



FOR DEBATE AND GUIDANCE

FOURTH ITEM ON THE AGENDA

Developments in the United Nations

The report of the Secretary-General's High-level Panel on UN System-wide Coherence in the areas of development, humanitarian assistance and the environment, "Delivering as one": Implications for the ILO

Introduction

1. The High-level Panel on UN System-wide Coherence was established by Secretary-General Kofi Annan in response to a recommendation in the 2005 World Summit Outcome Document. The Panel was tasked to look at the UN's work in the fields of development, humanitarian assistance and the environment, taking into account the cross-cutting issues of gender equality, sustainable development and human rights.¹
2. The Panel presented its report² to the Secretary-General on 9 November and it was forwarded to the General Assembly in December 2006 (A/61/583). In his appraisal, Secretary-General Kofi Annan stated that the High-level Panel report provided "a clear and balanced analysis and series of ambitious but practical recommendations that can have a significant and long-lasting impact on the effectiveness and relevance of the UN system". As a number of recommendations sought to build on ongoing reforms, former Secretary-General Annan decided to move forward on some of them by taking the following actions:
 - Requesting the Chairperson of the UN Development Group (UNDG) and UNDP Administrator to proceed with the establishment of the pilot One Country Programmes by 2007.³ After taking office, Secretary-General Ban encouraged the

¹ The Terms of Reference and membership of the High-level Panel were submitted to the 297th Session of the Governing Body (GB.297/WP/SDG/2). Copies of the High-level Panel report, "Delivering as one" were also made available on that occasion.

² The report of the High-level Panel, "Delivering as one", and related documents can be found at <http://www.un.org/events/panel/>.

³ These pilots will be a subset of approximately 20 "joint offices", which the UN has committed to initiate under the Triennial Comprehensive Policy Review of operational activities for development of the UN system (TCPR), an implementation plan approved by ECOSOC.

UNDG Chairperson to proceed with the pilot exercise, which has now been launched in eight countries.⁴

- Progressing towards harmonizing business practices through the High-level Committee on Management of the UN Chief Executives Board (CEB), such as human resource policies, results-based budgeting, enterprise resource planning systems, common evaluation methodology, and common security.
 - Discussing the review of the CEB at its autumn session in 2006, and inviting the Directors-General of the ILO and WTO to lead such a review and report preliminary results back to the CEB at its spring session in 2007.
 - Taking forward the recommendation on strengthening the UN gender architecture by requesting the establishment of the position of Under Secretary-General for Gender Equality and Empowerment of Women in the relevant committees of the General Assembly.
3. While the UN General Assembly has the primary role in the consultation and decision-making process relating to the key proposals in the report, it is clear that many of the recommendations have implications for other inter-governmental forums and bodies such as ECOSOC and the governing bodies of the UN funds, programmes and specialized agencies. Several proposals also affect the work and functioning of inter-agency mechanisms such as the UNDG and the CEB. As such, the Secretary-General wrote to all executive heads of UN specialized agencies, funds and programmes, requesting that they transmit the Panel report to their respective governing bodies for consideration.
 4. In addition, Secretary-General Annan and Deputy Secretary-General Malloch Brown wrote to the head of the Office of the Coordination of Humanitarian Affairs (OCHA), the High Commissioner for Human Rights, and the Executive Director of UNEP asking them to reflect on what would be required to implement the recommendations within their mandates and areas of expertise. A second letter was also written to the Chairperson of UNDG to continue ongoing efforts to strengthen the Resident Coordinator system, as indicated in the Panel report and as a follow-up to the Triennial Comprehensive Policy Review (TCPR). The letter also asked the Chairperson of UNDG to begin a process of reflection with his colleagues on the recommendations related to “governance” issues, including the Sustainable Development Board and the Development Policy and Operations Group (DPOG).
 5. In terms of the transition to Mr. Annan’s successor, it was recognized that Secretary-General Ban Ki-moon needed to make his own assessment and decide how the report’s recommendations should be taken forward. At the time of writing, the report and its recommendations are being studied by governments and UN organizations alike. Secretary-General Ban’s views on the substance of the report, and the approach to its follow-up, are expected to be submitted to the General Assembly in March 2007. The President of the General Assembly is assessing the feasibility of launching formal consideration of the report with a high-level event, in late March or early April 2007.
 6. While recognizing that there would be different streams of follow-up and sequencing of implementation, the Panel underlined the need for their proposals to be pursued as an integrated and coherent whole. In their view, changes to the functioning of the UN system at the country level, without commensurate changes in the governance, management and

⁴ The eight pilot countries are Albania, Cape Verde, Mozambique, Pakistan, Rwanda, United Republic of Tanzania, Uruguay and Viet Nam.

funding of the system at the global and regional levels, would produce less than optimal results.

7. This paper responds to a request by the Governing Body, at its 297th Session, for the Office to prepare a further paper on the report of the High-level Panel. It begins with an overview of the context and argument for reform. A table containing a number of the report's recommendations that have a more direct relation with the work of the ILO and its participation in the One UN reform efforts, particularly the One UN pilots at the country level is presented. The paper concludes with a number of key challenges and considerations that should be taken into account in further ILO engagement in system-wide reforms.

UN system-wide coherence: Context and argument for reform

8. The point of departure in the report's argument for reform is the recognition that rapid global change, poverty, environmental degradation and lagging development require a strong and coherent multilateral framework that is capable of responding effectively to global challenges and the needs of countries and communities. The report recognizes that the UN system has unrivalled political legitimacy and authority. It is at the heart of globally concerted action at the international, regional, national and local levels. Yet, despite impressive achievements – such as the set of norms and internationally agreed development goals that frame the efforts of most countries and institutions – the UN as a whole, has become fragmented⁵ and weak, and unable to deliver effectively on the objectives and goals set for itself.
9. In its analysis, the High-level Panel acknowledges that the UN system has both strengths and weaknesses. It points to many factors that have impeded better coherence and cooperation amongst UN organizations. These range from inconsistent policies and decisions taken by member States and their representatives in different UN bodies; inadequate political commitment leading to institutional weakness; a proliferation of single-issue interests and mission creep; inadequate and unpredictable funding patterns; dispersion of authority and ambiguity about roles and responsibilities which weaken accountability for performance and outcomes; as well as outdated business practices.
10. In the view of the Panel Co-chairpersons, “the UN system needs to be radically overhauled if it is to keep up. If not, the UN will find itself increasingly marginalized. To maintain its legitimate position as a leader within the multilateral system, drastic changes of the functioning and organization of the UN system are needed”.⁶
11. The Panel's recommendations for improved system-wide coherence in the areas of development, humanitarian assistance and the environment are built on the concept of unity. The report proposes a framework for a unified and coherent UN structure at the country level. The reasoning is that the UN needs to overcome its systemic fragmentation by “delivering as one” in true partnership with and serving the needs and demands of all

⁵ The UN system now encompasses 17 specialized agencies and related organizations, 14 funds and programmes, 17 departments and offices in the UN secretariat, five regional commissions, five research and training institutes, and a plethora of regional and country level structures. One study by the Panel found that more than one-third of UN country teams include more than ten UN entities, some more than 20.

⁶ Op-ed published in the *International Herald Tribune* by Prime Ministers Shaukat Aziz, Luisa Dias Diogo and Jens Stoltenberg, on 8 Nov. 2006.

countries. The system needs to be stronger, more responsive and realigned to make better use of its knowledge and assets, thus potentially generating more resources for developing countries.

12. The report is generally intended to cover the whole UN system in delivering as one. However, most of the specific recommendations are focused on the functioning and operations of the funds, programmes, departments and offices of the UN secretariat, and their relationship to the inter-governmental bodies that constitute their governance structures, as well as, to inter-agency mechanisms and bodies that relate them to the rest of the system. It is particularly in this latter regard that a number of recommendations have a bearing on specialized agencies which have their own autonomous and independent governance structures, such as the ILO.
13. The table below contains a list of the recommendations in the left column, as formulated in the Panel's report, that are relevant to the work of the ILO in "delivering as one" in the context of UN reform, with an indication of the envisaged follow-up process. The right column identifies potential implications and challenges that derive from each recommendation for the ILO.

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p>Development – Delivering as one at the country level</p> <p><i>The UN should "deliver as one" with one leader, one programme, one budgetary framework and, where appropriate, one office, by establishing, by 2007, five One Country Programmes as pilots. Subject to continuous positive assessment, these should be expanded to 20 by 2009, 40 by 2010 and all others by 2012</i></p> <p><i>Process:</i> Eight "One UN" pilot countries have volunteered and been selected based on assessment of the 20 pilot countries already identified for the ongoing TCPR "joint offices" initiative</p> <p><i>Decision-making:</i> The pilot phase is considered experimental and therefore does not require formal endorsement by a UN inter-governmental body. The pilots are to be governed by new cooperation agreement arrangements that establish appropriate procedures and accountability mechanisms. An inter-agency mechanism to steer the One UN pilots is being established</p> <p><i>Process beyond pilots:</i> TCPR review in 2007 to provide further inter-governmental guidance on roll-out of One UN beyond the pilots. The Panel report stresses that the One UN at country level should only be implemented where the country wishes it</p>	<ul style="list-style-type: none"> ■ The ILO has Decent Work Country Programmes (DWCPs) in all but one (Cape Verde) of the eight countries announced, and will participate in the One UN pilots accordingly. ■ DWCPs are the main contribution of the ILO to One UN national programmes in such countries. ■ An ILO taskforce on UN reform has been established to provide necessary guidance, support, resources and information to ILO staff. ■ Participation in the One Country Programmes entails a number of challenges such as: ensuring that decent work is set as a priority in national development strategies to be supported by the One UN programme; strengthening the voice and capacity of tripartite constituents to participate in the national development debate and negotiations including its relationship with the one UN country team; ensuring integration between the normative, analytical, policy and operational aspects of decent work and mainstreaming of decent work in the work of the UNCT in each country programme; harmonizing DWCP cycles with one UN programmes/UNDAFs; ensuring that DWCPs are appropriately funded, including access to common funds allocated for One UN programmes; strengthening and making available the technical capacity and resources for decent work action that falls outside the One Country Programme; training to further develop understanding of decent work, DWCPs and results-based management across the system and national counterparts; reviewing and aligning systems and procedures (business practices)

⁷ Note: The table only includes the Panel's recommendations that are relevant to the ILO.

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p>Strengthening the Resident Coordinator system</p> <p><i>United Nations Resident Coordinators (RCs) should have the authority, appropriate competencies, capabilities and support capacities to lead the One Country Programme</i></p> <p><i>Process:</i> Pending decisions on the establishment of a Development Policy and Operations Group or alternative inter-agency body, the UNDG will develop agreed criteria for an empowered RC and supporting frameworks to reform the RC system</p> <p><i>Strengthened authority for RCs should be matched by a clear accountability framework and oversight mechanism to ensure system-wide ownership of the RC system</i></p> <p><i>Decision-making:</i> Establishment of the proposed new bodies providing oversight of the RC system, i.e. the UNSDB at the inter-governmental level and the DPOG at the inter-agency level to be decided</p> <p><i>UNDP will focus its operational work on strengthening the coherence and positioning of the UN country team delivering the One Country Programme. UNDP should set a clear target by 2008 to withdraw from sector-focused policy and capacity work</i></p>	<p>across the UN system for effective participation in One UN.</p> <ul style="list-style-type: none"> ■ The ILO has been invited to participate in the inter-agency mechanism to steer and support the One UN pilots. <ul style="list-style-type: none"> ■ Clear understanding between the ILO and UNDP to be established with respect to the authority, reporting lines and accountability framework for the One leader and other aspects of a new RC system, including involvement of ILO constituents. ■ Close collaboration with other specialized agencies with regard to a framework for system-wide relations with the RC system. ■ Develop medium-term plan on how RCs are to be recruited, trained and made accountable to system-wide policies and processes. ■ Mechanism to deploy appropriate normative and technical expertise of specialized agencies in the operational activities at country, subregional and regional levels will be important. ■ Ensuring the ILO's mandate and governance structure is recognized and respected in any new inter-governmental or inter-agency bodies to be created. ■ Clarity on UNDP's role and measures to address perceived or potential conflict of interest is critical if UNDP is to have the confidence of other UN organizations as impartial manager of the RC system. ■ UNDP to progressively withdraw from the ILO's areas of action, starting with both organizations working together on UNDP's ongoing and planned projects and activities on issues within the ILO's mandate and expertise. ■ The period of UNDP restructuring will entail adjustments for UN organizations, including the ILO, that have joint programmes or other partnerships with UNDP in the field. ■ Important for ILO and all other agencies that a robust "firewall" is established within UNDP in a transparent manner.
<p><i>UNDP should establish an institutional firewall between the management of its programmatic role and management of the RC system</i></p> <p><i>Process:</i> UNDP to develop proposal and transition plan</p> <p><i>Decision-making:</i> Firewall and restructuring to be agreed by Executive Board of UNDP</p> <p><i>UNDP will develop a code of conduct in consultation with all relevant organizations</i></p> <p>Humanitarian assistance and transition from relief to development</p> <p><i>Stronger coordination between the UN, national governments, NGOs including the International Federation of Red Cross and Red Crescent societies, should be pursued through improvements to the</i></p>	<ul style="list-style-type: none"> ■ A clear code of conduct for UNDP is crucial for all other agencies of the system to participate confidently, fully and effectively in the One UN. ■ The ILO participates in several working groups of the Inter-agency Standing Committee, the primary mechanism for inter-agency coordination of humanitarian assistance.

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p><i>“cluster” lead agency approach to establish lead roles in the delivery of specific assistance, e.g. shelter, water, etc.</i></p> <p><i>Process:</i> Ongoing work of the Emergency Relief Coordinator/OCHA and the Inter-agency Standing Committee</p> <p><i>More investment in risk reduction, early-warning and innovative disaster assistance strategies and mechanisms</i></p> <p><i>Stronger leadership, quicker funding and better cooperation in post-conflict and post-disaster transition, with a clear lead role for UNDP once humanitarian coordination winds down</i></p> <p><i>Process:</i> UNDP to follow up in cooperation with Emergency Relief Coordinator, the Inter-Agency Standing Committee and World Bank</p>	<ul style="list-style-type: none"> ■ The ILO is developing policy expertise and technical assistance to promote decent work in post-conflict and post-disaster assistance frameworks, through, inter alia, participation in relevant socio-economic “clusters” of the UN’s humanitarian Inter-agency Standing Committee. ■ The ILO is taking the lead in drafting a UN system-wide policy paper on post-conflict employment creation, income generation and reintegration, together with UNDP’s Bureau for Crisis Prevention and Recovery. ■ The ILO’s social partners have a major contribution to make in reconstruction and transition from relief to development, by helping to establish labour market institutions and viable socio-economic activities. ■ The ILO’s work in promoting labour-intensive infrastructure development, generating decent work for youth, and the implementation of Convention No. 182 with respect to disarmament, demobilization and reintegration of child soldiers, are particularly important in this context.
<p>Environment</p> <p><i>UN agencies, programmes and funds with responsibilities in the area of the environment should cooperate more effectively on a thematic basis and through partnerships, with a dedicated agency at the centre</i></p> <p><i>Process:</i> Executive Director of UNEP to consult with executive leadership of UN agencies in the Environment Management Group (EMG), building on existing efforts to clarify role and enhance the effectiveness of EMG</p>	<ul style="list-style-type: none"> ■ The ILO is a member of the Environment Management Group, which brings together various multi-agency initiatives on the environment and human settlements. The ILO participates in UN-Oceans; the International Programme on Chemical Safety; National Cleaner Production Centres; and the Marrakech Process on sustainable consumption and production, and is seeking to extend partnerships with other UN agencies in other relevant sectors. ■ The emphasis on capacity development to manage natural resources sustainably and protect the environment provides the ILO’s tripartite constituents with a major opportunity to address these issues (such as the challenge posed by climate change) through the optic of the world of work.
<p>Sustainable development</p> <p><i>Sustainable development should be integrated into the work of ECOSOC, including through a “sustainable development” segment</i></p>	<ul style="list-style-type: none"> ■ The ILO has a key role to play in helping to achieve the needed balance among the three pillars (economic, social and environmental) of sustainable development; as well as help elevate the status of sustainable development in the UN’s architecture and in country activities. ■ The ECOSOC 2006 Ministerial Declaration emphasizes the link between full and productive employment and sustainable development.

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p>Gender equality and women's empowerment</p> <p><i>The Panel recommends strengthening the coherence and impact of the UN's institutional gender architecture by streamlining and consolidating three of the UN's existing gender institutions as a consolidated UN gender equality and women's empowerment programme</i></p> <p><i>Process:</i> The Secretary-General's Policy Committee is developing a proposal for inter-governmental consideration</p> <p><i>Decision-making:</i> Decisions to be taken in GA and UNDP Executive Board</p> <p><i>Gender equality and women's empowerment remains the mandate of all UN organizations</i></p>	<ul style="list-style-type: none"> ■ The ILO is monitoring and participating in inter-agency discussions (e.g. inter-agency working group of the CEB) on possible implications for the ILO's normative work and technical assistance in this area. ■ The ILO has important experience and technical knowledge in its area of competence that can help ensure that all UN organizations step up their commitment and action to promote gender equality in all aspects of their work.
<p>Human rights</p> <p><i>RCs and UNCTs should be held accountable and be better equipped to support countries in their efforts to protect and promote human rights</i></p> <p><i>Process:</i> OHCHR and UNDG to develop needs assessment and benchmarks, building on the Action 2 initiative to integrate human rights into UNDAFs.</p> <p><i>OHCHR should be a centre of excellence that provides dedicated support to the RC system</i></p> <p><i>All UN agencies and programmes must further support the development of policies, directives and guidelines to integrate human rights in all aspects of the UN's work</i></p>	<ul style="list-style-type: none"> ■ The ILO has much knowledge and experience to offer the wider development system on a rights-based approach to technical assistance. ■ Fundamental principles and rights at work, as defined in the ILO Declaration, must be respected across the system in policy advice and programme delivery by RCs and UNCTs. ■ The ILO's role and capacity to supervise and assist its tripartite constituents on implementation of labour standards must be safeguarded, within the overall context of the One UN at country level. ■ Dialogue with RCs and involvement of the social partners at country level will be important. ■ The ILO to contribute its expertise in a rights-based approach to the world of work. ■ Training of RCs in international labour standards and rights at work of crucial importance. ■ The Office should review this process for lessons learned. ■ The ILO can make an important contribution in its area of expertise and competence. ■ Mainstreaming decent work throughout the UN system, as mandated in the 2006 ECOSOC Ministerial Declaration, will ensure rights at work and labour standards are promoted and respected in all UN work.
<p>Governance, funding and management</p> <p><i>The Secretary-General should establish an independent task force to consider further streamlining, ensure clear delineation of roles and mandates, and eliminate duplicated functions. The task force would review the assessed funding required by UN specialized agencies to address the current imbalance between assessed and voluntary resources dedicated to the implementation of normative mandates. It would also review the</i></p>	<ul style="list-style-type: none"> ■ Scrutiny of the effectiveness and relevance of international and regional organizations will remain high. The ILO and the Decent Work Agenda have received strong political support at global, regional and national levels; and its mandate, knowledge, expertise and unique governance structure are highly valued and considered an asset to benefit the whole multilateral system.

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<p><i>functioning and continuing relevance of existing regional structures in addressing regional needs</i></p> <p>Process: Secretary-General Ban to consider proposal</p>	<ul style="list-style-type: none"> ■ Precisely because of this, the ILO is confronted with new challenges to reinforce its normative, technical and operational capacity; its resource base, its presence on the ground; and its advocacy and leadership role in mainstreaming full and productive employment and decent work in national and international policies.
<p><i>A global leaders forum of ECOSOC (L27) should be established</i></p> <p>Process: ECOSOC to consider proposal as part of ongoing reform discussions; will require GA approval</p>	<ul style="list-style-type: none"> ■ Given the prominence that full and productive employment and decent work have acquired in ECOSOC's agenda, this could be a key issue to be considered by the global leaders' forum. ■ One of its proposed functions – to secure consistency in the policy goals of major international organizations – recognizes the need for integrated economic and social policies to support countries in their efforts to achieve development goals and sustainable development.
<p><i>A UN sustainable development board should be established to provide strategic oversight of the One Country Programme; in particular to provide system-wide coherence, drive coordination and joint planning among all funds, programmes and agencies, and to monitor overlaps and gaps</i></p> <p>Decision-making: ECOSOC and/or GA resolution required</p>	<ul style="list-style-type: none"> ■ Intended to provide the governance counterpart to the One UN at country level. ■ Decisions on the establishment; composition, remit and functions of the board may have important implications on the functioning of the system, including the ILO. ■ The ILO to ensure that the views of its tripartite constituents are appropriately channelled and taken into account in deliberations and decisions of the board. ■ Further clarification would be needed on the articulation of the board's relationship with other inter-governmental structures, for example, the coordination and operational segments of ECOSOC, governing bodies of funds, programmes and agencies, etc. ■ Potential participation of the ILO, and modalities of participation, need to be examined.
<p>UN Chief Executives Board</p>	<ul style="list-style-type: none"> ■ Following a discussion at the October 2006 meeting of the Chief Executives Board (CEB), the Secretary-General of the UN requested the Directors-General of the ILO and WTO, to lead a review of the CEB in consultation with CEB members at executive head level. This process has begun and preliminary proposals will be submitted to the meeting of the April 2007 session of the CEB.
<p>UN Development Policy and Operations Group</p>	<ul style="list-style-type: none"> ■ The outcome of the CEB review will provide important proposals to guide the review of the inter-agency machinery, including the establishment of the DPOG. ■ Proposal that the Development Coordinator is assisted by the executive head of a major specialized agency is intended to take advantage of the diverse normative capabilities of the system and link them more strongly to the system's operational activities.
<p>The Secretary-General should appoint the UNDP Administrator as the UN Development Coordinator to chair a Development Policy and Operations Group that would support the One UN at the country level</p>	

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p><i>The DPOG should establish a development, finance and performance review unit to assist the sustainable development board with strategic financial planning and allocations</i></p> <p><i>The Secretary-General should establish an independent evaluation unit, taking into account the ongoing reforms of the OIOS, to provide timely independent evaluation and reporting across the UN development system</i></p> <p><i>Process:</i> Detailed proposal to be prepared by the Secretary-General</p> <p><i>Decision-making:</i> ECOSOC/GA</p>	<ul style="list-style-type: none"> ■ The composition, working methods and decision-making of DPOG should be determined by all participating organizations in the One UN at country level to build cohesion and fulfil its functions effectively. ■ The ILO requires greater capacity and capabilities for effective inter-agency cooperation, including stronger representation in New York to monitor developments. ■ Important to ensure that the perspectives and capabilities of staff from all relevant UN organizations are present and active in the work of inter-agency mechanisms including DPOG and the development finance and performance review unit. ■ The ILO Governing Body has adopted a new reinforced evaluation capacity and an evaluation policy in line with UN system innovations in this regard.
<p>Regional structures</p> <p><i>UN entities at the regional level should be reconfigured and the UN regional setting should be reorganized around two interrelated sets of functions:</i></p> <p><i>(i) Focusing on analytical and normative work, as well as activities of a transboundary nature. The Regional Commissions should act as a catalyst for these functions, using, inter alia, their convening power at both the intergovernmental and secretariat levels.</i></p> <p><i>(ii) Focusing on coordinating the servicing of the UNCTs. Being responsible for managing the RC system, UNDP would act as the catalyst for these functions.</i></p> <p><i>Process:</i> The Secretary-General to initiate a process of consultation</p> <p><i>Regional offices of UN entities should be co-located and the definition of regions among all UN entities standardized</i></p> <p><i>Process:</i> The Secretary-General to develop proposal and initiate system-wide review. Member State agreement needed</p>	<ul style="list-style-type: none"> ■ As compared with other members of the UN system, the ILO does not have a permanent presence in many countries but is stronger at the regional and subregional levels: therefore, interaction with other parts of the UN system at these levels is of critical importance, including for decisions that affect system-wide action at country level. ■ The Office is monitoring the situation as it evolves, and is exploring opportunities for greater cooperation and synergies with the regional commissions and regional offices of other UN bodies, such as UNDP and other specialized agencies. ■ The review of the ILO field structure will take into consideration location of other regional hubs and ways of improving synergies and coherence at regional and subregional levels.
<p>Coherence at the national level</p> <p><i>At national level, governments should establish an “all of government” approach to international development to ensure coordination in the positions taken by their representatives in the decision-making structures of all relevant organizations, including the Bretton Woods institutions (BWIs) and WTO</i></p>	<ul style="list-style-type: none"> ■ Policy coherence begins at home, as proposed by the report of the World Commission on the Social Dimension of Globalization. ■ The ILO’s tripartism and social dialogue can make important contributions to ensuring a comprehensive approach to national policy

Recommendation ⁷
Indicative follow-up process

Potential implications/challenges for the ILO

The UN should establish benchmarks by 2008 to ensure the implementation of principles of good multilateral donorship

Process: May be discussed as part of ECOSOC's new Development Cooperation Forum

Relations with the World Bank and IMF

The UN, the WB and IMF should periodically review, update and conclude agreements on their relations

This proposal is aimed at achieving a better balance between the respective roles and functions of the UN system and BWIs, including the regional development banks. It could build on guidance provided by the 2004 TCPR

An annual meeting should be chaired by the Secretary-General, with the participation of the President of the World Bank, the Managing Director of the IMF, the UN Development Coordinator and the Directors-General of the WHO, FAO, ILO and UNESCO among others, depending on the issue under discussion

Process: Secretary-General to prepare proposal for discussion with heads of WB and IMF

Engaging civil society organizations and the private sector

The capacity of the RC's office to advocate, promote and broker partnerships between government and relevant civil society organizations and the private sector should be enhanced to build stakeholder consensus and realize country-specific goals as embodied in national development plans

- dialogue, priority setting, implementation of technical assistance and monitoring of results.
- Tripartite constituents need a strong voice and adequate capacity to ensure that their priorities and concerns are not subordinated or diminished by the stronger coordinating ministries (finance/development cooperation or development planning) at national level.
 - The ILO is strengthening dialogue with the donor community at headquarters and local levels, seeking more consistency between the priority attached to decent work in the international agenda, and the cooperation of donors to fund the DWA and DWCPs.
 - The ILC resolution on technical cooperation (2006) provides useful guidance for development cooperation policies and partnerships with donors.
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- The ILO has cooperation agreements with several international financial institutions (e.g. the World Bank, the International Monetary Fund, the Inter-American Development Bank, the African Development Bank and African Development Fund, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development).
 - The Office will review these agreements and revise them if needed.
 - This proposal provides a new space for the executive heads of the UN development system, including the major specialized agencies, to meet together and discuss issues of mutual concern.
 - If implemented, this proposal could help to drive further policy coherence and integration of economic and social policies beyond the follow-up to the Monterrey financing for development process.
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- Need to build the capacity of the ILO's social partners to engage with RCs on DWCPs and the One Country Programme/UNDAF.
 - Need to raise awareness of tripartism, social partners and social dialogue with RCs and UNCTs, as distinct from civil society organizations.
 - The trend towards more centralized management on the part of the RC does not remove independence of action from individual development actors. In this regard, the relationship and access of constituents to ILO officials must be preserved.

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p>Funding the UN system for results</p> <p><i>Funding for the One Country Programmes should be predictable and multi-year. The five pilots should be funded from pooled country-level funding. Subject to continuous positive assessment, demonstrated effectiveness and proven results, they should be expanded to 20 One Country Programmes by 2009, 40 by 2010 and all others by 2012. Following the five pilots, the One Country Programmes will also be funded by voluntary contributions to a consolidated funding mechanism, the MDG funding mechanism</i></p> <p><i>There should be full core funding for UN organizations committed to reform</i></p> <p>The UN should drive reform by channelling reform savings back into the system through mechanisms such as an empowerment fund</p>	<ul style="list-style-type: none"> ■ Details of what this means in practice, and which sources of funds will be pooled at country and headquarters level, are still to be worked out. The proposal provides for some flexibility to enable earmarking. ■ With the One UN Country programme, funding of joint programmes will become more prominent, thus challenging the Office to develop appropriate tools and procedures to facilitate such collaboration. ■ The ILO to adapt new resource mobilization strategy in view of the new budgetary framework to be developed for One UN at country level, and particularly for funding assistance from direct budget support provided by donors to countries. ■ Full core funding for the normative mandate of the ILO (and other UN bodies and specialized agencies) is important to ensure independence of standard-setting activities including research, policy development, negotiation, supervision, technical assistance and promotional action in these areas. ■ This proposal reflects the strong view that any savings made from efficiency gains should be ploughed back into programmes in countries.
<p>Reforming UN system business practices</p> <p><i>The CEB, chaired by the Secretary-General, should lead efforts to improve management efficiency, transparency and accountability of the UN system</i></p> <p><i>Harmonize business practices of the UN system IPSAS as basis</i></p> <p><i>ERP standards, and data warehouses for reporting, should be harmonized across the system by 2010</i></p> <p><i>Improvements in RBM, RBB, evaluation and other measures to increase transparency and accountability should be in place by 2008</i></p> <p><i>A system-wide security management system based on common policies, standards and operating procedures established at the country-level</i></p> <p><i>Establish evaluation mechanisms for transparency and accountability</i></p> <p><i>Process:</i> Peer reviews can be organized by executive leadership. Common evaluation methodology and harmonizing information to be developed by CEB-HLCM</p> <p><i>Decision-making:</i> UN system-wide evaluation mechanism will need approval by UNGA; agreement of executive boards and governing bodies required</p>	<ul style="list-style-type: none"> ■ The ILO is building on measures already taken to improve policies and mechanisms in all these areas. ■ System-wide consideration of these recommendations will be discussed as part of the CEB review, building on ongoing work of its High-level Committee on Management (HLCM). ■ Several measures to harmonize system-wide platforms and procedures have already been adopted by the CEB's HLCM: recent approval that UN system organizations adopt IPSAS by 1 January 2010; establishment of a working group for the evaluation of a new ERP system; endorsement, in 2005, of a UN system-wide framework for RBB to be adapted by each organization; and under the guidance of HLCM, UN system organizations have developed a robust governance mechanism for security management including cost-sharing arrangements. ■ The ILO has initiated and implemented several measures in this regard, which will now be adapted and aligned with system-wide approaches and initiatives. ■ The ILO Governing Body is monitoring developments in this area, and will take necessary decisions, as required. ■ The ILO may wish to consider the possibility of peer reviews with similar UN agencies.

Recommendation ⁷ Indicative follow-up process	Potential implications/challenges for the ILO
<p><i>Update and harmonize human resource policies and practices</i></p> <p><i>Process:</i> Ongoing: CEB/HLCM reviews all matters under consideration by ICSC, determining common positions to put before ICSC on behalf of UN system organizations, especially in connection with harmonization and simplification of procedures, processes and entitlements</p> <p>HLCM in 2005 approved and promulgated the Inter-Organization Mobility Accord for issuance by the UN system</p> <p><i>Decision-making:</i> Review of ICSC could be proposed by the Secretary-General. Other changes to HR policies will require agreement of UNGA, executive boards and governing bodies of UN organizations</p>	<ul style="list-style-type: none"> ■ The ILO to build on measures taken to improve policies and mechanisms in all these areas, as well as harmonization of policies and practices in the context of CEB-HLCM discussions.

“Delivering as one”: Key challenges for the ILO

14. The overall thrust of the High-level Panel report, focusing on “delivering as one” at country level, presents significant opportunities for the ILO. The emphasis on ownership by countries themselves, and on priority setting according to real national needs should reflect the priority that countries themselves have attached to the strategic objectives embedded in the Decent Work Agenda. The relevance of the ILO’s mandate, knowledge and expertise to assist countries in achieving such objectives, as well as the asset that the tripartite constituency of the ILO represents for national ownership, should materialize in a strong support for decent work objectives as an integral part of the One UN programme at the country level.
15. It is important to recognize that the potential gains implicit in “delivering as one” come with considerable challenges for the ILO. Appropriate governance, operational and management procedures and mechanisms must underpin the Organization’s participation in the One UN so as to enhance its capacity to promote the Decent Work Agenda. ⁸
16. While important details of many of the report’s recommendations await further discussion and elaboration, a first assessment of major proposals provides an indication of the key considerations needed to guide the ILO’s participation in this process.
17. The conclusions of the Committee on Technical Cooperation ⁹ of the 95th Session of the International Labour Conference (June 2006) provides an important foundation from which further ILO engagement in UN reform and system-wide coherence should develop.
18. The conclusions stipulate that the ILO’s mandate and focus should be the basis for cooperation with UN agencies, the Bretton Woods institutions and other development actors in order to integrate the Decent Work Agenda into the broader multilateral system effort, through UNDAFs and poverty reduction strategies (PRS). The conclusions further

⁸ The issue of the ILO’s cooperation with other international bodies is of long standing. It was addressed in the Declaration of Philadelphia, Article 4, which, inter alia, “... pledges the full cooperation of the ILO with such international bodies as may be entrusted with a share of the responsibility for [the objectives set forth in this Declaration] and for the promotion of the health, education and well-being of all peoples”.

⁹ Document ILC95-PR19-166.

state that “the ongoing discussions on reforms in the United Nations provide an opportunity for the ILO, with its distinct tripartite structure, to influence outcomes positively at both the national and international levels and to ensure a more focused and effective technical cooperation programme. This will help to raise the ILO’s profile, visibility and weight among the international organizations (...). The DWCP approach provides the ILO with a results-based policy and management framework with which to make a unique contribution to national development plans, based on the ILO’s mandate and competence and on dialogue with its tripartite constituents”.

Stronger support to the Decent Work Agenda

19. Better cooperation with UN system partners can provide new opportunities to take the Decent Work Agenda forward. Such partnerships should be forged on the basis of complementarity of roles and competencies. The ILO’s contribution to system-wide coherence must enhance the UN’s own ability, and that of other organizations, to form effective partnerships with the Office and its constituents in pursuit of decent work goals. Through Decent Work Country Programmes and contributions to common UN country programmes, the ILO can aim to mainstream the Decent Work Agenda in the work of other international organizations, thus helping them to be more responsive, through their own policies, programmes and activities, to the objectives of full and productive employment and decent work for all, which countries have subscribed to. In turn, that should lead to greater convergence in policy approaches across the multilateral system.

Specificity and diversity as a source of strength

20. Greater system-wide coherence, particularly the One UN at country level, can only succeed if it is built in such a way as to enable each organization to retain its specificity and identity, including the role of specific constituencies. The diversity of skills, experience and approaches that is present throughout the system is a source of strength. There is still scope for a better division of labour between UN organizations. Organizations of the UN system should achieve results in a complementary, coherent and effective manner. Critical functions of the system, for example, the normative role of the ILO and of the UN must be fully reflected at global and country levels.

Social dialogue and tripartism

21. Employers’ and workers’ organizations, alongside governments, are key actors in social and economic development, and their involvement in policy dialogue that affects the world of work is critical. Given the widespread support for the Decent Work Agenda, effective tripartite participation in national, regional and UN development policy and programming frameworks and processes is essential. Opportunities for greater policy coherence in the work of the UN should lead to stronger roles of employers’ and of worker’s organizations. At the government level, the voice of the ministers of labour, employment and social areas are critical for a balanced and coherent nationally owned UN country programme. The principles of social dialogue and tripartite consultations should be firmly embedded in policy and operational work.
22. Securing tripartite consultations will require strong support to strengthen ILO constituents’ capacity to participate in, and have access to, national and UN consultative processes. The Bureau for Employers’ Activities and the Bureau for Workers’ Activities as well and employers’ and workers’ activities specialists in the field have an important role to play in building the capacity of social partners in this regard, particularly at the country level.

“Delivering as one” at the country level

23. The need to enhance the effectiveness and efficiency of the UN system’s work in countries is acknowledged by member States and UN organizations alike. This is also reflected in the commitment of donors and programme countries to align and harmonize development assistance at the country level. To ensure that the UN delivers effectively “as one” at country level, the core components of the One UN (one programme, one leader, one budgetary framework and one office) need to be properly articulated.
24. Following consultations, and at the request of interested member States, the first wave of eight pilots has been launched to test the “One UN” approach.¹⁰ The ILO has DWCPs in seven of the eight pilot countries and is participating in the seven One UN pilots accordingly. The experimental and non-binding nature of the pilots emphasize the flexibility needed for the most effective participation of all relevant agencies in each country, and the built-in review mechanism allows this approach to be tested and to collect valuable lessons and best practice for future guidance.
25. Participation in the One UN pilots entails a number of operational and procedural challenges for the ILO. Among these are alignment of DWCP cycles with UNDAF programming cycles and other national development frameworks; administration of human resources, common budgetary frameworks, programme cost recovery principles and other programme and resource-related implications of unified One Country Programmes.
26. The new role foreseen for the UNDP as manager of the Resident Coordinator system in the leadership of One UN at country level, and manager of its own development programmes, is of critical importance for the rest of the system, and in particular to specialized agencies. The principle of a “firewall” between those functions has been suggested, and its practical implications are being worked out and should be put in place.
27. Important steps are being taken to ensure a more inclusive approach to selection and recruitment, performance assessment and accountability of the Resident Coordinator system as a whole. Greater complementarity between the roles and responsibilities of individual members of the UN country team, and their relation to the Resident Coordinator needs to be put into practice. Training of Resident Coordinators to understand the whole UN system and to be able to speak on its behalf is crucial for the success of the One UN at country level.

Effective inter-agency coordination mechanisms

28. Inter-agency mechanisms to support system-wide coordination have proliferated at the policy, operational, sectoral, headquarters and field levels. There are frequent overlaps between the work of these bodies and weak synergy between them.
29. An important step lies in the Panel’s recommendation that the CEB undertake a review of its functioning, in light of experience gained since its establishment five years ago, with a view to improving its performance and accountability for system-wide coherence.

¹⁰ These pilots will be a subset of approximately 20 “joint offices”, which the UN has committed to initiate under the Triennial Comprehensive Policy Review of operational activities for development of the UN system (TCPR) implementation plan approved by ECOSOC. This exercise will provide an essential test of the application of the principles advocated by the Panel in different countries and an analysis of the result and experiences will be presented to the relevant governing bodies at the end of the year.

Reform of business practices and management for results

30. Modernizing and achieving greater compatibility on processes for programming and evaluation, human resources, common services, including information technology systems, are essential to turning the concepts of a more unified and coherent UN into reality. Harmonization of system-wide business practices must demonstrate cost-effectiveness and produce better cooperation for all UN organizations. The ILO remains actively engaged in these reform discussions in the High-level Committee on Management (HLCM) of the CEB.
31. A system-wide evaluation framework, as recommended by the Panel, is an ambitious but potentially significant proposal if it permits UN entities to define their contributions in the light of their respective mandates and comparative strengths. It should serve to increase mutual understanding of the diverse roles and responsibilities of organizations, and promote convergence of processes.

Funding of the UN system

32. The High-level Panel makes recommendations regarding the funding of the UN system as a whole, as well as funding of UN activities in countries. Adequate, predictable and sustained funding is important if the UN is to fulfil global responsibilities and deliver technical assistance in an efficient and unbiased manner. The trend of declining core resources or assessed contributions, and the increase of voluntary contributions is a potential risk that can reduce planning and implementation capabilities, and undermine efficiency through greater transaction costs. Importantly, the Panel recommended full core funding for the UN's normative work, particularly its specialized agencies, for the system to discharge its global responsibilities in an impartial and effective way.
33. The Governing Body is invited to review and offer guidance to the Office on the implications for the ILO of the report of the High-level Panel on UN System-wide Coherence.

Geneva, 9 March 2007.

Submitted for debate and guidance.