OTHER MATTERS

ISSUES OF CONCERN TO THE GOVERNING COUNCIL OF THE UNITED NATIONS DEVELOPMENT PROGRAMME ARISING FROM ACTION BY THE GENERAL ASSEMBLY AT ITS FORTY-SECOND SESSION

UNDP's response to the findings of the report on case studies on the functioning of the operational activities for development of the United Nations system

SUMMARY

The present paper has been prepared in response to General Assembly resolution 42/196 which requested inter alia governing bodies of organizations of the United Nations development system to discuss in detail the conclusions and recommendations of the report prepared by Mr. Kurt Jansson and submitted to the General Assembly at its forty-second session as an addendum to the Director-General's Report on Operational Activities. This paper summarizes the findings and recommendations of that report and provides comments of the Administrator.
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INTRODUCTION

1. In paragraph 2 of General Assembly resolution 42/196 on operational activities for development, governing bodies of organizations of the United Nations development system are requested to discuss in detail the conclusions and recommendations of the report on case studies on the functioning of the operational activities for development of the United Nations system submitted as an addendum to the Director-General's report on operational activities 1/ and to submit their views to the Economic and Social Council.

2. To facilitate discussion of the report on the case studies (hereinafter referred to as the "Jansson report"), the findings and recommendations of the Jansson report are grouped under common headings since some of them overlap. All the findings and recommendations of the report are so grouped and commented upon, although some already received detailed review by the Second Committee of the General Assembly at its forty-second session.

I. THE IMPORTANCE OF THE UNITED NATIONS SYSTEM OF TECHNICAL CO-OPERATION

3. Paragraph 82 (a) of the conclusions and recommendations of the Jansson report states that the importance of assistance from the United Nations system goes much beyond its value in terms of its contribution to the volume of aid flow. It further states that the United Nations system has a unique role to play as a partner in development given its global experience, multilateralism and non-political character. This is an important point, and the Administrator welcomes the emphasis placed on this aspect of United Nations assistance. In the Jansson report, this important role is contrasted with the "very modest" volume of United Nations assistance (para. 11). The comparison of total United Nations aid to global official development assistance (ODA), both capital and technical, gives a somewhat inaccurate picture of the relative importance of the volume of United Nations aid. If that part of the United Nations system which provides technical assistance (i.e., excluding the World Bank group, the International Fund for Agricultural Development (IFAD), the United Nations Capital Development Fund (UNCDF) and the United Nations Sudano-Sahelian Office (UNSO)) is compared with global grants of technical co-operation, a different picture emerges. The United Nations system share of total technical co-operation in the form of grants stood at 19 per cent in 1985.

II. PROGRAMMING AND CO-ORDINATION

4. Paragraph 82 (b) of the Jansson report encourages continued efforts towards greater integration of the United Nations system operational activities through joint programming. The initiative of the Joint Consultative Group on Policy (JCGP) in this direction is commended.

5. Joint programming is being actively pursued through the JCGP mechanism. A number of countries have been identified where joint programming activities will be
initiated and developed. On the basis of experience gained in these countries, it is planned that the joint programming approach will be expanded to cover other countries. As mentioned in the Jansson report, one of the main difficulties hampering joint programming among the JCGP members is the different programming cycles. Nevertheless, methodology is being developed in JCGP which will allow for sharing and exchange of information and identification of common activities. Even though most of the UNDP country programmes for the current cycle have been completed, there is scope for developing a joint approach to programming given the continuous programming aspect of UNDP's country programmes.

6. Paragraph 82 (d) of the report urges greater decentralization of the management of operational activities and gradual harmonization of procedures among the agencies including programme cycles, project documentation, financial rules and delegation of decision-making authority to field representatives.

7. The Administrator fully supports and welcomes greater decentralization of management and operational activities and decision-making authority to the field representatives. UNDP has recently introduced a revised procedure for project formulation which places greater emphasis on Governments and the field offices in formulating and developing projects. Moreover, UNDP is actively working to promote greater harmonization, both within the United Nations system and with bilateral donors. The subject is on the agenda of the Consultative Committee on Substantive Questions (Operational Activities) (CCSQ(OPS)). Progress has already been made in harmonizing procedures within the United Nations system as relates to evaluation. It is anticipated that procedure will be standardized also in relation to project proposals and formulation on the basis of the above-mentioned revised UNDP procedure.

8. Paragraph 82 (e) urges more emphasis on sectoral and thematic programming rather than on projects. This paragraph also makes the case for concentrating United Nations system funds in a few priority sectors and programmes in preference to the concept of "filling gaps".

9. This is very much in line with the existing UNDP country programme process. However what follows, i.e., the recommendation to concentrate on a few priority sectors and programmes, is more difficult for UNDP to accept. While UNDP agrees that approaches to programming may need a clearer focus, the suggestion that United Nations system funds in most countries should be concentrated on a few priority sectors is not borne out by the programming exercises that have been carried out with Governments. Many Governments have not supported such an approach.

10. UNDP attempts to work with Governments to help them to understand and analyse the advantages and disadvantages of various options and to select how best aid funds can be distributed and utilized. The requirements of each country should be considered separately, and the United Nations system approach should be based on an analysis of the country's technical co-operation requirements, on an assessment of the donor (including UNDP) preferences, plans and comparative advantages and in particular on the country's own concerns in the context of its overall requirements.
11. In this process, either greater concentration or wider coverage may result, but there would be no predetermined policy to pursue a particular course. In this regard, UNDP has amended its country programming procedure by introducing a "UNDP advisory note" to Governments which would be based on such an analysis of countries' technical co-operation requirements.

12. Paragraph 82 (i) of the Jansson report notes that the UNDP country programme has not fulfilled Governing Council expectations of providing a frame of reference for all sources of United Nations technical assistance. New instructions for the fourth programming cycle are considered important innovations. The paragraph concludes that, if joint programming becomes prevalent in the United Nations system, it may be necessary to consider a different type of document based more on a programme rather than a project approach.

13. In discussing the country programme, two quite separate concepts are being addressed. One is the use of the country programme process per se as a frame of reference for programming resources other than those of UNDP. The other is where technical assistance funds from other sources are identified in the actual country programme document. In a study of this subject, CCSQ(OPS) in 1979 agreed "to the understanding of the term 'frame of reference' as a basis or frame for helping to guide the programming of resources other than those of UNDP, this being quite different from including non-UNDP sources as an integral part of the UNDP country programme, although such integrated programming is not precluded where circumstances warrant it". 2/

14. A study on UNDP experience with the utilization of the country programme process as a frame of reference for operational activities of the United Nations system is being undertaken as an input to the broader study of the subject by the Director-General for Development and International Economic Co-operation in accordance with paragraph 15 of General Assembly resolution 42/196. Paragraphs 19-25 of the analysis of country programme trends during the third and fourth IPF cycles 3/ deal with this aspect of UNDP experience during the third and fourth cycles.

15. As concerns the second aspect of country programming, i.e. including other funds in the country programme document, an important measure taken by the Administrator to strengthen the country programming system under the fourth cycle is to widen the scope of the country programme. This measure is designed to help the Government to use the UNDP country programme to identify technical assistance from other sources. Whilst the indicative planning figure (IPF) allocated to the country remains the principal resource for the country programme, the financial scope of the country programme is broadened to cover those non-IPF resources which clearly support the objectives identified for country programming so that such funds and programmes are to be integrated into the country programme.

16. The new guidelines for country programming spell out at length the steps to be taken to bring the various non-IPF resources systematically within the scope of the country programme. It is, however, stressed in the guidelines that, in dealing with the broad spectrum of possible resources for the country programme, only those resources which support the objectives of the country programme and have been
obligated for this purpose should be included, so that the country programme constitutes a common and realistic framework. Paragraphs 59-65 of document DP/1988/31 deal with UNDP experience in this regard.

III. RESIDENT CO-ORDINATOR

17. Paragraph 82 (c) of the report addresses the leadership and operational functions of the resident co-ordinator and recommends that the resident co-ordinator assignment be separate from that of resident representative in countries with large programmes.

18. UNDP would question this recommendation if it means that there should be one person designated as resident co-ordinator and another appointed as resident representative. Inter-agency agreements already exist setting out the understanding of the Administrative Committee on Co-ordination (ACC) of the various General Assembly resolutions dealing with the role of resident co-ordinator. Any weakness in the authority or the functions of resident co-ordinators derives from constitutional and structural arrangements in the United Nations system and is not in UNDP's judgement related to the exercise of these functions by the person who is also the resident representative. However, in keeping with the suggestion of the report, UNDP firmly believes that, were the donors to channel increased funds through UNDP, the co-ordinating role at the field level would be facilitated and enhanced.

19. Further, the resident co-ordinator's function does not at present include the authority to undertake substantive operations. A co-ordinator without operational functions would almost certainly function in a vacuum. To operate separate offices of resident co-ordinators with supporting staff would also require considerable additional financial resources.

20. In a single case where the resident co-ordinator functions were exercised separately from those of the resident representative, the results were most unsatisfactory.

IV. CONCENTRATION OF UNDP DEVELOPMENT ASSISTANCE IN MORE NEEDY COUNTRIES

21. Paragraph 82 (f) of the report raises the question as to whether there needs to be a reconsideration of the allocation of UNDP resources "with a much larger share than at present being donated to the poorest and least developed countries". It concludes that "the use of UNDP's very limited resources may need to be more strongly concentrated on a smaller number of countries with the greatest need for development assistance".

22. The proposal that UNDP funds should be more strongly concentrated on a smaller number of countries in greatest need is noted as one for political decision in intergovernmental bodies. It should be pointed out, however, that for the third and fourth cycles UNDP allocated 80 per cent of its resources to low-income countries, leaving some 86 countries to share the remaining 20 per cent.
V. REINFORCING THE ROLE OF UNDP

23. Paragraph 82 (g) of the report stresses the importance of UNDP as a central funding agency and urges donors to channel trust funds as much as possible through the Programme.

24. UNDP fully supports this recommendation. Since 1976, trust fund arrangements with the specialized agencies have attracted considerable resources from the aid community, especially members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC). Clearly, such proliferation of resources has tended to weaken UNDP's central funding role, a role which the donors nevertheless uphold in the Governing Council. This dichotomy of approach was pointed to in a study on UNDP field offices in selected countries in Africa and Asia (Nordic study: "UNDP in action").

25. Started on an ad hoc basis, but since institutionalized, trust funding also adds to the difficulty of the aid establishments in donor countries to achieve a more coherent aid profile, as it tends to create or strengthen organized groups that are committed to sectoral interests. As a result, donors and recipients feel dissatisfied with an aid allocation process that was initiated to achieve additional flexibility, but has grown to become an obstacle to an integrated technical assistance programme reflecting national aid priorities.

VI. DECENTRALIZATION OF UNDP

26. Paragraph 82 (h) of the report urges UNDP to achieve a higher degree of decentralization to increase efficiency at the country level, and recommends the raising of the present project approval limit of $400,000.

27. UNDP is pursuing further the decentralization of operations and decision-making wherever possible. The project approval limit for resident representatives has now been increased from $400,000 to $700,000. However, UNDP would not agree with the position taken in the report that ultimately headquarters should have no role in project approvals and should instead concentrate on the mobilization of resources, financial management and close monitoring. A statement in one country report alleged, apparently with the approval of the Jansson report, that the establishment of the Action Committee at UNDP headquarters was a "step backward" and that it contributed to delays in approvals. On the contrary, the evidence is that the direct involvement of the senior administration has resulted not only in the speeding up of project review and approvals, but also in a marked improvement in project design and quality. A sampling of the submissions to the Committee confirms that the process has been accelerated. The average time taken between submission to headquarters and project approval in February 1987 was 3.8 months. In September 1987, the average had been reduced to 2.8 months. Projects over $400,000 were being submitted to headquarters for approval prior to the establishment of the Committee and the comparison given above shows more than a 25 per cent reduction in the time taken in the approval process.

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VII. CLOSER CO-OPERATION BETWEEN MULTILATERAL FINANCIAL ASSISTANCE SOURCES AND UNITED NATIONS AGENCIES

28. In paragraph 82 (j) the report calls for closer co-operation with the World Bank and regional banks, e.g., in areas such as needs assessment for technical assistance as well as in specific sectors.


VIII. SUBSTANTIVE SUPPORT TO GOVERNMENTS IN MEETING THEIR DEVELOPMENT PLANNING NEEDS

30. Paragraphs 82 (k), (l), (m) and (n) contain recommendations on how the United Nations system could better assist Governments in programming aid co-ordination and management support.

31. Paragraph 82 (k) stresses that the United Nations system's capacity for analytical work should be strengthened at the country level through redeployment of substantive staff.

32. Paragraph 82 (l) stresses the importance of greater interaction with Governments in matters of development policy.

33. Paragraph 82 (m) recommends that the United Nations system urgently consider the question of the flow of development information to developing countries through the use of modern information techniques.

34. Paragraph 82 (n) urges the United Nations system to assist Governments in strengthening their role as co-ordinators of external aid through regular joint programming consultations.

35. UNDP has already taken the initiative to assist Governments in analytical work, advice on development policy and programming and aid co-ordination by appointing substantive staff to field offices. One of the measures taken in this direction has been the appointment of 12 economists to field offices. The experience with this new approach is being closely monitored and evaluated since UNDP intends to increase the number of economists appointed to field offices in the future. The appointment of economists in Africa is closely linked to the implementation of new activities being launched in areas of aid co-ordination and economic management. Thus, the principal tasks of the field economists are to assist in the organization of round-table conferences, UNDP participation in Consultative Group and follow-up sectoral meetings and field level co-ordination, National Technical Co-operation Assessment Programmes (NaTCAPs), and projects in economic management such as planning, structural adjustment and debt management.

36. However, the Jansson report speaks in paragraph 82 (k) of redeployment of substantive staff from headquarters to the field. This recommendation is for the United Nations system as a whole, i.e., it includes agencies. This does not seem
to be a practical recommendation. It would require equipping each field office with an array of expertise which would be financially impossible. This would amount in effect to attempting to replicate in each field office an array of talent which is more economically concentrated at headquarters. Furthermore, in the opinion of UNDP, developing countries are better served by having access to high-level expertise as and when required, rather than locating larger numbers of resident specialists in the developing countries.

37. Concerning the flow of development information, UNDP has taken measures to improve the preparation and presentation of the development co-operation report. There are, of course, methodological problems in this regard. The full co-operation, both of the recipient Governments and of all sources of aid, are needed in order for the report to be meaningful and contain information on all programmes. Consultations are now under way with other multilateral and bilateral donors, UNDP resident representatives and other interested institutions in order to establish an improved and standardized methodology and format for the issuance of this report in 1988.

38. Concerning the need to strengthen Governments' capacity to co-ordinate external aid, UNDP is taking a number of initiatives. First, UNDP is taking the lead in Governments' efforts to organize round-tables and subsequent sectoral meetings. In 1986, the round-table format was modified to be made more effective. Efforts continued to be made to strengthen the process, such as by shortening the cycle and by seeking greater linkages between round-table conferences and field-level co-ordination meetings. Secondly, UNDP is also taking an active role in discussions of technical assistance in Consultative Group meetings by assisting Governments to present issues papers with the aim of improving co-ordination.

39. Third, UNDP is organizing NaTCAPs in more and more countries. NaTCAPs are currently going through the pilot phase, in which NaTCAP exercises are planned for 10 countries in Africa. Exercises have already been conducted in Zambia, Swaziland and the Central African Republic. Before proceeding further, it was considered essential to make a review of experience in these three countries. The review has been completed and UNDP is in the process of revising some of the methodology which has been previously used. NaTCAP exercises will be undertaken not only in the Africa region but extended to other regions as well, based on the specific needs of the countries.

40. NaTCAPs provide the necessary analysis for improving the effectiveness and co-ordination of technical co-operation. The purpose of NaTCAPs is to empower Governments; they assess technical co-operation requirements on the basis of which Governments may set forth priorities. It is within this framework that Governments can rationalize and co-ordinate assistance from all sources. The ultimate aim of NaTCAP exercises is "internalization", so that they become a government process.
IX. NON-GOVERNMENTAL ORGANIZATIONS

41. Paragraph 82 (o) of the report states that non-governmental organizations (NGOs) have resources that greatly exceed those of the United Nations system. It is recommended that NGOs therefore become part of aid co-ordination arrangements and that they participate in joint programming and project implementation.

42. The report may not be justified in saying (para. 63) that the United Nations system has failed to establish functional links with NGOs. UNDP resident representatives have been instructed to strengthen their contacts with NGOs at the field level through regular consultation and collaboration. To this end, focal points for NGO matters have been established in each field office. In several countries, such as Nepal and Botswana, NGOs are invited to participate at regular co-ordination meetings. So far UNDP has assisted eight Governments of developing countries to organize NGO round tables. The development co-operation report mentioned in paragraph 37 above will include, in future, information on NGOs. The statement paragraph 64 of the report that NGOs usually have their own internal co-ordinating mechanisms is not borne out by UNDP experience from working with NGOs. On the contrary, NGOs usually do not have co-ordinating mechanisms and UNDP is helping NGOs to establish them.

X. FIELD REPRESENTATION AND COMMON PREMISES

43. Paragraph 82 (p) states that the findings of the case study missions were inconclusive on this subject.

44. A separate report to the Governing Council on the subject of the rationalization of the field structure is being presented to the Council at the present session. 4/

Notes

1/ A/42/326/Add.1.