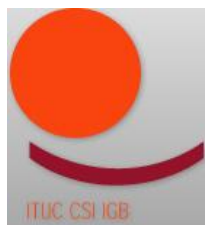


# A Civil Society Response to the Report of the UN High-Level Panel on System-Wide Coherence

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# **A Civil Society Response to the UN High Level Panel on System-Wide Coherence<sup>1</sup>**

## **Introduction**

We approach the Report of the High Level Panel on UN System-Wide Coherence (“Panel’s Report”) and the process of UN reform of which it is part and parcel as civil society groups with a long experience in carrying out advocacy towards reform of the UN system. In this intervention, as in previous ones, we seek to ensure that some values and principles remain at the centre of the processes of institutional reform. We also would like to state upfront we regard this intervention as work in progress and, as such, as the basis for dialogue not only with officials, but also with a broader range of civil society partners.

We believe that a system of progressive global governance should be based on the core principles of solidarity and shared but differentiated responsibilities, thus compensating for different levels of wealth and power. It should be directed towards people-centred development – with particular responsibility for the poorest - and towards upholding human rights, the eradication of poverty and the achievement of sustainable development. In that sense, the human person must have the central place in this process in the full respect of the principles of dignity and solidarity.

We have previously expressed our belief that the System Wide Coherence process must have as an ultimate aim the achievement of the purposes established in the UN Charter. Paramount among these are promoting respect for the international human rights law framework and the international cooperation in the solution of political, economic and social problems.

Moreover, the UN must ensure better space for the voice of the poorest and most marginalized peoples of the world. Addressing the unequal distribution of power within the current structures of global governance is indeed a key challenge. The democratization of international organizations must be placed at the heart of the international agenda, with particular attention being given to effective participation by the South. Global problems will remain unresolved and the experiences of exclusion and powerlessness will continue to grow as long as the peoples, country groups and regions are denied adequate representation in the power centres of world politics.

The process must also ensure that the rights and responsibilities of nations are respected, promoted and affirmed. Many within the UN family do live by these principles and here we, in particular, would like to recall the UNCTAD XI Declaration, paragraph 8: strengthening coherence of the UN’s development, humanitarian and environmental pillars should not come at the detriment of national policy space.

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<sup>1</sup> Comments and questions about this paper can be addressed at Aldo Caliari, Center of Concern ([aldo@coc.org](mailto:aldo@coc.org)) or Josep Xercavins (UBUNTU Secretariat) at [josep.xercavins@ubuntu.upc.edu](mailto:josep.xercavins@ubuntu.upc.edu)

Finally, the UN normative and policy-making functions should be preserved and nurtured with adequate resources. The UN is the paramount guardian of both a development agenda and the universal instruments on human rights, including socio-economic rights and instruments of gender equity that Member States have committed to respect and protect. In account of its vast representation, the UN enjoys the greatest legitimacy to perform normative and policy-making functions to the whole system. Moreover, in the light of the wide range of expertise of its different agencies, it is the very well positioned institution to coordinate decision-making process on normative and policy areas that are not only inclusive, but also holistic.

## **I. Preface**

We propose a reading of the report of the Panel on System-Wide Coherence that locates it within a historical context. This context is marked by a trend begun, but not ended, in the post-decolonization years, whereby a growing number of matters hitherto under the sphere of the UN is being transferred to the Bretton Woods Institutions (BWIs). As a result the BWIs have, in effect, come to dominate development thinking. More recently, the World Trade Organization (WTO), which has become a forum to issue legal rules on a track separate from that of the UN system, has provided a mechanism for the progressive codification of the rules embedded in that paradigm. The societal impacts of the WTO are felt beyond the narrow confines of trade, impacting on governance at all levels of our society, including the UN.

The trend to emasculate the UN has been the result of very deliberate and articulate actions by the donor countries, whose underlying assumptions are that their interests are safer with those institutions where they exercise greater control. A glaring impact has been the so-called implementation gap between the decisions taken in the main UN summits and their implementation due in large measure to the change in thinking -policy orientation-, and the resultant "cuts" in much needed funds for progressive global programmes.

In the development, social and economic fields, donor countries have sought to emasculate the UN by turning it into an implementing agency. The BWIs and the WTO operate as the providers of the policies and thinking, while marginalizing the UN's role and function to speak or to provide alternative development thinking and technical assistance to developing countries in fields touching upon trade, finance or monetary policy.

Yet the report's analysis excludes the acute responsibility of BWI and WTO when looking in the past and current lack of system-wide coherence, while ascribing all past, current and future responsibility solely to the UN as it is currently constituted.

In reading this report, another cardinal concern in our minds refers to whether the development system is one that promotes a range of options from a number of providers, or leaves provision to a monopoly. Whilst we agree on the prudent use of resources to meet humanity's numerous challenges, such development can only work if it is people-driven, meaning that it must be close to the people, empower local communities --in particular women and the poorest--, be participatory and inclusive and tackle marginalization. It must be factored into a social delivery model that does not default to a top-down managerial efficiency, with little effective sustainable delivery.

There are many examples where the existence of UN agencies able to provide an alternative analysis on development issues has shown to be undoubtedly positive. Demanding that agencies act “coherently” may simply represent the endorsement of one view at the expense of others, with that view being oftentimes that of the strongest or more resourced agency. At the same time, a look at the track record of the provision of development by the Bretton Woods Institutions leaves no reason to be complacent. Therefore we believe that a certain amount of choice among providers of what we would call “development services” should not only be preserved, but fostered, in the interest of the health of the whole system. A better balance between a certain diversity needed on the one hand, and the importance of the global coherence of the UN system on the other hand, must be found. “Coherence” is not only achievable in centralized systems, but can also be present in a well-coordinated, decentralized ones.

The Panel rightly acknowledges the tensions implicit in the search for coherence and diversity in several places. For instance,

*The current design of the UN system risks perpetuating a myriad of niche players, which individually will not have the influence and authority to secure a strong voice in national and global debates. We have heard in our consultations that unifying the UN at country level would compromise the characteristics and dynamism of individual agencies. But failing to strategically position the UN in its entirety risks marginalizing the whole system in the long term.*<sup>2</sup>

*[D]iversity has brought the UN system many resource mobilization opportunities and successful brands, allowing both donors and recipient countries a degree of choice. Some diversity in the system is thus to be welcomed*<sup>3</sup>

*We do not however advocate a single UN entity because some individual agencies can best achieve their vital role in the provision of global public goods, advocacy, research, promoting best practice and global norms and standards by operating individually in their specific sectors.*<sup>4</sup>

As our analysis argues, the balance being struck by the Panel will lead to a smaller, less effective UN, less able to offer a meaningful and effective alternative voice to other organizations—in particular the Bretton Woods Institutions—in areas of development policy.

## **II. Assessment of the process**

Before analyzing the content of the report, it is worth noting several worrisome features of the process by which the Report has been produced.

First, the subject-matter addressed by the Panel has been matter of reports and discussion almost since the founding of the UN. The recommendations that are implemented will, arguably, have a lasting impact in the overall architecture of the UN. In stark contrast with the caliber of the matter, the process has been rushed, giving little time for the amount of public discussion that

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<sup>2</sup> Secretary General’s High Level Panel on UN System-Wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment, Delivering as One. Report United Nations, New York, Para. 17

<sup>3</sup> *Ib.*, para. 81

<sup>4</sup> *Ib.*, 3

should have, arguably, been required. The Panel was, in fact, set in February 2006 and asked to deliver in September 2006.<sup>5</sup>

The limited time did hinder the effective participation of different, important sets of stakeholders.

First, the Group of 77 was clearly taken aback by the speed of the initiative. This could be observed in that donor countries were submitting several papers to the Panel—in some cases, already jointly agreed papers – while the Group of 77 was still struggling to put together its position. In any process, but very especially one that is quickly unfolding, capacity and staff constraints may make a big difference in the ability of governments to participate.

Second, for a report that would have such a strong impact on the delivery and impact of taxpayer’s money through multilateral agencies, the process allowed for no discussion at the level of the public and Parliaments in donor countries. In fact, the papers being submitted by governments were—in almost all cases-- not submitted to previous public consultation—let alone a proactive effort to promote and engage in public debate that should have been required.

Last but not least, civil society organizations in both developing and developed countries were barely consulted. The Panel provides a calendar of meetings with civil society actors but it is unclear what criteria were used to choose the actors invited to those consultations. Certainly there was no attempt on the side of the Panel to publicize a call for inputs.<sup>6</sup>

### **III. General comments on the content of the Panel’s Report**

Entering into an analysis of the substance of the report, we want, first, to raise some general concerns.

1. The question of UN financing: While the report seems to be driven by an attempt to save resources spent in development, attempt that is not questionable in itself, the report could have been more balanced in exploring, also, measures to increase the amount of resources available to the United Nations, funds and agencies to fulfill their numerous mandates. The lack of attention to this side of the problem really undermines the credibility of the report and reinforces the impression that it is donor-driven, and run as a “cost-cutting” exercise.<sup>7</sup>

2. MDG vision of the development process: The report is also too oriented towards an MDG vision of the development process. In this regard, it is important to rescue the notion that MDGs are a “distilled” version of the international development goals agreed in several UN conferences throughout the 1990s. They should be seen as a minimum standard countries have agreed to meet, but in no way a complete statement of what an agenda for development entails. The MDGs certainly do not replace the UN Agenda for Development.

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<sup>5</sup> The report was finally issued in November of 2006.

<sup>6</sup> UN NGLS, at its own initiative, made efforts to publicize the mandate of the Panel and gather civil society inputs.

<sup>7</sup> The G77 and China stated that the exercise to achieve System-Wide Coherence should not be a cost-cutting exercise. See G77 and China Concept Paper on System-Wide Coherence, para. 18



3. Result-orientation and the role of the private sector: The report also places heavy emphasis on result-orientation. The call for orientation to results in development assistance raises some concerns based on the reforms it has driven in multilateral development banks programs. While there is nothing wrong with promoting accountability to “results”, when the orientation to results is associated to the assumption that it is the private sector that better delivers those results, the combination tends to push public institutions and governments into different forms and degrees of privatization and private sector sub-contracting. In the case of national governments, since results of public functions are sometimes very hard to specify, the quest for results has led to high transaction costs in the delivery of public services and, ultimately, less control on the actual performance. Of course, the orientation to results could also be met through strengthening the public sector so it can better deliver, but based on the experience and the interpretation given to “results” in multilateral banks, it is possible and likely that the Panel’s report will be read as further impetus for privatization of public sector functions. In this regard, it is important to remember that the United Nations system is part of the global public sector. We would agree that the UN has to learn from the private sector everything that serves its purposes, but it needs to do so in a way that is sensitive to the different roles, ways of working, goals and, above all, purpose it has as a public entity. The private sector is driven by profit-making opportunities and rationale. Making a profit is not, and should not be, the driving force for the UN.

4. Limited attention to the performance of the Bretton Woods Institutions: The report should be focused on the coherence and overlap and, in that regard, a focus on the Bretton Woods Institutions, uncontestably part of the UN system as they are specialized agencies –in spite of their tendency to act independently- is warranted.<sup>8</sup> But the report fails to subject the efficiency of the BWIs to more than cursory scrutiny. For example, the report asserts that delineating the roles of the UN and its funds, programmes and specialized agencies “has the potential to lead to significant annual savings, possibly up to 20%” but it is not specified where these savings should be made. Given the short and cautious analysis given to the Bretton Woods Institutions, it seems they are exempt from this assertion when, in fact, external reports and evaluations continue to find problems with their use of resources. The same holds true for the report’s contentions regarding “results-based” measurement, and accountability. While these problems are certainly very widespread in the Bretton Woods Institutions, the lack of specific recommendations directed at the Bretton Woods Institutions gives reason to think they are not being encompassed in those contentions.<sup>9</sup> There seems to be a tendency in the report to take the efficiency, good business practices and performance of the Bretton Woods Institutions for granted. We believe an assessment of coherence and overlaps among the different agencies that should, supposedly, lead to decisions that avoid duplication, cannot be done having such an imbalanced point of departure.

#### **IV. Specific comments on the content of the Panel’s Report**

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<sup>8</sup> The Bretton Woods Institutions are linked to the UN by Relationship Agreements that grant them more leeway than other specialized agencies are granted. They are, nonetheless, Specialized Agencies.

<sup>9</sup> For example, no IMF staff has been fired over the mismanagements around the Asian financial crises in 1997, Argentinean crisis in 2001, etc. Nor has any staff been fired over wrong projections of growth that ultimately damaged countries receiving debt relief, or excessively tight fiscal targets that prevented countries from receiving more aid.

In what follows, we provide more detailed commentary on specific sections and recommendations of the Panel's report. (For further convenience the fragments of the panel to which we are referring are always reproduced in italics, preceding the comments)

#### **IV. 1. Comments on Section II: Development, humanitarian assistance and the environment**

*To bring about real progress towards the MDGs and other internationally agreed development goals, we believe that the UN System needs to “deliver as one” at the country level. To focus on outcomes and improve its effectiveness, the UN should accelerate and deepen reforms to establish unified UN country teams—with one leader, one programme, one budgetary framework and where appropriate one office (box 1). To deliver as one, UN country teams should also have an integrated capacity to provide a coherent approach to cross-cutting issues, including sustainable development, gender equality and human rights.<sup>10</sup>*

The Panel places much emphasis the notion of “a unified UN at the country level responding to national needs.”<sup>11</sup> In a more detailed account, the report describes the ONE UN as entailing, as main features, one programme, one resident coordinator with one office, and one budgetary framework.

The goal of the recommendation, to ensure the UN focus on outcomes and improves its effectiveness, is one that we very much share. However, while attractive, and media-appealing, the idea of a One Programme and One office raises important questions, both for which it might mean for UN operations at the national level, as well as for its potential impact on global agencies, funds and programmes. It is unclear, for instance, whether the Bretton Woods Institutions operating in the country would become part of this One Office. We will come back to this throughout this paper, but want to state from the outset this is a very crucial issue regarding the coherence of the system.

*Humanitarian response should be improved through a closer partnership between the UN, governments and NGOs, making full use of the coordination role of the UN. The Central Emergency Response Fund must be fully funded from additional resources. There should be clear responsibilities within the UN System for addressing the needs of internally displaced persons. Development should be an integral part of any peace process. There should be clear leadership by UNDP on early recovery from conflict and natural disasters, as well as flexible UN funding. National development strategies and donors should invest more in risk reduction and early warning, building on existing international initiatives. The private sector and communities should be included in formulating strategies.<sup>12</sup>*

Development, humanitarian assistance in the event of natural disasters and relief for countries emerging from conflict are interrelated concepts but should not be lumped together. A report on proposals on coherence should not simplify to that extent the difference between exceptional situations / crisis and the permanent challenge of development.

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<sup>10</sup> Panel's Report, 12

<sup>11</sup> Delivering as One. Blue Ribbon Panel Seeks to Revamp UN for Development, Press release of November 9, 2006

<sup>12</sup> Panel's Report, 15

It is also distressing that the private sector, and not NGOs --whose key role is acknowledged-- should be included in formulating strategies. This paradoxical notion is however common.

The following recommendations, however, walk towards an opportunity of greater coherence and, thus, effectiveness:

*Transition from relief to development – Recommendation: The repositioned UNDP should become the UN leader and coordinator for early recovery.*<sup>13</sup>

*Deteriorating environmental trends have far-reaching economic, social and health implications and affect the world's ability to meet the MDGs. Substantial gains in efficiency and effective responses can be made through enhanced coordination and improved normative and operational capacity, particularly through the integration of environment into national development strategies and UN system country operations. To improve effectiveness and targeted action of environmental activities, the system of international environmental governance should be strengthened and more coherent, featuring an upgraded UN Environment Programme with real authority as the UN's "environment policy pillar". Synergy needs to be pursued between the UN organizations that address environment, and multilateral environmental agreements should continue to pursue efficiencies and coordination among themselves. An independent assessment of the current UN system of international environmental governance is required to support ongoing efforts at reform.*<sup>14</sup>

We completely share the objective framed above and would like to refer to the work done by Stakeholder Forum regarding the positioning of NGOs and civil society.

*In promoting sustainable development, gender equality and human rights, the UN has strong mandates and member states have committed themselves to achieving ambitious goals. The Panel recommends that cross-cutting issues must be an integral part of the UN's activities, particularly when delivering as One UN at the country level.*<sup>15</sup>

We fully share the above-mentioned objectives. This is, again, a notion that goes to the heart of the hopes of civil society groups in three key areas that have, for a long time, struggled to have their concerns mainstreamed into all UN activities: sustainable development, gender and human rights.

The exercise would be done in different ways, though, for each of these issues and we comment on each of them separately.

With regard to sustainable development, the Panel's Report recommends that the status of sustainable development *should be elevated within the UN institutional architecture and in country activities*<sup>16</sup>. It also says that *sustainable development should be mainstreamed into the*

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<sup>13</sup> Ib., para. 27

<sup>14</sup> Panel's Report, 18

<sup>15</sup> Ib. para. 40

<sup>16</sup> Ib., 22

*work of the UN's Economic and Social Council,*<sup>17</sup> recommendations with which we strongly agree.

With regard to human rights, the Office of the High Commissioner for Human Rights is entrusted to work with the Resident Coordinator system to ensure linkages and coordination with the UN human rights special procedures and mechanisms. The Panel also recommends that *All UN agencies and programmes must further support the development of policies, directives and guidelines to integrate human rights in all aspects of the UN's work.*<sup>18</sup> In this sense, it endorses the UN Common Understanding on a Human Rights-based Approach to Programming and the UN-wide Action 2 Programme as the main guidance.

It is probably with regard to gender equality that the Panel goes the farthest in terms of actual restructuring proposals to ensure the issue is mainstreamed.<sup>19</sup> A new “gender entity” proposed by the Panel would consolidate three of the UN’s existing entities: The Office of the Special Advisor on Gender Issues and the Advancement of Women (OSAGI), the Division for the Advancement of Women and the UN Development Fund for Women (UNIFEM). This entity, as proposed, should have both normative and operational responsibilities, be ambitiously resourced, and its Executive Director would be given the rank of Under-Secretary-General, in order to guarantee organizational stature and influence in UN system-wide decision-making.<sup>20</sup>

Gender organizations have welcomed this recommendation, as it holds the promise of providing a long sought higher status to the issue of gender in the UN system. It also follows on the words of former Secretary General Kofi Annan, who had stated "Study after study has taught us that no tool for development is more effective than the empowerment of women." Yet still, the UN has an incomprehensibly weak structure comprised of several fragmented units to tackle women's issues. These units have miniscule budgets in comparison to other UN programs and agencies, and inadequate staffing. No representative from any of these bodies sits at the highest-level UN decision-making tables, which means that gender equality and women's rights are marginalized when allocating resources or devising aid plans. Worse still, they have little in-country presence, and only a handful of sub-regional offices. This is why women's groups and allies from around the world had mobilized to ensure the Panel’s Report would address the structural shortcomings of the UN in addressing women's rights and gender equality.

The upgrading of women's equality work within the UN system is long overdue and we encourage Member States and the UN system to take bold action - and provide the leadership and resources required - to make these recommendations a reality.

However, we also would like to recall that the creation of a specific gender entity should not be taken as an excuse for making the consideration of gender issues a responsibility of this entity alone. Such an outcome would do little service to the cause of mainstreaming gender in sustainable development. In this sense, we also want to remind the Panel’s recommendation that *the promotion of gender equality must remain the mandate of all UN entities.*<sup>21</sup>

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<sup>17</sup> *Ib.*

<sup>18</sup> *Ib.*, para. 51

<sup>19</sup> Thanks to Nadia Jonsohn, at Women’s Environment and Development Organization, for her assistance in writing this section (responsibility for mistakes, of course, remains with the authors).

<sup>20</sup> Panel’s Report, 24-26

<sup>21</sup> *Ib.*, 24

## **IV. 2. Comments on Section III: Governance, funding and management**

*Recommendation: A Global Leaders Forum of the Economic and Social Council (L-27) should be established. The Forum would comprise the leaders of half its members, rotating on the basis of equitable geographic representation, with the participation of the executive heads of the major international economic and financial institutions. Its meetings could be preceded by a preparatory meeting of ministers of foreign affairs and economic, social and related ministries.*<sup>22</sup>

In stating the functions of this Global Leaders Forum, the Panel states:

- . Develop a long-term strategic policy framework to secure consistency in the policy goals of the major international organizations.*
- . Promote consensus-building among governments on integrated solutions for global economic, social and environmental issues.*
- . Provide leadership and guidance to the international community on development and global public goods related issues.*<sup>23</sup>

For a panel was entrusted to look at questions of coherence and coordination, we find what the report had to say about ECOSOC was remarkably little. A greater emphasis would have been warranted, taking into account the role assigned to ECOSOC in the UN Charter, a role that was only reaffirmed, rhetorically, in the latest Summits (World Summit, FFD).<sup>24</sup>

The Panel recognizes that improving ECOSOC within its current mandate will require “new terms of functioning.”<sup>25</sup> We can agree both with this recognition and the Panel’s assertion that ECOSOC should be further empowered through the involvement of member states in its work at the highest political level.<sup>26</sup>

The proposal for a Global Leaders Forum is important insofar as it recognizes both the need for a forum where integrated solutions for global economic, social and environmental issues can be found and invests ECOSOC with this role.

If taken seriously, the implementation of this recommendation might displace the center of gravity from the G7/8 to a more representative forum. If this meeting takes place – as one would presume—under general rules of ECOSOC, it could provide an improvement over the leadership exercised in decentralized groups such as the G8. For instance, the agenda and background documents would be disclosed in advance of the meeting and the meetings would allow for civil society participation.

However, the Panel has lost an opportunity here. While the rhetoric is good, abundant rhetoric calling for a strengthened ECOSOC does not seem to have led to greater power for ECOSOC in the past. The Global Leaders proposal might enhance the profile and prestige of ECOSOC, but it

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<sup>22</sup> *Ib.*, 30

<sup>23</sup> *Ib.*

<sup>24</sup> E.g. Monterrey Consensus, para. 67 (“We reaffirm our commitment to . . . further strengthening the Economic and Social Council to enable it to fulfil the role ascribed to it in the Charter of the United Nations.”)

<sup>25</sup> *Ib.*, para. 59

<sup>26</sup> *Ib.*

does not tackle the fundamental problem that lies with ECOSOC's lack of tools to play an effective role in coordinating the activities of the other agencies. For example, ECOSOC could have been invested with effective authority to play an oversight role over the budget of all specialized agencies and funds. Furthermore, the Panel's Report could have gone further in strengthening the power of ECOSOC to coordinate financial, economic and trade policies currently in the hands of the BWIs and the WTO. It could also have been invested with power to arbitrate when overlaps and duplications among different agencies and / or funds emerge. An extension of this possibility would be to provide ECOSOC with the power to "sunset" or merge agencies.

*Recommendation: A UN Sustainable Development Board should be established. Reporting to the Economic and Social Council, the Board would provide the decision-making and monitoring framework for implementation of One UN at the country level. The Board would be responsible for oversight of the implementation of the pilot programme to create unified UN country programmes.*<sup>27</sup>

*Recommendation: Meetings of the UN Sustainable Development Board should supersede the joint meeting of the boards of UNDP/UNFPA/gender entity, WFP and UNICEF. After three years the effectiveness of the Board should be assessed. This assessment should include consideration of the scope for integrating the boards of UNDP/UNFPA and UNICEF as segments of the UN Sustainable Development Board, rather than maintaining them as standalone boards.*<sup>28</sup>

The UN Sustainable Development Board called for by the Panel would be responsible for "operational coherence and coordination, and system-wide implementation of policies", "allocations of voluntary funding" and "performance of the One UN at the country level."<sup>29</sup>

Some of the functions of the UN Sustainable Development Board are:

- . *Maintain a strategic overview of the system to drive coordination and joint planning between all Funds, Programmes and Agencies to monitor overlaps and gaps.*
- . *Review the implementation of global analytical and normative work of the UN in relation to the One UN at country level, to progress towards the internationally agreed development goals and to provide strategic guidance on the policy and analytical work of UN sustainable development activities.*
- . *Consider and comment on the implementation of the strategic plans of funds, programmes and specialized agencies with a role in delivering the MDGs, the other internationally agreed goals and normative activities relating to sustainable development, particularly in the context of the One Country Programme.*<sup>30</sup>

The Sustainable Development Board is to be supported by two new structures. First, the Development Policy and Operations Group. Among its functions are:

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<sup>27</sup> Panel's Report, 31

<sup>28</sup> *Ib.*, 31

<sup>29</sup> *Ib.*, para. 60

<sup>30</sup> *Ib.*, 31

- . *Provide a framework to link normative, analytical and technical expertise to support nationally owned and led development programmes.*
- . *Provide knowledge networking.*<sup>31</sup>

Second, a Development Finance and Performance Review Unit, under the Development Policy and Operations Group.<sup>32</sup>

We agree that there is a need to locate clearly within the UN functions such as “maintain[ing] a strategic overview of the system” or “Reviewing the implementation of normative and analytical work of the UN in relation to the . . . country level.” ECOSOC, being the body to which the different Boards of agencies and funds report periodically, is entrusted with this functions today and seems the natural focus of reform efforts to perform them.

That is why we are troubled by the proposal to establish the UN Sustainable Development Board. Although conceived as a body under the authority of ECOSOC, we question the need for an intermediary body in between ECOSOC and the reports from different specialized agencies, funds and programmes (to whose boards, in the long term, the UNSDB is apparently intended to replace). This question is even more acute looking at the degree to which this new body will centralize decision-making on such areas.

It is possible that the assumption underpinning these decisions was that ECOSOC was too large and inefficient to play this function effectively, hence the call for a new body that would have a more executive nature. But, then, different, more in-depth reforms for ECOSOC seemed a preferred option. Some would say reform of ECOSOC attempts have a long and unsuccessful history, but if a reform of ECOSOC is unfeasible, then why would we accept that the establishment of a new body is more feasible or that, if created, it will not reproduce some of the worst problems (ineffectiveness, new layers of bureaucracy) while lacking the virtues (its legitimacy as a body created by the UN Charter).

Moreover, establishing the UN Sustainable Development Board creates the risk that ECOSOC may be further marginalized. This is the case because the proposed arrangement would incorporate a new body that would carry functions very similar to those of ECOSOC, while neglecting necessary reforms to make ECOSOC more dynamic and efficient.

ECOSOC could make good use of the new units the Panel proposes, such as the Development Policy and Operations Group, with its ancillary Development Finance and Performance Review Unit. But, again, these units are put at the direct service of the UN Sustainable Development Board, rather than at the direct service of ECOSOC.

Another curious fact about these proposed new units is that the Panel recommends that they be established within the Chief Executives Board (CEB) framework.<sup>33</sup> The fact that the BWIs and the WTO are part of the CEB-- thus allowing them to extend their influence while assuming neither responsibilities nor commitments within the UN—makes for an even more blurred “chain

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<sup>31</sup> *Ib.*, 33

<sup>32</sup> *Ib.*, 34

<sup>33</sup> *Ib.*, para. 64 (“ A UN Development Policy and Operations Group should be established . . . within the Chief Executives Board framework...”)

of command” and fosters fears about the actual extent to which the new organs will ultimately be under ECOSOC direction.

A separate, but related, concern is raised by the perception that the UNSDB is positioned to become a centralized gatekeeper of whether analytical and normative work by an agency, fund or programme is consistent with “*the One UN at country level*”. The supporting Development Policy and Operations Group would “*provide a framework to link normative, analytical and technical expertise to support nationally owned and led development programmes.*”<sup>34</sup>

In the name of achieving coherence, this could dramatically reduce the scope for agencies, funds and programmes to provide independent policy and normative advice and support to country authorities. Since the ONE Country Programme has to be approved by the UN Sustainable Development Board and all normative and analytical work has to support or be relevant to that programme, there seems to be little room for negotiation between country authorities and agencies independently for the provision of alternative technical assistance. The range of options for developing country governments, hence, would shrink.

The Panel reinforces this role envisioned for the UN Sustainable Development Board in other parts of the report. The body would:

- “ensure agency alignment with jointly agreed UN priorities.”<sup>35</sup>
- “ensure that ONE Country programmes are ... focused on internationally agreed development goals.”<sup>36</sup>
- count with additional discretionary funding to “provide incentives for good performance of Headquarters of Funds, Programmes and Agencies.”<sup>37</sup>

The supporting Development Policy and Operations Group would, in turn, “Create an incentive system for coherence . . . in deploying UN resources.”<sup>38</sup>

The analytical and normative work of the UN funds and agencies is one of the riches of the system that oftentimes has allowed important issues to emerge in the international development agenda. Think, for example, of the seminal work of UNICEF on “Adjustment with a Human Face”, UNIFEM’s work on gender economics, ILO’s work on “Social impacts of globalization”, UNDP’s Human Development Report. All of the alternative approaches provided by the different agencies would now have to be linked to the country programme as endorsed by the UN Sustainable Development Board. If not found relevant to such programme, there is no scope for countries to request independently the support or technical assistance of such agencies. The link between agencies and developing countries is, thus, severed, with the placement of the UN Sustainable Development Board as the gatekeeper.

Since in most cases the analytical and normative work of the agencies is hard to support, in and of itself, without relying on ground or field operations such work needs to serve, it is not hard to

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<sup>34</sup> Ib., 34

<sup>35</sup> Ib., 31

<sup>36</sup> Ib., 32

<sup>37</sup> Ib.

<sup>38</sup> Ib., 34



predict this proposal will drain whatever analytical capacity for alternative development paradigms is left in the UN.

Given that the ONE Country programme is built around the internationally agreed development goals, there is a risk that policy-based work that is not directly focused on service provision could be squarely defunded. So could be the work of agencies and programmes that is not directly related to such goals. A significant amount of policy analysis and technical assistance work is not obviously related to the direct fulfillment of development goals, while it might be oriented to support a development strategy that is crucial to the attainment of development goals by the beneficiary country. Until now, the developing country government is ultimately the judge of whether certain services are worth contracting in light of the national development strategy it wants to follow. As long as it can find a provider (agency or fund) and it can afford them (say through bilateral or multilateral support or a combination of both) there is no limit to the ways in which it can combine its resources to make use of what different agencies and funds have available. With the Panel's proposal, the UN Sustainable Development Board would be in a position to judge what services can be provided by each agency, on the basis of whether they are consistent with the internationally agreed development goals. As a result, agencies such as UNIDO or UNCTAD, for instance, would be forced to show, to the satisfaction of the UN Sustainable Development Board, and in spite of the willingness of a contracting country, how industrial development relates to specific MDGs at the country level.

Summing up, we believe the best approach towards enhanced coordination is through investing ECOSOC with the means to do it. If there are proposals for new supporting or ancillary bodies they should, at least: a) be clearly created by ECOSOC itself as part of its own in-depth reform; b) be clearly under the responsibility of ECOSOC, which will define its nature, activity as well as follow-up; c) not reduce the scope for agencies, funds and programmes to provide independent policy and normative advice and support to country authorities, and d) not reduce country authorities' space for autonomous negotiations with agencies for the provision of alternative technical assistance.

*Recommendation: As a matter of urgency that the Secretary General, the President of the World Bank and the Executive Director of the International Monetary Fund set up a process to review, update and conclude formal agreements on their respective roles and relations at the global and country level. These reviews must be periodically updated as well as assessed. This process should be undertaken on the basis of the enhanced performance, strengthened delivery and more influential role that the UN will have if our reforms are implemented.*<sup>39</sup>

We welcome the Panel's decision to dedicate a portion of its report to the long overdue matter of the relationship with the Bretton Woods Institutions. We have endorsed proposals that have called for the "refoundation" of the BWIs and the WTO as agencies within the UN system as the only way forward that guarantees system-wide coherence.<sup>40</sup> Such a reform, we believe, would provide for institutionalized subordination of their policy-making activities to the goals stated in

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<sup>39</sup> Panel's Report, 36

<sup>40</sup> Manifesto and London Declaration of the World Campaign for In-Depth Reform of the System of International Institutions. In the case of the BWIs, nominally already agencies of the UN, this calls for bringing them more fully into the UN family. In the case of the WTO, founded outside of the UN system, it means its recognition as a specialized agency through signing of an agreement with the UN to that purpose.

the UN Charter and offer a solution to many of the problems analyzed in this report, especially what we have referred as the “implementation gap.”

We have stressed for a long time that, short of such fundamental reform, reforms of the modalities of the relationship between the UN and other international institutions, including the World Bank, the International Monetary Fund and the World Trade Organization, are critical to the success of any attempt to achieve coherence in the international system for the purposes of achieving human rights for all, gender equality, and international economic and social development.

We, indeed, agree that the existing Relationship Agreements between the BWIs and the UN suffer of deficiencies that have contributed to the lack of coherence and coordination in the system. However, it is regrettable that the recommendation of the Panel has failed to be more explicit about the intended goal of this review and conclusion of formal agreements. Phrased as it is, the recommendation leaves ample room for ambiguity about the purpose of these agreements and there is a risk that it could simply contribute to institutionalize the de facto marginalization of the UN from economic and social policy-making.

The language used by the Panel gives reasons to be concerned. For example, the panel calls for credible engagement of the UN with “other development actors.”<sup>41</sup> It also states that “there is an urgent need for a more credible and meaningful engagement between the UN system and the international financial institutions.”<sup>42</sup> This language seems inconsistent with the understanding that the BWIs are an integral part of the UN system, a fact clearly recognized by the Relationship Agreements they have signed in pursuit of Art. 53 of the UN Charter – even if this is hard to infer from the Bretton Woods Institutions’ behavior towards the UN. It also neglects mention of the WTO, in spite of its tremendous impact on development, social and human rights issues addressed by the UN.

The panel provides endorsement to the notion that “both the Bank and the UN institutions have gradually expanded their roles so that there is increasing overlap and duplication in their work.”<sup>43</sup>

Only in the scenario of really refounded BWI and WTO within the UN system as a means to achieve system-wide coherence, we would cautiously welcome this Panel’s call for BWIs and the UN to “remove unnecessary duplication, and to build on their respective strengths.” Otherwise, the reference needs to be taken with caution. In an increasingly interconnected world, overlaps among the work of institutions is bound to happen. The appropriate response to overlaps is not always to cut the work of overlapping organizations in a particular area, but might be greater cooperation among them. As expressed at the beginning, we would be wary of attempts to remove or downsize the capability of the UN to work on economic policy matters on the basis of alleged “overlaps” or “duplications” with the Bretton Woods Institutions.

It is also important bearing in mind that the strengths of different institutions are not the result of a natural endowment. They do reflect the choices that donors have made to channel resources

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<sup>41</sup> *Ib.*, para. 70

<sup>42</sup> *Ib.*, para. 71

<sup>43</sup> *Ib.*

and political capital through some organizations instead of others. Comparing the work done on a specific area by organizations that had at their disposal wildly differing resources is not an adequate way of measuring their effectiveness.

*Recommendation: The participation of the Bretton Woods Institutions in the annual spring meetings of Economic and Social Council, and the biennial High Level Dialogue of the General Assembly, should be more substantive. The focus should be on areas of common interest and on concrete measures to promote policy consistency to achieve the internationally agreed development goals.*<sup>44</sup>

We agree with this recommendation as it represents a political expression of support to the mechanisms for dialogue and coordination, which we believe is one step towards providing a forum for inclusive discussion of economic policies within the UN. But it does not resolve the problem that currently the High-Level meetings of the BWIs with ECOSOC and the Biennial Meeting of the General Assembly lack any impact on the substantive discussions within those institutions and function, at best, as a reporting device. For instance, it has been suggested the Spring meeting of ECOSOC could take place before rather than after the meetings of the Development Committee and the IMFC, a suggestion not entertained by the report.

*The UN's status and participation in the Development Committee should be enhanced.*<sup>45</sup>

We also support this recommendation and hope it provides the basis for more substantive decisions to operationalize this participation.

*Joint research and staff exchanges and peer reviews should become regular.*<sup>46</sup>

We believe joint research and peer reviews should be accompanied by resources to place both institutions' research machinery on an equal footing. Otherwise, it might lead to unidirectional changes rather than joint learning. In addition, the pressure to carry out joint research should not reduce the space for each institution to carry out its own research. Research reflecting different perspectives is not a negative feature. In fact, it provides the political actors utilizing the research with a wider diversity of views. Differences in research outputs oftentimes simply reflect differences in political structure and promotion incentives present in the institutions that produce it. This is a reality of international organizations that should be accommodated rather than ignored.

*Recommendation: To review cooperation within the international development structure, and to ensure policy consistency and coordination, an annual meeting should be chaired by the Secretary-General, with the participation of the President of the World Bank, the Managing Director of the IMF, the UN Development Coordinator and relevant heads of agencies, funds and programmes, including the Directors General of the World Health Organization, Food and Agriculture Organization, International Labour Organization, UN Educational, Scientific and Cultural Organization, and others depending on the issue under discussion.*<sup>47</sup>

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<sup>44</sup> *Ib.*, 36

<sup>45</sup> *Ib.*

<sup>46</sup> *Ib.*

<sup>47</sup> *Ib.*

We find this recommendation troubling, as it adds another meeting to already countless coordination meetings. It is not clear, for example, how this meeting would differ or add value to the Chief Executive Boards annual meeting, or to the above-mentioned High-Level meetings of ECOSOC and the General Assembly with the BWIs and the WTO.

*Recommendation: The Panel recommends that the Secretary-General establish an independent task force to build on the foundation of its work. It would:*

*. Clearly delineate the roles of the UN and its funds, programmes and specialized agencies to ensure complementarity of mandates and to eliminate duplicated functions, making concrete recommendations for consolidating or merging UN entities where necessary. Such a process has the potential to lead to significant annual savings, possibly up to 20%, which should be redirected to supporting the One UN at country level.<sup>48</sup>*

The call for a new Panel that would, this time, focus more concretely on the roles of UN and its funds, programmes and specialized agencies, raises the troubling perspective that the High Level Panel on System-Wide Coherence, through its focus on “Delivering as ONE” at the country level is paving the ground for a more dramatic restructuring of UN global agencies that would come as a consequence. Indeed, in a new scenario with ONE country programmes it is unclear what would be the role of different UN agencies and how they can justify their separate existence as well as their cross-country work that cannot be shown to refer to provision of MDGs fitting into such programme, to be endorsed by the UN Sustainable Development Board.

The UN Sustainable Development Board, thus, could effectively become the arbiter of what different UN agencies and programmes are relevant or not. It would also effectively judge, through its evaluation of performance, whether, even when relevant, their work is or is not of the required quality. According to the Panel, an assessment of the UN Sustainable Development Board and consideration of the possibility for further merger of Boards of UNDP/UNFPA and UNICEF should happen in a 3-year time.<sup>49</sup>

The agenda that is being laid out for this new Panel is of the utmost importance for providing an answer to the question of what balance will be struck between the need for coherence and for diversity in the UN system. Even more importantly, for answering the question of balance between the Bretton Woods Institutions and the remaining parts of the UN system, which we consider to be a key question.

However, in providing answers to these questions it seems the Panel has already rigged the field through the emphasis of this report on the consolidation of the work of all UN agencies at the country level around one single vision represented by the ONE country programme.

*. Review the assessed funding required by UN specialized agencies—to address the current imbalance between assessed and voluntary resources dedicated to the implementation of*

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<sup>48</sup> *Ib.*, 29

<sup>49</sup> *Ib.*, 31

*normative mandates. The review should determine whether the current policy of zero real growth can allow UN Agencies to deliver on global mandates.*<sup>50</sup>

The recommendation does not state what would happen if the policy of zero real growth does not allow UN Agencies to deliver on global mandates. In this regard, the recommendation comes at critical juncture in the debate on the review of mandates and could significantly weigh in its outcome. There are two possible responses: either resources are increased, or the number of mandates is reduced. So, the question that arises is whether this evaluation will be used as an extra lever to force the Group of 77 to accept erasing more mandates.<sup>51</sup>

*. Review the functioning and continuing relevance of existing regional structures in addressing regional needs, taking into account the different needs of regions and the emergence of strong regional and sub-regional institutions. The review should also consider options for streamlining and consolidation.*<sup>52</sup>

The regional commissions are important insofar as they provide some of the best quality alternative economic knowledge and assistance to developing countries. It is worrisome that, while the Panel recognizes the “vast potential of assets and expertise” of the Regional Commissions, it also says they have increased “duplication, fragmentation and incoherence.”<sup>53</sup>

The language about taking into account “the different needs of regions and the emergence of strong regional and sub-regional institutions” as well as the call for streamlining and consolidation are likely going to lead towards a severe scrutiny of the role of regional commissions and, potentially, their demise. It is unfortunate that the contribution of the regional commissions to diversity of economic policy thinking has not also been mentioned by the Panel among the criteria it proposes for the review.

A general remark about the call for this new panel is that the High Level Panel transfers a significant part of its task to deeper and more systematic work, which seems to show some awareness of the task’s importance and complexity. But, contradictorily, some of the current Panel’s report proposals are far-reaching enough to have consequences on that future work, and may not reach coherent outcomes if all possible scenarios and consequences are not taken into account before implementation.

*Recommendation: The capacity of the Resident Coordinator’s office to advocate, promote and broker partnerships between government and relevant civil society organizations and the private sector should be enhanced to build stakeholder consensus and realize country-specific goals as embodied in the national development plans.*<sup>54</sup>

The above recommendation contains two worrisome aspects: the often mentioned concept of partnerships and that of the participation of civil society.

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<sup>50</sup> *Ib.*, 29

<sup>51</sup> The Group of 77 argues that only mandates older than 5 years should be reviewed, whereas donor countries in general lean to the position that the review should cover all mandates.

<sup>52</sup> Panel’s Report, 29

<sup>53</sup> *Ib.*, 34

<sup>54</sup> *Ib.*, para. 76

The “partnerships” philosophy passes once more onto the market —without intention to regulate it — the responsibility for solving the world's main social and environmental problems. States, particularly the rich and powerful ones, evade all financial or institutional commitments within the UN system, whilst the international economic and financial institutions, the WTO above all, and private resources become, almost exclusively, the only framework for tackling challenges. But we cannot guarantee they will tackle the problem, nor that they will be held accountable if that turns out not to be the case.

Besides, concerns have been expressed about the fact that partnerships, not being contained in any programmatic agreement, shed no clarity about the relation between the agreements that contain them and goals (political declaration and action plan) approved at the UN level. So, the mechanisms for accountability of partnerships are equally unclear. When action plans demand that additional funding be found, allocation into such partnership agreements may *de facto* remove these funds from public institutional control.

As for the reference to civil society and its participation, it is regrettable that the mention seems restricted to this single area of the report. The seeming reluctance to recognize civil society and thus to open spaces for real participation in the work towards greater system-wide coherence is a matter of concern to us.

*Recommendation: There should be full core funding for individual UN organizations committed to reform. There should be full core funding for individual funds and programmes demonstrably committed to reform, effectiveness and working together, through strengthened and improved multiyear funding frameworks, with strategic priorities, related funding priorities and robust indicators. By 2008 funds and programmes should align their multiyear funding cycles to facilitate strategic coordination.*<sup>55</sup>

We welcome attention to the problem of UN Core funding. The Panel is supportive of solutions to a problem deeply felt by UN agencies and, definitely, one of the main hindrances to their effectiveness and fulfillment of mandates. However, the clause that subordinates core funding to a “commitment to reform, effectiveness and working together” raises concerns. It could well operate as an incentive system for UN agencies to have to adhere to a uniform view of how to achieve MDGs, to less space for different and innovative approaches to global problem-solving.

In addition, we believe the problem of core UN funding cannot be faced by only appealing to voluntary contributions as the HLP insists: “*Donors would be strongly encouraged to contribute thorough these funds.*”<sup>56</sup> For the challenges facing the UN system, even a reformed system, there is a need for sustained, predictable, long-term funding instead of voluntary contributions.

*Business practices for resource planning, human resources, common services and evaluation must achieve full compatibility as major drivers of coherence in the UN system. There should be greater opportunities for staff mobility and a system-wide agreement on results based management as well as an independent UN system-wide evaluation mechanism and common evaluation methodologies and benchmarking. The UN must systematically examine opportunities and possibilities for joint services.*<sup>3</sup>

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<sup>55</sup> *Ib.*, 39

<sup>56</sup> *Ib.*

*Recommendation: The Chief Executives Board, chaired by the Secretary-General, should lead efforts to improve management efficiency, transparency and accountability of the UN system.*

*Recommendation: The business practices of the UN system should be harmonized.*

The UN system plays (or should play at least) a global role equivalent to that played by a government at the state level. And governments, at the state level, fulfill the task of managing its public sector. It is in that sense that the UN system is and will be the manager of the global public sector.

Thus, we regard as especially worrisome the emphasis on the introduction of standards belonging to the business world and in especial that of linking the operation and funding of a public administration to its results. The recommendation reinforces narrow conceptions of management and the logic of profit, ignoring the range of experiences developed by its own UN agencies and the not for profit organizations who value effectiveness and efficiency within a public (community) service ethos.

Whilst the UN as a learning organization must learn from all who have something to contribute, including the private sector, this must be taken only in as far as it serves the organization's efficiency and effectiveness without undermining the core organizational mandate. To learn solely from the experiences of the private sector could undermine the principle underlying this report: coherence.