



**PANEL CALL:
CIVIL SOCIETY VIEWS FOR A STRENGTHENED UN SYSTEM ON ENVIRONMENT
AND SUSTAINABLE DEVELOPMENT**

Embargoed: 9 November 2006

In February 2006, the UN Secretary-General formally established the 15-member Panel of eminent persons on UN System-wide Coherence in the fields of humanitarian affairs, environment and development. The Panel, which was co-chaired by Luisa Dias Diogo, Prime Minister of Mozambique; Jens Stoltenberg, Prime Minister of Norway; and Shaukat Aziz, Prime Minister of Pakistan, presented their final report to the Secretary-General and the General Assembly on 9 November 2006. Further discussions among UN member States will take place throughout the 61st session of the General Assembly. According to various sources, the final Panel meeting in August 2006 resulted in agreement on the so-called “*Oslo Consensus*” on the reforms of the UN’s work in development aid, humanitarian assistance and the environment. While details on the Oslo consensus are vague the Panel’s report will include recommendations related to strengthening the UN environment and sustainable development system, including suggestions related to:

- upgrading UN Environment Programme with a renewed mandate and improved funding;
- ensuring efficiencies and substantive coordination should be pursued by diverse treaty bodies to support effective implementation of major multilateral environmental agreements;
- strengthening the Global Environment Facility;
- commissioning an independent and authoritative assessment of the current UN system of international environmental governance;
- mainstreaming sustainable development into the work of the UN’s Economic and Social Council (ECOSOC);
- reforming the Commission on Sustainable Development; and
- establishing a UN Sustainable Development Board under ECOSOC.

TOWARDS A CIVIL SOCIETY RESPONSE TO THE PANEL’S REPORT

The Panel complements other major reform initiatives currently under way in the UN, including the proposal for comprehensive management reform, the mandate review, consultations on international environmental governance and reform of the Economic and Social Council (ECOSOC). The Panel’s report and the subsequent General Assembly discussions on system-wide coherence can be used as a very effective advocacy tool and a further opportunity for NGOs to focus on providing guidance for improving the work of the UN system. One of the expected difficulties in providing NGO input is that NGOs are often not allowed into the actual negotiations to explain, elaborate, or defend their views. Furthermore, it is not clear if a formal consultative process to engage NGO views will be scheduled in the follow-up to the Panel’s report. In discussing ways to improve the situation and to ensure NGO input into this process, it was felt that one way to help would be to ensure that recommendations and comments coming from NGOs should be facilitated and made available to the member States and the UN system. In June 2006, Stakeholder Forum, Brazilian Forum of NGOs and Social Movements for the

Environment and the Development (FBOMs) and UN-NGLS facilitated a compilation of civil society views that were presented to the Panel during the hearings with civil society. As a follow-up to the Panels' report the three partners have agreed to again reach out to a diverse array of organisations with the aim of submitting a second compilation document on the civil society responses to the Panel's recommendations. The aim of the compilation document is not to reach consensus on a set of recommendations, but to present a range of civil society ideas and encourage debate among member States and civil society on options for strengthening the UN system.

SUBMISSIONS: Organisations interested in making submissions and participating in the second compilation of civil society views on system-wide coherence should send contributions to Jennifer Peer jpeer@stakeholderforum.org. In order to facilitate submissions, we have prepared a the attached document summarising the main recommendations relating to environment and sustainable development, and are requesting NGO views dealing with the following areas:

1. A Strengthened UN Environment Programme;
2. Strengthening the UN System for environment and sustainable development: Options on the roles of UN agencies, programmes and funds;
3. Efficiencies and substantive coordination of major multilateral environmental agreements;
4. Financing for environment and sustainable development: Options for the Global Environment Facility
5. Options for an independent and authoritative assessment of the current UN system of international environmental governance,
6. Sustainable development: Options for ECOSOC and the Commission on Sustainable Development
7. Establishment of a UN Sustainable Development Board.

While the focus is on these recommendations, organizations are welcome to make submissions regarding any of the panel's recommendations. Once a compilation document has been compiled, Stakeholder Forum will circulate the document to member States, UN Missions and the President of the General Assembly. All submissions will be made available on Stakeholder Forum's *ieg-dossier* website http://www.stakeholderforum.org/ieg_home.html

TIMEFRAME: It is expected that the timeframe for submitting ideas and proposals will be from **November to December 2006**

PANEL REPORT & RESORUCES: For information on the Panel please see:

- Summary of the Panel Recommendations:
- *ieg-dossier* pages on the Panel: http://www.stakeholderforum.org/ieg_home.html
- Civil Society hearings: http://www.stakeholderforum.org/ieg_highlevel0.html
- HLP Website: <http://www.un.org/events/panel/>
- The Panel's report can be downloaded from: <http://www.un.org/events/panel/>
- The summary is at the end of this document

FOR MORE INFORMATION:

If you would like more detail on any of the above (as much of it has been shortened for ease of communication), please do not hesitate to contact Jennifer Peer at Stakeholder Forum, Tel: +44 (0) 207 580 6912; Fax: +44 (0) 207 580 6872; Email: jpeer@stakeholderforum.org

We look forward to your input on the process around the Panel recommendations. As always, if you have any particular suggestions of how we can make the process more effective, please do not hesitate to let us know.

Looking forward to hearing from you,

With best regards,

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Delivering as One, Report of the Secretary-General's High-Level Panel

Executive Summary

In facing up to the challenges of their times, the world leaders of 60 years ago created new multilateral institutions – the United Nations, IMF, and the World Bank – in the conviction that international cooperation was the best way to solve the challenges of the post-war world.

Today we too face significant challenges: ours is the era of global change unprecedented in its speed, scope and scale. As the world becomes more interdependent we are increasingly exposed to sharp and growing social and economic inequalities. Poverty, environmental degradation, and lagging development exacerbate vulnerability and instability to the detriment of us all. Achieving the Millennium Development Goals and wider internationally agreed development goals is central to our global economic stability and prosperity.

The United Nations played a crucial role in articulating the Millennium Development Goals (MDGs). Now it needs to take action to achieve these and the other development goals, and support governments implement their national plans. However, without ambitious and far-reaching reforms the United Nations will be unable to deliver on its promises and maintain its legitimate position at the heart of the multilateral system. Despite its unique legitimacy, including the universality of its membership, the UN's status as a central actor in the multilateral system is undermined by lack of focus on results, thereby failing, more than anyone else, the poorest and most vulnerable.

The 2005 World Summit in New York gave the need for UN reform new impetus. At the initiative of the Secretary-General, this High-level Panel has worked for over six months to consider how the UN system can most effectively respond to the global development, environmental and humanitarian challenges of the 21st century.

We have undertaken a thorough assessment of the strengths and weaknesses of the UN system, holding consultations with stakeholders around the world. We commend the UN as the indispensable force driving forward the discourse on human development; by defining and creating a global consensus behind the MDGs and the other internationally agreed development goals; by playing a leading role in developing the concept of sustainable development; by responding rapidly to humanitarian disasters; and by mobilizing international action for the protection of the environment. The UN system also continues to play an essential role as a convenor, in setting norms and standards and in advising countries on their implementation at global, regional, national and local levels.

However, we have also seen how the UN's work on development and environment is often fragmented and weak. Inefficient and ineffective governance and unpredictable funding have contributed to policy incoherence, duplication and operational ineffectiveness across the system. Cooperation between organizations has been hindered by competition for funding, mission creep and by outdated business practices.

Delivering as One, and overcoming systemic fragmentation, is a central theme of our report. Taken as a whole our recommendations could result in a step change in the way the UN operates at headquarters, in each region and in each country. If implemented, the recommendations could deliver better focus on performance, efficiency, accountability and results within the UN system and enhance the role and voice of developing countries. These changes would secure and strengthen the UN's role at the heart of the multilateral system.

We have developed a set of clear recommendations based on five strategic directions:

- Coherence and consolidation of UN activities, in line with the principle of country ownership, at all levels (country, regional, headquarters)
- Establishment of appropriate governance, managerial and funding mechanisms to empower and support consolidation, and link the performance and results of UN organizations to funding
- Overhaul of business practices of the UN system to ensure focus on outcomes, responsiveness to needs and delivery of results by the UN system, measured against the Millennium Development Goals
- Ensure significant further opportunities for consolidation and effective delivery of One UN through an in-depth review
- Implementation should be undertaken with urgency, but not ill planned and hasty in a manner that could compromise permanent and effective change.

'One' is a central concept in this report: the UN needs to overcome its fragmentation and deliver as one through a stronger commitment to working together on the implementation of one strategy, in the pursuit of one set of goals. We have come up with ambitious but realistic recommendations with the potential to radically change the way the organizations operate at headquarters, in each region and in each country, to enable the UN to achieve more than the sum of its parts

The essence of our vision is for the UN to deliver as one in the areas of development, humanitarian assistance and the environment. The UN's normative and analytic expertise, its operational and coordination capabilities, and its advocacy role would be more effectively brought together at the country level, at the regional level and at the global level. Member states should shape the governance structures, the funding framework and the business practices to make it so.

One UN for development - at country level

We recommend the establishment of One UN at country level, with one leader, one programme, one budget and, where appropriate, one office.

A third of UN programmes have more than ten UN agencies and in just under a third, less than 2 million USD is spent by each UN agency. The One UN should be based on a consolidation of all of the UN's programme activities at the country level, where the country wishes it. The programme must be developed and owned by the country in line with its own national priorities. Effective delivery requires a single budgetary framework.

To manage the One Country Programme there needs to be one leader – an empowered Resident Coordinator. The Resident Coordinator shall be selected on the basis of merit and competition demonstrably open to candidates outside UNDP and the UN system. To ensure system-wide ownership of the Resident Coordinator System, the role of UNDP must change. It should focus and strengthen its operational work on policy coherence and positioning of the UN country team, and withdrawing from sector-focused policy and capacity work being done by other UN entities.

We recommend 5 One UN country pilots by 2007, and subject to satisfactory review, 20 One UN Country Programmes by 2009, 40 by 2010 and all other appropriate programmes by 2012.

One UN for development - at headquarters level

We recommend the establishment of a UN Sustainable Development Board to oversee the One UN Country Programmes.

A coordinating Board is necessary to provide oversight for the One UN Country Programme, to provide system-wide coherence, ensure coordination, and to monitor performance of global activities. We propose that the existing joint meetings of the Boards of UNDP/UNFPA/UNICEF/WFP be merged into this strategic oversight body – the UN Sustainable Development Board (The Board) – reporting to ECOSOC.

The Board should comprise a representative sub-set of member states on the basis of equitable geographic representation, and enhance the participation and voice of developing countries. The Board would be responsible for endorsing the One UN Country Programme, allocating funding, and evaluating its performance against the objectives agreed with the programme country. The Board should also maintain a strategic overview of the system to drive coordination and joint planning between all Funds, Programmes and Agencies, and to monitor overlaps and gaps.

We recommend that the Secretary-General appoint a UN Development Coordinator with responsibility for the performance and accountability of UN development activities.

The UNDP Administrator should serve as the Development Coordinator. The Development Coordinator should report to the Board and be supported by a high-level

coordination group comprising the Heads of principal development agencies and an expert Secretariat drawn from across the UN system. The evolution of the role of UNDP as Manager of the Resident Coordinator System requires the establishment of a code of conduct and a firewall between its streamlined operational activities and other functions.

We recommend that the Secretary-General establish an independent task force to further eliminate duplication within the UN system, and consolidate UN entities, where necessary.

We do not advocate a single UN entity because many individual agencies can best achieve their vital role in the provision of global public goods, advocacy, research, promoting best practice and global norms and standards by operating individually in their specific sectors.

However, it is clear there are a large number of overlapping functions, failures of coordination and policy inconsistency within the UN system. The task force should clearly delineate the roles performed by UN Funds, Programmes, Specialized Agencies and regional entities, including the UN Secretariat. It should make concrete recommendations for mergers or consolidation of duplicative functions and ensure complementarity of mandates. The task force should report by end 2007 to the Secretary-General with clear recommendations for early implementation. This exercise has the potential to release significant annual savings possibly in the range of 20% per annum, the exact amount should be assessed and informed by the analysis of the review. Efficiency savings should be recycled to the One UN country programmes.

Results based funding, performance and accountability

We recommend the establishment of a MDG Funding Mechanism to provide multi-year funding for the One UN Country Programmes.

If the UN is to work more coherently and effectively, both at country level and globally, significant changes are needed to the way donor funding is managed. Current UN funding patterns are highly fragmented, unpredictable and constrained by too much earmarking, which has encouraged duplication and inefficiency. This limits the UN and programme countries from making strategic decisions, and undermines the principles of multilateralism and country ownership.

A new MDG Funding Mechanism for voluntary donor funding (public, private and UN organizations) would provide multi-year funding for the One UN Country Programmes as well as for well performing agencies. The Board would govern this mechanism. Donor contributions would be voluntary and could be specified. There should also be additional funding available at the discretion of the Board to reward well performing headquarters of Funds, Programmes and Specialized Agencies and to fund programmatic gaps and priorities in the system. To deliver maximum impact against country priorities, we urge donors to contribute multi year funding and substantially reduce earmarking.

We recommend that UN organizations committed to and demonstrating reform should receive full, multi-year core funding.

Donors should support consolidated multi-year funding for the One UN Country Programme and core budgets of UN entities committed to reform. Donors would demonstrate by their actions that funding and performance are linked to results and reform.

Multi-year funding frameworks can be managed to increase focus on strategic priorities. Funding cycles of UN funds and programmes should be aligned to facilitate overall strategic coordination of UN programmatic work. The assessed budgets of the Specialized Agencies should be reviewed to ensure they have sufficient core resources to deliver against strategic mandates.

Performance, funding and accountability of UN organizations are integrally linked. Funding must follow performance and reward results both for the One Country Programmes and for Headquarters funding. The purpose of linking funding to performance is to improve outcomes not to reduce funding. In fact, a more effective UN could be an important partner in effectively using additional ODA. The price of poor performance should not be paid by reduced UN funding into countries but by the management and institutions. A reformed UN system demonstrating improved outcomes would be better placed to capture increased aid.

The Board, assisted by a special Development Finance and Performance Unit in its secretariat, should publish internal evaluations of UN system spending and performance, as well as evaluations of individual Funds, Programmes and Agencies' plans to which the Board would have access. Performance of UN organizations should be measured against internationally agreed development goals. These assessments would inform funding decisions both by donors making direct contributions as well as through the discretionary MDG Funding Mechanism, available to the Board as discussed above.

Modernization and reform of business practices, to be led by the Secretary-General, should be implemented urgently. Processes for resource planning, human resources, common services and evaluation must achieve full compatibility as major drivers of coherence in the UN system. There should be greater opportunities for staff mobility and a system-wide agreement on results-based management as well as an independent UN system-wide evaluation and common evaluation methodologies and benchmarking. The UN must systematically grasp opportunities for expanding joint services.

Programme countries and donors should be able to see and compare the true overhead costs of delivery through the introduction and publication of consistent administration and back office costs.

To promote transparency and accountability, We recommend that a UN common evaluation system be established by 2008, based on a common evaluation methodology.

Humanitarian Assistance

The UN has a unique and leading role to play in humanitarian disasters and emergencies. We recommend this role be further enhanced by:

- Stronger coordination between the UN, national governments and NGOs, including the International Red Cross and Red Crescent movement, through a “cluster” approach to establish lead roles to deliver specific needs such as shelter, water, food, etc.
- Fully funding the Central Emergency Response Fund (CERF) to facilitate quicker, more effective flows of funds in response to disasters.
- Clarifying UN mandates with regard to responsibility for internally displaced persons.
- More investment in risk reduction, early-warning and innovative disaster assistance strategies and mechanisms.
- 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.
- Periodic assessment and review of the performance of UN Agencies and NGOs involved in humanitarian assistance.

Environment

There is an increasingly compelling case for urgent action on the environment. Environmental priorities have too often been compartmentalized away from economic development priorities. However, global environmental degradation - including climate change - will have far-reaching economic and social implications that affect the world's ability to meet the MDGs. Because the impacts are global and felt disproportionately by the poor, coordinated multilateral action to promote environmental sustainability is urgently required.

We recommend that international environmental governance should be strengthened and made more coherent in order to improve effectiveness and targeted action of environmental activities in the UN system.

We recommend that as a basis for reforms toward improving system-wide coherence, an independent assessment of international environmental governance within the UN system and related reform, should be commissioned by the Secretary-General.

We recommend that UNEP should be upgraded and have real authority as the environmental policy pillar of the UN system.

We further recommend that UN entities should cooperate more effectively on a thematic basis and through partnerships, with a dedicated agency at the centre.

The Global Environment Facility should be strengthened as the major financial mechanism for the global environment, to help developing countries build their capacity. It should have a significant increase in resources to address the challenge posed by climate change and other environmental issues.

We have also made a number of recommendations to make sure the UN helps countries mainstream environment in their strategies and actions, to elevate the status of sustainable development in the UN institutional architecture and in country activities, and to achieve the needed balance among the three pillars (economic, social and environmental) of sustainable development.

Gender: A key to effective development

We recommend the establishment of one dynamic UN entity focused on gender equality and women's empowerment.

We consider gender equality to be central to the delivery of effective development outcomes, and the Secretary-General tasked us with a specific mandate to suggest radical changes to improve performance. We therefore propose a step change in the UN's delivery of gender equality and women's empowerment, by:

- Consolidating the three existing UN entities into an enhanced and independent gender entity, headed by an Executive Director with the rank of Under Secretary-General, appointed through a meritocratic competition demonstrably open to those outside the UN.
- The gender entity would have a strengthened normative and advocacy role combined with a targeted programming role
- The gender entity must be fully and ambitiously funded.
- Gender equality would be a component of all UN One Country Programmes.
- The commitment to gender equality is and should remain the mandate of the entire UN system.

Coordination with other multilateral agencies

The UN and the Bretton Woods Institutions were established with the intention that they would work together in a complementary way. Over time both the Bank and the UN institutions have gradually expanded their roles so that there is increasing overlap and duplication in their work. There is a balance to be struck between healthy competition and inefficient overlap and unfilled gaps.

The BWIs and the UN need to work more closely together to remove unnecessary duplication, and to build on their respective strengths.

We therefore recommend as a matter of urgency that the Secretary-General, the President of the World Bank and the Executive Director of the International Monetary Fund set up a process to review, update and conclude formal agreements on their respective roles and

relations at the global and country level. These reviews must be periodically updated as well as assessed. This process should be undertaken on the basis of the enhanced performance, strengthened delivery and more influential role that the UN will have if our reforms are implemented.

Implementation

We have proposed a comprehensive set of recommendations that taken together could make the UN much more responsive to the needs of its Member States, particularly developing countries. The UN would become more effective, more focused and better able to deliver results. If UN system organizations, Members States and all stakeholders act on our recommendations it could become a driver in development to eradicate poverty, in partnership with civil society and the private sector. A reformed UN would be able to capture the increases in development resources that were committed in 2005, strengthening its enabling role in development and delivering more effective global public goods for the benefit of all.

The recommendations are not a menu of options, but a whole. Each is individually vital to make the system greater than the sum of its parts, not lesser as it has sometimes been. The recommendations should each be implemented with vigour, with urgency, and without diluting their purpose.

We recognize that implementing these reforms will involve significant challenges and sometimes the sacrifice of individual interests for UN Agencies, Funds and Programmes. They will need to work more closely and effectively with the rest of the UN system in the interests of a greater common good. Donors are also challenged by these recommendations, which propose changing the way they fund the UN in line with the principles of multilateralism and national ownership at different levels.

Our most important constituency are the billions who do not enjoy the prosperity and well-being that many of us take for granted and whose deprivation inspired a global call to action – the Millennium Development Goals. It is for the sake of the poor and the destitute that we need an efficient United Nations, one that is well governed, well funded, and one that will remain a global repository of hope.

We have it within our grasp to make a real and lasting difference through essential reforms set out in these proposals. All stakeholders in the UN system have a responsibility to seize this opportunity. The difference of our actions and decision on reforms will for millions around the world be the difference between hope and despair, and for some the difference between life and death.