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**Operational activities of the United Nations
for international development cooperation:
follow-up to policy recommendations of the
General Assembly**

**CONSOLIDATED LIST OF ISSUES RELATED TO THE COORDINATION OF
OPERATIONAL ACTIVITIES FOR DEVELOPMENT, 2002**

Summary

This conference room paper is prepared in compliance with paragraph 4 of Council resolution 98/27 in which the Council has invited the Secretary-General to arrange for submission by the executive heads of the United Nations funds and programmes, in consultation with the United Nations Development Group, to the Council at its annual substantive session of a concise consolidated list of issues which are central to the improved coordination of operational activities and on which the funds and programmes seek consideration by and guidance from the Council, particularly in regard to the triennial policy review, and to include in the list recommendations whenever possible.

The annex to this paper prepared in compliance with paragraph 61 of General Assembly resolution 56/201 which requested the funds and programmes of the United Nations system to submit to the substantive session of ECOSOC in 2002, a programme of work for the full simplification and harmonisation in the areas identified in paragraph 60 of the same resolution (the decentralisation and delegation of authority; the financial regulations; the procedures for implementing programmes and projects and in particular the requirements in terms of monitoring and reporting; the common shared services in country offices; and the recruitment, training and remuneration of national project personnel) to be completed before the end of 2004, including provisions to phase out redundant rules and procedures, benchmarks, responsibilities and a time table to monitor progress towards reaching this target.

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I. Introduction

1. The present annotated list of issues has been prepared for the consideration of the Economic and Social Council by the United Nations funds and programmes, in consultation with the United Nations Development Group, in compliance with paragraph 4 of Council resolution 98/27. This list of issues follows closely the adoption of the Triennial Policy Review of Operational Activities for Development of the United Nations system, adopted in General Assembly resolution 56/201.

2. The list of issues for the consideration of the Economic and Social Council also benefits from recent intergovernmental decisions and declarations as adopted by the Third Conference on Least Developed Countries, the Monterrey Consensus following the International Conference on Financing for Development and the United Nations General Assembly Special Session on Children. It looks forward to the results of the World Summit on Sustainable Development.

3. The list of issues has also benefited, in its preparation, from the reports of the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund and the World Food Programme to the Economic and Social Council prepared according to common guidelines decided by the Council and from regular reporting of the funds and programmes to their Executive Boards on similar issues.

4. As mandated in res. 56/201, an addendum to this list of issues prepared jointly by the members of UNDG will detail an implementation agenda for harmonization and simplification.

5. The Council may wish to:

Examine the value added of the funds and programmes preparing this consolidated list of issues in light of existing reporting mechanisms at various levels.

Re-evaluate the opportunity of additional layers of reporting as a contribution to further simplification of operational activities for development, and the reduction of transaction costs for intergovernmental oversight of the activities of the United Nations funds and programmes.

Make recommendations on the future of this consolidated list, reviewing ECOSOC resolution 98/27 and propose alternatives ensuring that the Executive Heads of funds and programmes bring to the attention of the Economic and Social Council only those issues where specific guidance is required.

II. Simplification and Harmonization

6. The Triennial Policy Review of operational activities for development of the United Nations system (res. 56/201) stressed the primary responsibility of national Governments for their country's development and recognized the importance of national ownership of country programmes. Resolution 56/201 also provided extensive guidance to the funds and programmes of the United Nations in the implementation of the Secretary-General's reform programme for the United Nations as adopted in resolutions 52/12 B and 53/192.

7. These resolutions called, inter alia, for the organizations of the United Nations system to strengthen and adapt their strategies and activities and to increase their coordination and collaboration in order to enhance their supportive roles in meeting the commitments, goals and targets of the Millennium Declaration and major United Nations conferences.

8. In fulfillment of this mandate, the funds and programmes of the United Nations have embarked on a wide ranging programme of simplification and harmonization of their policies and procedures aimed at a more efficient use of scarce development resources, and the reduction of transaction costs to Governments in their primary responsibility for leading and coordinating, on the basis of national strategies and priorities, all types of external assistance, including that provided by multilateral organizations. The agenda for this simplification and harmonization task, with specific benchmarks and deadlines are included in the addendum to this list.

9. The Economic and Social Council may wish to:

Review the simplification and harmonization agenda appended to this consolidated list

Provide guidance to the funds and programmes on priorities regarding the benchmarks and timetables for the implementation of the simplification and harmonization mandate.

III. Reform Mechanisms

10. The United Nations Development Group was set up as a coordination mechanism for the implementation of the Secretary-General's reform programme as adopted in resolution 55/12 B. With the addition of UNESCO and FAO in 2001, and ILO and UNIDO in 2002, the UNDG¹ now includes all agencies with resident missions at the country level. The scope of UNDG has also been enhanced with the addition of the World Bank as observer.

11. In the past year, UNDG has developed new guidelines for the Common Country Assessment and the United Nations Development Assistance Framework. It has also developed guidance notes, in the past year, on the monitoring of the Millennium Development Goals at the country level, on United Nations support to the formulation of poverty reduction strategies including

¹ Membership of UNDG as of 18 June 2002: UNFPA, UNICEF, WFP, UNDP, HCHR, WHO, UNESCO, FAO, UNIDO, ILO, DESA, UNDPI, UNOPS, UNAIDS, UNCTAD, UN-HABITAT, UNIFEM, ODCCP, IFAD, Regional Commissions. Observer status: Special Representative of the Secretary-General for Children and Armed Conflict, UNFIP, OCHA, Spokesman for the Secretary-General, Director - Office of the Deputy Secretary-General, and the World Bank.

Poverty Reduction Strategy Papers, and on HIV/AIDS. Such guidance notes have been conveyed to the High Level Committee on Programmes for endorsement by the United Nations system.

13. The United Nations Development Group, in the past year, effectively cooperated with the Executive Committee on Humanitarian Activities in the development of a strategy paper on the United Nations and European Institutions, and on the preparation of a joint United Nations response to the humanitarian and development needs in Afghanistan.

14. As a core group of UNDG, the UNDG Executive Committee comprises the four funds and programmes that are directly subject to the authority of the Secretary-General, and the governing councils of which are subsidiary organs of the Economic and Social Council: UNDP, UNICEF, UNFPA and WFP. The members of the Executive Committee meet regularly to ensure continuing progress in the implementation of the Secretary-General's reform agenda as mandated by the General Assembly. One important aspect of this work has been the development of guidance for country approval processes as adopted by the Executive Boards of UNDP/UNFPA and UNICEF. The WFP Board is currently considering as well how best streamline programme approval processes that would result in a consequent reduction to national Governments in transaction costs.

15. The Economic and Social Council may wish to:

Welcome the expansion in membership of the United Nations Development Group.

Take note of the work-programme of the UNDG and its Executive Committee, and request a report thereon.

IV. Resident Coordinator system

16. In the past year, the funds and programmes have cooperated in further strengthening of the Resident Coordinator system, managed and funded by UNDP. In an effort to continue expanding the pool from which Resident Coordinators are drawn, a new assessment procedure was pilot tested and introduced aimed at ensuring that humanitarian response and preparedness capacities are adequately covered. Some sixty-six candidates were assessed (35 from UNDP, 26 from other agencies, and the remainder were external candidates) using this new procedures resulting in an increase in the number of Resident Coordinators from agencies other than UNDP. However, the number of women RCs remains low, at around 26 per cent of the total. UNDG member organizations have agreed to propose at least 50 per cent women candidates from their organizations for the RC assessment, in an effort to improve the gender balance of the RC system.

17. The Inter-Agency Advisory Panel gave special attention to fast track candidates to serve in countries in crisis as Resident Coordinators and Humanitarian Coordinators.

18. With the introduction of a new assessment procedure, the UNDG has agreed to a new mechanism to evaluate the performance of Resident Coordinators and their country teams using a 180-degree exercise.

19. Finally, the undg has made recommendations with a view to reducing the length of time involved in the selection of the Resident Coordinators, from the proposal of candidatures, to final agreement by the national authorities, with the aim of ensuring rapid placement and succession planning in Country Offices.

20. The Economic and Social Council may wish to:

Take note of improvements in the selection procedures for Resident Coordinators

Welcome efforts to monitor performance of Resident Coordinators and United Nations Country Teams through 180 degree evaluation exercises.

Encourage all entities participating in the RC system to put forward for the assessment at least 50 per cent women staff members.

Make recommendations aiming at reducing the length of time involved in the selection of Resident Coordinators with the aim of ensuring rapid placement.

V. Implementation of the CCA and UNDAF

21. In the past year, the guidelines of the CCA and the UNDAF have been revised to take account of the mandates of the Triennial Policy Review (res. 56/201), and the role of the undg in preparing country reports on the Millennium Development Goals. The Triennial Policy Review inter alia called for continued improvements in the CCA and the UNDAF by increasing, under national leadership, coherence and coordination within the United Nations system. It also called for the CCA to take into account national priorities and needs as well as commitments, goals and targets set in the Millennium Declaration.

22. Evaluation of the CCA and UNDAF as a basis for the Triennial Policy Review revealed that, in the pilot phase, CCA and UNDAF were hampered in their implementation by lack of planning, data collection and analytical capacity. The preparation period for these instruments was also seen by country teams as longer than anticipated, requiring a large investment of time by United Nations staff and partners. The evaluation concluded that more focus is required on sustainability, participatory approaches and the inclusion in civil society while ensuring government ownership and leadership of the UNDAF process.

23. Based on the evaluation of the UNDAF that preceded the Triennial Policy Review, new guidelines for the CCA and UNDAF call for greater consistency between the strategic frameworks developed by United Nations funds, programmes and agencies, and the Bretton Woods institutions and the national poverty reduction strategies, including PRSPs where they exist. New CCA/UNDAF guidelines have been prepared, and include stronger national leadership and ownership, the closer involvement of civil society, and attention to factors such as environmental sustainability and right - based approach seen as essential for development operations. A guidance note on support to the PRSP process was prepared by undg and sent to the country offices to guide such interactions.

24. The evaluation of UNDAF also suggested more coherence between UNDAF and the respective country programmes of UN entities operating at the country level and concluded that efficient individual country programming procedures required better integration with the CCA/UNDAF. The streamlining of the country programming process adopted by UNDP/UNFPA and UNICEF Executive Boards, and being considered by the WFP Board, is expected to facilitate the efficiency of the CCA/UNDAF and individual country programming process.

25. The Economic and Social Council may wish to:

Encourage United Nations Country Teams to work closely with national counterparts in the preparation of CCA and UNDAF on the basis of national ownership of these processes.

Encourage greater use of CCA and UNDAF to streamline programming modalities at the country level, with a focus as appropriate on joint and collaborative programming, particularly in the areas of HIV/AIDS, poverty reduction and humanitarian assistance.

VI. Collaboration with Bretton Woods Institutions

26. Following the important exchange of views, and the extensive collaboration between the United Nations and the Bretton Woods institutions as well as the World Trade Organization in the processes leading to the International Conference on Financing for Development, collaboration between the United Nations funds and programmes and the BWIs is expected to intensify.

27. As noted by the Secretary-General in the Special Economic and Social Council high-level meeting with the Bretton Woods Institutions on 22 April 2002, the United Nations, the BWIs, WTO and other international organizations mobilized to prepare the conference. Nevertheless, translating the Monterrey consensus into actions to achieve concrete progress in the Millennium Goals involves a process leading to decisions at the national and international levels that requires strong political will.

28. At the headquarters level, interactions between representatives of the Economic and Social Council and the Directors of the Executive Boards of the World Bank and the International Monetary Fund have led to important exchanges of views on matters related to the follow-up of the ICFD and preparations for the annual meetings of the Bretton Woods Institutions. To take full advantage of the synergies between policy analysis and operational activities for development, the Economic and Social Council may wish to explore methods to enhance the participation of undg member agencies, especially the members of its Executive Committee.

29. The Economic and Social Council may wish to:

Welcome the coordination, in the preparation of CCA and UNDAF and in processes leading to national poverty reduction strategies, including PRSPs, between the funds and programmes, the World Bank and IMF;

Take note of the guidance note issued by undg on support to PRSP processes at the country level;

Provide guidance to the operational funds and programmes in participating in the high level dialogue between ECOSOC and the BWIs, thus adding country perspectives on operational activities for development in this dialogue.

VII. Follow-up to International Conferences and the Millennium Declaration

30. The Monterrey Consensus adopted at the International Conference on Financing for Development represents a global compact. Developing countries have pledged themselves to pursue sound economic policies, raise domestic resources, encourage investment, and adopt a good governance framework in order to achieve the Millennium Development Goals. For their part, developed countries agreed to promote a fair trading system, with the participation of all countries, enhanced debt relief and greater levels of ODA.

31. The commitments, goals and targets on development adopted in the Millennium Declaration represent a specific, time-bound set of goals to measure performance of both developed and developing countries in meeting the goals. While DESA has been tasked with monitoring the MDGs at the global level, leading inter alia, to an annual report by the Secretary-General, the Administrator of UNDP as Chair of undg has been asked to assist countries in producing national reports on progress towards the achievement of MDGs. These reports would be primarily drawn from information prepared for the CCA.

32. The Economic and Social Council may wish to:

Provide guidance to the funds and programmes on the commitments, goals and targets of the Millennium Declaration and other United Nations conferences and summits as a means of measuring progress in development goals.

Welcome the roles of DESA and undg member agencies in monitoring achievement towards MDGs at the global and national levels respectively.

Make recommendations on the involvement of regional commissions in providing regional level information and reports on MDGs.

VIII. Funding

33. Funding of operational activities for development remains, as res. 56/201 noted well below optimal level to provide the United Nations system with a critical mass of core resources required to enable long-term development cooperation towards attaining the Millennium Development Goals and providing more integrated development support.

34. At Monterrey, announcements of increases in ODA have had the important effect of signaling an end to the downturn that has characterized ODA for the past few years. When such increases in funding come into effect, it is expected that ODA will increase by a cumulative figure of US \$ 30 billion between fiscal years 2003 and 2006. Against this background, it is contemplated that there may be a better climate for strengthening multilateral operational activities for development in assistance to countries to meet the Millennium Development Goals.

35. Members of the United Nations Development Group have undertaken widespread reforms both within agencies and at the interagency level. It is important that renewed efficiency of operational activities for development of the United Nations be matched by an increase in multilateral funding in order to strengthen the impact and benefit of these reforms at the country level. Recent increases in the core funding of United Nations funds and programmes have reversed the tendency towards a decline evident to 2000. Although positive, this increase is quite marginal and would need to be expanded to enable countries to continue to benefit from this reform process.

36. The Economic and Social Council may wish to:

Welcome the increases in ODA announced at Monterrey

Encourage countries that have not done so to increase their ODA levels and the share of multilateral operational activities for development financed by these resources.

ANNEX

Programme of work for the simplification and harmonisation of the United Nations funds and programmes

I. Introduction

The General Assembly resolution 56/201 on the triennial comprehensive policy review of operational activities for development of the United Nations has reiterated its request to the United Nations funds and programmes and specialized agencies of the United Nations system to simplify and harmonize their rules and procedures. In this context, the General Assembly asked the funds and programmes to accord the issue of simplification and harmonization high priority and to take concrete steps in the areas of 1) decentralization and delegation of authority, 2) financial regulations, 3) procedures for implementing programmes and projects and, in particular, the requirements in terms of monitoring and reporting, 4) common shared services in country offices, 5) recruitment, remuneration and training of national project personnel and also 6) harmonization of the information technology platforms utilized by the United Nations system both at the field and at the headquarters level.

The General Assembly requested the funds and programmes of the United Nations system to submit to the substantive session of ECOSOC in 2002, a programme of work for the simplification and harmonization in the above-mentioned areas to be completed before the end of 2004, including provisions to phase out redundant rules and procedures, benchmarks, responsibilities and a time table to monitor progress towards reaching this target and for the United Nations Development Group Executive Committee to facilitate the definition of the above-mentioned agenda and its implementation. The General Assembly, also invited the Executive Boards and Governing Bodies of the funds and programmes and specialized agencies to regularly assess progress achieved in the area of simplification and harmonization of rules and procedures, and for the CEB (ACC) to address the requirements for further simplification and harmonization of procedures.

II. Rationale for Simplification and Harmonization

The rationale for simplification and harmonization derives from three basic objectives.¹ First, by reducing the heterogeneity and complexity of rules and procedures of the United Nations system, transactions costs on many countries and United Nations agencies could be minimized. Second, the same complexities in procedures weaken the effectiveness of the United Nations system's developmental support at the country level. To raise the development effectiveness and increase the impact and sustainability of development support provided by the United Nations, the General Assembly stressed in the 1997 Programme of Reform that coordination in funding arrangements and procedures should maximize complementarities and avoid duplication so as to increase the positive impact of developmental cooperation activities of developing countries. Thirdly, simplification and harmonization of its programme procedures, should improve

¹As noted in General Assembly and ECOSOC resolutions including 44/211, 2000/46, 51/950

accountability, not only financial accountability, but also accountability for actually achieving sustainable results.

Given that the basis for this work is the country programme, the undg Executive Committee members are all well placed to take this work forward as they have all already adopted the programme approach and harmonized their programme cycles and programme approval processes.

III. Introduction to the undg Programme of Work for Simplification and Harmonization from 2002 to 2004

Following the General Assembly resolution 56/20 the undg Executive Committee put Simplification and Harmonization on its short list of priorities for 2002, and established dedicated capacity to address this in UN Development Group Office (DGO). The undg Executive Committee also reviewed the existing working groups and identified issues already being addressed, (common premises and services, personnel policies, financial policies and information technology). The undg Executive Committee established an additional working group and task force to address harmonization and simplification of programme preparation, approval and implementation procedures as well as related financial and monitoring/reporting issues. All groups were given new tasking memorandums to reflect the priorities stemming from the resolution 56/201.

After assessing the progress made thus far, the undg has established a work plan for 2002-2004 to address key issues in the TCPR resolution.

The undg Executive Committee agencies agreed on some key principles to guide their work on simplification and harmonization. The work should result in arrangements that make it as easy as possible for programme countries to deal with us as external partners, through processes that converge around national priorities. Simplification and harmonization is also viewed as a further opportunity to strengthen sustainable national capacities to manage the development process and development cooperation. New arrangements will need to be flexible to adjust and adapt to specific country situations, while empowering our partners in the country. The goal of these simplification and harmonization measures is to increase efficiency, effectiveness and accountability and reduce transaction costs for governments and UN staff. In developing new arrangements, the undg Executive Committee agencies will collaborate closely with our country offices and national partners, as well as with related efforts such as the OECD/DAC Task Force on Donor Practices.

This paper presents the background and rationale, progress to date, work being undertaken and the work plan to 2004 in the following areas:

- a) Programme Implementation Modalities
 - i. Preparation and Approval
 - ii. Programme Implementation
 - iii. Monitoring and Evaluation of Programmes
 - iv. Financial Rules and Regulations

- v. Delegation of Authority
- b) Common Shared Services
- c) National Project Personnel
- d) Information Technology Platforms

In some areas recommendations have already been made. In other areas, although the UNDG Executive Committee agencies have not yet made specific recommendations, they have identified the issues for simplification and harmonization and established a work plan.

IV. Programme Implementation Modalities

A. Background and Rationale

The UNDG Executive Committee Agencies reviewed the priorities of the resolution and identified a list of 17 opportunities for simplification or harmonization that are in line with the principles agreed upon (see Appendix A). Four workshops conducted since March has permitted the UNDG Executive Committee agency staff to better understand their procedures and the rationale behind them and to discuss concrete steps forward.

B. Progress to Date

There are areas in which clear progress has already been achieved in recent years in programming modalities.

Programming Cycles: As part of the UNDG Executive Committee efforts to harmonize programming cycles launched in 1998, 90 countries of the 91 qualifying countries now have common multi-year country programme cycles. There are 65 countries where UNDAF is not considered feasible, because either the UN presence is too small, or because of the special situation of the country (emergency and/or crisis/post crisis).

Country Programme Preparation: All UNDG Executive Committee agencies have fully integrated the CCA and UNDAF into the country programme preparation process, have removed the obligation to conduct agency specific situational analyses from the preparation process, and three of the agencies have adopted the same country programme approval process (WFP's Executive Board is considering this issue in October). These changes will be implemented in those countries starting new programme cycles in 2004, and should significantly reduce both the country programme preparation time and the workload on government partners.

Joint and Collaborative Programming: In 1999, the UNDG Executive Committee partners developed the paper on Definitions of Processes and Products for Enhancing UNDG Programme Collaboration and the Executive Boards of the three of the four agencies have approved the same procedure for the Country Programme Approval Process. In June 2000, a Guidance note on Joint Programming was issued containing preparation, management and implementation of these modalities together with options for financial management to ensure a more effective contribution by the UN system to development process. While these guidelines have made strides in encouraging and guiding the development of inter-agency programming initiatives at

country level, it has been recognized that further work is needed to improve these initial experiences for them to work effectively.

Budget Harmonization: Harmonization of budget terminologies, format and methodology among the Executive Committee agencies has been achieved

Priority Opportunities identified: The 17 priority opportunities identified in the joint working group have been divided into five thematic blocks on which work has already initiated: 1) Programme Preparation and Approval 2) National Execution 3) Co-financing 4) Joint Programming 5) Monitoring and Evaluation.

C. Opportunities for Simplification and Harmonization

a) Preparation of Country Programme of Cooperation and Approval

Link between UNDAF and Country Programme of Cooperation: The undg Executive Committee found that the link between the UNDAF and the country programmes of the agencies needs to be strengthened.

- **Opportunity for Simplification and Harmonization:** The recently revised Guidelines on CCA and UNDAF, developed in April 2002, now contain a programme framework and resource matrix, linking the expected UNDAF outcomes to each agency's country programme of cooperation outcomes and resource inputs, thus reducing time and effort needed in country programme preparation.

Strategy Meetings and Mid-term Reviews: The four agencies have been independently undertaking separate strategy meetings and some conduct separate mid-term reviews with the government thus leading to considerable transactions costs for the national authorities.

- **Opportunity for Simplification and Harmonization:** The undg Executive Committee agencies will explore the possibility of holding joint strategy meetings. Agencies that conduct agency-specific midterm reviews will consider the possibility of replacing their mid-term review a joint outcome evaluation of UNDAF.

Results Based Management: All undg Executive Committee agencies are using Results Based Management Frameworks (RBM), however, they are using different RBM concepts and terminology.

- **Opportunity for Simplification and Harmonization:** Agencies will take measures to harmonize RBM concepts and terminology.

Terminology and structure of documents: Agencies are using different documentation and formats for multi-year and one year programme and project planning tools, which has not been conducive to lightening the load and in building capacity of national authorities.

- Opportunity for Simplification and Harmonization: UNDG Executive Committee Agencies to pursue harmonization opportunities for common terminology, programme planning and project documentation using RBM, with a view to cutting down the redundancy among the documents and simplifying their structure.

Decentralization and Delegation of Authority: The UNDG Executive Committee Agencies have achieved a high degree of delegation and decentralization of authority at the country and regional offices with programme formulation, clearance process and financial management largely undertaken at the country and regional offices prior to submission to the Executive Boards. However, the agencies have different delegation of authority and approval for detailed programme documents after Executive Board approval.

- Opportunity for Simplification and Harmonization: A comparative mapping of decentralization and delegation will be undertaken, to identify differences in authorization levels that could be impeding efficient joint and collaborative programming and implementation or creating additional workload for our country partners.

b) Programme Implementation

Joint Programming: The UNDG issued Guidelines on Joint Programming in 2000 in an effort to facilitate joint programming. Nevertheless, country experiences have demonstrated that further work is needed to facilitate joint and collaborative programming.

- Opportunity for Simplification and Harmonization: It has been agreed that the UNDG Executive Committee Agencies will update the guidelines based on a review of country experiences.

National Execution: The UNDG Executive Committee agencies have all been following the CCPOQ (ACC) Guidelines on national execution adopted by the wider UN system in 1998. However, different agencies have different terms and procedures for delivery of assistance depending on the country context.

- Opportunity for Simplification and Harmonization: Keeping in line with the emphasis in the guidelines on ensuring accountability of partners, efficiency and effectiveness of programme implementation, national ownership of programmes, and capacity building, the UNDG Executive Committee will review the practice of implementation of programmes and identify opportunities for simplification and harmonization and develop more specific guidelines that can be used by all agencies and be applicable in different country situations.

c) Monitoring, Evaluation and Reporting

The UNDG Executive Committee recognizes the very close link between good results and monitoring of programmes and has identified the following simplification and harmonization opportunities:

Standardization of format for reporting, including donor reporting: At present, the agencies have different reporting practices from country offices to their headquarters. National authorities are burdened by the multiplicity of reporting formats and practices, including donor reporting. Hence there is room for streamlining and harmonization.

- Opportunity for Simplification and Harmonization: The undg Executive Committee Agencies will work on this topic to agree on similar reporting format and practices. The simplification and harmonization of reporting requirements will allow easier comparison of results of projects within an agency and across agencies.

Review of UNDAF: The existing methodology has not been effective in ensuring the link between the UNDAF outcomes and the agencies' country programme strategies. Some agencies currently organize midterm programme reviews.

- Opportunity for Simplification and Harmonization: The agencies will develop a common concept for an Outcome Evaluation of the UNDAF, incorporating as appropriate the mid-term review concept.

Monitoring and Evaluation Plan and Activities: The agencies have a variety of approaches to planning monitoring and evaluation activities at the country level.

- Opportunity for Simplification and Harmonization: The undg Executive Committee will explore developing a common monitoring and evaluation plan format to be used during the country programme preparation process with a view to having standard monitoring and evaluation requirements, fewer, more effective evaluations as well as facilitating joint monitoring and evaluation opportunities including joint-UNDAF outcome evaluation. The proposed joint strategy meeting with national authorities could discuss the plan for the outcome evaluation to guide individual agency's monitoring and evaluation plans.

d) Financial Policies and Procedures

As the work of undg Executive Committee Working Group on Harmonization and Simplification advances in the review of implementation modalities, there will be a need to assess the implications of proposed changes on financial policies and procedures. The undg Executive Committee commissioned a study at the end of 2001 on the existing practices of the undg Executive Committee agencies' financial policies and procedures with a view to facilitating joint programming. The study revealed similarities in the policies procedures of the agencies.

- Opportunity for Simplification and Harmonization: The Financial Policies Group of the undg Executive Committee agencies will further analyze the financial policies and procedures in light of the work done by the Harmonization and Simplification Group, with particular regard to joint programming.

V. Common Shared Services in Country Offices

A. Background and Rationale

Sharing administrative services is an important means of reducing costs, duplication and increasing the efficiency and cohesion of the UN at the field level. Common service arrangements have led to economies of scale, increased bargaining power, reliability and quality of services and provided greater transparency and accountability. This should lead to increased efficiency of the UN programmes in development and thus greater impact on national objectives and improving the lives of people.

The undg Executive Committee undertook a global survey in 1999 which showed that over 50% of respondents thought that common services would lead to financial as well as non-financial benefits. However, only 44% were actually sharing services. Similarly the 2001 TCPR indicated that sharing of services was limited throughout the UN system. This highlights the opportunity to expand the establishment of common services at the country level.

B. Progress to Date

Sharing of Services: The UN Resident Coordinator annual reports illustrate the services being shared in over 50 offices. The most commonly shared services, according to UN Resident Coordinator annual reports include IT/LAN connectivity, travel, banking, procurement, dispensary, pouch, salary surveys, staff administration and security.

Common Premises: Common services are significantly easier to implement when agencies share premises. As of 20 May 2002, 48 UN Houses have been officially designated by the Secretary-General and over 20 other countries have common premises for 3 or more UN agencies, thus facilitating the sharing of administrative services and cohesion within the UN system. Recognizing this, and to support the process for other countries, the undg has developed an online "transaction model" which is a step-by-step explanation and information on establishing a UN House.

Guidelines: Following the CCPOQ Guidelines on the Administrative Management of the Resident Coordinator System, which includes a section on common services, the undg Executive Committee developed Operational Guidelines for Common Services Implementation at the field level (the Guidelines). These Guidelines were developed and refined in close consultation with UN operations staff in the field and were approved by the CCPOQ working group on RC Issues in 2000. The Guidelines are currently being field tested with a view to making them more pertinent and applicable to the situation at the country level whilst flexible enough to be applied in UN offices globally.

undg Common Services Pilot Programme: The undg Common Service Programme funded by DFID, was initiated in 2001. The Pilot Programme managed by undg in collaboration with the UN Staff College and UN Task Force on common services, involved developing training and tracking common services in at least 28 countries. The key components of the Pilot Programme are training, implementation, financial and technical support, sharing of experiences and

reviewing and evaluating of the programme and guidelines. To date, 12 resource people have been trained and in turn conducted common services workshops for 225 staff members from 24 UN entities in 11 countries. At least ten additional countries will be joining the Common Services Programme in 2002 through small grants of "seed money". The final component of the Programme is the review and sharing of experience and lessons learned and evaluations to be undertaken in the second half of 2003, as a basis for improving and broadening the application of common services in country offices.

C. Opportunities for Simplification and Harmonization

Building on the current programme, the aim is to have a wide range of common services implemented effectively and efficiently in at least 65 countries by the end of 2004. The services to be shared by the UN agencies depend on the country situation, specifically the agencies present, their working environment and the programme priorities. The agreed plan of action on steps beyond September 2003 are to be presented to the Joint Executive Board in January 2003 and may include:

UN Houses: The UNDG will aim to establish at least 5 more UN Houses a year, through the transaction model and support to country offices, to facilitate sharing of administrative services.

Training in common service implementation: Training will be conducted for a) additional interested country offices outside the pilot programme, b) new resource people c) regional entities.

Reviewing and publicizing experience and revising plans for implementation: The UNDG Executive Committee will assess the experience in the Pilot Programme and incorporate the recommendations into its work plan leading to 2004.

Simplifying and Harmonizing UN Common Services Implementation and Guidelines: The UNDG is planning steps to mainstream common services through incorporating common service implementation, revised Operational Guidelines into all agencies' operations manager/staff training and RC/Country Team training and appraisals. Likewise, it will expand the sharing of services by further involving specialized agencies in UN common services at the country level.

Management of Common Services at the Country Level: Since the functioning of country level operations management teams or inter-agency administrative committees has already proven to be crucial to the success of common services implementation standard terms of reference for such country level management teams will be developed in 2003.

VI. Recruitment, Remuneration & Training of National Project Personnel

A. Background and Rationale

In the resolution 56/201, the General Assembly calls for simplification and harmonization in the area of recruitment, training and remuneration of national project personnel (NPP) and reiterated

its call for the development of common guidelines thereon. Currently, there are several types of contractual modalities used by the UNDG Executive Committee agencies for NPP with different levels of remuneration and conditions of service. This diversity can be confusing to government partners and may impede the capacity of UN agencies' use of NPP under joint and collaborative programmes and projects. Concern has also been expressed about the need for an equitable approach to such personnel issues.

While the overall purpose of harmonization and simplification in this area is to reduce transaction costs to government, national partners and the UN agencies, the task is also being approached with a view to enhancing impact and effectiveness of programme cooperation and building national capacity.

B. Progress to date

JCGP Working Group Study and Policy on NPP: In the context of the Secretary-General's UN reform, the Joint Consultative Group on Policy (JCGP) working group, including UNDP, UNICEF, UNFPA, reviewed the issues related to NPP in 1996 and 1997 and concluded that there are several areas where harmonization of rules and procedures are desirable, including recruitment procedures, contracting modalities, remuneration levels and DSA. In an effort to improve the situation, the JCGP developed a common policy for remuneration of government officials in 1996. However, there was limited progress since 1997, particularly because the term NPP denoted different meanings for different agencies using this terminology².

UNDG Guidance Note and follow-up: The UNDG issued a guidance note to field offices in February 2001, outlining various processes field offices could use particularly to harmonize remuneration levels and DSA rates, where coordination among agencies was deemed possible under existing rules and procedures. In response to a follow-up questionnaire sent out in early April 2002, some 25 UN Country Teams reported various levels of progress in harmonizing procedures with respect to NPP in recruitment, remuneration, DSA and contract modalities. While these responses are currently being reviewed for good examples and lessons learned, it is clear that there is considerably more room for harmonization and simplification and on a much wider scale.

Progress is now especially opportune because the Agencies have been able to resolve the issue of NPP terminology which initially handicapped the UNDG Executive Committee since 1997. Specifically, it was agreed that harmonization and simplification efforts can cover the following categories of NPP:

- a. NPPs contracted, administered and remunerated by government or other national partners, and funded or part funded by UN agencies
- b. NPPs contracted, administered and remunerated by UN agencies on behalf of government or other national partners
- c. National consultants (i) hired by government or national partners but funded by UN and (ii) hired by UN on behalf of government or other national partners

² This is reflected in the JCGP in 1997 under their "Proposal for Harmonization of Regulations and Procedures among JCGP members"

With this fundamental clarification, the UNDG finds it possible to press ahead with harmonizing and simplifying rules and procedures.

C. Opportunities for Simplification and Harmonization

Based on earlier analysis and on-going efforts of field offices, the UNDG Executive Committee will be looking to harmonization and simplification of rules and procedures in, but not limited to, the following issues: 1) Identification and recruitment of NPPs, 2) Salaries and related remuneration 3) Travel and DSA 4) Training and 5) Additional benefits (insurance, leave etc).

The work to be undertaken will follow basic parameters and should be considered, where applicable, for each of the categories of NPP listed above. First, conditions of recruitment and service of NPPs should attract highly qualified national personnel. Second, national capacity building is an essential aspect of engaging NPPs including empowerment with new knowledge and skills. Third, exit strategies for national sustainability after UN assistance has concluded should be in place. Fourth, the work should reduce and simplify processes and documentation. Finally, the UNDG will work with Bretton Woods and other donors to extent possible to harmonize policies.

The following key activities have been identified to facilitate simplification and harmonization of policies related to national project personnel:

Analyze and Highlight Positive Trends: The UNDG will study and analyze and report on good examples of progress which derive from field experiences.

Simplify and Harmonize Policies, including Guidance Note: The UNDG will consider all areas where harmonization and simplification of policies and procedures governing NPP including phasing out redundant rules and procedures, with a view to meeting the objectives of improving programme effectiveness, reducing transaction costs and building national capacity. Based on this, a new Inter-agency Guidance Note to field on NPP will be developed.

Support for Wide Application of New NPP Policies: The new guidance Note will empower all country teams with harmonizing procedures and practices regarding NPP. Further, the UNDG will, establish support mechanisms to assist country teams in accelerating implementation of the new policies and assist country teams in resolving outstanding NPP issues.

Training of National Project Personnel: UNDG Executive Committee Agencies will develop a guidance note on NPPS and, since one of the principal objectives with respect to NPPs is to build national capacity, the UNDG will take steps to encourage NPP participation in training programmes, workshops and conferences pertaining to their areas of work, and facilitate opportunities for networking among professionals in the field, and other measures.

VII. Harmonization of IT Platforms at Headquarters and the Field Level

A. Background and Rationale

The Resolution on the TCPR issued in December 2001 (56/201) in which the General Assembly called for the harmonization of the information technology platforms utilized by the United Nations system both at the field and at the headquarters level.

Lack of a common IT platform and systems have led to difficulties in exchange of information at the country offices. Likewise, it has added a burden on training UN staff as they are required to learn differing systems and managing and maintaining of IT equipment.

B. Progress to date

The resolution calls for the UN system as a whole to address this issue. The undg has been consulting with other UN entities on how achieve this objective. The undg Executive Committee Members understand that "harmonization of platforms" does not mean the same software for everyone, rather the need to have compatible systems that would facilitate the exchange of information.

Work being undertaken in several fora: Several UN bodies have been addressing the issue of harmonizing IT and communications on various levels. A number of UN inter-agency groups have already been working on topics of specific areas of information technology and communications (ICT) such as network safety, library, telecommunications, standardization of translations, etc. and a number of joint IT projects are already underway, including a feasibility study on an inter-agency search engine and on an extranet facility. As existing groups of the wider UN system were already in place and working on this issue, no new group was created.

undg Working with CEB: In March 2002, The undg Management Group discussed with the CEB High Level Committee on Management (HLCM) mechanisms for collaboration between the two groups in the area of information technologies and communications, with a view to complement and not duplicates efforts, noting that some members of the undg are also members of the CEB.

C. Opportunities for Simplification and Harmonization

Harmonization with CEB Efforts: The undg Management Group will continue discussions with the CEB group towards this end.

Compendium of Good Practices: The ICT Directors of the CEB, which includes the members of the undg Executive Committee, will be working on a compendium of good practices in the area of ICT and reporting on progress at the HLCM Meeting in September 2002. In May 2002, ICT Network reviewed proposals put forth by the HCLM to compile a compendium of good practices. The network foresaw the compendium as 1) a living knowledge sharing tool which would provide senior management with concise up to date analyses of practices (not necessarily only good ones) and lessons learned across organizations; 2) facilitating alignment of ICT with

business needs within and among organizations of the systems and lead to strategic management decisions, inter alia, by identifying possible synergies to develop joint projects and leveraging purchasing power. The Network would report on progress made in these areas at the next High Level Committee on Management in September 2002.

Following review of the compendium of good practices, the UNDG will explore possibilities for further collaboration.

Report on IT Practices of UNDG Executive Committee: Concurrently, the UNDG Executive Committee agencies will examine their rules and practices in this regard to see if there are also specific opportunities for the UNDG Executive Committee members to harmonize, which may not be always relevant for the larger HLCM forum as the HLCM comprises agencies with different mandates, needs and procedures.

Appendix A

List of Harmonization and Simplification Opportunities 2002 - 2004

UNDG Working Group/Task Force on Harmonization and Simplification of Programme Implementation Modalities

Programme Preparation and Approval

1. Transition from UNDAF to country programmes: to make concrete proposals. **h/s**
2. How to harmonize steps between approval of country programmes and project level?; There are documents to operationalize their country programmes: **m/m**
3. Harmonize Results Based Management (RBM) terminology and documentation. **h/s**
4. Delegation of authority in various approval steps (who signs, approves, etc) **h/s**

Programme Implementation:

5. Terminology: agree on same terms for various documents (which should also reflect similar levels). **m/s**
6. National Execution review principles with the objective of reaching a common understanding. **h/l**
7. Common format for annual work plan / budget (should reflect similar level of programming) **l/l**
8. Matrix on UNDAF: identify common programmes and who will be partners to enable joint planning. **h/s**
9. Programme Documentation: review through documentary process to align various phases, cut redundancy. **m/m**
10. Co-financing agreement: identify areas of convergence potential common formats. **l/l**
11. Joint Programming **h/sml**

Monitoring, Evaluation and Reporting:

12. Standardized format for donor report (best practices, programme and finance) **h/m**
13. Harmonization and Simplification of agencies practices on mid-term review by integrating these to Outcome Evaluation of UNDAF. **h/s**
14. Standardized RBM harmonization and simplification requirements for monitoring and evaluation at both programme and project level (including annual report standardization) **h/s**
15. Post UNDAF coordinated for monitoring and evaluation plan as part of programme preparation. **m/m**
16. Compatibility for info exchange in terms of results and indicators. **m/l**
17. Audit (programme / process) **l/l**

Priority	/	time frame to achieve
H=high priority		S=short term
M= medium		M=medium
L=Low		L=long

Appendix B

Programme of Work for Simplification and Harmonization of Rules and Procedures 2002-2004

Deliverables		Milestones	Responsibility	Timeframe
A. PROGRAMME IMPLEMENTATION MODALITIES				
Programme Preparation and Approval	Revised CCA and UNDAF Guidelines issued in 2002 Programme Framework and resource matrix used in five countries, starting 2003 Ten countries by 2004 Target CCA-UNDAF roll-out countries by 2005		UNDG ExCom Agencies	2002 -
1. Use of Programme Framework and Programme Resource Matrix				
2. Joint Strategy Meetings for CP Formulation	Guidelines for the Joint Strategy Meeting prepared in 2002 Joint Strategy meeting conducted in five countries in 2003, Ten countries by 2004 CCA-UNDAF roll-out countries targeted by 2005		UNDG ExCom Agencies	2002 -
3. Harmonized terminology and structure for the programme and project documentation	Common name and structure for document going to the Executive Boards developed, starting with the five countries that are submitting Country Programmes to the 2003 Boards ExCom Agencies' programme and project documentation terminology and structure reviewed, compared and opportunities for harmonization and simplification of identified, including for annual project plans and reports Harmonized and simplified tools designed by 2004		UNDG ExCom Agencies	2003 - 2002 - 2004
4. Harmonized and Simplified Results Based Management tools for the development of operational country programme and management plans			UNDG ExCom Agencies	2004
Programme Implementation				
1. Revised Guidelines on Joint Programming, including financial management, after review of current country experiences	Revised Guidelines for Joint Programming including options for financial management developed, beginning in 2003		UNDG ExCom Agencies	2003
2. Operational Guidelines for National Execution	Best Practices in Efficiency, Effectiveness of Programme Implementation, Capacity Building and Accountability Reviewed, 2002-2003 In line with CCPOQ guidelines, more specific, operational guidelines developed to be used by all ExCom Agencies and applicable to all countries with the view to improving efficiency and effectiveness, maximizing national capacity building, and improving accountability, 2004		UNDG ExCom Agencies	2002-2003 2004
Programme Monitoring, Evaluation and Reporting				
1. Recommendations for Standardization and Simplification of Project Reporting	Format and practices for standardized reporting, including to donors, annual project reports and other recommendations related to simplification reporting developed, 2003		UNDG ExCom Agencies in collaboration with donor community	2003
2. Simplification and harmonization of Monitoring and Evaluation requirements and process of planning these activities	Feasibility of designing common guidelines and format for the Preparation of the monitoring and evaluation plan explored Training developed on common monitoring and evaluation planning format		UNDG ExCom Agencies	2003-2005

Deliverables	Milestones	Responsibility	Timeframe
3. Joint Outcome Evaluation of UNDAF	In 2003 for the first Five UN Country teams that will implement their new CP in 2004 Joint Outcome Evaluation of UNDAF to be used in Fourth Year of Programme Cycle, designed and tested (2003) for roll-out (2004)	UNDG ExCom Agencies	2003-2004
B. COMMON AND SHARED SERVICES IN COUNTRY OFFICES			
Simplifying, Harmonizing and Mainstreaming UN common services	Number of UN country teams using common services expanded so that at least 65 countries have a wide range of common services implemented effectively and efficiently by the end of 2004 through:	UNDG ExCom/ UNDG ExCom in consultation with CEB	Plan for implementation September 2003-December 2004 to be presented to Joint Executive Boards meeting in January 2003
1. Establishing UN Houses to facilitate Common Services	Number of UN Houses increased with target of 5 per year, 51 in 2002...	UNDG ExCom Agencies	2002, 2003, 2004
2. Operational Guidelines developed, tested and refined	Operational Guidelines on CS developed in consultation with operations staff in the field (2000), field tested (2001-2003) and revised including newly developed Process Approach Model (2003)	UNDG in consultation with CEB members	2001-2003
3. Pilot Programme - Implementation of Common Services in Pilot Programme touching at least 28 countries	28 countries (Pilot Countries, Resource People countries, and seed money recipient countries) developing common services based on Guidelines	UNDG ExCom Agencies, in conjunction with UN System Staff College, UN Task Force on CS	2002 -
4. Training beyond pilot countries ¹	Training in common services conducted for a) additional interested country teams b) new resource people c) regional entities	UNDG in consultation with CEB members & Regional Bureaux	2003-2004 ¹
5. Harmonizing simplifying and Mainstreaming in UN system	Common services implementation process and revised guidelines incorporated into each agency's operations manager/staff training, and RC/CT training, job descriptions and appraisals/performance evaluations, UN Task Force Meetings, HLCM and CEB Meetings	UNDG in consultation with CEB members	December 2001-
6. Building up Management Structure at the Field Level	Further involvement specialized agencies in UN common services at the country level		
7. Reviewing and sharing good practices and lessons learned	Standard terms of reference for Operations Management Teams developed Experience reviewed and publicized (including on RCNet www.dgo.org) through independent evaluations (2003), evaluation workshop (2003), periodic reports	UNDG ExCom Agencies	2003
		UNDG ExCom Agencies	2002 -
C. POLICIES FOR NATIONAL PROJECT PERSONNEL			
1. Analyze and Highlight Positive Trends	Report on best practices and trends in policies towards national project personnel prepared	UNDG ExCom Agencies	September 2002
2. Simplify and Harmonize Policies, including through new Inter-agency Guidance Note to field on NPP	Guidance Note developed with more specific procedures outlined, disseminated to all field offices	UNDG ExCom Agencies	December 2002
3. Support Wide Application of New Policies, Mechanisms at Headquarters	Support Mechanism to assist country teams in harmonizing NPP practices established	UNDG ExCom Agencies	2003 - 2004
4. Training of National Project Personnel	Possibilities examined and proposal formulated for harmonized training of national project personnel	UNDG ExCom Agencies	2003-

¹ contingent on funding. Plan for work to be presented to the Executive Boards in January 2003 and 2004

Deliverables		Milestones	Responsibility	Timeframe
D. HARMONIZATION OF IT PLATFORMS AT HEADQUARTERS AND THE FIELD LEVEL				
1.	Collaboration between UNDG and CEB/HLCM	Discussions continued between UNDG Management Group and the CEB group to harmonize IT platforms and reduce duplication between working groups	UNDG/CEB	2002- (already initiated)
2.	Identifying and sharing good practices in the area of IT	Draft Compendium of good practices report completed and reviewed by UNDG	HLCM/ UNDG ExCom Agencies	September 2002
3.	Examination of ExCom rules and practices on IT Practices with view to harmonize	Report on review of IT practices of the ExCom Agencies	UNDG ExCom Agencies	2002-