



United Nations Development Group meeting

8 June 2011, 10:00 AM - 1:00 PM (EST)

Final Report

Item 1 – Opening remarks by the UNDG Chair

1. The UNDG Chair, Helen Clark, opened the second UNDG meeting of 2011. Putting the meeting into context, she pointed to critical challenges that the UN system was presently faced with, including challenges associated with high food and fuel price volatility, poor governance, the independence of Southern Sudan and the difficulties of helping countries prevent and recover from natural disasters and conflicts. Since the last UNDG meeting in January, events in the Middle East and North Africa had held centre stage and the UNDG had a crucial role in supporting countries undergoing transitions by revamping its activities in countries in the region where there were new circumstances and challenges.

2. The UNDG Chair pointed out that, with one exception, the events in the Arab States were taking place in middle income countries (MICs), where conventional indicators had suggested that progress was being made. This was an important reminder of the relevance of the UN system's mandate across the development spectrum, including in governance, advocacy, the empowerment of women, and support for inclusive growth and youth development. She further noted that since these developments were occurring at a time when official development assistance budgets were under severe pressure, continually improving the effectiveness of the UNDG's work and reporting on it fully was all the more important. Reflecting on her recent visits to the region, the UNDG Chair expressed her confidence that the UN development system would collectively manage to revise its programmes and relevance in light of the new circumstances. She informed the UNDG that the Secretary General had requested the presentation of a UN strategy for the Middle East and North Africa (MENA) region at the next meeting of the UN System Chief Executives Board for Coordination (CEB) in October. She further advised that the UNDG Arab States MENA regional directors were working on the draft regional strategy. It would be reviewed by the UNDG Advisory Group and Principals' Advisory Group before being finalized.

3. Reflecting on recent events, the UNDG Chair reported very positively on the MDG Summit follow-up conference in Tokyo, which she had attended together with Anthony Lake. She noted that the conference had underlined the importance of acceleration and equity and had fully focused on the practical. She also mentioned the UNDG meeting with the Utstein Group in April, where donors had pushed hard on system-wide coherence, and on the first meeting of the Evaluation Management Group doing independent evaluation of Delivering as One. In this context, she underlined that the Quadrennial Comprehensive Policy Review (QCPR) represented an important opportunity for Member States to indicate what they expect the UN development system to deliver. The UNDG Chair noted that the UNDG Advisory Group had recommended extending the UNDG strategic priorities by one year to ensure full alignment of the next set of UNDG priorities with the QCPR. She recommended that the UNDG should take a formal decision in this regard at its next meeting in September.

4. Reflecting on progress in the implementation of the UNDG work plan, the UNDG Chair recognized the considerable achievements made by the UNDG working mechanisms and the Regional UNDG Teams in support of the

preparation of the latest generation of UNDAFs. She noted that an integrated approach to programming and operations was now being followed in line with the recommendations of the HLCM/UNDG high-level mission.

5. Briefing the UNDG on the situation of DOCO, the UNDG Chair noted that it had been comprehensively restructured to perform three critical functions: (a) focused policy co-ordination and technical support to the global work of the UNDG; (b) support to each of the Regional UNDG Teams and Resident Coordinators and UN country teams; and (c) knowledge management by gathering evidence and data to feed into UNDG analytical work and decision-making. She further noted that the new DOCO comprised 39 staff positions. A job fair had been conducted by the UNDG and every recommendation of the UNDG recruitment panels had been accepted.

6. The UNDG Chair informed the UNDG that due to severe resource constraints 12 posts in the new DOCO and 6 positions in the Regional UNDG Teams had been frozen. Funding allocations to Resident Co-ordinators and UN country teams (UNCTs), the UN System Staff College and the work of the global UNDG had been significantly reduced. Noting that the funding situation remained severe and would likely be equally constrained next year, the UNDG Chair emphasized that it was important, as foreseen in the Management and Accountability system, that UNDG members progressively fund DOCO themselves, and provide adequate budgets for co-ordination activities. In this context, she acknowledged with gratitude that UNFPA, UNICEF, WFP, and UN Women had already announced contributions to the funding of DOCO, in addition to those already committed by UNDP and OHCHR. The UNDG Chair said that until sufficient funding had been secured, DOCO support would be very constrained.

7. The UNDG Chair continued her presentation by briefing the UNDG on the Civilian Capacity Review that had come out in February. She underlined that it presented an opportunity to deliver capacity to support better and quicker interventions in post-crisis situations under national ownership. The UNDG Chair also noted that the Secretary General welcomed the direction of the report and that he intended to take it to the General Assembly and the Security Council in the fall. In the meantime, a Steering Committee and several working groups had been established and outreach to Member States was deemed critical to ensure effective implementation. The UNDG Chair urged UNDG members to keep the communication and feedback flowing as agencies engage in this work.

8. The UNDG Chair concluded her remarks by saying that the UNDG Principals Advisory Group would meet on 16 June to identify challenges and opportunities for the leadership of the UNDG in the period leading up to the QCPR.

Discussion

9. UNICEF asked the UNDG Chair to push for urgent implementation of measures to increase civilian capacity, which should not be postponed while the General Assembly reviews the Civilian Capacity Review. The UNDG Chair agreed. UNDP underlined that the civilian capacity initiative represented an opportunity for the UNDG to leverage its knowledge management systems and to deploy its capacities more quickly and flexibly. UNEP indicated its readiness to lead and support environment related aspects of the Civilian Capacity Review follow up process.

10. With regard to the UNDG regional strategy for the MENA region, UNHCR emphasized that youth was a critical area of work for the UN and that the UN needed to be seen to address the power vacuum, including by strengthening civilian capacities. The UNDG Chair concurred that youth was a very appropriate focus for the UNDG regional strategy. It was noted that the UNDG needed to think outside the box and identify two to three priorities where it could collectively achieve the greatest impact. ILO pointed out that the recent crises had exacerbated the possible challenge

of supporting national ownership while upholding global norms and standards. She suggested further guidance from UNDG Principals might be needed in this regard.

Item 2 – Feedback from UNDG Advisory Group meeting of 25 May

11. Hans d'Orville, Chair of the UNDG Advisory Group, provided an update on the outcome and key recommendations of the meeting on 25 May. At that meeting, the UNDG Advisory Group discussed the first draft report of the Management and Accountability (M&A) System review that the firm Associates for International Management Services (AIMS) had prepared and shared with a number of stakeholders. The Chair noted that overall the report was appreciated by the UNDG Advisory Group, although it failed to address some important aspects of the terms of reference. In particular, he pointed out that the study did not analyse the achievement of outputs contained in the M&A System Implementation Plan and that not all of the key stakeholders had been sufficiently consulted. The UNDG was informed that the consultants had since been asked to address these issues before issuing a final report.

12. The Chair continued his presentation by noting that several UNDG Advisory Group members had attended recent meetings of the Regional UNDG Teams and had conveyed very positive feedback from their interactions. The UNDG Advisory Group had therefore recommended that this practice should continue. Building on the experience from the UNDG Working Mechanisms Conveners Retreat, the UNDG Advisory Group had also decided to hold regular virtual interactions with UN country teams in order to gain greater insight in how they were driving forward the UNDG strategic priorities. With regard to the proposal to hold a global meeting of the Regional UNDG Teams, the Chair informed the UNDG that the UNDG Advisory Group had decided that a short options paper should be developed to carefully review the timing of the meeting as well as the cost implications for UNDG organizations and for DOCO.

13. The Chair went on to inform the UNDG that the UNDG Advisory Group had proposed to extend the UNDG strategic priorities by one year until the end of the TCPR period. This would ensure that the next set of UNDG priorities is fully aligned with the new QCPR. He also emphasized that the uprisings in the Arab region required the UNDG to radically rethink how operational activities at the country level should be conducted. Finally, he noted that the UNDG Advisory Group had discussed and endorsed the key recommendations of the MDTF operational effectiveness study that would be tabled today under agenda item 5.

Discussion

14. The UNDG Chair noted that her recent visit to Central Asia had provided encouraging evidence that the UN system can be a vehicle for change in governance. The UNDG Chair emphasized that even though democratic transition strategies were often lacking, the interest of authoritarian regimes in implementing modest reforms should be noted. Political and economic exclusion were not confined to the Arab states and the spark of democratic revolution was being taken careful note of in other regions too.

Item 3 – Progress and challenges emerging from implementation of the UNDG strategic priorities and work plan for 2010-2011

a) The UNDG Working Mechanism Conveners' Retreat of 19 May, including key priorities for 2011

15. The UNDG Vice-Chair, Wilfried Luetkenhorst provided feedback from the UNDG Working Mechanism Conveners Retreat of 19 May. He noted this had been the second conveners retreat after the first one in October 2010.

As such, the event had been the first opportunity for taking stock, identifying lessons-learned, revisiting work plans and for making sure that the UNDG working mechanisms were both horizontally and vertically optimally aligned. Noting that the retreat was a success, the UNDG Vice-Chair acknowledged the high quality of support from DOCO that had been highly appreciated throughout the retreat. He also expressed his concerns with regard to the sustainability of funding for DOCO.

16. The UNDG Vice-Chair went on to underline that the retreat had taken place at a critical time in the run-up to major development conferences at the end of the year. These included the UN Framework Convention on Climate Change in Durban, the Inter-governmental Conference on Delivering as One in Montevideo, and the High-Level Forum on Aid Effectiveness in Busan. He emphasized that these events added a sense of urgency to positioning the UNDG with regard to critical issues, including linking poverty reduction and climate change, ensuring a seamless transition from relief to development and the continued relevance of measuring longer-term capacity development in the current climate of short-term results orientation.

17. He noted that it had been highly beneficial that the Resident Coordinator (RC) from Malawi and the RC and UN country team (UNCT) in Ukraine had joined the retreat by videoconference to provide feedback on the implementation of the UNDG strategic priorities at the country level. The UNDG Vice-Chair recommended that this practice should also be adopted for future UNDG Advisory Group meetings. He further noted that Malawi offered a good case study for “shared leadership” and the fact that “one voice” was essentially about the entire UNCT developing and communicating consistent messages. Ukraine, on the other hand, was chosen as an example for effective UN engagement in upstream programme and policy support in a middle income country context with limited donor support. Both RCs highlighted the important and effective support that they had received from the Regional UNDG Teams and DOCO.

18. Reflecting on the work of the UNDG working mechanisms over the past six months, the UNDG Vice-Chair noted that significant progress had been achieved and that the UNDG should commend the working groups, networks and task teams for their considerable achievements. He went on to highlight several key drivers conveners had identified as contributing to progress and success in their working mechanisms. These included creating an open, frank atmosphere, investing time at the outset to clarify objectives, roles and responsibilities and using the UNDG strategic priorities and work plan as well as major global events to set clear priorities and maintain focus.

19. The UNDG Vice-Chair also pointed to several critical challenges identified by the UNDG working mechanisms with regard to implementing the UNDG work plan. These included uneven agency commitment to active, sustained participation. Also critical were severely limited financial and staff resources within the working mechanisms and within DOCO to gather evidence systematically and to engage with other working mechanisms, Regional UNDG Teams and UNCTs as well as with the other pillars of the CEB. There was insufficient communication among the working mechanisms, in some cases lack of explicit guidance from the UNDG Principals within their agencies to support the active participation of their staff in the work of the UNDG. Finally, there was a need for a clearer understanding of how to engage Regional UNDG Teams in the working mechanisms.

20. Speaking on the way forward, the UNDG Vice-Chair highlighted several priorities for the UNDG. It would be important for the UNDG Principals to reinforce incentives in their agencies for staff to engage in system-wide coherence. Agreement on a consolidated UNDG approach and platform for knowledge sharing was key. Identifying joint success stories to be presented at the Delivering as One conference in Montevideo and commitment by all UNDG

members to contribute to a consolidated, system-wide report for Busan were critical. Developing a strong UNDG vision for social, economic and environmental sustainability in preparation for Rio +20 was also important.

b) Comments from the UNDG Working Mechanisms Conveners and discussion

21. UNDP emphasized that there was no substitute for leadership at the country level and that the UN system was not short of knowledge and capacity but needed to be selective in order to remain relevant in a rapidly evolving development environment. The Delivering as One conference in Montevideo would provide an excellent opportunity to drive the agenda for the UNDG's future work. It was also noted that agency Executive Boards needed to identify their own contributions to the reform process. UN Women welcomed the call for more flexibility, underlined the importance of the Montevideo conference for defining the future role and working modalities of the UN at country level and urged the UNDG to work jointly on identifying success stories. WFP pointed to the continued funding gap in the transition from relief to development and emphasized that with a view to Busan, more work with Member States was needed to develop an adequate architecture and secure funding for this policy space. FAO expressed concerns regarding resource and staff constraints and emphasized the importance of transparency in the work of the regional UNDG teams.

22. With regard to the UNDAF process, UNHCR pointed out that the heaviness of the process depended on how RCs and UNCTs chose to go about the task. Since it was neither feasible nor desirable to include the entire UN system in the preparation of every UNDAF, there was a need to streamline the process. It was noted that agencies had a crucial responsibility to critically assess their country presence and be selective on where to focus limited resources. The UNDG Chair and other UNDG members concurred and emphasized that agencies with a global presence should be seen as a platform to be used by other agencies.

23. Regarding the effective functioning of the UNDG working mechanisms, FAO recommended that the UNDG should address the limited financial resources and severe staff constraints and identify alternative sources of funding to support the work of the working mechanisms. It was important to strengthen the transparency of the work of the UNDG working mechanisms and improve the communication flow. UNEP pointed to the significant challenges and considerable achievements of self-serviced UNDG task teams that had not been part of the Conveners Retreat. UNEP raised the concern that a downsized DOCO had increased the risk of information getting lost since there was no longer sufficient staff capacity to support all UNDG working mechanisms. Briefing the UNDG about the progress that the Task Team on Environmental Sustainability Climate change and Rio +20 had achieved despite these obstacles UNEP also responded to the Chair's emphasis on the need to develop a common UNDG vision to be taken to the conference that the Task Team would be ready to work on such a vision if it is required to do so. In this context, the UNDG Chair pointed to the need to connect the UNDG preparations for Rio +20 with the Secretary General's initiative that was launched at the CEB meeting in Nairobi at the end of March.

c) Implementation of the UNDG strategic priorities by the Regional UNDG Teams for Latin America and the Caribbean, and Europe and Central Asia.

24. The Chair of the UNDG Latin America and the Caribbean (LAC), Heraldo Muñoz briefed the UNDG on the UNDAF roll-out support in his region. He noted that there had been as many as 11 UNDAF roll-out countries in 2010 and 5 UNDAF roll-outs in 2011 and that the UNDAF support functions and capacities of the Regional UNDG Team had

consequently evolved significantly over the past year. The smaller number of countries in 2010 had allowed for closer and more intensive support from the Regional UNDG Team, including strategic advice on positioning UNCTs in challenging policy environments.

25. He explained that in 2010 the Regional UNDG Team had started to gradually implement its new roles envisaged in the UNDG strategic priorities and aligned its work plan accordingly. Since then, the focus had shifted to providing earlier and more strategic advice to UNCTs at the senior level. Regional Directors would get personally involved now and the Regional UNDG Team had been conducting a series of teleconferences with RCs and UNCTs to provide strategic guidance as and when requested by UNCTs. The Chair of the UNDG LAC informed the UNDG that the UNDAF roll-out support strategy had been recently updated, the membership of the peer support group had been reviewed and that the Regional Team was currently working on the creation of a technical inter-agency roster of staff to support the UNDAF process.

26. The Chair of the UNDG LAC informed the UNDG that his team had made it a priority to examine the role of the UN system in MICs, which is of high relevance in the region and will feature prominently at the Delivering as One conference in Montevideo. The Regional UNDG Team was preparing a paper with focus on the value add of a continued UN presence in MICs, including with regard to knowledge transfer and South-South cooperation, upstream policy and programme advice, and addressing inequality. Once ready, the paper will be submitted to the UNDG Chair.

27. Pointing to some of the remaining challenges, the Chair of the UNDG LAC mentioned the need to ensure a lighter, more flexible programming process in MICs, and enhance engagement of non-resident agencies in the UNDAF process. He mentioned the constrained funding situation, particularly the fact that the proposed Regional Adviser position had to be frozen at a time when the responsibilities of the Regional UNDG Team had considerably increased.

28. Kori Udovicki, Chair of the UNDG Europe and Central Asia provided an update on the UNDAF roll-out support in her region. Pointing to the fact that her region was characterized by the presence of mostly small, thinly staffed and resourced UN agencies, she welcomed and underlined the importance of the UNDG strategic priorities. Working together on a focused agenda was the best way of leveraging the Regional Team's limited resources in supporting UNCTs for maximum impact. She went on to explain that in light of the middle income country contexts in the region, the main focus of the Regional Team had been on upstream policy advice and bringing together the substantive capacities of agencies in the region to support UNCT programming. Since the capacities of the UN system in the region were limited, it was critical to make the resources of non-resident agencies available to UNCTs.

29. A key achievement in 2010 had been the development of a regional MDG report together with the RCM. She noted that in 2011, the Regional Team would focus on the inclusion of Roma and on drawing attention to the disaster and crisis risks in Central Asia, characterized by geography, water, effects on energy, food and human security. The Regional Team had also been actively promoting dialogue among UNDG organizations in the region so as to identify complementarities and pool resources, for instance for developing a regional report in preparation for Rio +20.

30. The Chair of the UNDG Europe and Central Asia briefed the UNDG that her team had been supporting UNCTs during the UNDAF preparation as well as ad-hoc on a demand basis and by holding regular conference calls with UNCTs. Over the past three years, there had been five to seven new UNDAFs each year, even though there was only one new UNDAF in 2011 and none foreseen for next year. While the Regional UNDG Team had always provided very thorough technical support to UNCTs through the peer support group mechanism, there had previously not been enough capacity to provide high-level strategic advice to five to seven UNDAF roll-outs simultaneously. The Chair

explained that 2011 was an important opportunity in this regard, as the Regional UNDG Team could provide early and strategic advice to the only UNDAF roll-out country, Moldova, including by advising on the positioning of other major development actors such as the EU and helping to define the UN system's niche in the country.

31. Pointing to some of the remaining challenges, the Chair emphasized that middle-income countries had specific needs, which required the UN to respond in the right way and at the right time or otherwise risk becoming irrelevant. Rigorous analysis of the UN system's comparative advantage and flexible programming tools were therefore critical. In this context, she mentioned the positive experiences of developing a "lighter" UNDAF at the strategic outcome level in Turkey in 2009. The greatest challenge, however, was the discrepancy between the expectations regarding the Regional UNDG Team's support for a step-change in the quality of UNDAFs and the lack of resources and institutional tools.

Discussion

32. The UNDG Vice-Chair emphasized that monitoring regional trends was one of the most important functions of the Regional UNDG Teams and commended the UNDG LAC for engaging consistently in strategic issues such as the role of the UN development system in MICs. The Regional Commissions underlined the need for innovative thinking with regard to the role of the UN system in MICs as well as engagement of non-resident agencies in upstream policy support. It was noted that Member States would like to hear about UN engagement in MICs in the context of the preparations for the QCPR. To this effect, the Regional Commissions proposed that the UNDG could select pilot countries for its engagement in MICs and share the lessons learned with Member States.

33. UNICEF argued for a further simplification of the common country programming process, which was deemed too process heavy, particularly for small UNCTs and despite the simplified UNDAF guidance issued in 2010. The UNDAFs in the MENA region would need to be updated as a matter of urgency and a flexible process would have to be identified for this purpose. The UNDG Chair concurred that the country programmes in the MENA region urgently needed to be revised and the UNDG regional strategy could support priority setting in country programmes. ILO underlined the importance of Regional UNDG Teams providing demand-driven support to UNCTs. UNDAFs needed to be driven by UNCTs and ultimately it was up to UNCTs to find the best solutions to respond to national development priorities. ILO further pointed out that the current UNDAF guidelines provided considerable flexibility in this regard, including for middle-income country contexts. Instead of developing new guidance and processes, ILO urged for shifting the focus on substantive issues and results. UNHABITAT welcomed the outreach to non-resident agencies by the Regional UNDG Teams and urged not to lose sight of the seemingly stable countries but make it a priority to support peaceful transitions in a less disruptive way.

Item 4 – Update from the Utstein consultation

34. The UNDG Vice-Chair, Wilfried Luetkenhorst provided feedback from the annual consultation with the Utstein Group that took place on 18-20 April in New York. As always, this year's consultation consisted of individual sessions with a number of agencies as well as a session with the UNDG Advisory Group. He noted that while he had hoped to share the detailed meeting report prior to the UNDG meeting, the Utstein Group had decided not to disclose the

meeting minutes this year. The Utstein Group wanted to use its 2011 session with the UNDG Advisory Group as an opportunity to assess the sustainability of key reform efforts in the context of Delivering as One. The session focused on results reporting, resource mobilization and funding modalities for Delivering as One, as well as empowerment of the Resident Coordinator and incentives for enhanced coherence.

35. The Utstein Group expressed strong support for the UNDG-HLCM study on results reporting and encouraged the UNDG and the HLCM to also look into areas which are more difficult to report on, such as capacity development and fragile states settings. Reducing the reporting burden at country level was identified as a key concern. With regard to funding modalities for Delivering as One, the Utstein Group noted that we were now approaching Delivering as One version 2.0. The Utstein donors emphasized that they regarded their funding as catalytic and that the UN system was responsible for financing the mainstreaming of Delivering as One. In light of the increasing number of DaO countries, there needed to be other incentives and drivers for enhanced coherence than funding. For the next generation of DaO, we needed to look at what had been achieved and what had impacted the behavioural change beyond the One Fund to ensure that Delivering as One version 2.0 is all about results and that it is pushed forward by programme countries. It was stressed that the system had to make arrangements to ensure the transition was as smooth as possible.

36. Looking forward, the Utstein Group asked for key issues the UNDG would like for them as member states to support and drive forward, in particular in the upcoming QCPR discussions. It was noted that there should be no slippage on what had been achieved so far, in terms of substance, leadership and funding. It was pointed out that the progress achieved needed to be an integral part of the QCPR to ensure that best practices were widely available.

Item 5 – MDTF study on operational effectiveness

37. The Fiduciary Management Oversight Group (FMOG) Co-Convener, Subhash K. Gupta briefed the UNDG on the findings and recommendations of the Study of the Operational Effectiveness of the UN Multi Donor Trust Fund (MDTF) Mechanism. He underlined that one of the key findings of the study was that the MDTF had proven to be an effective mechanism to manage partnerships with donors, support high-priority multi-agency initiatives and to position the UN in post-crisis and peacebuilding settings. He noted that over \$3 billion had been delivered through 36 participating organizations through the MDTF mechanism over the past seven years. The FMOG Co-Convener informed the UNDG that feedback from UNCTs, programme country governments and donors had indicated that the MDTF mechanism simultaneously promoted UN coherence, national ownership and donor coordination. However, in order to ensure the effectiveness of the funding modality, it was critical that RCs, RC office staff and partners received adequate training on its use.

38. The FMOG Co-Convener explained that the UNDG position on the strategic use of MDTFs had been captured in the background note “MDTFs: Effective UNDG Mechanism to Support UN Strategic Positioning.” He noted that the support received from DOCO for this exercise had been invaluable. With regard to the way forward, the FMOG Co-Convener underlined that it was important for the UNDG to endorse the key recommendations that had already been endorsed by the UNDG Advisory Group. The note could then be further elaborated by the Joint Funding Sub-Committee in order to inform the discussions at the UNDG-Donor meeting on MDTFs to be held on 24 June. The FMOG Co-Convener informed UNDG members that they could submit additional comments and feedback on the note by COB Friday, 17 June.

Discussion

39. The UNDG Chair suggested that the UNDG should consider whether to refer to “partners” rather than “donors” in this context, and to then consider whether to rename the MDTF mechanism accordingly to emphasize the inclusive nature of the funding mechanism. She proposed that the UNDG Advisory Group could provide feedback on this before the UNDG addressed this matter at a future meeting. The FMOG Co-Convener welcomed the proposal of a more inclusive term, and suggested that “thematic trust funds” could also be an alternative to “donor trust funds.” On a separate issue, DESA noted that there had not been enough time to consider the recommendations of the note, and requested clarification on how non-resident agencies could participate in the MDTF mechanism.

1. **Decision:** The UNDG endorsed the key high-level recommendations and the Joint Funding Sub-Committee was tasked to further elaborate the note in preparation for the UNDG-Donor meeting scheduled for 24 June 2011.

2. **Action Point:** *The UNDG Advisory Group to advise on renaming the MDTF mechanism and propose a more inclusive term for consideration by the UNDG.*

Item 6 – AOB

There were no issues raised.