**Joint Meeting of the Executive Boards of
UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP
4 February 2013
New York**

**Operationalizing the decisions of the Quadrennial Comprehensive
Policy Review (QCPR)**

Background paper prepared jointly by
UNDP, UNFPA, UNOPS, UNICEF, UN-Women and WFP

Introduction

1.   The Quadrennial Comprehensive Policy Review (QCPR) of operational activities for development provides an opportunity for the United Nations Development System (UNDS), with the support of Member States, to implement measures to enhance the relevance, effectiveness and efficiency of the system. This process is key in ensuring the responsiveness of the UNDS to current development challenges and evolving landscape.

2.   For the UNDS, the QCPR provides system-wide policy orientations for development cooperation and country-level operational modalities that will result in a UNDS that is more strategically relevant, nimble and strengthened to deliver on results.

3.   This background note is being prepared in parallel to the action taking place in the Second Committee of the General Assembly (GA) to draft the QCPR resolution. As such it is not possible to cover all the expected aspects of the QCPR, but rather focus on a few strategic elements as a basis for discussion on this topic.

Key Challenges, Opportunities and Lessons Learned

Alignment of Strategic Plans

4.   The Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations system (TCPR) (A/RES/62/208) called for the alignment of the strategic planning system cycles of the UN funds and programmes with the comprehensive review. As a result, the strategic plans of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and WFP were extended until the end of 2013. In the case of the United Nations Office for Project Services (UNOPS) its strategic plan covered the period 2010–2013 whereas with UN-Women, its first strategic plan was established to cover 2011–2013, with its longer term vision and goals valid through 2017. All entities' next strategic plans will thus go from 2014 to 2017.

5.   Alignment of the forthcoming strategic plan cycle offers an unprecedented opportunity to reflect the priorities contained in the QCPR into the strategic plans in a coherent manner. It also provides a valuable chance for funds and programmes to jointly consider potential ways to further strengthen collaboration and coherence. Regular consultations between the six entities involved have facilitated constructive dialogue and have initiated a more dynamic process of mutual engagement and learning.

Results Focus of the UNDS

6.   The UNDS is responding to the call by Member States to sharpen its focus on delivering and demonstrating results. This entails: i) strengthening national ownership of results and ii) articulating the contribution of the UNDS to national and global results. Results-based management (RBM) is an important tool towards this end. It is an integral part of the reform agenda, which was reiterated in the Secretary-General's Five-Year Action Agenda.

7.   Much of the groundwork to facilitate this stronger focus is already underway. In 2011, WFP and UNDP led on behalf of the United Nations Development Group (UNDG) and the High-Level Committee on Management (HLCM) a study on results reporting. As a result, the UNDG/HLCM, agreed on four principles: i) mutual accountability, ii) transparency, iii) measure and report on efficiency, and iv) effectiveness. UNDG entities have adopted

these principles, for example, in following the principle of transparency by reporting on both success and challenges with regard to progress against development and management results.

8.	Furthermore ten UNDS entities, including UNDP, UNFPA, UNICEF, UNOPS, UN-Women and WFP, are signatories to the International Aid Transparency Initiative (IATI), which aims to make information about aid spending easier to find, use and compare. The six entities have also adopted the International Public Sector Accounting Standards (IPSAS), which will lead to harmonization in the presentation of statutory financial reports.

9.	Building on the positive experience of UNDP in developing the Millennium Development Goal (MDG) Acceleration Framework (MAF) and UNICEF in rolling out a Monitoring Results for Equity System (MoRES), entities are strengthening their operational activities by placing greater emphasis on the monitoring of barriers and bottlenecks that impede achieving results in order to inform programme adjustments and accelerate results for the most vulnerable.

10.	The UNDS, coordinated by UN-Women, developed a United Nations System-wide Action Plan (UN SWAP) on Gender Equality and Empowerment of Women endorsed by the Chief Executives Board for Coordination in April 2012. For the first time, the United Nations will have a set of common standards with which to measure progress in its gender-related work, including the mainstreaming of a gender perspective across all its policies and operations. Alongside UN-Women, whose mandate is to guide the system's coordination on gender and that is shepherding this effort, the five other entities represented at the Joint Meeting of the Boards have started implementing the UN SWAP. Indeed, throughout 2013, all entities will continue to align their performance indicators on gender equality, along with their policies and work processes. This will promote synergies and reduce duplication by supporting reporting against a commonly agreed set of indicators, to which all entities can align. Moreover, the United Nations system will support more joint work and inter-entity learning during its roll out – through establishing centres of technical support in each of the areas of the UN SWAP, peer review, and enhanced communication.

11.	From an organizational perspective strengthening RBM and making it relevant in the fast-changing, complex programming environment entails recognizing the links between the achievement of concrete results in each entity's areas of focus and the overall resourcing of the UNDS. This involves identifying and implementing suitable incentives for RBM, removing disincentives, investing in developing capacities and competencies for RBM and periodically reviewing the effectiveness of RBM systems.

12.	The reporting burden on the UNDS is considerable. Over 17,000 reports are prepared for donors each year by UNDP, UNFPA, UNICEF, UNOPS, UN-Women and WFP combined. Measures to sharpen and streamline the results orientation should also take into account the magnitude and scope of this undertaking.

Field Implementation

13.	The principle of national ownership underpins and guides the engagement of the UNDS at national level. The development needs of programme countries, their policies, priorities and capacities are cornerstones for how the UNDS delivers its support. With the acceleration of the coherence agenda in the period 2006 to 2012, including through the implementation of the Delivering as One (DaO) initiative, good progress has been achieved to enhance national ownership, as well as to improve the coherence, efficiency and effectiveness of the operational activities of the UNDS.

14.   This progress was highlighted by the Independent Evaluation of DaO, which was carried out in 2012. It confirmed that DaO has been a highly relevant reform package of programming, funding, management and accountability. A key finding is that each of the pillars[1] of DaO has proven useful and that none is redundant. The pillars can be applied flexibly to suit country-specific needs ("no one size fits all"). DaO has made significant progress in the areas of national ownership and leadership, and has been seen as an important reform towards a more coherent, effective and efficient United Nations for delivering results at country level.

15.   While acknowledging progress, the evaluation also concluded "little" to "moderate" success in the outcome goals of the initiative, which included reduced duplication (little), reduced fragmentation (little), reduced competition for funding (moderate) and enhanced capacity for strategic approaches (moderate). All the pillars of the initiative received a "moderate" rating, except for One Office/business processes (weak) and One Voice (strong). In operationalizing the QCPR, it will be important to learn from the findings of the Independent Evaluation and roll out a second generation of DaO that focuses on increased accountability and improved outcomes, especially for the most vulnerable groups. This is also one of the priorities outlined by the Secretary-General in his Five-Year Action Agenda for the period 2012 to 2016.

16.   In order to support the development of this second generation of DaO, and as called for in the QCPR, the UNDG is developing a set of Standard Operating Procedures (SOPs) for countries wishing to voluntarily adopt DaO. The SOPs will provide information for countries that are considering adopting the DaO approach. They will also provide guidance to United Nations country teams, governments and partners that are voluntarily adopting the DaO approach in an integrated package covering the five pillars. The SOPs will be fully in line with existing GA resolutions, in particular the emphasis on alignment with national priorities; the need for a more transaction-light engagement by the UNDS with governments and flexibility to allow for innovation and strengthened accountability.

17.   The Resident Coordinator (RC) system will continue to be a key driver in enhancing the coherence of operational activities of the UNDS. In this regard, all entities will ensure that they remain fully compliant with the Management and Accountability System. In addition, acknowledging the importance of equipping resident coordinators with the necessary capacity to perform their functions, the UNDS is committed to support the RC system. A task team has been established within the UNDG to develop a cost-sharing modality to ensure that each country is equipped with a cost-effective and efficient Resident Coordinator's Office (RCO) model, which is flexible, light, and responsive.

18.   The six entities will continue their efforts to simplify and harmonize business practices at corporate level in a number of areas, such as cost classifications, expenditure codes, human resources (particularly staff rules), common security management, harmonized treasury services and collaborative procurement actions. They will also continue to build on progress made at national level, especially in terms of common ICT frameworks, harmonized local recruitment actions, common long-term agreements and joint procurement.

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[1] (1) One Leader, (2) One Programme, (3) One Office/business practices, (4) One Voice, and (5) One Budgetary Framework

Transition

19.   The world has witnessed a growing number of crises that are complex in nature, caused by a confluence of factors spanning the security, political, humanitarian and development divide. These crises can also span across borders and affect a multitude of countries at any given moment. They have played a significant role in slowing the progress towards achieving the Millennium Development Goals (MDGs) and other international commitments, as well as in sustaining results achieved. The UNDS and its role in crisis- and conflict-affected and post-crisis countries have evolved in response.

20.   It is no longer sufficient to consider the transition from relief to development as a linear progression but rather as simultaneous, complex and evolving settings. Transition periods are generally not sufficiently planned for and financed. The UNDS needs to continue to strengthen its ability to factor elements such as risk reduction, resilience at the local, national and regional levels and adaptation to shocks into its operational modalities.

21.   In this context, investment in preparedness, prevention, mitigation and response capacity is imperative. To underpin this effort, timely, predictable and sustained financial contributions are needed, which can be more flexibly applied across the humanitarian and development divide. Continued efforts are needed to improve coordination between UNDS, the Bretton Woods Institutions and regional bodies with regard to the transition from relief to development, including, where relevant, the development of joint responses for post-disaster and post-conflict needs assessments, programme planning, implementation and monitoring, including funding mechanisms, to deliver more effective support and to lower transaction costs for countries in transition from relief to development. The role of the Resident Coordinator/Humanitarian Coordinator in transition settings is also key in harnessing the various capacities within the United Nations and in facilitating its work as a coherent body.

22.   Resilience brings greater convergence between the humanitarian and development agendas, by seeking to adopt operational modalities that blend together different approaches depending on the context, e.g. early recovery with disaster risk reduction and an emphasis on people and their capacities and abilities. Different aspects of resilience are emerging as priority areas for many UNDS entities in response to this evolution.

Funding

23.   Adequate funding is essential to facilitate the improved efficiency and effectiveness of the United Nations Development System.

24.   The funding for the six entities is voluntary in nature – with the exception of UN-Women which, as a composite entity, receives only about 3 percent of its budget from assessed contributions. UNOPS does not receive any core funding and implements specific projects on behalf of partners. Both core and non-core are critical to UNDS functioning and funding of operational activities. Core resources represent the bedrock for the UNDS and every possible effort should be made to retain and increase this type of funding. While the proportion of core and non-core resources varies among the six entities, there is also the emerging recognition that flexible non-core resources represent an important supplement to the regular resource base of the system.

25.   There is a need to strengthen the predictability of funding, broaden the donor base and increase the flexibility of non-core resources by promoting alternatives to tightly earmarked non-core funding such as thematic funds, multi-donor trust funds and other loosely earmarked funding mechanisms linked to their strategic plans. This is particularly needed as it appears that the 0.7 percent target for official development assistance (ODA) will not be met by the

majority of the traditional donor countries. Linked to this is the trend of increased multilateral aid reviews by a number of donor countries, however, these reviews could benefit from further coordination among donors and may lead to best reflect the increasing and emerging demands on United Nations entities.

26. The UNDS must also tap into growing funding opportunities from the private sector and emerging economies. These include the use of new and innovative sources of funding and establishing new partnerships including within host countries. The use of multi-year strategic partnership agreements is becoming increasingly important to combat the unpredictability of voluntary contributions and to offset decreases in core funding. This approach should be strengthened and expanded.

Conclusion

27. The six entities will take the necessary measures to implement the QCPR and monitor and report on progress. The strategic priorities for the UNDG and its related instruments will be guided by the QCPR. In return we ask Member States to provide us with the necessary support, and streamline their requirements, to respond to the changing development landscape and contribute to national and global development results. Looking ahead, with the evolving post-2015 agenda, it is critical that the measures outlined above are pursued in a manner that will equip and enable the UNDS to strengthen and retain its strategic relevance in the changing context.

Questions to Member States

(i) What other areas have emerged through the QCPR that should be prioritized in order to enhance the relevance and functioning of the UNDG entities?
(ii) What aspects of the strategic plans can be considered for further enhancement of coherence and results?
(iii) What can Member States do to coordinate and streamline reporting requirements and help the UNDG reduce its transaction costs?
(iv) What concrete steps can be made by Member States to make further progress in allowing for funding flexibility across the humanitarian and development divide and in light of the imbalance between core, and non-core resources?