



## **UNDG meeting**

14 November 2014, 9:00 AM - 12:00 PM (EST)

DC1 – 21<sup>st</sup> Floor, Hank Shannon Conference Room

## **Meeting Report**

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### **Item 1: Fit for Purpose for the Post-2015 Agenda**

1. The UNDG Chair opened the third UNDG meeting of 2014 by highlighting that since the last UNDG meeting in July, the UNDG, in concert with HLCM and HLCP, has moved the discussion around “fit for purpose” forward considerably.

2. The UNDG Chair acknowledged the leadership provided by Anne-Birgitte, Chair of the UNDG ASG Advisory Group, who took the group through a mapping and visioning exercise resulting in the “Vision and Framework for Action for UN Operational Activities in support of the Post-2015 Agenda” report shared with the full UNDG in advance of the meeting. The report includes a set of concrete recommendations for the UNDG to consider, both at the UNDG level and the upcoming CEB session. In parallel, ECOSOC has requested a dialogue on the longer-term positioning of the UN development system. DESA is organizing the process and the first round of the consultations will take place on 15 December 2014. Anne-Birgitte Albrechtsen will represent the UNDG at this first meeting.

3. Anne-Birgitte Albrechtsen, ASG Advisory Group Chair, briefed the UNDG that the Advisory Group came together on 23-24 October, with guests from across the UN system pillars, OCHA, DPA, DPKO, PBSO, as well as the CEB Secretariat and the Special Advisor to the SG on post-2015 development planning who enriched the discussion around proposals for a joint UNDG input to the “fit for purpose” process. The goal was to reimagine the UN at the country level, to be more lean and seamless, working better together to contribute with relevance and impact to the post-2015 development agenda. Discussions were further informed by an internal mapping of the UNDG’s physical presence and reach, and the coverage of the emerging SDGs in current Strategic Plans and UNDAFs, as well as the CEB Principals letters to the SG and the deliberations at the HLCM/ HLCP sessions. The mapping showed that the “unfinished business” of the MDGs is well covered, and some shift in focus to the “newer” SDGs has begun to happen. It also confirmed the universal reach of the UN. The conclusions of the retreat emphasized that UN joined-up policy needs to be more data driven, deeply analytical and visible; UN system-wide expertise more readily available to all and working in issue-based teams; working arrangements and operational activities better coordinated by implementing the SOPs; financing to be more issues-based and link development and humanitarian funding where it makes sense; and the UN’s leadership on the ground to be accountable and well supported, if we are to become that truly exceptional UN partner to Member States and people in support of the post-2015 development agenda. This was the UN we want to see.

4. Thomas Gass, Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs in UN DESA, noted that while internal discussions within the UN on “fit for purpose” were progressing well, there was strong interest by Member States to pick up this theme and engage. The ECOSOC Dialogue respond to this need, and were mandated under ECOSOC Resolution 2014/14. The outcomes of the dialogue will feed into the SG’s report on the QCPR in 2016. A first session of the dialogue will take place on 15 December 2014 and a second session

possibly on 30 January 2015. To inform the first meeting, a short discussion paper will be prepared by two independent experts. This discussion paper will be extended into a longer piece for the second session of the dialogue of 30 January. The dialogue will also be an opportunity to put forward some ideas that have come up in the system on the “fit for purpose” exercises, including in the UNDG, and DESA looks forward to strong engagement from everyone.

5. The UNDG Chair also took the opportunity to introduce John Hendra in his new role as Senior Coordinator on “UN Fit for Purpose” for the Post-2015 Development Agenda. Given that a major focus for the UNDG in 2015-2016 will be “Fit for Purpose”, John will participate as an observer in both the full UNDG and in the UNDG ASG Advisory Group. He will also engage on the UNDG Sustainable Development Working Group.

6. In the discussion that followed, UNDG members highlighted the need to further explore and discuss the definition of normative and operational work, not as a dichotomy but as a concept where the normative is embedded in the operational; greater use of data and intensifying support to strengthen national data capacities; using the RCs as NRA representatives where feasible so as not to double up on representational costs; the emergent need to overcome the divide between humanitarian and development activities and funding; the need for continued discussion among UNDG, HLCM and HLCP on “fit for purpose” to ensure consistency in thinking and way forward; and the full support to the SOPs roll-out underway. UNDG engagement in the preparation for next years’ Third International Conference on Financing for Development (FD) was seen as a priority with regard to funding mechanisms and collaborative approaches that were more “fit for purpose” for the post-2015 agenda.

7. UNDG members agreed to share the UNDG “Vision and Framework for Action” report with Member States in preparation for the first round of ECOSOC dialogues and with the CEB, and also coordinate efforts with HLCM and HLCP to come up with a joint statement for the CEB, with the follow up identification of tasks for each pillar. John Hendra would prepare a draft joint statement that incorporates the synthesis of the HLCM, HLCP and UNDG reports on “fit for purpose”.

8. **The UNDG endorsed the vision and action framework contained in the Report of the UNDG ASG Advisory Group Visioning Retreat and agreed to title the document as a contribution endorsed by the full UNDG. The UNDG also agreed to share the report with the CEB secretariat as the UNDG contribution to the second regular session of the CEB on 19-21 November 2014. The UNDG Chair stated that she will present this vision and action framework at the CEB meeting, preferably within a common statement. The shorter term actions will be tasked to the respective UNDG WGs going forward and to be captured in each 2015 work plan accordingly.**

## **Item 2: UNDG engagement in support of the Human Rights Up Front initiative**

9. The UNDG Chair welcomed Jan Eliasson, Deputy Secretary-General, and thanked him for joining the group to reflect on ongoing efforts to implement the Human Rights Up Front Action Plan. The joint letter of the DSG and UNDG Chair to all RCs (on 24 February 2014), laid out a very clear message which called on every UNCT to support the protection and promotion of human rights in the countries they serve. In countries where there is, or can be, mass scale human rights violations and atrocities, this initiative takes the UN system to another level of response.

10. The Deputy Secretary-General highlighted that the HRuF initiative is firmly field oriented. He reiterated that the SG and himself feel strongly about the need for human rights to permeate all UN activities. All parts of the UN need to work together across peace, development and human rights. The DSG emphasized that this joined-up approach can only be anchored in our field operations, and that it is happening in many countries where we have strong leadership and courageous actions taken by UN colleagues. The DSG emphasized the need for the UN to act on early signs of atrocities and human rights violations, to engage more in pre-conflict and post-conflict settings, so we are more present before and after, and not just heavily engaged during the period of conflict itself. The HRuF initiative is focused on “we the peoples” and our main accountability is to all people under the UN Charter. The DSG expressed his appreciation for the UNDG Chair’s role in co-chairing the Senior Advisor’s group that drives the HRuF initiative, and the DSG commended the actions already taken and the role of the UNDG in providing leadership support to RCs and UNCTs to engage in human rights.

11. On behalf of the UNDG, Kate Gilmore, Co-Chair of the UNDG Human Rights Mainstreaming Mechanism (HRM), provided a brief overview of their work, including an informal review conducted of UNDG strategic plans from a human rights perspective with a view to the post-2015 development agenda. This provided an entry point to not only discuss the “what” of the future development framework but also the “how to get there” and “for whom” it matters most. This was what articulated the truly distinct essence of the UN brand and what makes it irreplaceable compared to other institutions working in development and human rights. The Human Rights Mainstreaming Mechanism will share the findings of the survey. The discussion that followed included the need to anchor the human rights work better in development, ensuring common statements and positions by all of the UNCT in a country, having human rights scanning upfront linked to vulnerability and risk assessment, drawing on reports of supervisory bodies of the UN system that monitor the application of international human rights instruments, and building on regional and national commitments to human rights, including through the UPRs, as often a sound and pragmatic way forward.

### **Item 3: Reform of UNDG working mechanisms, working methods and membership**

12. The UNDG Chair opened the agenda item by highlighting that there is a new and ambitious development agenda ahead of us. Therefore, the UNDG needs to better organize itself within, and with others, to contribute with high impact. This has to happen at all levels, global, regional, and country. At the level of the UNDG, this means to recalibrate Strategic Priorities and adjust the working mechanisms and their membership to respond. The Chair of the UNDG further pointed out that the proposed reform is in line with the UNDG working principles endorsed at the last UNDG meeting in July 2014.

13. The UNDG Chair noted that at the July meeting it was also agreed to reform the UNDG membership to ensure inclusive representation of the UN development system in the UNDG, however with a representative and functionally practical Advisory Group at Principal and ASG levels.

14. Kanni Wignaraja, DOCO Director, highlighted some key new features of the UNDG working methods. She pointed out that the “UNDG functioning and working arrangements” document consolidates all key information on the UNDG’s institutional context (Section I), mandate (Section II), working principles (Section III) and membership criteria (Section IV) that the UNDG agreed on at the last meeting. She confirmed that this document would now provide the formal first-time terms of reference for the UNDG, aligned with the TORs of the HLCP and HLCM. The terms of reference represent a codification and formalization of existing working practices, drawing on agreed

language from official sources, including the CEB and the UN General Assembly's endorsement of UN Secretary-General Kofi Annan's report "Renewing the United Nations: A Programme of Reform" (1997). Two points were clarified: (1) decisions of the full UNDG would be binding at all levels; and (2) while decision-making will continue to be consensus based, an opt-out clause would apply under special circumstances. This would need to be conveyed in writing by the Principal concerned.

15. The DOCO Director also briefed the group on the proposed updated terms of reference of the UNDG Advisory Group. The overall objective of the Advisory Group will remain unchanged, and continues to serve as an advisory body to the UNDG Chair. The original TOR remain for the greatest part valid, but with updated language to reflect the post-2015 development agenda and more recent strategic priorities and areas of actions of the UNDG. The ASG Advisory Group will, for example, continue to support the RC performance appraisal process by reviewing rebuttals when there is disagreement between the Regional UNDG Team and an RC. She further noted that membership of the Advisory Group is proposed to increase from 14 to 16 members so as to make it more representative while ensuring that it remains effective. In addition to the 12 UNDG entities with the most significant country engagement, UNDESA, UNAIDS and OHCHR are proposed to become permanent members of the Advisory Group due to the critical leadership and coordination roles they play. This was noted, however, as contingent on participation in the RC cost-sharing agreement as referred in the following section.

16. It was proposed that the role of Vice-Chair of the UNDG, and that of Chair of the ASG Advisory Group, rotate among the members of the Advisory Group as it does today, and on a two-year basis.

17. On the UNDG Working Groups and their working methods, DOCO Director noted that 8 UNDG Working Groups will constitute the heart of the UNDG Working Mechanism: Three Working Groups would focus on fostering integrated, system-wide norms, standards, and policies and guide implementation of the respective global policy agendas at regional and country level: Sustainable Development Working Group; Human Rights Working Group; and the UN Working Group on Transitions. Five Working Groups would drive operational effectiveness for results based also on the SOPs: Communicating as One Working Group, which was new and would be focused on our multi-stakeholder and public engagement; Leadership Working Group; Programme Working Group; Fiduciary Management Oversight Group; and the Business Operations Working Group. Each would have standing or time-bound task teams as deemed necessary by that WG. DOCO will provide the secretariat for Working Groups, while Task Teams will be supported by technical lead entity.

18. The DOCO Director noted that in Section IV of the "UNDG Functioning and Working Arrangements" document the new criteria for UNDG membership and observer status are outlined, which the UNDG already endorsed in principle at its last meeting. She recapped that in order to be eligible for UNDG membership, an entity must meet three criteria: (a) Be a full member of the CEB; (b) be a part of the UN Development System as defined in the report of the Secretary-General to the General Assembly (with financing for operational activities); (c) have full engagement in UNDG networks and importantly in field operations, through UNDAFs and UNCTs; and (d) be a contributor to the global UNDG cost-sharing arrangement in support of the Resident Coordinator system. The implications of these criteria for members and observers are outlined in the document itself.

19. In the discussion, UNDG members agreed that the TORs would be "living" documents that needed to be adjusted when context changed. It would also need to be ensured that there are no overlaps between the work of the UNDG and the other CEB pillars. In the areas of business operations, with clarity that there was no reporting

relationship between the three pillars, some members wanted to see further review to ensure collaboration and close alignment with HLCM. Standardisation of core principles and working methods across all WG TORs would be ensured. The need to confirm membership across each of the groups; senior level members to lead the WGs and not substitutes; and the need to move forward on work planning for 2015 to prepare for the post-2015 agenda was brought up. The need for groups on, “gender equality” and “culture and development”, was discussed and to be considered as time bound task teams when needed by the WG. The call for representation at D2 level in Regional UNDGs was queried by those agencies without D2s in their regional structures.

20. In the discussion around the Working Groups and Task Teams, UNDG members emphasized that Working Groups should invite regional and country level colleagues to get their inputs, whenever relevant, and that Task Teams should be task- and time-bound and not proliferate. In terms of representation, the UNDG Chair emphasized that proper level of representation by agencies in the full UNDG, Advisory Group, Working Groups and Task Teams needs to be ensured by all.

21. **The UNDG endorsed the UNDG membership reform. The membership criteria apply to all prospective new members, but the Chair agreed to “grandfather” membership rights for OHRLLS, OSAA and SRSG/CAAC. These would be exceptions. DPI affirmed that they would accept to be observers. It was noted that observers can be formally invited to be members of a Working Group even if they are not members at the UNDG level<sup>1</sup>. The UNDG Chair will reach out to those UN entities that will become eligible for UNDG membership and invite them to join the UNDG.**

22. **The UNDG also endorsed the proposed working arrangements, and the TORs for the 8 Working Groups in principle. DOCO will revisit the TORs of the Working Groups, the final versions of which will be submitted to the UNDG ASG Advisory Group for final review, to ensure coherence and consistency. This includes a review of the Business Operations TOR, to ensure close alignment with the HLCM Networks. Mechanisms that are due to phase out, will submit a final report. The UNDG Chair will further consult and subsequently appoint the Co-Chairs of the UNDG Working Groups. All existing Working Groups will need to finalize their Working Group’s work plan reporting. They will need to also identify any strategic results the new associated Working Group should consider for 2015. The UNDG will be requested to confirm their membership in each new Working Group. The new Working Group’s membership can meet as soon as constituted to establish their 2015 work plan.**

23. **The UNDG Chair will formally brief the UNDG Principals Advisory Group and the CEB on these reforms at the upcoming CEB sessions in Nov 19-20. The new UNDG working arrangements, membership and working methods will formally enter into effect on 1 January 2015.**

#### **Item 4: Update on the UNDG cost-sharing in support of the RC system in 2014/2015 and preparations for the 2016/17 biennium**

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<sup>1</sup> Point of clarification: Observers are not bound by decisions of the UNDG, however for UNDG Working Groups which extend beyond the UNDG to include other UN system entities due to the mandate of the Working Group such as the UN Working Group on Transitions and the Leadership Working Group, “formal” non-UNDG members will comply with associated decisions of that Working Group.

24. The UNDG Chair emphasized that putting the Resident Coordinator system on a predictable and secure funding basis through system-wide cost-sharing is a major milestone and one of UNDG's key achievements this year. Since the system-wide cost-sharing agreement entered into effect in January, it has provided Resident Coordinators and UNCTs in over 130 countries with critical resources for strategic planning and other key coordination functions for a coherent UN system response in support of sustainable development.

25. The UNDG Chair noted that the cost-sharing agreement also signifies UNDG's joint commitment to an RC system that is owned by the entire system, and that UNDG members are serious about making the funding of this critical function more effective, transparent, and with joint accountability. Throughout the year, the UNDG has received praise from Member States, but also questions with regard to the status of implementation of the cost-sharing, as well as the impact of the current funding shortfall. It was evident that Member States are keeping a close eye on the implementation of the new arrangement and expect the entire UN development system to be part of it. The Secretary-General has been requested to report on its implementation in his forthcoming QCPR report to ECOSOC in February 2015.

26. As a summary of the 2014/2015 biennium of the cost-sharing agreement, the UNDG Chair was pleased to note that of the 18 UNDG members expected to contribute - with the exception of the UN Secretariat entities, which will join in 2016 - all have done so, even if a few contributed reduced amounts in this transition phase. The UNDG Chair emphasized that she expects full contributions from all participating UNDG agencies in the second biennium.

27. The UNDG Chair informed the membership that the resulting funding gap for 2014 and 2015 is significant, with a shortfall of some 21.6m USD. Fortunately, DOCO has managed to close most of this year's remaining gap with additional resources from donors and by using the strategic reserve of the UN Country Coordination Fund (UNCCF). In the next funding biennium 2016-2017, however, these options will no longer be available. The UNDG Chair, therefore, called on agencies to ensure that the cost-sharing is included in full, in all agencies' budgets.

28. The DOCO Director briefed the UNDG on the proposed elements of the cost-sharing formula for the 2016/2017 biennium. As indicated in the information sheet for the 2016/2017 biennium, it is proposed to keep the annual funding requirement at the 2012 level, adjusted only for updates in the staff pro forma costs. The UNDG funding requirement will amount to some USD 36 million annually, which is in addition to the USD 88 million "backbone" funded by UNDP (total: USD 124m). Similarly, it is proposed to keep the funding formula largely as is, with a few important adjustments to address the challenges encountered during the 2014/2015 cost-sharing cycle and to ensure sustainable cost-sharing among UNDG members. This refers a smaller flat fee contribution only for the small/non-operational UNDG entities, continuation of the exclusion of humanitarian expenditures and staff (as per the formula for the 2014-2015 biennium), no special discounts or exceptions and the potential participation of prospective 3-4 new UNDG members in the cost-sharing. Kanni Wignaraja, DOCO Director, clarified that no agency has subsidized any other in this period as the gap has been met in full with donor funds.

29. In the discussion, DESA confirmed that the Secretariat stands firmly behind the cost-sharing agreement, noting the overall principles for the cost-sharing formula should stay the same as the Secretariat has already put forward the amount before the intergovernmental process in the context of the 2016-17 biennium. It was noted that the proposed changes would not impact the Secretariat for the 2016/2017 biennium. UNIDO expressed the view that the creation of a "flat fee" for smaller agencies should not increase the other agencies' contribution.

UNIDO also requested the disclosure of accounts and report on the RC cost-sharing to be shared among the participants before the payment of its financial contribution for the 2016-17 biennium. WFP added that the formula should apply to all UNDG members and that it would not be possible to cover gaps resulting from other agencies defaulting on respective payments of agreed amounts. UNWTO expressed their appreciation for the efforts to accommodate the needs of smaller agencies in the new formula, but announced that they can only maintain their current annual contribution of 50,000 USD for the 2016/17 biennium. WHO expressed the need to provide detailed financial information on how the cost-shared funds are used, as well as a governance mechanism for the money. This proposal was supported by others.

**30. The UNDG Chair emphasized that full membership in the UNDG goes hand in hand with full participation in the cost-sharing agreement. She further stated that DOCO will provide a financial and results report on the 2014 cost-sharing after the close of the financial year. The UNDG Chair stated that there would be a process of consultation on the cost-sharing agreement for 2016-17 and DOCO would then work with each agency on the specific contributions per agency for the 2016/17 biennium, based on the updated principles for the cost-sharing formula and updates in the pro forma cost adjustments. This will give all the ample time to plan and budget accordingly.**

## **AOB**

### **Implementation of “Delivering as one”**

31. The UNDG Chair was pleased to note that 16 of the 18 agencies that signed the SOPs followed through on sending it out to their regional and country colleagues. She asked the agencies to follow up through their channels on implementation. With the SOPs rolling out to all in the field, it calls for another push by UNDG member agencies to follow-through on commitments for change also within their own agencies, particularly to align programme and operational procedures, and also by Co-Chairs of Working Groups to make the agreed actions happen.

32. Anne-Birgitte Albrechtsen, Chair of the UNDG ASG Advisory Group, reported that 24 of the 55 actions of the HQ Plan of Action are complete, others ongoing, but that there are significant delays in implementation of 12 actions. A strong push was required to maintain the momentum in Working Groups and within individual agencies, especially in the area of business operations. The UNDG Chair thanked those ASGs who have assumed leadership roles in driving individual actions, and asked others to please step up to take on these roles for the system.

## **FMOG**

33. Subhash Gupta, Co-Convener of the Fiduciary Management Oversight Group (FMOG) briefed the UNDG on the issue of a harmonized cost-recovery rate for UNDG pooled financing mechanisms. At the 3 July, UNDG ASG meeting, FMOG requested the UNDG to make a decision on moving the harmonized cost recovery rate from 7% to 8%. The UNDG referred the matter to the Finance and Budgetary Network for further deliberation. At the 12 November 2014 FBN meeting, the UN agencies agreed on the importance of maintaining a harmonized rate driven by the QCPR for full cost recovery without any cross subsidization of non-core by core resources. FBN members agreed to launch a consultative process, through the establishment of a working group. The tasks of the working

group include: proposing a clear definition of the different types of inter-agency pooled funds, arriving at a shared understanding and justification of the move of the cost-recovery rate to eight percent and identify opportunities to pursue rate harmonization beyond pooled funding mechanisms, to all voluntary funding, where possible. UNDG members articulated their support for a harmonized rate of cost recovery for pooled funding mechanisms.

### **Retirements of Daniel Lopez Acuna and Hans d'Orville**

34. The UNDG Chair thanked Daniel Lopez Acuna (WHO) and Hans d'Orville (UNESCO) for their service to the UNDG and wished them all the best in their upcoming retirements.

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