

**FOR INFORMATION**

SECOND ITEM ON THE AGENDA

High-level Panel on UN System-wide Coherence

1. In February 2006, the United Nations Secretary-General announced the formation of a High-level Panel to explore how the UN system could work more coherently and effectively across the world in the areas of development, humanitarian assistance, and the environment. The Panel is expected to present its recommendations to the Secretary-General during the 61st Session of the UN General Assembly.
2. The report of the Panel will need to be examined by the ILO when it is published, which may be during the November session of the Governing Body. The following background information may be useful to members of the Working Party. It is largely drawn from the Panel web site (<http://www.un.org/events/panel/index.html>).
3. The Co-Chairs of the Panel are Shaukat Aziz, Prime Minister, Pakistan, Luísa Dias Diogo, Prime Minister, Mozambique, and Jens Stoltenberg, Prime Minister, Norway. Its members are: Gordon Brown, Chancellor of the Exchequer, United Kingdom; Mohamed T. El-Ashry, Egypt, Senior Fellow, United Nations Foundation, former Chairperson and CEO of the Global Environment Facility (GEF); Robert Greenhill, President of the Canadian International Development Agency, Deputy Minister, International Cooperation, Canada; Ruth Jacoby, Director-General for Development Cooperation, Ministry for Foreign Affairs, Sweden; Ricardo Lagos Escobar, former President of the Republic of Chile; Louis Michel, Belgium, European Commissioner for Development and Humanitarian Aid; Benjamin W. Mkapa, former President, United Republic of Tanzania; Jean-Michel Severino, France, Director-General, French Development Agency, former Vice-President of the World Bank, East Asia and the Pacific; Josette S. Shiner, Under-Secretary for Economic, Business and Agricultural Affairs, United States Department of State; Keizo Takemi, Member of the House of Councillors, Liberal Democratic Party, former State Secretary for Foreign Affairs of Japan; and, ex officio, Kemal Derviş, Administrator of the United Nations Development Programme (UNDP), former Turkish Finance Minister; and Lennart Båge, President of the International Fund for Agricultural Development (IFAD), as Chairperson of the High-level Committee on Programmes (HLCP) of the United Nations system Chief Executives Board for Coordination (CEB).
4. The Outcome document adopted by global leaders at the September 2005 World Summit in New York supported stronger system-wide coherence, including the strengthening of linkages between the normative work of the UN system and its operational activities. Heads of State invited the Secretary-General to launch work to further strengthen the

management and coordination of UN operational activities and submit proposals for consideration of member States for more tightly managed entities in the field of development, humanitarian assistance and the environment. Responding to that call, the Panel's report is expected to examine a range of options. The Outcome document called for such work to be focused on ensuring that the UN maximizes its contribution to achieving internationally agreed development goals, including the Millennium Development Goals (MDGs). The work of the Panel is also intended to lay the groundwork for a restructuring of UN operational work, complementing other major reform initiatives, including the creation of a Peacebuilding Commission and the establishment of a Human Rights Council and comprehensive management reforms.

5. In the development field of greatest interest to the ILO, the Panel was invited to consider a number of issues emanating from the Outcome document. Despite reforms over the past five years strengthening the role of the Resident Coordinator and the UN Country Team, developing and donor countries are concerned that overall UN development impact at country level remains overly fragmented and supply-driven. The Outcome document committed all countries to map out their own national strategies to meet the internationally agreed development goals including the MDGs.
6. In this context, the Panel's study is expected to analyse how the UN system as a whole can be better reoriented to provide more efficient, coherent demand-driven support to national partners by building on its core normative, analytical, technical assistance and capacity-building strengths to cooperate with the longer-term financing and support brought by other international partners. In this regard, the Panel will be particularly moved to consider how to strengthen linkages between the normative work and the operational activities of the system. The Panel will also need to examine how this work can support and complement the wider role the Outcome document envisages for ECOSOC in ensuring follow-up and assessing progress of the outcomes of the major UN conferences and summits, including the internationally agreed development goals; and playing a major role in the overall coordination of funds, programmes and agencies, ensuring coherence among them and avoiding duplication of mandates and activities. The study will need to encompass both organizational and funding issues, ranging from the duplication and overlap of work products across UN agencies, funds and programmes to prospects for joint, multi-year funding and programming arrangements. The broad issue of more predictable financing of the UN system and its impact on existing systems and proposed reform is to be a central element.
7. The overarching aim of the Panel's work is to seek recommendations on a process of rationalization that will maximize the available resources for relief and development programmes in the UN system while minimizing overhead and administrative costs. As such, the study will need to explore ways of fully exploiting synergies between the normative and analytical institutions and departments of the UN and operational agencies. It will also need to address how the UN system works and can best exercise its comparative advantages with international partners, including regional actors, donors, civil society and the private sector. While the primary focus will be on increasing impact at the country level, in making concrete proposals for improved management, coordination and effectiveness, it will need to make findings with regard to work both at UN headquarters, regional and country levels.
8. In terms of recommendations, the Panel was requested to identify a short-, medium- and longer-term vision and benchmarks, thus laying a platform for an actionable plan of implementation rather than open-ended proposals. Subject to member States' approval, change may need to occur in phases, with first initial proposals for rationalization of the current system without major structural changes; then proposals for preliminary restructuring of the current system to minimize duplication and overlap; and finally

recommendations for comprehensive revitalization and restructuring of the UN operational role in environment, humanitarian and development work.

- 9.** The Panel has consulted widely with stakeholders, including the management and governing boards of various agencies, funds and programmes. The Co-Chairs had a thorough exchange of views with all the UN system executive heads on the occasion of the spring 2006 session of the CEB (Madrid, 7-8 April 2006). The ILO Director-General, who attended this meeting, also met other Geneva-based heads of agencies on 3 June. Background information on the ILO has been supplied to the secretariat of the Panel. The Panel met civil society organizations in Geneva on 3 July, including representatives of the international organizations of trade unions and employers. A special session of the High-level Segment of ECOSOC on 4 July also facilitated dialogue between States and the Panel.
- 10.** The secretariat of the Panel was led by Mr. Adnan Amin (UNEP) as Executive Director. The ILO seconded a staff member, Ms. Ruth McCoy, to the secretariat.
- 11.** The Working Party is invited to note this background information. A further paper on the report of the Panel will be prepared for the March 2007 session.

Geneva, 20 October 2006.

Submitted for information.