO, in introducing the item, indicated that the starting point for the Aid-for-Trade initiative was the recognition that the reduction of trade barriers alone is not sufficient to place developing countries on the path to sustainable growth. The fundamental purpose of the initiative is to increase resources for trade capacity building in developing countries, in order to help them benefit from trade expansion. WTO had a mandate to monitor and evaluate aid for trade so as to create more incentive through greater transparency in honoring commitments, meeting needs, improving effectiveness and reinforcing mutual accountability. The involvement of the system was now required as the implementation phase had begun. Monitoring would take place on three levels: (i) global monitoring based on OECD statistics and figures, (ii) donor monitoring and self-evaluation, and (iii) recipient country monitoring based on in-country assessments.

28. Three regional reviews were being initiated in cooperation with the World Bank and regional development banks. These organizations will take the lead for preparatory meetings intended to enable all stakeholders to focus on real needs and challenges on the ground, prioritize needs and deliver business plans. These will culminate in an annual aid for trade event, the first of which was scheduled for November 2007. The initiative was neither about transforming the WTO into a development agency nor about creating a new mechanism. The aim was
working with others. The question was how CEB could help developing countries in identifying priorities, mainstreaming trade in their national strategies and working with colleagues in developing regional approaches, which were key factors in ensuring success. It was time to move from making it possible to making it happen. Donors would need to meet their commitments by delivering new resources. The first case for that was the enhanced Integrated Framework for Trade Related Capacity Building (IF) for Least Developed Countries. Irrespective of differences on the virtues of trade expansion, Aid for Trade remained an important tool to ensure that trade works for development. Moreover, this issue fell squarely into the CEB agenda for coherence.

Discussion

29. For UNCTAD, at the core of the initiative should be the objective of helping integrate poor countries in the international trading system. The emphasis was on enhancing supply capacity, benefiting from market access. It was thus, basically, a development programme. It was encouraging that the Aid for Trade initiative was being detached from the Doha negotiations. It was important to create a programme independent and unrelated to progress in the Round. The identification of priority needs and trade integration studies were required not only for LDCs, but for other developing countries as well. Financing issues were also important, as the IF could not operate properly without predictable and additional resources. LDCs, for which diagnostic studies had been undertaken, could not move forward without new finance. Past experience showed that institutionalized and multilateral funding arrangements were more predictable, highlighting the need to encourage donors to channel their resources multilaterally. UN agencies, for their part, had to avoid competition and work together. In this perspective, UNCTAD suggested the creation of a thematic cluster on trade and productive capacity under the CEB, so that organizations with common activities could get together and map out priority activities and work on strategic programmes.

30. Agriculture was highlighted as a main stumbling block in the Doha negotiations. Supply elasticity was not being adequately addressed, although it was fundamental for a level playing field. Climate and water were determinants of productive capacity in LDCs as only some 4% of arable land was irrigated as opposed to 96% of agriculture which was rain fed. This was particularly worrying as 80% of employment was in the agricultural sector. FAO looked forward to working closely with UNCTAD, WTO and other organizations in the context of the aid for trade initiative as well as in the cluster proposed by UNCTAD. The FAO Intergovernmental Committee on Commodities in April will address the Aid for Trade initiative, particularly the need for agricultural capacity building.

31. The significance of the link between trade and productive capacity was stressed in many of the interventions, as was the impact of production, infrastructure, and
energy costs. UNIDO was supportive of a thematic cluster on productive sectors and trade and was already actively involved in a technical group aimed at defining relevant modalities and programmes. Developing countries suffered from supply-side constraints and in that context, productive capacity would need to be combined with enterprise development, particularly small and medium sized firms that were the biggest generators of employment. Too often, poverty was still being addressed in isolation from the overall economic environment and from the economic interventions that can serve to overcome it. The challenge was to look at poverty differently, beyond social interventions, and address in a purposeful way wealth creation, enterprise development and entrepreneurship.

32. A joint effort was, in particular, necessary to link trade with employment. Trade both creates and eliminates jobs. The challenge was to maximize the positive while, at the same time, dealing with the negative impacts. For the ILO, productive capacity building implied enterprise development. Adjustment assistance meant social protection, and infrastructure development implied the creation of labour-intensive infrastructure. In the view of some, an alternative to creating a new CEB cluster on trade and supply capacity, might be to consolidate trade and employment in a single cluster.

33. The World Bank looked forward to working closely with the WTO on the Aid for Trade initiative in order to contribute to the integration of poor countries in the world economy. The Bank regarded Aid for Trade as an essential complement to a successful Doha round. Helping countries deal with supply-side constraints was crucial to enabling them to fully exploit their trade potential.

34. Raising awareness of trade issues among resident coordinators was viewed as important, in order to ensure that trade features appropriately in country programmes. Seminars such as those held by the ILO on employment issues would be helpful in this regard. UNDP was devising a management system that will facilitate organizations such as UNCTAD to undertake country missions and be hosted in the country offices in order to contribute to the trade agenda.

35. It was recalled that ninety percent of world trade is undertaken through maritime transport. It was argued that this alone justifies making a strong link between efficient, safe and secure maritime transport infrastructure and the expansion of trade for development. Raising awareness of adequate maritime transport infrastructure and facilitation of maritime traffic through the reduction of red tape in ports should be an integral part of the effort to increase trade related capacity. An illustration presented in this regard was IMO’s fruitful cooperation with WTO on transport chain security, to which other organizations such as UNCTAD could contribute.

36. Also highlighted in the discussions was the importance of postal services as instruments of communications supporting trade and other economic activities. UPU had developed a strategy that could help expand global trade by facilitating
postal services through physical, financial and e-commerce services. Effective postal services were one of the trade infrastructures that many poor countries lacked. Business friendly transport solutions could also easily be introduced through postal services.

37. For UNEP, the opportunity of Aid for Trade should also be seized to see whether the dynamics of trade negotiations are moving towards more sustainable production. Too often, short-term gains were being sought at the expense of long-term interests not only of the environment but also of the economy. There was no reason why developing countries could not opt for first tier technology directly, rather than going through second or third tier technologies. According to one study, in Germany, the environmental technology industry will soon take over the auto industry in employment size.

38. There was much experience and significant analytical capacity on trade matters in the Regional Commissions, including, in particular, in the context of regional and sub regional trade agreements. The Commissions could thus contribute effectively to the Aid for Trade initiative, especially in relation to regional reviews and their follow-up.

39. In response to some of the interventions, the Director-General of WTO stated that while there was obviously a political link, there were no legal linkages between the Aid for Trade initiative and the multilateral trade negotiations. Aid for trade would run its course irrespective of the outcome of the negotiations. However, no improvement in Aid for Trade would substitute the hard nuts to be cracked on tariffs and subsidies. Concurring with the views expressed on the regional dimension, he underlined that many capacity issues which could not be addressed solely at the domestic level, required regional approaches, for which cooperation with the Regional Development Banks and the Regional Commissions would be essential. He also agreed that the experience with the IF had been a mixed one. The enhanced IF will be the first test to see whether mindsets were changing. There was also need for policy coordination in respect of industry, agriculture and services. Any agency interested in working on the Aid for Trade initiative on the operational side was welcome to manifest its interest to the WTO.

40. There was a wide expression of support for the process as outlined by the WTO Director-General, as there was for creating a CEB cluster dealing with trade and productive capacity to help CEB make a useful and coherent contribution to the process. The Secretary-General indicated that the proposed creation of such a cluster would be given priority attention in the context of the review of the CEB.

C. One United Nations at the country level
41. In introducing this item, the Secretary-General noted the increasingly positive atmosphere surrounding inter-agency discussions on how the system should proceed to deliver as One UN. He observed that it is principally the UN system’s work at the country level that determines the system’s image, whether in donor or recipient countries. The system could not afford to be perceived as a disparate group of competing organizations. CEB members should strive to work as a coherent system, devoted to bringing diverse capacities to bear in a concerted way on countries’ development priorities, as defined by them. How best to harness the limited resources available to UN organizations so as to maximize their impact remained a major challenge. He welcomed, in this context, HLCP’s call for an evaluation of the eight One UN pilot projects that were underway.

42. The Secretary-General recalled that he had very recently introduced his report on the recommendations of the High-level Panel on System-wide Coherence (A/61/836) to the General Assembly. He expected that, in the coming weeks, there would be a clearer sense of Member States’ positions. Indications, at present, were on the whole positive. He had tasked the Deputy-Secretary-General with leading Secretariat support to the process. He added that reconciling the positions taken by Member States in different fora was often difficult. By projecting flexibility, creativity and unity, CEB could lead by example and help foster the political consensus necessary to advance system-wide coherence and overall progress.

43. The Deputy-Secretary-General briefed the Board on the process that had commenced in the General Assembly with the launch of the Secretary-General’s report on the High-level Panel’s recommendations, stressing that she was looking forward to working closely with Executive Heads throughout all phases of the process. Outlining the different views held by Member States, both in their individual capacities and within the scope of their groups, she noted that countries with a large UN presence appeared to be more supportive of the One UN concept, while those with a limited UN presence did not seem to view it with the same sense of urgency.

44. She stressed the need to address the concerns of some Member States regarding potential new aid conditionalities and to reassure all that the principle of national ownership will be fully upheld. The challenge was to address these concerns and resolve differences so that Member States took ownership of the process; this would require mediation and compromise. She looked forward to help build consensus internally within the UN system, as well as among Member States. In this context, she stressed the importance of UN system organizations “speaking with one voice”, and the key contribution that HLCP could make in this regard.

45. The Deputy-Secretary-General planned to establish a Steering Group of senior officials in the UN system, under her chairmanship, to support the intergovernmental process. The pilots should be a showcase of the benefits to be derived from UN organizations working together in countries, thus dispelling
some of the concerns of Member States, and setting the ground for stronger intergovernmental support for other reform proposals as well. She thanked UNDG and the country teams for their work in establishing the pilots, and called for the support of organizations for the key role of the Resident Coordinators. She also hoped that the evaluation of the pilots would go forward and that a new system-wide evaluation mechanism, called for by the High Level Panel and discussed in HLCP and HLCM, will be soon established and appropriately resourced.

46. The Administrator of UNDP and Chair of UNDG noted that the UN system could and should move ahead on certain recommendations of the High-level Panel, while being mindful that proceeding on the whole package of reforms put forward by the Panel should await the outcome of the intergovernmental discussions now underway. Working on the pilots was serving to bring the UN family together, and this experiment, if successful, would certainly have a positive impact on the intergovernmental process. By the end of the year, it would be necessary to show real results from the pilots. The main challenge in this regard was setting strategic priorities that correspond to national requirements and the countries’ own priorities. The UN system needed to recognize where its comparative advantage lay, be strategic, and acknowledge that there are areas where others, including the private sector, are better equipped to do the work. At present, there was still excessive fragmentation and competition. The pooling of resources in response to national priorities was a key goal over time, in order to eliminate unnecessary competition in resource mobilization. He called upon Executive Heads, who had shown their trust and confidence that the One UN approach could work, to convey their support to the country teams and contribute effectively to the cluster approach. He fully endorsed the call for an evaluation of the pilots, which should be done in a phased manner, starting with the evaluation of the process, but leading in time to an evaluation of actual development results. He considered that “Delivering as One” was a more accurate slogan than “One UN”, as the intent was not to merge identities and mandates, but rather to deliver together, while maintaining distinct identities and structures.

47. CEB members thanked the Administrator of UNDP and Chair of UNDG for the work that had been accomplished so far on One UN at the country level through the eight pilots. They thanked him in particular for his cooperation in the effort to make the models for these pilots more flexible, so as both to respond better to different country requirements and to duly reflect the diversity that exists within the system. This diversity, if effectively harnessed, is—and should be used and projected as—an asset for programme countries. The Board generally concurred that the success of the pilots will be important in demonstrating the ability of the system to deliver as one. As the pilots were still in their early stages, there were a number of issues that were yet to be fully addressed. In this perspective, Executive Heads offered several observations and suggestions, aimed at maximizing the contribution of the experiment to the drive towards greater coherence:
A number of Executive Heads underlined the experimental nature of the pilots. While noting that experiences in each country would necessarily vary, they were open to examining constructively what common threads would emerge for pushing the process forward. It was also observed that the UN system, while acting on certain recommendations of the High-level Panel, should not give the impression of prejudging the outcome of the intergovernmental deliberations which would be taking place on this issue in the General Assembly, including in the context of the triennial comprehensive policy review of operational activities. Although some Member States, including major recipients of UN system assistance, were indicating support for the One UN approach, the misgivings voiced by others regarding the possibility of new conditionalities being introduced could not be ignored and should be addressed.

A number of Executive Heads noted that the eight pilots were not necessarily representative of the totality of the system’s work at the country level. In particular, the development-based model did not take in account the mandates of humanitarian and rights-based organizations, or some of the realities on the ground. Certain tasks, such as protection and assistance to refugees, were often of a trans-boundary nature and could not be contained within the scope of One Programme, nor could certain issues, such as non-refoulement, be best articulated by One Leader. Furthermore, national governments were reluctant to place humanitarian assistance requirements in their national plans, as they considered this to be an area for distinct funding by the international community. As for human rights, the presence of the UN, even in cases where it was consensual, would not always easily fit into the development framework.

For these and other reasons, the UN system delivery in the areas of development, human rights, and peace and security, could not always proceed in a unified way. The challenge was to tackle sometimes contradictory situations in one country without working at odds within the system, and without detracting from the overall effort towards greater system-wide coherence.

The Executive Heads of a number of non-resident agencies noted that the development assistance programmes in the UNDAF do not often reflect the totality of the contribution that the UN system is making in response to countries requirements and priorities. There was a need for greater sensitization of the Resident Coordinators with regard to the full array of services and expertise that non-resident agencies can offer. The technical assistance and capacity building that some non-resident agency deliver at the national level is highly specialized and targeted, and should be duly taken into account in pursuing the objective of One UN at the country level. A
deeper understanding of the linkage between the work of the technical agencies and the MDGs would facilitate a better integration of the system as a whole in the One UN approach. Some doubts were expressed in this context about the feasibility of the arrangement being discussed in UNDG whereby an official in the country team would be entrusted responsibility for representing the interests of all non-resident agencies, given the great diversity that exists in their mandates and modalities of operation. In addition, some of the agencies, facing zero nominal or zero growth for a number of years, may not have the financial means to underwrite the related costs.

✓ It was noted that a number of specialized agencies do not have formal country-level representation, but work through national governmental entities or technical administrations. Some have regional offices or other forms of regional liaison. It was suggested that a solution might be to build mixed multidisciplinary country teams comprising both UN staff and qualified technical experts designated by the relevant agencies or their national counterparts. The regional bodies of certain agencies could also provide liaison to the country teams.

48. **Acknowledging the crucial role of the Resident Coordinator in realizing the One UN approach, members of CEB stressed the need to ensure that clear and coherent direction is provided to them and that an appropriate framework is developed for managing their work.** Resident Coordinators should have clear reporting lines, and be accountable to the system as a whole.

49. **As part of the overall effort to deliver as one, broad support was expressed for the establishment, under CEB, of thematic clusters of interested organizations, as a means to ensure that the system’s country level actions are guided by coherent policy frameworks, and that the comparative advantages of the agencies directly engaged in the relevant thematic areas are fully drawn upon. In addition to the proposals referred to above to establish CEB clusters on trade and productive activities, suggestions were made for the establishment of clusters on climate change and disaster prevention.** It was agreed that these proposals would be further pursued by CEB in the context of CEB discussions on the functioning of the Board.

50. **CEB members agreed that national ownership, comparative advantage, accountability and maximum effectiveness should be some of the principles guiding the system’s effort to deliver as one.** This should be accompanied by a renewed effort to interface better with the work being done by other actors at the country level, bearing in mind the significant levels of resources, and thus the impact on countries’ development, that some of these actors are able to contribute.

51. **The Board agreed that flexibility should be maintained in pursuing the One UN approach, pending discussions in ECOSOC and the General Assembly on the**
High-level Panel’s recommendations. It fully endorsed HLCP’s call for an evaluation of the pilots, noting at the same time that the lessons to be drawn may not be applicable to all of the system’s country-level work.

52. CEB called upon UNEG to urgently establish the substantive parameters and process for the evaluation of the pilots, and requested to be kept fully and regularly informed of progress.

53. The Board also highlighted, in the context of the triennial comprehensive policy review of operational activities, the importance of predictable and reliable funding as a key ingredient in the drive towards greater coherence, and to advancing the concept of good multilateral donorship. It also stressed the need to ensure the closest possible alignment of its capacity development efforts with national development strategies.

D. Other programme matters

ECOSOC

54. At the request of the Secretary-General, the Under-Secretary-General for Economic and Social Affairs briefed the Board on developments with the implementation of the new mandates entrusted to ECOSOC by the 2005 World Summit and further elaborated by the General Assembly (GA res. 61/16). The Annual Ministerial Reviews (AMRs) of progress towards the International agreed Development Goals (IADG) including the MDGs had the potential of establishing ECOSOC as the central forum for intergovernmental oversight and assessment of the implementation of the UN Development agenda. As such, they will afford a new, valuable opportunity for the UN system to bring emerging challenges and lessons learned, including obstacles encountered, to the attention of Ministers and to contribute to forging concerted responses from the international community.

55. The AMRs will encompass each year an overall appraisal progress; an in-depth review of a selected priority theme, focused on one of the MDGs; and voluntary national presentations. The first such Review will take place next July and will address “Strengthening efforts to eradicate poverty and hunger including through the global partnership for development.

56. The biennial Development Cooperation Forum (DCF), which will also be launched at the forthcoming July meeting of the Council and will hold its first full session as part of the 2008 meeting of ECOSOC, will provide a global platform where all stakeholders (including bilateral donors and multilateral organizations, international financial and trade institutions and regional organizations) will be able to engage at a high level in a dialogue on new trends and key policy issues affecting development cooperation in all its forms – multilateral, North-South and South-South. Some differences remain on the focus of work of the Forum, which
developed countries wish to concentrate on aid, while developing countries would want also to fully encompass debt and trade. A preparatory high-level expert meeting had just taken place in Vienna and he expected that a satisfactory formula will be arrived at on how the Forum would address aid and its linkages with debt and trade in a way that will ensure that the Forum adds real value and effectively complements work in other fora.

57. He expressed the hope that these two new features of the work of ECOSOC should also serve to give renewed impetus to the more traditional roles of ECOSOC: to provide a platform for the governance of the system’s operational activities through the Council’s Operational Activities Segment and the Triennial Comprehensive Policy Review (TCPR) of development operations; and to further policy and programmatic coherence within the system through its Coordination Segment. In relation to the Coordination Segment in particular, the Under-Secretary-General drew attention to the proposals discussed in HLCP to revamp the Annual Reports of CEB and to provide for their discussion in that segment, through panels of Executive Heads of clusters of agencies (e.g. the food agencies, the infrastructure agencies etc.) so as to cover, over a period of 3-4 years, all aspects of the work of the system, including the work of technical agencies whose activities are vital to development but have not, so far received the necessary political attention at the intergovernmental level in the UN.

58. During the discussions, the potential that the new functions entrusted to ECOSOC carry to enhance the relevance and impact of the Council’s work was recognized. At the same time, reference was made to the insufficient scope that the system has until now had for a meaningful policy dialogue with Council Members and the factors that have significantly limited the value that the Council has so far added to the work of UN system organizations or to the coherence effort. These constraints will need to be squarely addressed for the potential of the new reforms to be fully realized. Attention was also drawn to the recurring problem of an overlap between the dates of the High Level Segment of ECOSOC and those of the annual African Union summit in the first week of July, which prevented African leaders and relevant international organizations to participate in the Council’s work.

59. Responding to the debate, the Under-Secretary-General reminded CEB members that any assessment of the Council’s impact and value added should encompass the whole of ECOSOC system, which included the regional commissions as well as functional commissions, such as the very effective and well respected Statistical Commission and the Commission on Sustainable Development. As far as the Council itself was concerned, in addition to the new fora established at the 2005 World Summit, interesting further reforms had been suggested by the High Level Panel on System-wide Coherence, including the convening of a “Global Leaders Forum” and the establishment of a Sustainable Development Board. Some misunderstandings appeared to surround these proposals that he hoped would be dispelled, so that they may be considered in their merit.
60. The Secretary-General recalled that ECOSOC is a Charter organ and has been vested by the Charter with central responsibility for advancing economic and social progress. Its role, and ways to strengthen its functioning, should be seen in this context. The new mandates entrusted to ECOSOC provide new opportunities to correct current deficiencies and enhance the Council’s impact and relevance to the drive towards closer system-wide coordination and deeper policy coherence. He planned to attend personally the High Level Segment of the Council in July.

**UN Conventions against Transnational Organized Crime and against Corruption**

61. The Executive Director of UNODC recalled that during the negotiation of the UN Convention Against Corruption, a proposal had been made to address, in the Convention, matters associated with the bribery of international civil servants. While the proposal was not retained then, he felt that a visible effort at this time to devise a system-wide instrument to extend the principles and standards of the Convention to UN system staff would greatly add to the credibility of current efforts within the system to combat corruption and strengthen institutional integrity, and respond coherently and effectively to demands to reinforce accountability system-wide. He offered to prepare a concise paper further defining the issues involved and setting out a number of proposed principles around which the system might coalesce. He invited CEB members to identify counterparts in their organizations who would participate in a consultative process to review, against the standards of the Convention, relevant rules and regulations in force in the different organizations of the system and examine together possibilities for their upgrading and harmonization, as necessary, and modalities for their integration. The outcome would be reported to CEB at its fall session.

62. The Secretary-General welcomed the initiative and the consultative process that was envisaged. In the discussions, a note of caution was voiced to avoid launching overly complex processes for the useful but straightforward task of reviewing existing staff rules and of upgrading and reinforcing, as required, their anti-corruption features.

63. The Board endorsed the recommendation of HLCP that HLCM and its relevant networks be actively engaged in pursuing the matter with UNODC.

**Africa**

64. At the Secretary-General’s request, the Deputy Secretary-General addressed the issue of UN support to African development. She reviewed current economic and social trends in African development and the serious problems that African countries continue to face in the effort to achieve the MDGs. With the midpoint in the target date (2015) to meet the MDGs approaching fast, it was incumbent on the UN system to make a strong, renewed effort to revitalize its common
endeavours in support of Africa. She urged that the issue be placed on the agenda of the next CEB session and endorsed the proposals of HLCP in this regard. She felt that all three themes proposed by HLCP: “Aid effectiveness in meeting MDG targets”, “Effectiveness of UN support for Africa’s development” or “Implementation of UN-AU Declaration on Cooperation between the two institutions” could be appropriate for the CEB agenda. She also supported HLCP’s proposal to highlight implications for African development in relevant thematic papers prepared for CEB discussion.

65. Members of CEB concurred in acknowledging the need for CEB to adopt innovative approaches to addressing African development in the future. They called for inclusive preparatory processes to the CEB discussions, engaging as necessary outside experts, which would develop clear analyses and specific, action-oriented recommendations to step up the system’s support to Africa’s development, for consideration by CEB.

66. Suggesting that a “Marshall Plan” for Africa was required over the next 7 years to meet the MDGs, the Secretary-General of ITU briefed the Board on a new ITU regional initiative on ICT in Africa that could make a major contribution to African development and stated that he looked forward to briefing CEB on progress in this regard at its next session. While appreciating this important initiative, some Executive Heads reiterated the pressing need to consolidate into a common framework the plethora of plans and initiatives currently being pursued in support of Africa.

67. Globalization and the need to make it work for Africa were highlighted as an important perspective for CEB in addressing UN system’s support for African development. The Secretary-General of UNCTAD called on the system to take a proactive, forward-looking approach to Africa’s development. He referred, in this context, to UNCTAD’s intention to convene a “World Summit on Investment” as a major side event at the upcoming UNCTAD conference, which would bring together governments and private sector organizations in the search for new solutions. He also referred to the impact of UNCTAD’s annual report on Africa which provided a good example of “out of the box” thinking.

68. The Secretary-General observed that the gap between developing countries, particularly in Africa, and the developed world, rather than narrowing, appeared to be widening. At the same time, some countries, including in Africa, were registering very encouraging progress in the path towards the MDGs. He concluded that CEB agreed that Africa should be on the agenda of the next CEB session and highlighted the need for thorough preparation for that discussion through the HLCP.

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69. The Board noted the progress being made in the Task Force on Economic Development in relation to the important issue of Urbanization as well as developments in the area of migration.

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70. The Secretary-General of UNWTO informed the members of CEB that the United Nations Tourism Exchange Network (UNTEN), which was launched by CEB in April 2006, will be operational by June 2007. He encouraged organizations to provide all the necessary information on their tourism-related projects and activities.

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III. Management Issues (including issues arising from HLCP/HLCM Joint Meeting)

A. Harmonization and reform of United Nations System Business Practices

71. The Chair of the HLCM briefed the Board on the state of play in the Committee’s discussions on the Harmonization and Reform of Business Practices. She stated that the approach to the reform of business practices in the UN system should be driven by the need to respond to programme priorities, rather than bureaucratic considerations, and should be based on clear business logic with demonstrated system-wide benefits. She outlined the various components of the Draft Action Plan on Harmonization and Reform of UN Business Practices discussed by the HLCM which were geared to provide a comprehensive approach to enhancing system-wide coherence. She informed the Board that HLCM had heard the views of representatives of FICSA and CCISUA on the initiative. Staff had urged that the initiative should lead to an improvement of system-wide conditions on the basis of best practices, rather than the lowest common denominator, and had asked to be regularly consulted in the process.

72. The Chair of HLCM noted that the success of the initiative would ultimately depend on the political will of the Executive Heads, who should provide a strong mandate to their Heads of Management in this regard. She informed the Board that a working group of HLCM chaired by WHO had been tasked to further develop the Action Plan, for HLCM review and CEB endorsement at their fall sessions.

73. Strong support was expressed for this initiative as an important element of the drive towards greater system-wide coherence. It was recalled that the harmonization of Business Practices had emerged as a central recommendation of the High-level Panel on System-wide coherence.
74. The Board endorsed the initiative of HLCM on the development of the proposed Action Plan, and decided to revert to the matter at its next meeting. In this context, the Board also endorsed the proposal of HLCM for the preparation of a detailed study by the CEB Secretariat on the functioning of the ICSC.

B. Other Management Issues

75. The Chair of HLCM briefed the Board on the conclusions of HLCM on the issue of confidentiality of Internal Audit Reports; the financing of the United Nations Security Management System; the recent launch of the Senior Management Network; the establishment of a central system-wide evaluation unit; and progress on results based management.

i) Confidentiality of Internal Audit Reports

76. With regard to confidentiality of Internal Audit Reports, the Chair of HLCM informed the Board that the HLCM had reverted to this matter in the context of mounting demands by Member States to have access to final internal audit reports and had decided to review current practices through its Finance and Budget Network. In taking this process forward, the Finance and Budget Network was considering initial criteria to guide this exercise with a view to establishing a common approach to the disclosure of information contained in internal audit reports. She informed CEB of the criteria being considered by the Finance and Budget Network in consultation with the heads of internal audit of member organizations, and indicated that further consultations would be undertaken on those criteria. She noted that the eventual proposals would take into account consultations with the Board of External Auditors and the Institute of Internal Auditors as well as the need to respect the legislative decisions of governing bodies in the UN system.

77. During the CEB discussions, some reservations were expressed that sharing internal audit reports would dilute their function as a vital management tool. The need to distinguish between internal and external audits and their separate functions was also stressed.

78. While the HLCM process was generally welcomed, the need to proceed with care was flagged, as well as the need for sensitivity in handling internal information due to the vulnerability of the IT system.

79. The Chair of HLCM clarified that the proposal before CEB was to note the progress made by the HLCM Finance and Budget Network, as a basis for HLCM
to further examine the issue of disclosure of information contained in internal audit reports and to put forward proposals and criteria (See paragraph 75 above).

80. The Secretary-General acknowledged the need to preserve the integrity of internal audits, as management tools. At the same time, the system was faced with growing demands for transparency and accountability, to which it had to respond. He welcomed the intention of HLCM to pursue its discussions on the matter and revert to CEB at its next session.

81. The Board took note of progress in the work of HLCM. It noted the need for further work and consultation on the disclosure of information contained in internal audit reports and agreed to consider this matter further at its next session.

ii) UN Security Management System

82. With regard to the financing of the UN Security Management System, the Chair of HLCM informed the Board that the Committee had agreed on a new cost-sharing formula and that the only outstanding matter was the concurrence of the World Bank on the basis of further information to be provided by the UN. She was hopeful that full agreement would soon be forthcoming on this important issue.

iii) Senior Management Network

83. The Chair of HLCM recalled the earlier decisions of CEB concerning the Senior Management Network (SMN) and informed the Board that the SMN and the Staff Leadership Programme had now been launched. The key objective of these initiatives was to inculcate among senior officials a new corporate culture geared to further system-wide coherence. SMN membership would consist of approximately 600 to 1,000 senior staff.

84. CEB members highlighted the need to strengthen the competencies and training of staff and welcomed the launch of the Senior Management Network. In this regard, it was noted that staff mobility was often not well understood. There were many misperceptions that needed to be dispelled. Efforts to promote staff mobility should be maintained but better explained and projected.

85. The Secretary-General noted the concerns of staff in this regard, and shared the view that the concept of mobility was sometimes misinterpreted as meaning only geographical mobility, while it fully encompassed also mobility within duty stations. He particularly highlighted the need to strengthen staff training and its potential contribution also to supporting staff mobility.
iv) Results-Based Management and System-wide Evaluation

86. The Board noted with appreciation the progress being made in developing a common approach to Results-Based Management and the forthcoming training activities being organized by the CEB Secretariat.

87. The Board welcomed the decision of the joint meeting of HLCP and HLCM to request UNEG, in cooperation with the CEB Secretariat, to develop a detailed proposal on the possible scope, funding and governance of a system wide evaluation unit. It was noted that this proposal would be discussed by HLCM and HLCP in preparation for the next session of CEB.

IV. Other matters

A. Dates of CEB Fall 2007 and Spring 2008 session

88. With respect to the second regular session of CEB in 2007, to be held at UN Headquarters, CEB members will be consulted on two alternative dates: 26-27 October or 2-3 November.

89. The Board agreed that its first regular session of 2008 will be held at UPU Headquarters in Berne, at the invitation of the Director-General of UPU. Dates for the first regular session of 2008 will be set upon further consultations.