

TO: Members of the Policy Committee
A: Participants at the 23 July Policy Committee meeting
(see distribution list)

DATE: 25 August 2008

REFERENCE:

THROUGH:

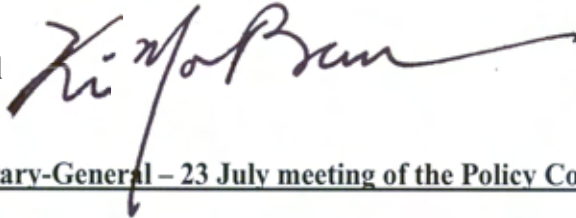
S/C DE:

FROM: The Secretary-General

DE:

SUBJECT: Decisions of the Secretary-General – 23 July meeting of the Policy Committee

OBJET:



Decision No. 2008/26 – South-South Cooperation

i. Given the opportunities South-South Cooperation (SSC) presents for addressing transnational development challenges, in particular food security, climate change and AIDS, the Special Unit for SSC and relevant SSC focal points should develop a concise, action-oriented, collaborative framework highlighting the UN's specific comparative strengths in SSC in these areas, ongoing initiatives, areas requiring increased collaboration, and time frames for undertaking such initiatives. This framework should be developed in collaboration with the High-Level Task Force on the Global Food Crisis (on the basis of its Comprehensive Framework for Action), the Secretary-General's Climate Change Support Team and UNAIDS and should be presented to the first session of the CEB in 2009.

(Action: Special Unit for SSC and relevant SSC focal points)

ii. The Secretary-General will use the next session of the CEB to encourage all members, in accordance with their mandates and appropriate procedures, to adopt concrete measures to mainstream support to SSC in their corporate policy instruments and strategies, including the documentation of lessons and good practices, backed by the designation of senior SSC focal points and, where possible and appropriate, providing the necessary budget allocations within existing resources.

(Action: EOSG, CEB Secretariat)

iii. Building on the review of the Buenos Aires Plan of Action and the New Directions Strategy for Technical Cooperation among Developing Countries, the Special Unit for South-South Cooperation, in collaboration with SSC focal points, should prepare a concept paper on how the principles and strategies for SSC contained in these documents could be updated and adjusted to the evolving realities of SSC. The paper should be finalized in time for relevant inter-governmental discussions on this issue.

(Action: Special Unit for SSC, SSC focal points)

vi. The Secretary-General and senior officials of relevant UN entities should capitalize on upcoming intergovernmental events to reaffirm the UN system's strong commitment to SSC as a critical tool for achieving internationally agreed development goals, including the MDGs. In particular, the Secretary-General and senior officials should stress the key messages contained in the Annex.

(Action: EOSG, relevant senior officials)

cc: Deputy Secretary-General
Mr. Nambiar
Mr. Kim
Mr. Pascoe
Mr. Guéhenno
Mr. Holmes
Ms. Arbour
Mr. Akasaka
Mr. Sha
Mr. Michel
Mr. Dervis
Mr. Duarte
Mr. Diarra
Mr. Yumkella
Ms. Puri
Mr. Orr

ANNEX

Main Messages

- Fast-growing developmentally-focused South-South financial flows add a new and welcome dimension to international development cooperation, providing more options to programme countries in support of their development needs and efforts.
- South-South Cooperation (SSC) emphasizes the principle of South-South solidarity for development. It has features that distinguish it from, and complement, North-South cooperation.
- The rise of newly industrializing and other middle-income countries presents new opportunities for low-income countries and LDCs to learn from development experiences that may often be more relevant to their own challenges. This is a significant positive development in, inter alia, the provision of resources and technical cooperation for development to other developing countries.
- The UN is committed to providing greater international support for SSC, including cooperation driven by innovative partnerships such as triangular partnerships and public-private arrangements, while emphasizing ownership and leadership by developing countries in such initiatives.
- Accurate, comprehensive, consistent and transparent information regarding South-South development assistance flows is important to allow for in-depth examination and analysis of SSC as well as lessons learned. The UN system can play an important role in facilitating the provision of such information.

Additional Messages

- SSC has made important and promising contributions in support of achieving the internationally agreed development goals, including the MDGs, and should be strengthened.
- It is important to strengthen ownership and leadership by developing countries themselves in South-South cooperation, especially in terms of setting priorities, choosing partners, selecting forms of cooperation, as well as sharing responsibilities and benefits.
- Triangular cooperation should be enhanced to strengthen international cooperation for development. It is also important in providing support for SSC through regional and sub-regional financial institutions as well as bilateral and multilateral arrangements.
- The UN strongly supports emerging dialogue between traditional donors and Southern non-DAC contributors to development cooperation. Such dialogue is consistent with the Monterrey Consensus and fosters the exchange of lessons learned from successful development cooperation to arrive at widely agreed common practices and standards that can lead to more equitable access to development assistance.
- The role of development partners from the South in the provision of development assistance should be broadened and strengthened, commensurate with their increasing contribution to international development cooperation. This is consistent with ongoing efforts to substantially enhance the participation of developing countries in international economic decision-making and norm-setting in view of their growing importance in the global economy.

Policy Committee Meeting, 23 July 2008
Summary Record of Discussion

South-South Cooperation

1. The submission paper was introduced, highlighting that South-South Cooperation – while spearheading important innovations – had also been subject to fragmentation across the UN system. The paper acknowledged that South-South Cooperation needed to be pursued more systematically, putting forward three recommendations in this regard. First, recognizing that South-South Cooperation had strong potential for addressing transnational challenges, the paper called on relevant partners in the UN system to develop an action-oriented, collaborative framework to tackle three specific cross-border challenges, namely climate change, food insecurity and AIDS. It was stressed that collaboration in this regard should not be limited to Headquarter, but also focus on the country level. Second, the paper proposed specific policy measures to ensure that South-South Cooperation was more systematically mainstreamed across the system. Third, it called on the Secretary-General and relevant senior officials to leverage different inter-governmental events in the latter half of the year to renew emphasis on the UN's commitment to South-South Cooperation (supported by specific policy messages).
2. Commenting on the paper, it was highlighted that it was the first time that the Policy Committee discussed South-South Cooperation. It was a timely discussion given the enormous growth and potential the issue had been experiencing. Explaining the origin of the item, one participant noted that the agenda item had been proposed by the Executive Committee for Social and Economic Affairs (EC-ESA), which had discussed the issue in 2007.
3. The submission paper was welcomed as action-oriented and practical in its selection of recommendations. Commenting on recommendation (i), one participant suggested that the CEB should be mentioned with regards to the preparation of the collaborative framework for South-South Cooperation. Another participant reiterated in this context the importance of South-South Cooperation as a mechanism for delivering regional and global goods. In addition, it was noted that the target audience for recommendation (ii) should be broadened (from UNDG and EC-ESA members) to the entire CEB membership. Another participant noted that since the adoption of the Buenos Aires Plan of Action (BAPA), the principles and modalities for South-South Cooperation had significantly evolved. Given that the BAPA review process was currently underway, the UN could play a leading role in updating the modalities, providing an important contribution to the inter-governmental review process. It was proposed that this should be reflected in the decisions arising from the meeting.
4. Discussing potential sensitivities, it was noted that greater transparency in South-South Cooperation should be emphasized. There were some concerns on the part of developing countries that OECD donors wanted to impose their way of doing business on new and emerging players. The UN, especially ECOSOC, DESA and UNDP, was well

placed to advocate for greater levels of transparency. It would be helpful if the Secretary-General could support the call for more transparent and accessible data and analysis. In the context of debates on aid effectiveness, it was important that South-South cooperation was seen as complementary to North-South cooperation. One participant stressed that no distinction should be made between OECD and emerging donors. It was vital that efforts were made to bridge the current gap in the run up to the BAPA review, which would lead to the definition of a new agenda for South-South Cooperation.

5. Another participant cautioned that – while South-South Cooperation was a growing trend with huge potential – there was concern that too much focus on this issue would adversely affect North-South Cooperation. Many developing countries believed that the latter should remain the main modality of development cooperation. Some debate also continued around conditionalities versus national ownership. One participant stressed that –given some of these concerns – more emphasis should be placed on triangular cooperation. Another participant highlighted that – while transparency was key – it was equally important to be open to new ideas (sometimes challenging orthodox ways of thinking) emerging from South-South Cooperation. The UN with its impartial role would be an important guarantor to ensure a willingness to consider new approaches.

6. Commenting on the UN's role in South-South Cooperation, it was highlighted that the Organization was well placed to promote and share successful development models, reducing the learning curve for many developing countries and helping to avoid mistakes other countries had previously made. In addition – given the scarcity of data on South-South Cooperation – the UN could assist in monitoring and analyzing assistance flows, countering many prevailing misperceptions about South-South Cooperation. It was also stressed in this regard that South-South Cooperation activities needed to move from a focus on studies and conferences to practical demonstration projects.

7. The recommendations were endorsed subject to a number of changes arising from the discussion.

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TO: Members of the Policy Committee
A: Participants at the 23 July Policy Committee meeting
(see distribution list)

DATE: 22 August 2008

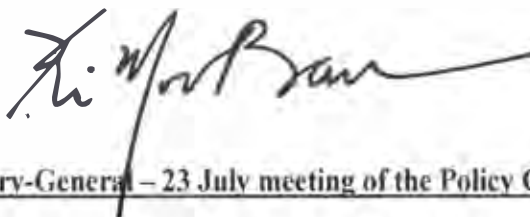
REFERENCE:

THROUGH:

S/C DE:

FROM: The Secretary-General
DE:

SUBJECT: Decisions of the Secretary-General – 23 July meeting of the Policy Committee
OBJET:



Draft Decision No. 2008/25 – Delivering on Recovery and Peace Dividends

(i) To follow up on the 20 May Presidential Statement of the Security Council on post-conflict peacebuilding, the head of the Peacebuilding Support Office (PBSO) will lead the drafting and consultation process for the Secretary-General's report due in May 2009, supported by a Senior Project Director. The Senior Peacebuilding Group will designate staff to support the production of the report.
(Action: PBSO)

(ii) The report should be based on a clear vision of what is needed to address the issues raised in the 20 May Presidential Statement, rather than a supply driven analysis and compromise among concerned UN entities. It should also present a realistic assessment of the UN's role, responsibilities and comparative advantages in post-conflict peacebuilding. Initial recommendations on the scope and main desired outcomes of the report should be presented to the Policy Committee by November 2008.
(Action: PBSO)

In order to take immediate action to address gaps in the system's ability to deliver on recovery and peace dividends at the country level, the following additional actions should be taken:

(iii) **Strategy Gap:** The Development Operations Coordination Office (DOCO), in collaboration with the Cluster Working Group on Early Recovery and secretariat departments, will issue by the second quarter of 2009 consolidated guidance for UN Country Teams on developing a recovery strategy that begins at the earliest stages of a crisis and is progressively linked to the evolving peace process, national planning and political, security, humanitarian, and longer term development priorities as the situation evolves. Existing tools should be used systematically to assess and analyze the conflict/risk dynamics, national/local capacities and gender issues, and this analysis should be fully reflected in recovery planning and programming. **(Action: DOCO)**

(iv) **Capacity Gaps:** To ensure more predictability in the UN system's ability to deploy capacity for coordination, strategic planning, national capacity support and programming in critical recovery areas, including at the sub-national level:

- a. DOCO and UNDP in consultation with secretariat bodies will lead a process to establish by February 2009 a standard package that will provide a minimum of 2-3 strategic planning/recovery advisors to Resident Coordinators' offices.

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- b. Existing mechanisms in priority thematic areas should accelerate their analysis of gaps and design mechanisms to rapidly deploy capacities and otherwise fill those gaps.
- c. Using an updated version of the Peacebuilding Capacity Inventory, PBSO and UNDP will coordinate an analysis of programming capacity in unaddressed priority sectors, in close coordination with relevant agencies and departments, and present recommendations on how to address relevant gaps to the Policy Committee by February 2009.

(Action: DOCO, UNDP and PBSO)

(v) Funding Gap: The Secretary-General and other relevant senior officials should advocate for *additionality* of resources to ensure predictable global reserves to meet critical UN system needs at the earliest stages of recovery, as well as catalytic *funds* for critical programme start-up for decision at the country level. Such reserves should build on existing channels and mechanisms and ensure overall coherence among them. This should be accompanied at the country level by UN administered pooled funds to ensure rapid disbursement for critical recovery priorities. **(Action: EOSG and relevant senior officials)**

(vi) Given the importance of strong partnership between the UN and the World Bank in the area of post-crisis recovery, the crisis and post crisis partnership frameworks developed by the UN and the World Bank should be finalized and signed as soon as possible, and then communicated widely UN system-wide and to the international community. **(Action: EOSG, DOCO)**

cc: Deputy Secretary-General
Mr. Nambiar
Mr. Kim
Mr. Pascoe
Mr. Guéhenno
Mr. Holmes
Mr. Akasaka
Mr. Sha
Mr. Michel
Mr. Dervis
Mr. Duarte
Ms. Kang
Ms. Sheeran
Ms. McAskie
Mr. Orr

Policy Committee Meeting, 23 July 2008
Summary Record of Discussion

Recovery and Peace Dividends

1. The submission paper was introduced, emphasizing the importance of strengthening the UN's efforts on recovery and peace dividends in post-conflict situations, an area where the UN had had difficulty in delivering results. It was noted that a gap existed between political commitments and financial support to sustain recovery, and that short-term efforts frequently did not translate into lasting results. The paper had been produced through extensive consultations and focused on strategic, capacity and funding gaps. The paper aimed to provide a framework to guide activities, and also covered strengthening country coordination arrangements. The paper also highlighted the importance of achieving more predictable funding for recovery efforts. It was noted that some work had been done in developing surge mechanisms that could deploy people quickly to cover early recovery efforts in post-crisis situations, but that efforts remained ad-hoc and in need of strengthening. It was also noted that in the past year, the UN had worked hard to coordinate with the World Bank in post-crisis recovery, and that the UN and the World Bank were formalizing this relationship, with a partnership framework soon to be finalized.

2. A participant added that the paper recommended the designation of a senior coordinator to lead the drafting and consultation process for the Secretary-General's report to the Security Council in May 2009, as requested by the 20 May 2008 Presidential Statement from the Security Council meeting on post-conflict peacebuilding. The participant added that the coordinator should be supported by senior focal points in the various relevant UN departments and agencies. In response to questions concerning the level and department affiliation of the coordinator, it was suggested that the level could be up to the ASG level, with several strong candidates available, and that the coordinator could report to the Secretary-General and be supported by the Peacebuilding Support Office (PBSO). The position was envisaged as full-time from September 2008 until the completion of the report. A Policy Committee member stressed the importance of the report being an independent work, which should outline a strategy and vision that was based on need, rather than reflect a compromise on what various UN departments could offer.

3. Policy Committee members agreed on the importance of urgently addressing recovery, with several commenting that this was an area which required much progress. The lack of early recovery could jeopardize the entire peacekeeping effort. It was also noted that the High Level Panel's report on System-Wide Coherence identified this area as a 'chasm' rather than a 'gap', and that the UN needed to play a leading role in recovery, particularly since local capacity was typically severely reduced or absent in post-crisis situations.

4. A Policy Committee member questioned the clarity of the UN's role in the transition phase, noting that it was generally agreed that the UN had a large role in humanitarian operations, and a lesser one in development situations. Another Policy Committee member noted the inherent difficulty the UN had in being able to orchestrate overall post-conflict efforts, even in highly visible countries such as Afghanistan, as the UN frequently only

managed a small fraction of the international community's aid efforts in a given country. Another key challenge which remained unresolved, was the ability to prioritize activities within a coherent overall country strategy, given the big differences of view among the various UN entities operating in the field. For example, it was agreed that the immediate efforts should not harm sustainable development but not necessarily that some actions in the early phases would not be sustainable. The lack of recovery capacity on the ground was also highlighted, with the UN frequently finding itself "coordinating the absence of capacities". Referring to these unresolved issues, another Policy Committee member agreed that the allergy of some development agencies against rapid results was misplaced, and commended DPKO for repeatedly raising the need for visible dividends, including Quick Impact Projects.

5. Given the various challenges, a Policy Committee member suggested the need for the UN to manage expectations in this area, and that the UN needed to assess realistically its capacities. In some cases, such as Afghanistan, expectations of what the UN could achieve (and be held responsible for) seemed far from realistic. Another Committee member added that the UN needed to carry out a careful stocktaking exercise of what it had achieved in the area of recovery and peace dividends in the last fifteen years.

6. A participant noted that on the strategy gap recommendation, recovery strategy development needed to be linked with political, security and national planning processes. A Policy Committee member noted the absence in the paper of linking recovery strategy with several important areas, such as economics and the environment, and stressed the need to fully integrate gender, also specifically gender-based violence, in the Secretary-General's May 2009 report. Another Policy Committee member added that the political and security dimensions needed to be included in the report, as they had not been mentioned in detail in the main recommendations of the submission paper.

7. On the capacity gap recommendation, which recommended, among other things, that the gap analysis use an updated version of the Peacebuilding Capacity Inventory, it was noted that the Inventory had not been updated since its creation in 2006, as there had not appeared to be much interest in using it by contributing departments. However, it was noted that it would be updated, in both areas of internal and external capacities. A participant noted that with a number of UN agencies having both humanitarian and recovery/development mandates, these agencies needed to examine their roles in improving the transition from relief capacity to recovery capacity. It was suggested that the UN needed first to develop the recovery strategy for each country, and then secure the appropriate capacity. In some cases there was capacity but there was no strategy to employ it. Having a coherent strategy in place, including with the World Bank, would also make it easier to raise resources. A Policy Committee member commented that the UN needed to balance hiring local capacity with the capacity needs of governments. This was a recurring dilemma for which some 'dos and don'ts' should be developed.

8. On the funding gap recommendation, it was noted that a number of funding mechanisms existed which could potentially be used for recovery funding, but that recovery funding was particularly difficult to extract from donors given the fragile state of governments in post-crisis situations, a situation the United Kingdom was eager to address. Although the Peacebuilding Fund existed, the United Kingdom had been advocating for the

creation of an additional funding mechanism to address recovery. The need for coherence among the various mechanisms was emphasized in this context. It was also noted that while large amounts of funding was channeled to peacekeeping missions, not much was channeled to recovery activities.

9. At the country level, a Policy Committee member noted that the paper included useful recommendations for UNDP and DOCO, but that other UN agencies did not appear prominently. It was also suggested that the paper did not clearly spell out who was responsible for coordinating recovery activities or orchestrating recovery strategies. In response, it was noted that the Resident Coordinator (RC) had these responsibilities, and that it was important for the RC to operate within a wider context, including actors such as the World Bank. The experience with the Country Assistance Framework (CAF) in the Democratic Republic of the Congo was highlighted, as this Framework had included the vast majority of actors on the ground, UN and non-UN, was of a strategic nature, and had been agreed to by the government.

10. The recommendations were endorsed subject to the changes arising from the discussion.

Update on the MDG Gap Task Force Report

1. Policy Committee members were briefed on the MDG Gap Task Force report on the status of MDG8: Delivering on the Global Partnership for Achieving the MDGs. The Millennium Declaration had emphasized the importance of strengthening global partnerships for development to support the achievement of the MDGs. The Task Force's report was a stocktaking exercise of global commitments in the areas of official development assistance (ODA), market access (trade), debt sustainability, access to affordable essential medicines, and access to new technologies. The Task Force was chaired by UNDP, with DESA support in particular on the report, which had been widely consulted, and would be presented at the High-Level Event on the MDGs in September. The main message of the report was that while some progress had been made, large gaps remained in delivering on these commitments. It was hoped that the report's proposed actions would lead to greater action by Member States.

2. On ODA, the trend was somewhat negative, with low expectations for most countries, including European countries, reaching the UN target of providing assistance in tune with 0.7 percent of their GDP by 2015. On market access, slow progress had been made in meeting this commitment through the Doha Round of trade negotiations. A Policy Committee member commented that it would be helpful to have more concrete targets in the area of aid for trade, to obtain greater commitment from governments. On debt sustainability, some progress had been made; however, higher food and energy prices, among other issues, were hampering progress. Likewise, some progress had been made in the areas of access to essential medicines and new technologies, but other areas of sharing information, such as in adaptation measures with respect to climate change, were also needed. Policy Committee members took note of the report.

Note to the Secretary-General
through Mr. Nambiar

Policy Committee Meeting of 23 July

1. Please find attached the revised draft decisions on delivering recovery and peace dividends. With the appointment of Ms. Jane Lute to head the Peacebuilding Support Office (PBSO), we have conducted further consultations with the interested parties.
2. Instead of the appointment of a senior coordinator to lead the drafting and consultation process for the Secretary-General's report as agreed at the table, it is now agreed that the head of the PBSO will play this role. UNDP has indicated that they will make Ms. Sally Fegan-Wyles available to support Ms. Lute in this task.

RO

Robert Orr
22 August 2008

| <u>DCDC</u> | <u>CDC</u> | <u>SG</u> |
|--------------------------|--------------------------|-----------|
| Recommended Action: | For SG's approval | Approved |
| | For SG's attention | Noted |
| | For SG's information | Seen |
| | For SG's signature | Signed |
| Date: 26/8/08 | Date: 27.08.08 | Date: |
| Comment (if applicable): | Comment (if applicable): | |

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(South-South)

| <u>DCDC</u> | <u>CDC</u> | <u>SG</u> |
|------------------------------------------------------------------|--------------------------|-----------|
| Recommended Action: | For SG's approval | Approved |
| SG's approval | For SG's attention | Noted |
| Date: 26/8/08 | For SG's information | Seen |
| Comment | For SG's signature | Signed |
| (if applicable): 76 | Date: 27 08. 08 | Date: |
| This is the formula we worked out with the new PBSO ASG & UN DP. | Comment (if applicable): | |

28-09982

(Recovery)