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### United Nations system-wide coherence

## United Nations system-wide coherence

### Report by the Director-General

In compliance with General Conference resolution GC.12/Res.6, informs the Board on the results of discussions on United Nations system-wide coherence and its implications for UNIDO.

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## Introduction

1. At its thirty-third session the Industrial Development Board took note of document IDB.33/CRP.6 highlighting a number of developments relating to intergovernmental and inter-agency consideration of the report of the High-level Panel on System-wide Coherence (A/61/583). The document identified the key issues in the implementation of the “Delivering as One” initiative and the contributions made by UNIDO in supporting the initiative.
2. At the twelfth session of the General Conference, the Secretariat provided an update on the contributions of UNIDO to United Nations reform and system-wide coherence at the global, regional and country levels (GC.12/CRP.6). The document also discussed the outstanding issues in the implementation of the “Delivering as One” initiative, particularly as they related to UNIDO.
3. The twelfth session of the General Conference adopted resolution GC.12/Res.6, which, inter alia, requested the Director-General to continue the coordination and promotion of UNIDO activities in relation to the ongoing discussions on United Nations system-wide coherence at the global, regional and country levels; and to inform the governing bodies of UNIDO on the results of discussions on United Nations system-wide coherence and its implications for UNIDO. The present document updates the information provided in GC.12/CRP.6 and reports on the outcome of the high-level dialogue on system-wide coherence that UNIDO organized from 4 to 5 March 2008 at its Headquarters in Vienna.

## I. Recent developments on system-wide coherence

4. To ensure that its support for the system-wide coherence process remained in line with the policies of Member States, UNIDO continued to monitor developments in the intergovernmental consultative process on system-wide coherence.
5. On 7 February 2008, the United Nations General Assembly launched a fresh round of consultations on system-wide coherence under the Co-Chairmanship of Ambassador Augustine Mahiga (United Republic of Tanzania) and Ambassador Paul Kavanagh (Ireland).
6. Member States welcomed the pragmatic and empirical approach suggested by the new Co-Chairs, as well as their proposal to promote a bottom-up approach in exploring ways for the United Nations to work more coherently and effectively. Drawing on lessons from the field was seen as a sensible way to avoid politicization of the consultations. The fragmentation and the unpredictability of non-core resources were identified as problems that led to inefficiencies in the United Nations system. An expanded funding base to ensure adequate, predictable, and timely core resources was therefore seen as key to ensuring the success of the United Nations operational activities for development. The competition for resources among United Nations organizations and the resulting fragmentation needed to be addressed and it was suggested that a discussion of a central funding modality be initiated. Concerns were moreover expressed that new conditionalities on development assistance could be introduced, which would not be acceptable to developing countries.

7. Member States also drew attention to the need for the role of the Resident Coordinator to be adequately enhanced and its neutrality ensured. National ownership and leadership as well as a “no one-size-fits-all” approach – development cooperation activities being responsive to the specific needs, priorities and conditions of each country – were seen as prerequisites for the success of the “One UN” initiative at the country level. There was an urgent need to provide the “One UN” pilot projects with the flexibility to allow them to experiment and provide positive inputs to the system-wide coherence process. Coherence was only a means to an end for a more effective United Nations system. The ultimate objective was to ensure both efficiency and effectiveness in the delivery of assistance to better respond to the needs of developing countries and to lower transaction costs and streamline reporting requirements. Coherence should not be seen as an opportunity to cut costs. Any savings thus generated should be ploughed back into development.

8. The importance of making progress on gender equality and the empowerment of women to reach the internationally agreed development goals, including the Millennium Development Goals (MDGs), was also emphasized. If the United Nations was to play its full part in achieving the MDGs, change would be inevitable and enhanced coherence across the system would need to be an integral part of the broader aid effectiveness agenda. The United Nations System Chief Executives Board (CEB) and United Nations Development Group (UNDG) were viewed as having the potential to assist the various components of the United Nations system in raising their collective capacity to deal with new challenges in a coherent manner. The inclusion of UNDG as a third high-level committee within CEB was expected to improve inter-agency coordination. Issues such as duplication and effectiveness in inter-agency coordination across the system would need to be further addressed. The harmonization of business practices across the United Nations system at the country level was essential. Harmonized and simplified business practices and governance were also crucial for improved functioning of the United Nations development system at the central level.

9. The two Co-Chairs indicated that they intended to continue to engage in bilateral and other consultations and to present a work programme shortly. They would embark on visits to the following four “One UN” pilot countries: Cape Verde, Mozambique, United Republic of Tanzania and Viet Nam, as well as attend the United Nations System-wide Coherence: The Next Steps conference being organized by UNIDO in Vienna from 4 to 5 March 2008. Informal consultations on the “One UN” initiative would be convened in the General Assembly on 17 to 18 March 2008. Furthermore, a briefing would be arranged on the CEB work on coherence at most senior levels in April 2008. The two Co-Chairs expected to present their report to the President of the General Assembly in June 2008.

10. The adoption by the General Assembly of resolution A/RES/62/208 on the 2007 triennial comprehensive policy review of operational activities (TCPR) and the launching of the eight “One UN” pilot initiative projects were seen as important developments that gave renewed impetus to system-wide coherence. The TCPR resolution constituted the intergovernmentally agreed policy framework for addressing the United Nations operational activities for development and contained many elements relating to system-wide coherence. At the same time, the stocktaking exercise carried out in the pilot countries at the end of 2007 reported good progress in achieving country-level coherence.

11. At the joint meeting of the UNDP, UNFPA, UNICEF and WFP Executive Boards in January 2008, delegations acknowledged the positive experiences of the pilots in creating greater alignment with national priorities and greater coherence within the United Nations system. They emphasized the importance of a flexible, national and context-specific approach in scaling up efforts to achieve the internationally agreed development goals. They also expressed the need to reinvest savings into programmes and to reduce reporting and administrative burdens. Many advised against moving too quickly in adopting any particular model for “Delivering as One”, reiterating that coherence was a means to effectiveness rather than an end in itself, and that alternatives were still being assessed in other international forums. They stressed that coherence must be nationally led, and asserted that resources should not be reallocated based on the early experiences of the pilots, but should continue to be distributed based on multilaterally agreed formulas and principles.

12. At the inter-agency level, the Programme and Management Groups of UNDG held a meeting on 4 February 2008 to review the stocktaking reports of the pilot countries and discuss the setting up of a UNDG Advisory Group to advise the UNDG Chair on issues relevant to the implementation of the TCPR resolution, the management of the Resident Coordinator system and the UNDG coordination mechanism. The meeting noted the progress that has been achieved in the first year of piloting the “Delivering as One” initiative, including in the stronger sense of national ownership and leadership of the initiative, closer alignment of the programmes and projects of participating organizations to national plans and priorities, increased donor coordination and improved mutual understanding among the participating United Nations system organizations. The meeting also discussed the proposed membership of the UNDG Advisory Group and noted three possible options: inclusion of all UNDG members; the UNDG Chair to consult all UNDG members on a random basis; or maintaining the current Executive Committee (ExCom) structure composed of the heads of UNDP, UNICEF, UNFPA and WFP. The final decision on which option is selected will be taken by the CEB in April 2008.

13. UNIDO continued to work closely with partners from the United Nations system to enhance coherence in its areas of work. The establishment of the CEB cluster on trade and productive capacity in October 2007 composed of UNCTAD, UNIDO, WTO, FAO, the International Trade Centre, UNDP and the Regional Commissions has provided an inter-agency platform for highlighting the importance of trade and productive capacity in the work of the United Nations system and for promoting greater coherence among the United Nations agencies working in this field. The United Nations organizations concerned have started to promote joint programming in a number of pilot countries, including Cape Verde, Mozambique, Uruguay and Viet Nam and are now engaged in developing a joint training to raise the awareness of Resident Coordinators on trade and productive capacity issues and the role of United Nations agencies in this field.

14. Related to the work of the CEB cluster on trade and productive capacity is the UNIDO-led inter-agency working group on market efficiency and integration, under the auspices of CEB’s High-level Committee on Programmes (HLCP). The working group was tasked to develop a comprehensive resource guide on “who does what, for whom and how” in trade capacity-building. The resource guide has now been

completed and was presented to the fifteenth session of HLCP in Rome (13-14 March 2008) for endorsement and transmission to CEB in April 2008. HLCP members commended UNIDO for this publication. Twenty-one United Nations system organizations and five inter-agency bodies contributed to the development of the resource guide, which offers a clear and comprehensive description of the wide range of trade-related support services of various organizations of the system. The descriptive detail makes it possible to better define and differentiate those services and identify opportunities for joint initiatives and activities. The guide also seeks to promote a common approach to trade capacity-building in the United Nations system while providing the Resident Coordinator system and United Nations Country Teams (UNCTs) with comprehensive data on capacities and expertise that could be tapped to respond to trade-related support requirements at the country level.

15. The Director-General convened the first general meeting of UN-Energy under his chairmanship at UNIDO Headquarters from 25 to 26 February 2008. The meeting reviewed current trends in energy and sustainable development and defined its work programme for the next two years. Fifteen United Nations organizations, including specialized agencies, were represented at the meeting, which was also attended by representatives from the International Energy Agency (IEA), International Institute for Applied Systems Analysis (IIASA), United Nations Foundation, OPEC Fund for International Development, International Institute for Sustainable Development (IISD) and the Renewable Energy and Energy Efficiency Partnership (REEEP). The meeting discussed the workplans of the three clusters of UN-Energy: energy access cluster led by UNDP and UN-DESA; renewable energy cluster led by UNEP and FAO; and energy efficiency cluster led by UNIDO and IAEA. The meeting also agreed to have UN-Energy participate, through side events and serving as speakers or panellists, in a number of upcoming international meetings and forums, including the 2008 substantive session of ECOSOC (June-July 2008), the MDG review at the General Assembly on 25 September 2008, TICAD IV in Tokyo (28-30 May 2008), preparatory events for the G-8 Hokkaido Toyako Summit (7-9 July 2008), and United Nations Climate Change Conference COP 14 in Poland (1-12 December 2008) and COP 15 in Denmark (2009). These events provide excellent opportunities for UN-Energy to engage in collective advocacy, provide expert advice and contribute to intergovernmental deliberations in areas falling within the purview of UN-Energy.

16. On youth employment, it will be recalled that UNIDO organized a high-level consultative meeting in Ghana in February 2007 to better coordinate the efforts of various stakeholders in addressing the challenges of youth unemployment in the Mano River Union (MRU) countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone). UNIDO, along with ILO, UNDP, United Nations Office for West Africa and the Youth Employment Network fielded a joint mission to the MRU region in May-June 2007, which resulted in the formulation of a draft multi-stakeholder subregional Programme on Productive and Decent Work for Youth in the Mano River Union countries. At a high-level round table that was held during the session of the UNIDO General Conference in December 2007, government representatives welcomed the Programme for its recognition of youth as a potential social and economic resource for peacebuilding and stability and as an immediate strategy for addressing youth poverty through direct programme action. The Government of Japan has allocated \$5 million to the programme with the main objective to develop

skills to increase employability in high-demand areas in private companies and to promote self-employing businesses of youth. Programme implementation will start in April 2008 in partnership with ILO and UNDP.

17. At the country level, UNIDO continued to be proactive in supporting United Nations country coordination processes through its participation in the work of UNCTs, theme groups and clusters and in joint programmes and activities. UNIDO has been particularly active in promoting partnerships with United Nations agencies that have complementary mandates. UNIDO's contribution to system-wide coherence in the pilot countries is presented in section III of this paper.

## **II. High-level Dialogue on System-wide Coherence: Next steps**

18. As its contribution to advancing system-wide coherence, UNIDO organized a high-level dialogue on the subject from 4 to 5 March 2008 at its Headquarters in Vienna. The main objective of the meeting was to gain a better understanding of the development aspects of system-wide coherence and the "Delivering as One" initiative, identify the main issues and challenges and ways of moving forward.

19. The two-day meeting brought together more than three hundred participants including the United Nations Deputy Secretary-General and the Co-Chairs of the United Nations General Assembly Consultations on System-wide Coherence. Also in attendance, were high-level representatives of UNIDO Member States, including from the pilot countries as well as donor countries and senior officials from sixteen United Nations system organizations, the CEB Secretariat and United Nations Development Group Office (UNDGO). The dialogue was organized into six sessions: session 1 – Intergovernmental process on system-wide coherence: Progress and next steps; session 2 – Perspectives on advancing United Nations system-wide coherence; session 3 – Ensuring a comprehensive and strategically focused United Nations system response to national development priorities; session 4 – Funding the pilots for coherence; session 5 – Empowering the Resident Coordinator; and session 6 – Harmonizing business models and practices.

20. The Director-General welcomed the participants and said that UNIDO decided to convene the dialogue to gain a better understanding of the system-wide coherence process and the "Delivering as One" pilot initiative in order to contribute further to ongoing efforts to achieve coherence for greater development results. He stressed that much was at stake in the coherence process and that failure to deliver on the high expectations would risk marginalizing the United Nations family. But the real tragedy, he said, would be the missed opportunity to do more together and make a greater difference in the lives of the people that the United Nations system serves.

21. In her keynote address, the United Nations Deputy Secretary-General noted the significant progress achieved in the "Delivering as One" initiative. She highlighted the remaining challenges, including the slow pace of reform and change at headquarters, the need to ensure that global tools and processes are in place to support and strengthen a more efficient United Nations at the country level and the need for increased clarity in the authority of the Resident Coordinator and mutual accountability within the UNCT. As the next steps in the coherence process, the Deputy Secretary-General stressed the importance for organizations of the United Nations system to work together on the implementation of the One Programme in

the eight pilots and show results. The system needed to distil the lessons learned from the pilots and apply them to other UNCTs – where it is appropriate and requested by Member States. Headquarters should provide more support and flexibility to UNCTs to respond to national requests and requirements. In particular, business practices should be harmonized more quickly and effectively and the essential role of the specialized agencies and non-resident agencies in the United Nations system’s overall effort to achieve greater efficiency, effectiveness and coherence should be recognized.

22. Ambassador Juan Manuel Gomez Robledo, Vice-Minister for Multilateral Affairs and Human Rights, Ministry of Foreign Affairs of Mexico, chaired the session on the intergovernmental process on system-wide coherence. He recalled the report and recommendations of the High-level Panel as providing the context of the intergovernmental deliberations on system-wide coherence and the “Delivering as One” pilot initiative. He also referred to the relevance of the initiative for a country like Mexico.

23. In his statement, Ambassador Paul Kavanagh, Permanent Representative of Ireland to the United Nations and Co-Chair of the United Nations General Assembly Consultations on System-wide Coherence, recalled the recent history of the intergovernmental consultations on system-wide coherence and outlined the pragmatic, empirical and transparent approach the Co-Chairs intended to take to move the consultative process forward. They would build on those areas where progress had been made, namely on “Delivering as One” at country level, and in the harmonization of business practices at the CEB. In addition, issues of funding, governance and gender would be addressed. Outlining the next round of consultations, Ambassador Kavanagh indicated that informal consultations were scheduled to take place as follows: “Delivering as One” (28 March 2008); Funding (7 April 2008), Governance (17 April 2008) and, in due course, Gender. The Secretary-General or his representative will be invited to brief Member States on progress underway at the CEB in early May 2008.

24. Ambassador Augustine Mahiga, Permanent Representative of the United Republic of Tanzania to the United Nations, Co-Chair of the United Nations General Assembly Consultations on System-wide Coherence, reported that in the pilot countries they visited (Cape Verde, Mozambique and United Republic of Tanzania), significant progress had already been made in advancing the “Delivering as One” process. He noted that several government and United Nations system representatives now considered the process “irreversible”. As the pilot initiative moved into the implementation phase, greater flexibility would have to be given by headquarters to their representatives in the UNCTs. Such flexibility was needed particularly in the various aspects of the One Office – in procurement, travel, office infrastructure and facilities, in building national capacities to execute/implement programmes and projects and pooling of resources. Savings resulting from improved operational efficiency should be channelled to development activities. Ambassador Mahiga stressed that “Delivering as One” would have to strike a balance between the oneness of United Nations delivery and the diversity of the system which was an enormous asset for the international community. At the same time, reform and renewal of the United Nations system could not co-exist with a “business as usual” approach.

25. Statements were made by the Group of 77 and China, the European Union, Belarus, Colombia, Netherlands and Switzerland on various aspects of the system-wide coherence process.

26. The statements and presentations as well as the discussions that followed in each of the sessions, highlighted the following key points:

- Strategic focus and inclusiveness in the United Nations system's response to national plans and priorities were not mutually exclusive. As the experience in developing the One Programmes showed, both were being achieved in the context of government leadership. The One Programmes are now more comprehensive and include trade and productive sectors, environment and other areas. There was also greater involvement of specialized and non-resident agencies in the process. Strategic focus had also been achieved through closer alignment of United Nations programmes with national priorities as well as through government decisions on the choice of United Nations system programmes/projects that best responded to those priorities.
- Funding was a key element in achieving system-wide coherence. There should be adequate, predictable, pooled and non-earmarked resources in the One Budget or One Fund to support the One Programme. While the intention behind the "Delivering as One" pilots was to maximize the utilization of available resources, there was an expectation that the unfunded portion of the One Programme would be fully funded. This raised the question of the extent to which United Nations system activities in the pilot countries should be brought into the One Programme. Related questions were how the core funding of United Nations system organizations should be utilized to support the "Delivering as One" initiative and what period of time was necessary before a central fund should be established. Other questions revolved around how activities funded by earmarked or special purpose contributions, global funds and regionally funded programmes, which by their very nature are not part of the One Budget or One Fund, could be included in the One Programme or One Plan. The main issue involved how to pool funding under the One Budget or One Fund from a multiplicity of sources whose purposes differ. Without a coherent funding mechanism for "Delivering as One", the implementation of the One Programme was at risk.
- Central to system-wide coherence at country-level are the role, accountability and organizational affiliation of the Resident Coordinators. While the understanding of the role of the One Leader ranges from a "chief executive officer" to a "strategic lead coordinator", there is agreement on the need for strengthening the position to ensure a visible leader representing the entire United Nations system. This could only be ensured if the firewall between the Resident Coordinator system and UNDP was effective and if the accountability of the Resident Coordinator was shifted towards the United Nations system. It was also stressed that UNDP should visibly demonstrate its commitment to withdraw from areas where other organizations have a clear mandate and expertise. Progress was observed in the establishment of codes of conduct in several pilot countries, the appointment of UNDP Country Directors, and the performance appraisal of the Resident Coordinators by the Regional Directors Teams. However, questions remained whether the steps



taken so far were sufficient to ensure the independence, impartiality and accountability of the Resident Coordinators.

- The different business and administrative practices of the United Nations system remains a major challenge for coherence. Common premises and services were piloted even prior to the High-level Panel report and some progress had been made in harmonizing business practices. The International Public Sector Accounting Standards (IPSAS) that will be adopted in 2010, will help harmonize many areas of accountability related to finance and budgeting. Work underway at the High-level Committee on Management (HLCM) of CEB covered several fields, including procurement, human resources management, information and communication technologies, budgeting and finance. Nevertheless, the challenge remained of integrating the different business models and practices employed by funds, programmes and specialized agencies in the new environment of the pilot countries. This would require a certain degree of flexibility, depending on the requirements of the pilot countries and the need for the United Nations system to provide services in the most cost-effective manner. Business practices in procurement and human resources need to be carefully assessed regarding specific needs, specialization and market conditions, and the right balance should be found between centralization at headquarters and decentralization to the country-level.

27. In his closing statement, the Director-General of UNIDO recalled the message of the High-level Panel report on the urgency of reforming the United Nations if it is to play a pivotal role in today's globalized world. Ambassador Mahiga noted that the dialogue was a great learning opportunity on advancing system-wide coherence but that the challenges remained complex. He reminded participants of the need to invest and reinvest in the United Nations. Ambassador Kavanagh expressed his appreciation for the discussions and noted the need to maintain the momentum of the "Delivering as One" pilots, and underlined his sense of optimism for the future.

### **III. UNIDO contributions to "Delivering as One" pilots: An update**

28. In 2007, all "Delivering as One" pilot countries established their own versions of the One Programme and One Budgetary Framework. In most of them, the concept of One Leader had been defined and codes of conduct formulated or signed by participating United Nations organizations. Those pilots eligible for the Spanish MDG Fund also developed concept notes and joint programmes for the various thematic windows. The main thrust for 2008 will be the implementation of the One Programmes. An update on the pilot initiatives since the issuance of document GC.12/CRP.6 in December 2007 is summarized below:

#### **Albania**

The Joint Government/United Nations Executive Committee (JEC) was established in August 2007 to oversee the implementation of the One Programme, which was approved and signed in October 2007. Two concept notes were approved for the

Spanish MDG Fund thematic windows on “Culture and Development” led by UNESCO (\$3 million) and “Economic Governance” led by UNDP and World Bank (\$2 million). A United Nations communications strategy was developed and a One United Nations Communications virtual team was established. In Albania, the following organizations currently participate in the pilot initiative: FAO, ILO, UNESCO, WHO, UNDP, UNEP, UNFPA, UNHCR, UNICEF, UNV, UNAIDS, UNIFEM, IOM and the World Bank. UNIDO has agreed with UNCTAD and ITC (UNCTAD/WTO) to jointly contribute to the One Programme and engage in joint programming in the field of trade. The formal inclusion of UNIDO in the One Programme is foreseen in mid-2008.

## **Cape Verde**

A working draft of the One Programme 2008-2010, based on an expanded United Nations Development Assistance Framework (UNDAF) 2006-2010, and a strategy for resource mobilization were elaborated and submitted to the participating United Nations agencies for review and consultations. Furthermore, concept notes for the Spanish MDG Fund on thematic windows “Culture and Development” and on “Youth, Employment and Migration” were developed. A code of conduct with guiding principles for the UNCT was established along with the terms of reference for the Steering Committee. These were shared with national partners and participating agencies along with a strategy paper on One United Nations and Cape Verde’s graduation from LDC status. One donor provided \$3.5 million to support the implementation of the United Nations reform process in Cape Verde. Currently, the following organizations participate in the pilot initiative in Cape Verde: FAO, ILO, ITU, UNESCO, UNIDO, WHO, UNCTAD, UNDP, UNEP, UNFPA, UN-HABITAT, UNHCR, UNICEF, UNIFEM, UNODC, WFP, UNAIDS, UNOCHA, IOM, and the World Bank.

## **Mozambique**

A “Delivering as One” Steering Committee along with key mechanisms to support the implementation of the One Programme (Programme Management Team (PMT), Operations Management Team (OMT), Communication Working Group, One United Nations Task Force) had been established. The UNDAF was revised and now incorporates a fourth pillar, focusing on economic development. Also, a monitoring and evaluation framework, a joint resource mobilization strategy, a joint communication strategy, draft terms of reference for the UNCT and Resident Coordinator as well as core management principles have been developed. A preliminary feasibility study on common premises options and operational plans was completed and shared with the Government and participating United Nations agencies. In Mozambique, the following organizations are taking part in the initiative: FAO, ILO, UNESCO, UNIDO, WHO, IFAD, UNDP, UNFPA, UNEP, UN-HABITAT, UNHCR, UNICEF, UNV, WFP, ITC (UNCTAD/WTO), UNAIDS, UNCDF, UNIFEM, UNDESA, UNOCHA, UNODC, and OHCHR.

## **Pakistan**

Five primary bodies are driving the pilot phase in Pakistan: the UNCT, Thematic Working Groups (TWGs), the Operations Management Team (OMT), the United Nations Communications Group (UNCG), and the High-level Committee (HLC), chaired by the Minister of Economic Affairs and comprising members from line ministries, provincial authorities, donors, United Nations agencies and civil society organizations. Recently, a proposal for common premises on Government-donated land, a detailed workplan for realizing harmonized business practices and a common communication strategy were elaborated. Also the functions and responsibilities of the UNCT were outlined and a UNDP country director was appointed. Participating organizations in Pakistan include: FAO, ILO, UNESCO, UNIDO, WHO, IFAD, UNDP, UNEP, UNFPA, UNHCR, UNICEF, WFP, UNODC, UNAIDS, UNIFEM, OHCHR, UN-HABITAT, UNOPS, UNV and IOM.

## **Rwanda**

A steering committee, including the Government, United Nations system organizations, development partners and donor community, had been established along with other key consultation mechanisms such as the UNCT and an Operations Management Team (OMT). As a result of the cooperation between participating organizations at policy level, a sector wide approach (SWAp) in the health sector could be signed with the Government and development partners. Also a common communications strategy had been developed and proposals on pooling support services and harmonizing procedures formulated. In Rwanda, the following organizations participate in the pilot initiative: FAO, ILO, ITU, UNESCO, UNIDO, WHO, IFAD, UNCTAD, UNDP, UNEP, UNFPA, UNHCR, UNICEF, WFP, ITC (UNCTAD/WTO), UNAIDS, UNIFEM, UNECA, UNCDF, UN-HABITAT and OHCHR.

## **United Republic of Tanzania**

In the United Republic of Tanzania, a Joint United Nations-Government Steering Committee (JSC) as well as six main instruments to drive the pilot phase had been established: United Nations Country Management Team (UNCMT), Joint United Nations-Government Task Force (JTF), Operations Management Team (OMT), Inter-Agency Programme Committee (IAPC), United Nations Communications Group (UNCG) and a United Nations Civil Society Advisory Committee (UNCSAC). A medium-term strategy for the One Programme (2008-2010), including a strategy for enhanced and effective participation of non-resident agencies, and a monitoring and evaluation framework are still under development. A One United Nations communications strategy had been developed and a United Nations staff capacity needs assessment is underway. Progress has been made towards One Office, with common premises being operational for nine United Nations organizations in Dar es Salaam, for eight organizations in the United Nations House soon to be inaugurated in Zanzibar and common premises in Kigoma. The following organizations participate in the pilot in the United Republic of Tanzania: FAO, ILO, UNESCO, UNIDO, WHO, IFAD, UNAIDS, UNDP, UNEP,

UNFPA, UNHCR, UNIC, UNICEF, UN-HABITAT, WFP, UNIFEM and IOM. The World Bank might participate in one joint programme.

## **Uruguay**

In Uruguay, a Steering Committee (SC) had been established, composed of the Government (Planning and Budgetary Office – Presidency of the Republic), the Resident Coordinator and participating United Nations organizations. The UNCT and donors participating in financing the Common Programme will advise the committee. Nine joint programmes, in line with respective One Programme outputs, had been identified by the Government to be initiated in 2008. For this, an amount of \$37,85 million has been allocated by the Government through its budget and through international loans in the non-core funded part of the One Budgetary Framework. Participating organizations in Uruguay are: FAO, ILO, UNESCO, UNIDO, UNWTO IFAD, UNDP, UNEP, UNFPA, UNHCR, UNICEF, UNOPS, UNAIDS, UN-HABITAT, UNECLAC, UNIFEM, UNODC, and IOM.

## **Viet Nam**

The Tripartite National Task Force (TNTF) guides the process in Viet Nam and includes representatives of the Government Aid Coordination Agencies (GACA), participating United Nations organizations and bilateral donors. Other key mechanisms established to advance and support implementation of “Delivering as One” are: UNCT, Operations Management Team (OMT), Monitoring and Evaluation Team, and Communication Team. Work on the second track of One Plan (OP2) started in August 2007 and the Government agreed to some minor rewording of the original five outcomes of the OP to reflect the mandates of incoming specialized agencies. The UNCT retreat in December 2007 agreed to finalize OP2 in early 2008 along with an OP Management Plan (OPMP) for approval by the Government. Furthermore, “success criteria” were outlined and agreed by the Government, participating United Nations organizations and donors. As far as monitoring and evaluation are concerned, an inter-agency working group had been established and a framework developed, based on the existing monitoring and evaluation systems and tools from the Government and the United Nations, to provide up-to-date and reliable information on progress and challenges. In this context, an independent mission commissioned by the United Nations Evaluation Group to assess the “evaluability” of the pilot initiative reviewed related process benchmarks in November 2007. A Code of Conduct and terms of reference for the UNCT were agreed upon at the December UNCT retreat. A Common Services Action Plan and concrete steps to be taken for the establishment of a “green” United Nations House in Hanoi were elaborated. Also completed were the harmonization of the EU-United Nations Cost Norms with a view to putting into effect the Hanoi Core Statement. The Harmonized Programme and Project Management Guidelines (HPPMG) are expected to be finalized during 2008 and will initially be applicable to the resident ExCom Agencies. Starting in 2010, HPPMG will be applicable to all United Nations agencies participating in the pilot in Viet Nam: FAO, ILO, UNESCO, UNIDO, WHO, IFAD, UNDP, UNFPA, UNICEF, UNIFEM, UNAIDS, UNV, UNODC and UN-HABITAT.

## IV. Implications and challenges for UNIDO

29. UNIDO has been proactively engaged in advancing system-wide coherence, *inter alia*, through its active participation in inter-agency coordinating bodies, contributing to country-level coherence, promoting coordination in its own areas of work and organizing events such as the dialogue on United Nations System-wide Coherence: The Next Steps. UNIDO has made significant progress in having its activities included in the “One Programme” or “One Plan” in the eight pilot countries. In actively participating in the “Delivering as One” initiative, UNIDO continued to work with partners towards a common or complementary approach to the other aspects of the country-level coherence process – One Leader, One Budgetary Framework and One Office.

30. Momentum is clearly building towards the United Nations system delivering as one at the country level. Nevertheless, a number of issues and challenges need to be addressed if UNIDO is to continue its proactive engagement and constructive contribution to system-wide coherence. The most important of those issues are the following:

- Meeting increased demands of coordination: The “Delivering as One” pilot initiative has taken up an enormous amount of staff time both at Headquarters and in the field. Inter-agency and UNCT retreats and coordination meetings have multiplied and documents requiring close study have increased tremendously. As the “Delivering as One” initiative moves into the implementation phase, it is likely that there will be additional costs of coordination relating to joint programme/project management, monitoring and evaluation, audit and other requirements involving coordination within the UNCT. UNIDO field offices will face additional coordination responsibilities, which would be especially intensive during the implementation of the joint programmes that make up the One Programme. Additional staff in the field may be needed. Where UNIDO currently has no field presence, it may be necessary to establish a UNIDO desk or to hire and train one or more national experts to coordinate UNIDO activities with those of other United Nations organizations. Furthermore, UNIDO’s participation in the development of UNDAFs in about fifteen countries in 2008 and twenty in 2009, many of whom will probably apply the lessons from the “Delivering as One” pilot countries, will require additional staff time. Such additional demands are likely to require additional UNIDO resources in order not to divert staff resources away from equally pressing priority activities. In a “zero growth budget” environment, this issue will require close attention from both management and Member States.
- Safeguarding UNIDO’s mandate and expertise: The empowerment of the Resident Coordinator as leader of the UNCT is a major pillar of the “Delivering as One” initiative. However, it raises important issues of representation, priority setting and resource allocation within the UNCT. As “One Leader”, the Resident Coordinator will be responsible for the strategic positioning of the United Nations in the country and for speaking on behalf of the participating United Nations organizations. He/she also takes the lead in shaping and allocating resources to the “One Programme” and holding members of the UNCT accountable for achieving the results/outcomes agreed

upon in the “One Programme”. However, the ability of Resident Coordinators to lead the country teams effectively depends on their independence and impartiality. Most Resident Coordinators are also Resident Representatives of UNDP and since UNDP is the manager of the Resident Coordinator system, there is a perception of conflict of interest in the dual role performed by the Resident Coordinators. However, UNDP has started to install an “institutional firewall” by, among others, appointing UNDP Country Directors in a number of countries to assume responsibility for UNDP programmes, leaving Resident Coordinators free to focus on their coordination responsibilities. For UNIDO as well as other United Nations organizations present in the country, the establishment of an effective “institutional firewall” will be central to ensuring that its mandate and expertise are respected in the United Nations system response to national priorities. UNIDO will follow closely the development of this firewall and continue to work with partners in the United Nations system to ensure the effective functioning of the Resident Coordinator system.

- Adapting UNIDO operating modalities to pilot country requirements: A major challenge that has emerged from the experience of the pilot countries is the difficulty of harmonizing the business practices and procedures of the participating United Nations organizations. As a specialized agency, UNIDO provides its technical expertise from Headquarters with management and administrative support from its field-based staff. United Nations funds and programmes, on the other hand, are mostly field-based and provide both substantive and management support in the field. In addition, funds and programmes have increasingly harmonized their programme and project management guidelines as well as their administrative policies and procedures. However, UNIDO along with other specialized agencies, applies a different set of business practices based primarily on policies and implementing rules adopted by their governing bodies. In addition, they are required to conform to donor-mandated guidelines and conditions in implementing donor-funded programmes and projects. All these factors have at times created the impression that the headquarters of specialized agencies are slow in giving flexibility to their field representatives in the pilot countries. UNIDO will need to rigorously review its regulations and rules to determine the extent to which it could harmonize or adapt them to those of other United Nations system organizations.
- Integrating UNIDO’s globally and regionally funded activities in the “One Programmes”: A key challenge for specialized agencies like UNIDO is how to fit their activities funded from global and regional sources, such as GEF, Montreal Protocol, European Union, into the country-defined “One Programmes”. The global funds prescribe a set of priorities that do not often coincide with nationally defined priorities. Similarly, some UNIDO regional programmes, such as trade capacity-building, have country-level activities that are not easily integrated into the “One Programmes”. A corollary issue is the inclusion of those global and regional funds into the “One Budgetary Framework”. A viable solution to these issues will need to be developed by Headquarters and UNCT in the pilot countries in close cooperation with the host governments and donors.

## **V. Action required of the Board**

31. The Board may wish to take note of the present document and, if considered appropriate, provide guidance to the Secretariat on its continuing participation in the system-wide coherence process.

## List of abbreviations

### C

CEB	United Nations System Chief Executives Board for Coordination
COP	Conference of the Parties

### E

ECOSOC	United Nations Economic and Social Council
EU	European Union
ExCom	Executive Committee

### F

FAO	Food and Agriculture Organization of the United Nations
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### G

GACA	Government Aid Coordination Agencies
GEF	Global Environment Facility

### H

HLC	High-level Committee
HLCM	High-level Committee on Management
HLCP	High-level Committee on Programmes
HPPMG	Harmonized Programme and Project Management Guidelines

### I

IAEA	International Atomic Energy Agency
IAPC	Inter-Agency Programme Committee
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
IIASA	International Institute for Applied Systems Analysis
IISD	International Institute for Sustainable Development
ILO	International Labour Organization
IOM	International Organization for Migration
IPSAS	International Public Sector Accounting Standards
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union

### J

JEC	Joint Government/United Nations Executive Committee
JSC	Joint United Nations-Government Steering Committee
JTF	Joint United Nations-Government Task Force

### L

LDC	least developed country
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### M

MDG	Millennium Development Goal
MRU	Mano River Union



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<b>O</b>	
OHCHR	Office of the High Commissioner for Human Rights
OMT	Operations Management Team
OP	One Plan
OPEC	Organization of the Petroleum Exporting Countries
OPMP	One Plan Management Plan
<b>P</b>	
PMT	Programme Management Team
<b>R</b>	
REEEP	Renewable Energy and Energy Efficiency Partnership
<b>S</b>	
SC	Steering Committee
<b>T</b>	
TCPR	Triennial Comprehensive Policy Review
TICAD	Tokyo International Conference on African Development
TNTF	Tripartite National Task Force
TWG	Thematic Working Group
<b>U</b>	
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCG	United Nations Communications Group
UNCMT	United Nations Country Management Team
UNCSAC	United Nations Civil Society Advisory Committee
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UN-DESA	United Nations Department of Economic and Social Affairs
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIC	United Nations Information Centre
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women

UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNV	United Nations Volunteers
UNWTO	United Nations World Tourism Organization
<b>W</b>	
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

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