

**Executive Committee of Economic and Social Affairs
Meeting of Principals**

13 February 2009

Time: 8:30 am – 11:00 am

Conclusions and Decisions

- **ECESA will prepare a short strategy paper to support the SG's preparation for and participation in the G20 meeting on 2 April, for submission by no later than the first week in March. DESA, together with UNCTAD and other entities of the ECESA Thematic Cluster on Macroeconomics and Finance, will prepare, through the cluster, a draft for the strategy paper, working across other Thematic Clusters as necessary. The draft will be shared in a timely manner with the ECESA Principals for their review.**
- **Principals agreed that the short strategy paper should become the basis as well for a more comprehensive report of the Secretary-General for the UN conference at the highest level on the world financial and economic crisis and its impact on development, in case the GA resolution on the conference includes a request for such a report. They also agreed to set into motion preparations for the conference.**
- **The messages to be conveyed to both the G20 meeting and the UN conference at the highest level should stress the impact of the world financial and economic crisis on development**
- **The Convenor will send a brief note to the SG on the Principals' discussion on the financial crisis and their decisions in that regard, assuring the SG that ECESA is solidly behind him as a collective entity to support his efforts related to the financial crisis.**
- **The Executive Secretary of ECLAC, in cooperation with OHRM, will organize a Town Hall meeting, via videoconference, with interested staff of concerned ECESA entities, to explain and clarify details of the occupational network initiative.**
- **The compilation of the 'narrative snapshots' related to ECESA coordination on PPB 2010-2011, will be submitted as a supplementary document to ACABQ.**
- **The shortlist of 28 projects for funding under the 7th Tranche of the Development Account (DA) was approved by Principals, as recommended by the DA Steering Committee. On the proposed "management costs", Principals agreed to explore options and alternatives to assist the Programme Manager in assuming its functions. The Programme Manager reiterated his preference of establishing two dedicated posts in DESA. One Principal expressed strong reservation to this. Other Principals expressed their wish to find a compromise. In this context, Principals invited the Programme Manager to provide some empirical evidence on work load and associated costs for "programme management" that could guide the Principals in their consideration of the matter.**
- **The Convenor will invite the Policy Committee Secretariat to brief Principals on the procedures of the Policy Committee at their next meeting.**

Summary of Discussion

The Convenor welcomed the Principals and congratulated Ján Kubiš for his appointment as Executive Secretary of UNECE. The Convenor briefly reflected on the good experience of coordination and collaboration through ECESA, while noting that it could still be further improved. For example, ECESA could engage more proactively in coordination mechanisms like UNDG, and diversify its contributions in thematic areas such as peace and security processes in post-conflict situations.

1. Coordinated ECESA support to the Secretary-General in advance of the G20 meeting in London

The Convenor recalled the need to urgently contain the current financial crisis and to restore economic growth. In this context, he noted the request of the Secretary-General for advice regarding the next G20 meeting, to be held on 2 April 2009 in London, at which he will represent the United Nations.

Principals decided that ECESA will prepare a short strategy paper to support the SG's preparation for and participation in the G20 meeting, for submission by no later than the first week in March. DESA, together with UNCTAD and other entities of the ECESA Thematic Cluster on Macroeconomics and Finance, will prepare, through the cluster, a draft of the strategy paper, also involving other Thematic Clusters as necessary. The draft will be shared with Principals for their review.

The paper would present the policy directions that the international community should take to deal with the crisis, both in the short term and taking into account longer-term challenges, such as food insecurity, climate change and shortfalls in MDG achievement. It would also propose a better defined role for the UN in the process of finding global solutions to the economic crisis.

UNCTAD expressed its strong support for the preparation of the strategy paper, and stressed its commitment to working alongside DESA, in close collaboration with other ECESA partners, in this initiative. UNCTAD pointed to ongoing joint work within ECESA, as well as to its papers which would provide useful inputs to the strategy paper.

ECA underlined the opportunity provided by the presence of the SG at the G20 meeting to emphasize the impact of the crisis on developing countries, and on African countries in particular.

ECLAC proposed that the short strategy note should be prepared with the view that it would be for a number of purposes, including: to advise the SG for the G20 meeting; to provide inputs to the SG's letter to the G8 Summit; to serve as a background paper for the SG's Policy

Committee; to provide the basis for a public contribution of ECESA in advance of the G20 meeting; and for the SG's report to the UN Conference.

UNEP believed that the response to the crisis should include several dimensions. UNEP has published a report on the crisis that considers the environmental dimension which could provide relevant inputs for a strategy paper. OHCHR recalled that intergovernmental efforts on the financial crisis include a special session on the impact of the financial crisis on human rights that will be held on 20 February 2009. UN-Habitat encouraged Principals to consider including the establishment of housing finance systems as part of the overall response to the economic and financial crisis.

The Regional Commissions highlighted a number of issues that could be raised in the strategy paper: (i) impacts on financing for development, including impact on aid flows, liquidity and credit squeeze, trade and FDI, to developing countries; (ii) analysis and implications of major stimulus packages, including risks of protectionism, redistribution effects, link to climate change (foundation for green economies), and importance of regional coordination; (iii) impact of the financial crisis on the real economies of developing countries, in particular the LDCs, in various regions, including growth prospects, effect on employment and social safety nets and; (iv) governance and financial architecture, including regional initiatives for medium and long-term responses.

Principals referred to the papers their respective organizations have prepared for the upcoming discussion on the UN system and the financial crisis in the meeting of the CEB's High-level Committee on Programmes (HLCP) later this month in Geneva, including a joint paper prepared by the Regional Commissions. These papers could provide useful inputs to the short strategy paper by ECESA and, if so requested by the GA, to the SG report for the UN Conference on the world financial and economic crisis (see item 2 below).

Principals felt that the short strategy paper could also provide a basis for discussion on the financial crisis in the Secretary-General's Policy Committee, should the SG decide to include the issue as an item on the agenda of the Committee.

2. Role and contribution of ECESA members to the preparations for the UN conference at the highest level on the world financial and economic crisis

As agreed in the Doha Declaration on Financing for Development, the President of the General Assembly will organize a United Nations conference at the highest level on "the world financial and economic crisis and its impact on development". The PGA circulated a draft resolution on 28 January 2009 on the modalities of the conference. Informal consultations started on 12 February.

Mr. Trepelkov briefed Principals on the first round of consultations and circulated a written summary. Most Member States agreed that the draft resolution constituted a good basis for discussion. At the same time, there was substantial divergence of views between developed and developing countries on several aspects of the conference, such as the substantive focus, the preparatory process, the level of participation, the dates and duration of the Conference, and the outcome. Several Member States also stressed the importance of having inputs by the Secretary-General and/or the UN Secretariat to the preparatory process and to the Conference itself. The PGA said he would circulate, on 17 February, a revised draft resolution.

Principals discussed the role of ECESA members in the preparations of the UN Conference. Principals considered the UN Conference as an opportunity to raise development issues in the context of the unfolding global financial and economic crisis. They also highlighted the importance of creating the best possible dynamic between the G20 process and UN processes, including not only the UN Conference but also other processes, such as the Spring Meeting of ECOSOC with the trade and financial institutions. ECA underlined the need for complementarity between the messages conveyed to the G20 meeting and to the UN Conference and other processes.

OHRLLS expressed the need to liaise with the PGA's office to ensure that the role of the Secretariat is reflected in the draft resolution. With regard to ECESA's contribution to the UN Conference, ECLAC proposed that a note be sent to the SG suggesting the way ECESA wished to proceed..

UNCTAD stressed that the SG Report to the UN Conference should be deeper and more comprehensive than the report of the PGA's Commission. The report should focus less on diagnosis and more on the impact of the crisis on development at the national, regional and global levels. It should highlight the impacts on developing countries, an aspect not well documented up to this point. There should also be attention to coping strategies, including their systemic aspects, and how the UN can contribute to the implementation of such coping strategies.

Principals agreed that the short strategy paper should become the basis for a more comprehensive report of the Secretary-General for the UN conference at the highest level on the world financial and economic crisis and its impact on development, in case the GA resolution on the conference includes a request for such a report. They also agreed to set into motion preparations for the conference.

Principals further agreed that the messages to be conveyed to the G20 meeting and the UN conference at the highest level should stress the impact of the world financial and economic crisis on development. The Convenor would send a brief note to the SG on the Principals'

discussion on the financial crisis and their decisions in that regard, assuring the SG that ECESA is solidly behind him as a collective entity to support his efforts related to the financial crisis.

3. Update on the implementation of the Mobility and Occupational Networks

The Convenor recalled that, Alicia Bárcena was appointed as focal point for the implementation of the pilot on Mobility and Occupational Networks within the context of ECESA.

Ms. Bárcena together with Ms. Shahinyan (OHRM) updated Principals on the status of the pilot initiative. The Executive Secretary of ECLAC, in cooperation with OHRM, will organize a Town Hall meeting, via videoconference, with interested staff of concerned ECESA entities, to explain and clarify details of the occupational network initiative.

4. Report from Deputies on outcome of ECESA coordination on the Programme Planning Budget 2010-2011

At the 16 October meeting of ECESA, Deputies were asked to coordinate the preparation of the Programme Planning Budget (PPB) 2010-2011. Mr. Stelzer briefed ECESA Principals on the coordination exercise, which involved three meetings. ECESA entities shared draft programme narratives of budget proposals, with a view to achieving greater coherence, identifying synergies and avoiding duplication.

The compilation of these narrative snapshots was shared with the Principals for their consideration. Principals decided to submit the compilation of the ‘narrative snapshots’ related to ECESA coordination on PPB 2010-2011 as a supplementary document to ACABQ session in May 2009, and agreed that it was important to maintain the coordination exercise as an ongoing activity of the thematic clusters.

On the issue of the requested 2 per cent budget cut, ECLAC proposed that ECESA reiterate its concern to the SG. The Convenor said that the reduction in the budget had created a real challenge for all entities in the Secretariat and recalled that ECESA, as well as the Regional Commissions as a group, had already expressed their views to the SG on this matter. The Convenor urged Principals to coordinate their efforts in order to ensure the best possible results within the budgetary limits that the Secretary-General had proposed.

5. Seventh Tranche of the Development Account: Decision on the short-list of projects

The Convenor recalled that currently DESA manages a portfolio of 100 projects, including 28 projects proposed under the 7th Tranche, with the total budget of \$60 million. The

Steering Committee of the Development Account, chaired by Thomas Stelzer, agreed, on 6 February 2009, on the selection of 28 projects for funding under the 7th Tranche. As recommended by the DA Steering Committee, Principals approved the selection of 28 projects to be included into the proposed programme budget for 2010-2011 under section 34, Development Account.

The Convenor in his capacity of Programme Manager of the Account indicated to Principals that the complexity and scope of managing the Account had increased substantially, reflecting the increased number of project under active management and the heightened expectations of Member States with regard to the functions of coordination, programming, monitoring, evaluation and reporting. Two professional posts related to the need to enhance management and provide it with a dedicated capacity reinforce, were included under section 9, economic and social affairs, in the SG's proposal on strengthening the development pillar. During the consideration of the proposal, several Member States in the GA expressed the view that it would be more transparent to associate the programme management costs under the section on the Development Account proper.

The Convenor expressed his preference to establish two dedicated posts, as an honest and transparent way of communicating with Member States, and asked Principals for their support of this proposal. He also indicated two additional options to consider: one, to distribute the costs of programme management among the 28 projects; and, the other, for implementing entities to provide resources to DESA, as vacant posts, for the management of the Account, in line with their share of resources in the Development Account envelope.

UNCTAD expressed support for the proposal made by the Programme Manager. The Regional Commissions recognized the constraints of managing the Development Account. However, they recalled that the original intent of the Development Account was to maximize the use of its resources for projects. ECA expressed support for the need to make provision for the management of the Account but requested that proper justification of such costs be provided in due time. ECLAC expressed strong reservation to the creation of two dedicated posts and believed that the proposal contravenes existing legislation guiding the management of the Development and the criteria established by the GA on the use of such funds for high impact development activities. Other Principals expressed their wish to find a compromise and to explore options to assist the Programme Manager in performing his functions.

OHRLLS and OSAA requested clarification on the criteria for eligibility of funding of activities under the Development Account. The Convenor requested that a briefing be organized for OHRLLS on this matter.

6. Other matters

(a) Update on the work of the SG's Policy Committee

The Convenor updated Principals on the work of the Policy Committee and reiterated his personal commitment to ensure ECESA's engagement in the work of the Committee. Only one meeting had been held so far this year, to discuss the forward agenda and to receive an update from the Office of Disarmament Affairs. The major focus remained individual country cases. On thematic issues, the Convenor flagged two follow-up items on the schedule: the draft SG report on "post-conflict peacebuilding and early recovery", on 31 March, led by PBSO; and violence against women, on 21 April, led by OSAGI. A number of other thematic issues (i.e. climate change, global health, democracy, public administration and local governance in post-conflict situations, financing for development/Doha follow-up) may be brought back to the Committee in the coming months. The Committee Secretariat had also taken note of the proposed items on energy (by UNCTAD) and on preparations for the 2010 MDG Summit (by DESA).

The Convenor reiterated his invitation to convey new proposed items from ECESA members to the Secretary-General for his consideration. In this regard, he would circulate recent guidance received from the Committee Secretariat on drafting good recommendations, to help clarify what sort of items may be ripe for Committee discussion and SG decision. The Principals agreed that the Convenor would invite the Policy Committee Secretariat to brief Principals on the procedures of the Policy Committee at their next meeting.

(b) Update on GA consultations on the draft resolution on the 2010 MDG Summit

The Convenor recalled that at last year's High-level Event on the MDGs, the SG proposed the convening of an MDG Summit in 2010 as an important opportunity to galvanize the needed efforts and actions in the final five years before the 2015 deadline. The draft procedural resolution from the PGA on the Summit had been circulated among Principals.

Ms. Kirsti Lintonen, Permanent Representative of Finland, and Mr. Paul Badji, Permanent Representative of Senegal, were appointed as co-facilitators and held a round of bilateral consultations with key groups. At this stage, two questions have emerged, including (i) whether the meeting should be called a Summit or just a High level meeting of the General Assembly; and (ii) if there should be one or two procedural resolutions. The co-facilitators are planning to hold a meeting soon and will prepare a revised draft. The indications are that one enabling resolution will address issues of scope, timing, participation, modalities, format and the outcome. (Attached for your further information is a letter, dated 23 February, from the co-facilitators, announcing the resumption of informal consultations on 3 March on an enabling resolution).