



INSPECTION AND EVALUATION DIVISION

EVALUATION REPORT

Report of the Office of Internal Oversight Services on the Evaluation of the Financing for Development Office (FfDO)

“The Financing for Development Office has served a critical function in facilitating an inclusive global platform for dialogue and has helped revive the work of the United Nations in international tax cooperation, but has been challenged by expanding mandates”

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INSPECTION AND EVALUATION DIVISION

FUNCTION

“The Office shall evaluate the efficiency and effectiveness of the implementation of the programmes and legislative mandates of the Organisation. It shall conduct programme evaluations with the purpose of establishing analytical and critical evaluations of the implementation of programmes and legislative mandates, examining whether changes therein require review of the methods of delivery, the continued relevance of administrative procedures and whether the activities correspond to the mandates as they may be reflected in the approved budgets and the medium-term plan of the Organisation;” (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

Report of the Office of Internal Oversight Services (OIOS) on the Evaluation of the Financing for Development Office (FfDO)

“The Financing for Development Office has served a critical function in facilitating an inclusive global platform for dialogue and has helped revive the work of the United Nations in international tax cooperation, but has been challenged by expanding mandates”

This report presents the results of the evaluation of the Financing for Development Office (FfDO) by the Inspection and Evaluation Division (IED) of the Office of Internal Oversight Services (OIOS). The evaluation was part of a DESA-wide evaluation identified by an OIOS/IED risk assessment and endorsed by the Committee for Programme and Coordination (CPC) on its forty-ninth session and formally mandated by the ensuing General Assembly Resolution 64/229.

During the evaluation, OIOS examined the relevance, efficiency and effectiveness (including impact) of FfDO. It used a range of quantitative and qualitative methods, including a document review, staff and stakeholder interviews, staff and stakeholder surveys, field missions, a bibliometric analysis of the usage of FfDO’s publications, and an expert panel review of two key FfDO publications. The evaluation was undertaken in accordance with the norms and standards for evaluation established by the United Nations Evaluation Group (UNEG).

FfDO served a critical and unique function by facilitating and supporting an inclusive global platform for the dialogue and follow-up to international agreements on financing for development. It was effective at introducing multi-stakeholder perspectives into the deliberative process, resulting in broad membership, legitimacy and buy-in to the advancement of the financing for development agenda. Furthermore, FfDO’s support to the Committee of Experts on International Cooperation in Tax Matters (CEICTM) helped revive the Committee’s work and increased the visibility of the United Nations in international tax cooperation.

The financing for development follow-up process faced structural weaknesses related to FfDO’s restricted coverage in the Economic and Social Council (ECOSOC) and the General Assembly. This has contributed to a limited number and scope of substantive outcomes linked to the results of the monitoring process. In addition, FfDO has faced several constraints in adequately monitoring its performance, mainly due to its heavy reliance on quantitative indicators of achievement in the Strategic Framework that do not capture the full range of qualitative achievements of the Office.

The gender perspective approach of the Monterrey Consensus and the Doha Declaration can be in part attributed to FfDO’s engagement in the consultations during the preparation of the conferences and reviews on financing for development. However, FfDO had not yet undertaken a systematic monitoring of the gender commitments resulting from those conferences.

FfDO’s effectiveness has been challenged by expanding mandates without corresponding resource adjustments. This was especially evident when the Office was faced with peak servicing

demands, such as during the 2009 preparation and follow-up to the Conference on the World Financial and Economic Crisis and Its Impact on Development. Despite these challenges, FfDO generally utilized its human and financial resources in an efficient manner, although its performance lagged behind on a few discrete tasks such as the monitoring and evaluation (M&E) function, publication dissemination and outreach.

The division of labour between FfDO and other DESA subprogrammes was not always clear, and there was some overlap in tasks and mandates. Nevertheless, FfDO successfully used cooperation and coordination to promote an integrated approach within the United Nations to issues related to financing for development.

OIOS recommends that FfDO should:

- Include qualitative indicators of achievement in the Strategic Framework to better reflect qualitative dimensions of its expected accomplishments ; and
- Formulate a renewed strategy for its extra-budgetary funding and partnerships.

Contents	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1 – 3	7
II. Methodology	4 – 6	7 – 8
III. Background	7 – 20	8 – 13
IV. Results		
A. FfDO served a critical and unique function by facilitating an inclusive multi-stakeholder platform for the follow-up process and global dialogue on financing for development	21 – 30	13 – 16
B. The financing for development follow-up in GA and ECOSOC was limited, but FfDO’s support to the Committee of Experts on International Cooperation in Tax Matters increased the visibility of the United Nations work on the issue	31 – 35	17 – 18
C. FfDO has faced several constraints in adequately monitoring its performance	36 – 39	19 – 20
D. A gender perspective was integrated in the consultations and reflected in the Monterrey and Doha outcome documents, yet effective monitoring of gender commitments was lacking	40 – 42	20 – 21
E. FfDO’s effectiveness was challenged by limited resources and expanding mandates	43 – 51	21 – 23
F. FfDO efficiently utilised its staff and financial resources but still lagged on a few discrete tasks like publication dissemination	52 – 55	23 – 24
G. The division of labour between FfDO and other DESA subprogrammes with regard to some intergovernmental tasks was not always clear	56 – 59	24 – 25
V. Conclusion	60 – 63	26
VI. Recommendations	64 – 65	27
Annexes		28 – 36

ABBREVIATIONS

BWIs	Bretton Woods Institutions
CEICTM	Committee of Experts on International Cooperation in Tax Matters
CPC	Committee for Programme and Coordination
CSO	Civil Society Organisation
DCF	Development Cooperation Forum
DESA	Department of Economic and Social Affairs
DM	Department of Management
DPAD	Development Policy and Analysis Division
DPADM	Division for Public Administration and Development Management
DSD	Division for Sustainable Development
DSPD	Division for Social Policy and Development
EAs	Expected Accomplishments
ECOSOC	Economic and Social Council
FfD	Financing for Development
FfDO	Financing for Development Office
IED	Inspection and Evaluation Division
ILO	International Labour Organisation
IMF	International Monetary Fund
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
NGO	Non-governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OESC	Office for Economic and Social Council Support and Coordination
OIOS	Office of Internal Oversight Services
OPPBA	Office of Programme Planning, Budgeting and Accounts
OUSG	Office of the Under-Secretary General
PPBME	Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation
SF	Strategic Framework
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
WB	World Bank
WESS	World Economic and Social Survey
WESP	World Economic Situation and Prospects
WTO	World Trade Organization

I. Introduction

1. The Inspection and Evaluation Division (IED) of the Office of Internal Oversight Services (OIOS) identified the Department of Economic and Social Affairs (DESA) as a priority programme for evaluation based on a strategic risk assessment exercise carried out in 2008. The forty-ninth session of the Committee for Programme and Coordination (CPC) selected that evaluation to be presented for consideration at its fifty-first session.¹ The selection was formally mandated by the ensuing General Assembly Resolution 64/229 on Programme Planning.

2. As part of the evaluation report on DESA as a whole, more detailed assessments of the Department's 10 divisions and offices and its Executive Direction and Management were conducted. This report on FfDO is issued as an internal management report. This report presents the results of the evaluation of the Financing for Development Office (FfDO). In accordance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME), the overall objective of the evaluation was to determine, as systematically and objectively as possible, the relevance, efficiency and effectiveness (including impact) of FfDO.

3. The evaluation utilised DESA's 2010-2011 Strategic Framework (SF) and Budget as the primary benchmark for measuring the performance of FfDO, and also took into consideration data from the past three biennia.

II. Methodology

4. The FfDO subprogramme evaluation was conducted in accordance with the norms and standards for evaluation established by the United Nations Evaluation Group (UNEG). The data was compiled under the umbrella of the DESA-wide evaluation report. A combination of qualitative and quantitative methods was used, drawing on data from the following sources:

(a) Document review, including analysis of information collected from internal sources, previous OIOS assessments, the SF, biennium budgets, IMDIS and management compacts;

(b) Nine structured and semi-structured interviews with FfDO staff and senior management;

(c) Twelve structured and semi-structured interviews with United Nations system and non-United Nations system stakeholders;

(d) Web-based staff survey, with a response rate of 35 per cent (6 out of 17 respondents);

¹ A/64/16, Report of the Committee for Programme and Coordination, July 2009; paragraph 41. The report is titled "The Department of Economic and Social Affairs has effectively supported intergovernmental decision-making, the global statistical system and progress towards the Millennium Development Goals, but fell short in its system-wide coordination work and was challenged by low visibility and weak internal synergies" (E/AC.51/2011/2).

(e) Web-based stakeholder survey, with a response rate of 43 per cent (15 out of 35 respondents), of representatives from the United Nations, inter-governmental organisations, non-governmental organisations (NGOs), academia, and the business sector;

(f) An independent expert panel review of the quality and usage of a non-random sample of two key FfDO publications (within a total sample of 18 DESA publications);

(g) A bibliometric analysis of the usage of two FfDO publications, using citation metrics (Google Scholar), website traffic data, publication download data, and dissemination practices; and

(h) Field missions to Thailand, Cambodia, Ethiopia, Kenya, Malawi and South Africa.

5. The evaluation had four main limitations. First, given the small and purposive sample of stakeholders interviewed and surveyed by OIOS, the views collected might not be fully representative of FfDO stakeholders as a whole. Second, several of the stakeholders interviewed at the country level or Member State representatives, were not able to attribute distinct services to specific DESA subprogrammes. Third, the expert panel review included only two FfDO publications; although these were recommended by the Office as representing its key publications, the small sample size limits the extent to which findings of the review can be generalized to all Division publications. Finally, the bibliometric analysis permitted only limited comparability of the bibliometric data from one type of publication to another and noted the inherent difficulties of capturing information about these types of publications through conventional index citation.

6. To overcome these limitations, the evaluation results were derived from a wide combination of documentary, testimonial and analytical evidence. Data sources were triangulated to strengthen the robustness of the evaluation findings.

III. Background

The Financing for Development Intergovernmental Process

7. In 1997 the General Assembly (GA) articulated the need to develop modalities for conducting an intergovernmental dialogue on financing for development. Three years later, resolution A/RES/54/196 was adopted, leading to two major developments: the decision to convene a high-level conference on financing for development, and the establishment of an ad hoc open-ended working group tasked with conducting preparations and providing inputs for the event. This group would become the core of the Financing for Development Office (FfDO) in DESA.

8. The International Conference on Financing for Development was organized in 2002 in Monterrey, Mexico. The high-level forum brought together over 50 Heads of State, 200 ministers, and leaders from the private sector, civil society and major intergovernmental financial, trade, economic, and monetary organisations. The event expressed the renewed

commitment of the United Nations to foster intergovernmental discussions on international monetary, financial and development policy. It also attempted to broaden the financing for development debate by addressing matters relating to global liquidity, debt, tax revenue, volatility, and other forms of funding such as private capital flows. In the Monterrey Consensus, which emerged from the high-level event, donors made specific commitments to increase their aid. Member States stressed action through global partnership in six key areas (see below).

Monterrey Consensus

- (1) Mobilizing domestic resources
- (2) Mobilizing international resources for development, i.e. foreign direct investment (FDI) and other private flows
- (3) International trade as an engine for development
- (4) Strengthening official development assistance (ODA)
- (5) External debt
- (6) Improving the coherence of global and regional financial structures and promoting fair representation of developing countries in global decision-making

9. In 2008 a follow-up conference was organized in Doha, Qatar. Participants deliberated ways to improve the quality and impact of Official Development Assistance (ODA) and discussed mechanisms for evaluating progress towards the commitments made in Monterrey. They also addressed topics such as gender, “decent work”, climate change, and innovative finance. Doha was generally acknowledged as a more modest event than Monterrey, having brought together a smaller pool of government officials. The heads of International Monetary Fund (IMF) and the World Bank (WB), for example, did not attend. A critical outcome of the conference was the agreement reached to convene a third United Nations summit in which the “G192”² would discuss approaches to mitigate the effect of the global financial crisis and propose changes to the international financial architecture.

10. The 2009 “Conference on the World Financial and Economic Crisis and Its Impact on Development” highlighted the effects of the economic downturn on developing countries pointing to the effects of remittances, private capital flows, and trade. The outcome document outlined four lines of action: making the stimulus work for all; containing the effects of the crisis; improving future global resilience through regulation and monitoring; and reforming the financial and economic architecture. In this context, the parallel emergence of the G20 as the locus for high-level discussions on the financial crisis and on reforms to the international economic governance system averted some attention from the more inclusive United Nations forum of deliberations and decision-making.³

11. The United Nations intergovernmental process played a key role in expanding the public debate on financing for development policies and debating the global power structures and the governance arrangements influencing these policies. In tandem, the three conferences aided to

² G192 was the term coined in the 2009 “Conference on the World Financial and Economic Crisis and its Impact on Development” to refer to the governments of all 192 United Nation Member States, as opposed to groupings such as G8 or the G20.

³ For current proposals on how to link the work of the United Nations with the G20 see ECOSOC/6472.

position the United Nations as an increasingly important political actor on global financial and economic reform.

The Financing for Development Office

12. The Financing for Development office (FfDO) was established on 24 January 2003 in DESA in accordance with GA resolution A/RES/57/273.

13. **Mandate.** FfDO was established to ensure periodic follow-up and continued dialogue among the participating organisations, governments and non-governmental actors in order to evaluate progress in the implementation of the overarching agenda of the Monterrey Consensus. The General Assembly expanded FfDO's role in supporting and enabling member countries to implement their commitments, namely to:

[P]romote and support sustained follow-up to the agreements and commitments reached at the International Conference on Financing for Development, as contained in the Monterrey Consensus, the outcome of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, as well as financing for development-related aspects of the outcomes of major United Nations conferences and summits in the economic and social fields, including the development goals set out in the United Nations Millennium Declaration and the 2005 World Summit Outcome.⁴

14. FfDO provided substantive secretariat support, including the preparation of multi-stakeholder reports and other inputs, to the intergovernmental process entrusted with the follow-up to the conference, as well as other relevant bodies by servicing:

- The Annual High-Level Meeting of ECOSOC with the Bretton Woods Institutions (BWI), the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD);
- The High-Level Dialogue on Financing for Development, held every two years in the General Assembly;
- The General Assembly Second Committee in deliberation of the relevant agenda items, namely: macroeconomic policy, the international financial system and development, the follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference, and the central role of the United Nations system in global governance;
- The ECOSOC substantive session in the deliberation of the relevant agenda items, namely: Implementation of and follow-up to major United Nations conferences and summits, the follow-up to the International Conference on Financing for Development; and international cooperation in tax matters;
- The Committee of Experts on International Cooperation in Tax Matters (CEICTM); and,

⁴ See Second Committee Resolution A/RES/58/230, 23 Dec. 2003; and Resolution A/RES/60/188.

- The ad hoc Open-ended working group of the General Assembly to follow up on the Outcome of the Conference on the World Economic and Financial Crisis and Its Impact on Development.

15. FfDO closely followed and contributed as appropriate to ongoing deliberations in both United Nations and non-United Nations forums. It also supported the participation of all institutional and non-institutional stakeholders, including civil society and the private sector, in the financing for development process.

16. The Office has aimed to promote coherence and an integrated approach to the follow-up of the financing for development process within the United Nations and it has also looked at monitoring Member State commitments and implementation beyond ODA. It had been increasingly dealing with the issues of how to mobilize more public revenues, especially in the South, and how to contain capital flight.⁵ For this reason, since 2003, FfDO received the secretariat responsibility for CEITCM⁶ which has a broad mandate to further international cooperation in tax matters with the view to contributing to the mobilisation of domestic resources for development.⁷

17. **Structure and funding.** Being one of the newest and smallest DESA Divisions, FfDO was conceived as a compact office which would take advantage and draw upon existing capacities within the Department.⁸ Besides the Office of the Director, it is organized along two branches, respectively “Policy analysis and development” and “Multi-stakeholder and outreach” as shown in the organisational chart below.

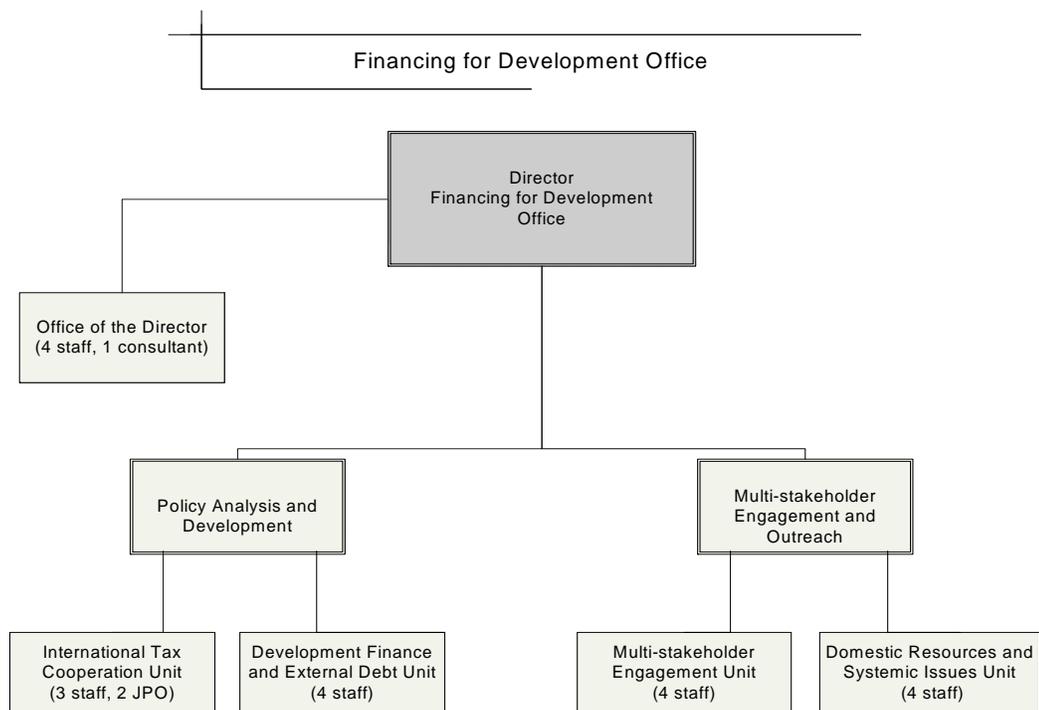
⁵ See Monterrey Consensus, Chapter 2 and 6.

⁶ The Tax Committee comprises 25 members nominated by Governments and appointed by the Secretary-General, with due regard to geographical distributions and representation of different tax systems. The “Ad Hoc Group of Experts on International Cooperation in Tax Matters” active since 1967 and until then served by the Division of Public Administration and Development Management (DPADM) was renamed “Committee of Experts on International Cooperation in Tax Matters” by ECOSOC’s resolution 2004/69 of 11 November 2004 and it meets annually. For additional information on the transfer of responsibility from DPADM to FfDO see “In-depth Evaluation of the Programme on Public Administration, Finance and Development”. E/AC.51.2004/1. 16 March 2004, p. 6.

⁷ FfDO responsibilities include staff preparing papers as requested by the Committee, assisting the subcommittees and working groups, liaising with Committee members and observers on development relevant to its work, preparing advice and reports on the work of the Committee, organizing events on taxation and development issues, as well as side events at sessions of the Economic and Social Council.

⁸ The first proposed programme budget that included the Financing for Development Office presents the following internal redeployment of posts for the new office: 2 D-1, 2 P-5, 3 P-4, 3 P-3 and 5 GS mainly from DPAD and DPADM, but also from SD, DSPD and the Information Support Unit (A/58/6 (Sect. 9)).

Chart 1. Financing for Development Organisational Structure



Source: Prepared by OIOS with information from FfDO website

18. Due to the small staff size (22 total, consisting of 15 professionals and 7 general service staff), the Office has not been strictly aligned along the six thematic areas of the Monterrey Consensus. International trade, for example, did not clearly emerge in the current subprogramme unit configuration, while external debt and development finance are merged as one under the “Policy Analysis and Development” branch. The largest unit within FfDO, with 5 staff, was dedicated to supporting the work of CEITCM. Overall, the human resources of FfDO represent 4 per cent of DESA’s total posts.

Table 1. FfDO Human Resources 2006-2011

Year	FfDO 2006-2007	FfDO 2008-2009	FfDO 2010-2011	DESA 2010-2011
FfDO staff RB	21	22 (15 P, 7 GS)	22 (15 P, 7 GS)	581 (RB and XB)
FfDO staff XB	0	0	0	

Source: Table prepared by OIOS with information from A/64/6 (Sect. 9) and FfDO

19. In the 2010-2011 biennium FfDO accounts for 2.6 per cent of total resources allotted to DESA. Its proposed budget was 7.9 million USD, out of which \$7,356,200 were regular budget (RB) and \$502,500 were extra-budgetary (XB) funds.

Table 2. FfDO Funding 2006-2011

Year	FfDO 2006-2007	FfDO 2008-2009	FfDO 2010-2011	DESA 2010-2011
RB Resources	\$ 5 768 500	\$ 6 501 200	\$ 7 356 200	\$ 168 444 300
RB Post	\$ 5 405 700	\$ 6 120 200	\$6 966 800	<i>n. a.</i>
RB Non-post	\$ 362 800	\$381 000	\$ 389 400	<i>n. a.</i>
XB Resources (Estimate)	\$ 790 000	\$ 1 186 000	\$ 502 500	\$ 13 929 000
XB Resources (Expenditure)	\$ 664 206	\$ 567,000	<i>n. a.</i>	<i>n. a.</i>
Total Budget	\$6 558 500	\$7 687 200	\$7 858 700	\$ 302 373 300

Source: Ibid.

20. FfDO had two established trust funds, but to date, all extra-budgetary funding had derived from the “Trust Fund to Support Activities for the Follow-up to the International Conference on Financing for Development” (established in 2000), while the “Trust Fund for International Cooperation in Tax Matters” created to support the activities of the Subcommittees and Working Groups of CEITCM, received no contributions since its inception in 2006.⁹

IV. Results

A. FfDO served a critical and unique function by facilitating an inclusive multi-stakeholder platform for the follow-up process and global dialogue on financing for development

FfDO facilitated multi-stakeholder engagement and buy-in to the financing for development agenda

21. FfDO has fulfilled a unique niche in the financing for development agenda, not served by any other entity in the United Nations system or any other international organisation. Overall, stakeholder comments highlighted how FfDO’s support to intergovernmental meetings, to multi-stakeholder consultations, and to the follow-up processes had resulted in broad membership, legitimacy and buy-in. The large scale events serviced by the Office, such as the Conference on Financing for Development in Monterrey, the Doha Review Conference, and the Conference on the World Financial Crisis and Its Impact on Development, for example, served to provide an even and impartial platform for the discussion of financing for development issues among all Member States. FfDO support resulted in agreements achieved through a participatory process,

⁹ This includes the updates to the “United Nations Model Double Taxation Convention between Developed and Developing Countries” and the “Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries”.

which were then periodically reviewed by the United Nations main intergovernmental bodies – namely ECOSOC and the 2nd Committee of the General Assembly (GA).¹⁰

22. The main value added by FfDO, similar to that of the Department as a whole, was its “capacity to convene a diverse and representative set of actors, and its ability to provide a platform for dialogue at the international level.”¹¹ Most stakeholders surveyed (9 of 14) agreed with this assessment, which was also strongly supported by data collected from staff and stakeholder interviews. In their perspective, FfDO’s unique advantage was its mandate to act as a neutral convener and bring together different stakeholders for the establishment of a normative and policy framework for financing for development, in general, and for international tax cooperation, in particular. By providing (in a systematic manner) the inputs from consultations with Member State groups, civil society and the international financial institutions to the follow-up process, FfDO contributed to expanding the membership and supporting the legitimacy of the intergovernmental process. The Office was mandated to ensure that, contrary to other platforms, all those involved had a voice in the process.

23. In general, stakeholders rated the support provided by FfDO to intergovernmental meetings quite highly. Most stakeholders surveyed (64 per cent) affirmed that they were satisfied or very satisfied with the substantive and logistical support provided by the Office. One example of timely support to these meetings was FfDO’s work in 2011, for example, to ensure that the background documents were available on-line prior to the start of the ECOSOC meeting. Additionally, the output documents were made readily available within a day of the last session in a dedicated and easy to navigate website.

24. A few stakeholders drew attention to the role played by FfDO staff members in effectively facilitating the inclusion and presentation of analytical products from other DESA divisions. The substantive inputs provided by DESA in these meetings went beyond the review of the implementation of the financing for development agreements. When servicing large conferences, FfDO was able to adapt and respond to emerging issues on the international agenda. For instance, when the Doha Review Conference was taking place and the international financial crisis became a critical concern for Member States, FfDO had the capacity to incorporate the issue into the discussions.

25. In terms of inter-agency coordination in the international financial and economic arena, FfDO successfully serviced the Annual High-Level Meeting between ECOSOC, WB, IMF, WTO and UNCTAD, all of which are large actors that play a key role in the international financial and economic architecture. Although the degree of participation of BWI officials varied, the Secretary-General acknowledged that the financing for development (FfD) process resulted in modalities and levels of engagement with the BWIs that were beyond the normal practice of their participation in the work of the GA and ECOSOC.¹²

¹⁰ Strategic Framework, A/63/6 (Prog. 7) p. 16-17. Expected Accomplishment C: “Fuller engagement of governments and greater cooperation and interaction among all institutional and non-institutional stakeholders involved the financing for development process”.

¹¹ Programme Evaluation of the Department of Economic and Social Affairs, para. 21 (E/AC.51/2011/2).

¹² See “Enhancing collaboration and cooperation between the United Nations and the Bretton Woods Institutions, Note by the Secretary General” E/2009/115.

26. As part of the follow-up process to international commitments, FfDO supported several rounds of inclusive inter-agency consultations by collecting comments which it then incorporated into the annual report “Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development.” Every year, a draft of the report was widely circulated among the agencies involved in the FfD process to collect feedback and substantive inputs. FfDO worked to ensure that relevant documents and perspectives from other actors were incorporated into the final product. For instance, the last report referenced documents by the WB, Development Policy and Analysis Division (DPAD), International Labour Organisation (ILO), UNCTAD, WTO, IMF and an encyclical letter. However, the quality and degree of involvement with each entity consulted varied. Assuming full editorial responsibility, FfDO revised the inputs received from the different actors by taking into consideration those that could be factually verified and those that did not directly contradict GA or ECOSOC resolutions.¹³ FfDO’s responsibility for the overall content of the reports illustrated the Office’s leadership role in tracking the progress of the implementation of the Monterrey Consensus and subsequent agreements.

27. FfDO has also facilitated an inclusive dialogue with civil society and the private sector. The process has been well aligned with the recommendations presented in the 2004 Cardoso Report on how the United Nations could better liaise with civil society. Almost 80 per cent of stakeholders surveyed affirmed that the Office consulted their entity on themes of mutual interest. Beyond consultations, FfDO worked to ensure that inputs from NGOs and the private sector were available in the intergovernmental deliberative process. In the 2007 and 2010 High-Level Dialogues on Financing for Development, for example, FfDO facilitated the involvement of NGO and business representatives with a wide geographical representation, in the round tables and the informal interactive dialogues.¹⁴

28. To date there are 213 NGO’s accredited to the FfD process. Outside of the High-Level Dialogues, the Office supported the FfD/NGO listserv and briefed civil society on the latest developments at the United Nations on FfD-related issues. The potential of the listserv to become an interactive forum for dialogue among NGOs interested in the (FfD agenda, however, has not been fully achieved as the level of participation has not been sustained.¹⁵

¹³ The BWIs were opposed to the inclusion of capital controls as a possible measure to minimize shocks caused by short term capital flows until very recently and that policy alternative was kept as an alternative in the Financing for Development annual reports.

¹⁴ In 2007, there were 18 representatives from each sector and in 2010 there were 12 representatives from each sector. In both cases wide-geographical coverage was achieved: http://www.un.org/esa/ffd/hld/HLD2007/RT_CS.pdf, http://www.un.org/esa/ffd/hld/HLD2007/RT_BS.pdf, accessed on 30 March 2011).

¹⁵ The activity of the 340 members of the Yahoo Group of the NGO Caucus for Financing for Development in 2011 (until April) has been of 10 messages, while in the last years it has been 7 for 2010, 19 for 2009, and 64 for 2008 (<http://tech.groups.yahoo.com/group/ffdngocaucus/>).

Despite being a small player in the global financing for development arena, FfDO has played an important role

29. FfDO played a small but discernable role in the increasingly complex FfD arena characterised by volatile fluctuations, a large number of actors, and increasing financial flows. In 2009, ODA and trade flows in developing economies, only two of the six topics covered under the Monterrey Consensus, amounted respectively to 120 billion¹⁶ and 5.6 trillion dollars.¹⁷ The emergence of the G20 as the leading coordinator of the response to the global economic downturn has not led to a formalised engagement with the United Nations, neither at the Secretariat nor intergovernmental levels, to encourage complementarities in their roles.¹⁸ In this context, FfDO's mandate to monitor and support the implementation of the agreements and commitments of the Monterrey Consensus and its follow-up conferences with 22 staff members, and a total budget of 7.9 million dollars bi-annually, is daunting .

30. The Convener of the Global Governance Group (3G) noted that the United Nations system, through a strengthened interface with BWIs and WTO, played an important role in global economic norm setting and governance. One key area of achievement was the role played by FfDO since the adoption of the Monterrey Consensus which recognized “the value of exploring innovative sources of finance” as an alternative to ODA. New innovative financing mechanisms have increasingly been applied and accepted at a global level for achieving specific development objectives, such as improving international public health in developing countries. Additionally, innovative finance was linked to other areas such as climate change mitigation and adaptation as well as curbing illicit financial transfers. FfDO positioned itself to explore the possible expansion of innovative sources of financing by contributing to the forthcoming World Economic and Social Survey (WESS) on the subject, which was being prepared under the leadership of DPAD.¹⁹ Despite its small size, FfDO's ability to be flexible and responsive to Member State priorities, enabled it to be relevant in the FfD arena.

¹⁶ OECD/ DAC figures: <http://www.oecd.org/dataoecd/34/63/45569897.pdf>. This figure does not include non-DAC donors. 2010 DAC Report on Multilateral Aid, September 2010, OECD, <http://www.oecd.org/dataoecd/23/17/45828572.pdf>, Accessed 21 March 2011. See also UNCTAD data that shows that foreign direct investment (FDI) private resource inflows to developing countries for example will reach \$1.3–1.5 trillion in 2011.

¹⁷ This trade figure excludes China. See UNCTAD Stat, <http://unctadstat.unctad.org/TableViewer/tableView.aspx?ReportId=112>. Accessed March 23rd, 2011.

¹⁸ See “Economic and Social Council Concludes Special High-level Meeting with Bretton Woods Institutions, Other Bodies” <http://www.un.org/News/Press/docs//2011/ecosoc6472.doc.htm>. Accessed March 23rd, 2011. This view was expressed by a number of Member States, yet no consensus was reached on how to collaborate. However, on the first G20 meeting to discuss the international financial crisis the Secretary General was invited to attend.

¹⁹ New actors have also emerged since the topic of innovative financing received considerable international attention, in particular through the work conducted by the High-Level Task Force on Innovative International Financing for Health Systems, as well as the Leading Group.

B. The financing for development follow-up in GA and ECOSOC was limited, but FfDO's support to the Committee of Experts on International Cooperation in Tax Matters increased the visibility of the United Nations work on the issue

With the exception of FfDO's support to the CEICTM, FfDO's restricted involvement in the ECOSOC and GA follow-up process limited outcomes

31. The Monterrey Conference entrusted the GA and ECOSOC as the intergovernmental platforms for the follow-up process on financing for development commitments. From 2005 to 2010, out of 63 intergovernmental events serviced by FfDO, thirteen were linked to ECOSOC, eight to the GA, five to the CEICTM, and four to the High-Level Dialogue on Financing for Development; the remaining 30 included informal meetings, ad hoc open-ended working group sessions, panel discussions, and dialogues or reviews on specific issues.²⁰ While the support of CEICTM and the High-Level Dialogue were under the exclusive scope of FfDO, in the case of ECOSOC, the support from FfDO covered 14 per cent of the total events during the same period, as this intergovernmental body hosted 90 meetings non-related to its subsidiary bodies.²¹ Despite these regular interaction cycles, some stakeholders and staff interviewed pointed out that the lack of a dedicated body to deliberate exclusively on financing for development challenged FfDO's overall effectiveness in supporting the FfD follow-up process. This was due to structural constraints that limited the subprogramme's ability to facilitate and support substantive outcomes to financing for development commitments.

32. The most recent appraisal from participants on the Special High-Level Meeting of ECOSOC with BWIs, WTO and UNCTAD concluded that the follow-up process on financing for development was weak, making it difficult to produce substantive outcomes. The Secretary-General acknowledged this shortcoming, and in 2009 proposed the establishment of a Financing for Development Committee, subsidiary either to ECOSOC or the GA, to be substantively serviced by FfDO. The proposal's main benefit was meant to be the creation of a more robust mechanism for producing substantive negotiated outcomes and actionable recommendations to the FfD monitoring process. While the political feasibility of this proposal remains in question, some progress has been made to strengthen the intergovernmental FfD follow-up process through ECOSOC resolutions 2009/30 and 2010/26. In tandem these resolutions extended the Special High-level Meeting of ECOSOC with BWIs, WTO and UNCTAD from one day to two, and changed the format of the exchange to be more interactive. Within the current arrangement, the follow-up process was strengthened by expanding the coverage of the FfD item within the ECOSOC substantive session to two days and shifting it to the coordination segment in 2009. Furthermore, the GA, in its resolution 65/145, requested the Secretary-General to submit in August 2012 a report providing elements for an assessment of the existing modalities for the FfD follow-up process and, on this basis, exploring detailed options regarding possible arrangements for strengthening the process.

²⁰ Intergovernmental Events on Financing for Development, <http://www.un.org/esa/ffd/events/intergovernmental.htm> (accessed March 24th, 2011).

²¹ Information from <http://esango.un.org/irene/ecosoc.html?page=calendar>; No meetings listed for 2010.

FfDO's support to the CEICTM was instrumental in reviving tax cooperation in the United Nations system and increased FfDO's visibility

33. The only area where FfDO supported a dedicated deliberative body with an advisory function was in the area of international tax cooperation, through its mandate for overseeing progress in the mobilization of domestic resources which is theme one in the Monterrey Consensus. Direct access to the deliberative process, coupled with the high quality of FfDO's servicing, raised the profile of this topic within the Office and beyond.²² The work of the International Tax Unit was particularly underscored among the stakeholders interviewed who emphasized the importance of the access granted to FfDO through its link with a dedicated body such as CEITCM. Stakeholder comments highlighted an increase in the quality of the substantive inputs on issues such as transfer pricing, and an appreciation for the review of the United Nations Model Tax Convention and for the consultations on improving tax information exchange between countries. One interviewee acknowledged a higher level of awareness among the Member States of the importance of international tax cooperation, while another attested that CEITCM had become an important source of interpretation on international tax matters. All the members that were part of the Committee prior to the establishment of FfDO acknowledged that there was a notable improvement in the quality of service since 2005.

34. Under the umbrella of the Monterrey Consensus and subsequent agreements, CEITCM has become an inclusive platform for the discussion of an international tax framework, increasing the visibility of the United Nations work through its products. According to international tax matters experts interviewed, the inclusion of developing and developed countries shaped the resulting norms and standards for international cooperation. These stakeholders also recognized that the Organisation of Economic Cooperation and Development (OECD) conducted work in the same area, but lacked the inclusive character of the United Nations work. Nevertheless, members of the Committee and FfDO staff in some instances acknowledged the value of using some of the work of the OECD as a base to develop further ideas to contribute to the harmonization of an international tax framework.

35. Despite the improvements made since CEICTM upgraded from an Ad Hoc Group to a Committee, further structural upgrades have been proposed by G77 and China. The 2010 Report of the Sixth session of the Committee of Experts on International Cooperation in Tax Matters asserted that "a central issue for consideration will be the proposal to upgrade the present Committee to the level of an intergovernmental body" to be serviced by FfDO.²³ The rationale behind this proposal was to further strengthen and operationalise CEICTM's role in promoting international tax cooperation.

²² FfDO assists the subcommittees and working groups in preparing papers and reports as requested by the CEITCM, and liaises with Committee members and observers on developments relevant to its work. It also provides inputs on tax matters into reports on financing for development issues, and organizes expert group meetings, round tables, panel discussions, seminars and briefing on taxation and development issues, as well as side events at sessions of the ECOSOC.

²³ See E/2010/45 smf E/C.18/2010/7. p. 3.

C. FfDO has faced several constraints in adequately monitoring its performance

The Office's work programme was negatively affected by the limited number of qualitative indicators of achievement in the Strategic Framework

36. FfDO was lacking some coherence for how to implement its mandate. Two-thirds of the staff surveyed (66 per cent) agreed that FfDO had a clear mandate, but the number dropped to 50 per cent when asked about whether it had an internally shared vision of the best way to implement it. FfDO's mandate, as well as its roles and responsibilities, were not reflected in DESA's current Secretary-General's Bulletin ST/SGB/1997/9, but they were being incorporated into the new 2010 draft revision of the document shared with OIOS/ IED. The latest draft at the time of the evaluation contained the relevant and updated information about FfDO's role and functions and fully placed its responsibilities within the realm of the DESA-wide mandate.

37. FfDO planned its work around three Expected Accomplishments (EAs) which succinctly reflect the expected results of the Monterrey Consensus follow-up process. The 2009 IED Inspection Report entitled "The Department of Economic and Social Affairs has made progress in meeting its human resource goals, but human resource management in the Department is not yet fully effective,"²⁴ classified FfDO as one of the two highest scoring subprogrammes in DESA, and concluded that the causal relationship between its objectives, the EAs, and the Indicators of Achievement (IoAs) was an observed strength of its Strategic Results framework. Although the subprogramme earned high marks for its tight functional focus around the International Conference on Financing for Development and its successors, the FfDO's Strategic Framework also had a few strategic planning and monitoring weaknesses.

38. The IoAs were formulated to capture quantity, e.g., number of inputs, agreements, consultations and workshops, etc., but did not contain enough measurements regarding the qualitative character of FfDO achievements sought out in the EAs. Except for IoA(b) which attempted to capture the "scope of agreements reached and commitments made by Member States," the rest failed to capture the quality of the progress made towards sought out goals such as the "effectiveness of multi-stakeholder monitoring" or "the quality of engagement and cooperation with governments among all institutional and non-institutional stakeholders" (See Annex 1 for a complete list of IoAs and corresponding EAs). Additionally, the broader concept of financing for development, an underlying principle for the Office, was not spelled out as an objective in the Strategic Framework.

39. Stakeholders responded that in certain areas FfDO's potential was not fully realized because of its lack of mechanisms and tools to monitor and capture qualitative information.²⁵ According to the OIOS 2009 Inspection Report, for example, FfDO had not performed well in the evaluation function.²⁶ In the recent report, "Inspection of Programme Level Monitoring and Evaluation of the Department of Economic and Social Affairs (DESA)" the executive direction

²⁴ See IED-09-007.

²⁵ See Stakeholder survey, Question. 11.

²⁶ IED, Inspection Report, Inspection of Programme Level Monitoring and Evaluation of the Department of Economic and Social Affairs (DESA), 29 July 2009, Assignment No. IED-09-004, p. 17.

and management [in FfDO] reported that current human resource levels did not effectively and efficiently support performance monitoring and reporting.”²⁷

D. A gender perspective was integrated in the consultations and reflected in the Monterrey and Doha outcome documents, yet effective monitoring of gender commitments was lacking

FfDO supported the inclusion of a gender perspective in the Monterrey Consensus, and more fully in the Doha Declaration

40. While the Monterrey Consensus affirmed the link between gender equality and development, the Doha Declaration went further in promoting women’s economic empowerment for equitable and sustainable development. The Declaration explicitly spelled out commitments for the elimination of gender-based economic discrimination and the promotion of a gender-sensitive public administration as stated in paragraph 19 of the Declaration.²⁸ This achievement was partially attributed to FfDO’s preparatory work for the Doha Review Conference. According to the testimony of staff and stakeholders, the gender focus was partly the result of the active participation of the NGOs enabled through the consultative process directed by FfDO in the preparation of, and during the conference. Another contributing element was the synchronisation achieved by the Office with the Commission on the Status of Women (CSW) after the former selected FfD as a priority theme for its fifty-second meeting. Following the decision, FfDO quickly appointed a high-level focal point to assist in the preparatory work of the CSW, providing concrete inputs for the debate that were later incorporated into the Doha Review.

41. Within the United Nations system, the Doha Declaration language on gender has increasingly become a normative point of reference. The Deputy Secretary-General at the 2010 High-Level meeting, for example, specifically recalled and quoted the commitments in the Doha Declaration, and urged that the promotion of gender-responsive public management of resources and budgeting be placed high on the development agenda.²⁹

An effective follow-up and monitoring process of gender commitments by FfDO was lacking at the time of the evaluation

42. Despite these achievements, the follow-up and monitoring mechanisms established for incorporating gender-related perspectives and equality goals in the financing for development agenda were insufficient. The stakeholder survey results demonstrated a mixed perception of FfDO’s achievements in sustained gender mainstreaming.³⁰ Internally, FfDO staff members acknowledged that the analysis on gender was still insufficient for appraising the degree of implementation of these particular commitments. An analysis of the Secretary-General’s reports on the “Follow-up to and implementation of the outcome of the International Conference on

²⁷ *Ibid.*

²⁸ Doha Declaration, paras. 8, 11, 12, 16, 18, 19, 23, 64.

²⁹ A/65/81— E/2010/83.

³⁰ When asked to what extent staff agreed or disagreed with the statement: ‘FFDO is effectively mainstreaming a gender perspective into its work’, 33.3 per cent strongly disagreed or disagreed, 33.3 per cent neither agreed nor disagreed and 33.3 per cent agreed, no respondent strongly agreed.

Financing for Development” between 2006 and 2010 confirmed that both reports did not include any reference to the status of the gender commitments.³¹ The 2010 report attributed this shortcoming to the fact that none of the seven countries that established mutual accountability monitoring systems had a systematic focus on gender themes. Nevertheless this possible monitoring function should be considered in conjunction with the mandate of UN Women in order to maximise efficiencies and avoid duplication of tasks.

E. FfDO’s effectiveness was challenged by limited resources and expanding mandates

FfDO’s expanding mandates have not always been matched by commensurate increases in human and financial resources

43. Historically, FfDO was created as a compact office from the redeployment and re-assignment of staff, budget lines, and thematic mandates from several divisions of DESA including DPAD, Department for Public Administration and Development Management (DPADM) and Sustainable Development Division (DSD). Several staff members expressed frustration that the bulk of the FfDO programme and human resources were still affected by this ‘patchwork approach’ which was initially employed to create the Office. In addition, staff and external stakeholders interviewed held very strong perceptions that the financial and human resource levels available to FfDO were not adequate to sustain its level of work. A comparison made by numerous stakeholders highlighted that the OECD Centre for Tax Policy and Administration, which had a senior management team of five and worked on similar issues, dwarfed FfDO’s total human resources in the Tax Unit, which was comprised of a total of five individuals working on supporting CEICTM on tax issues, two of whom were recent additions from the JPO programme.

44. The Office has seen an increase in mandates and emerging topics under the existing mandates, such as the financial crisis, which has changed the multi-stakeholder and institutional dynamics since the Monterrey Consensus. In 2008-2009, the GA convened the Conference on the World Financial and Economic Crisis and Its Impact on Development and its substantive support was added to FfDO’s responsibilities. FfDO assisted during the thematic sessions, and serviced the substantive aspects by conducting tasks like assisting in the negotiations to the outcome document. Despite this being a large undertaking, the GA resolution did not include a provision for additional resources. Of the \$ 1,186,000 extra-budgetary resources requested for the 2008-2009 biennium, only half, or \$ 567,000 were received and spent (see Table 2 in background section). Furthermore, following the Conference, an ad hoc open-ended working group was established to follow-up on the issues contained in the outcome, and FfDO was tasked to service it.

45. Similarly, GA resolution 65/94 which had over 102 co-sponsors, requested the Secretary-General to submit to the sixty-sixth session of the GA an analytical report focusing on global economic governance and development. FfDO was then tasked with leading DESA in

³¹ A/61/253, A/62/217, A/63/179, A/64/322, A/65/239. Of the two reports issued after the Doha Declaration, only one includes a reference to the status of the gender focus in the implementation of the financing for development agreements.

preparation of this report. Human resource and additional financial considerations to date had not accompanied the added responsibility.

46. One hundred per cent of all staff and over 65 per cent of stakeholders interviewed expressed concern over the low funding levels and observed how at times it affected FfDO's outputs and effectiveness. The interviewees presented a shared view on the effect of the funding constraints, describing it as responsible for creating seasonal workloads and developing staff capacity around servicing large events. For example, although FfDO had regular contact with BWIs, WTO and UNCTAD at the High-Level Meetings of ECOSOC, its contact with other key stakeholders was often driven by large events or publications.³² FfDO had a strong presence when hosting large conferences that brought the multi-stakeholders in contact with the United Nations, but its current level of staff may pose a challenge for sustained and rigorous follow-up beyond the large events.

FfDO's extra-budgetary funding has been characterized by low or empty trust funds

47. In the 2006-2007 Strategic Framework, FfDO's role included the "mobilization of additional financial resources for attaining internationally agreed development goals and objectives." This role was not carried over into the SF in the past two biennia because according to FfDO senior management, the role of the Secretariat was meant to promote and support international efforts in mobilising additional financial resources for development, rather than direct fundraising for the FfD trust fund.

48. To date, FfDO has relied almost exclusively on fundraising requests made to Member States by the Secretary-General and the executive leadership of the Office during the High Level meetings and during the annual sessions of CEICTM. These efforts have not resulted in significant contributions. As shown in Table 2 above, there was an actual decrease in the level of XB funding for the 2008-2009 biennium, compared to the previous cycle.

49. The Secretary-General has taken the issue of resource constraints to ECOSOC, highlighting financial constraints as a factor limiting FfDO's ability to support the Committee in fulfilling its mandate of provision of technical assistance to developing countries. The "Trust Fund for International Cooperation in Tax Matters" established for this purpose by CEITM, had not received any contributions since its inception in 2006.³³ According to FfDO's budget, extra-budgetary funding had been tagged to support technical cooperation activities including: advisory services and technical assistance to countries requesting capacity building in financial sector development, tax cooperation, and fiscal management, training courses, seminars and workshops with regional commissions and regional development banks, and field projects including needs assessments and impact evaluations. The lack of XB funding has limited the ability of FfDO to provide advice to the members of the Committee on tax matters, as well as limited the engagement of FfDO in the arena of technical assistance to repeated requests from Member States.

³² Stakeholder and staff interviews; and, Analysis of calendar of events on FfDO website.

³³ This includes the updates to the United Nations Model Double Taxation Convention between Developed and Developing Countries and the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries.

50. The subprogramme also suffered set backs when several Member State governments reiterated offers to host regional capacity-building training workshops, because the costs of ensuring sufficient participation from developing countries was not secured for such events.³⁴

51. As of 2010, the only active FfDO technical assistance project was the “South-South Sharing of Successful Tax Practices (S4TP)”, carried out in partnership with the Special Unit on South-South Cooperation of the United Nations Development Programme (UNDP), FfDO/DESA, and two non-governmental organisations, namely, the New Rules for Global Finance coalition and the Tax Justice Network. S4TP applied innovative approaches to enhance cooperation and knowledge sharing among developing countries on successful practices for mobilising domestic resources. FfDO’s usage of UNDP and NGO networks to disseminate its expertise and share successful experiences in areas where international tax cooperation among developing countries needed to be enhanced was a good example of collaboration. Specific areas of intervention of S4TP included tax administration organisational challenges, transfer pricing documentation and audit, taxation of natural resource exploitation, and the structure and operations of specialist tax judiciaries - mainly issues related to public finance management.

F. FfDO efficiently utilised its staff and financial resources but still lagged on a few discrete tasks like publication dissemination

FfDO used its staff efficiently

52. The Office was efficient in undertaking its work. Due to the high profile conferences and its annual interactions with the WB, IMF, WTO, UNCTAD, UNDP and Member States, FfDO achieved significant visibility and recognition regarding its administration of key tasks. For the 2008-2009 biennium, it outperformed its target of “number of stakeholder inputs to the assessment of the Monterrey Consensus implementation” by 200 per cent. Due to the multi-stakeholder preparations of the “Follow up International Conference on Financing for Development”, it collected 58 instead of the targeted 28 substantive inputs. Additionally, the target of 26 major resolutions, communiqués and declarations on conference follow-up was outperformed by two major intergovernmental agreements. Furthermore, two-thirds of the staff surveyed responded that FfDO utilised its human and financial resources in the most efficient manner.

53. Staff in FfDO were also well matched for the jobs they performed. Seventy per cent of FfDO respondents to the DESA Human Resource Inspection survey, strongly agreed or somewhat agreed that staff selection had resulted in the right mix of competencies and skills for the implementation of its work programme. Similarly, 70 per cent noted that there was little or no duplication of work within the division. Stakeholders surveyed by OIOS corroborated this and rated the overall responsiveness of FfDO staff as excellent.

³⁴ Report on the fourth session of the Committee of Experts on International Cooperation in Tax Matters (20-24 October 2008), E/2008/45, p. 3; See also: Report on the sixth session of the Committee of Experts on International Cooperation in Tax Matters (18-22 October 2010).

54. With a total of 28 publications, FfDO represented 6 per cent of all DESA reports for the 2008-2009 biennium (See Annex 3). However, only one-third of the stakeholders surveyed affirmed that they had read and had utilised FfDO's research, policy assessments, or analysis. The most favoured reports cited by the stakeholders were the "United Nations Model Double Taxation Convention between Developed and Developing Countries" and "Report of Committee of Experts in Tax Matters", while download and website visit data from DESA's Communications and Information Management Service (CIMS) for the "Report of the Secretary-General on follow-up to and implementation of the Monterrey consensus and Doha Declaration on Financing for Development" showed that the report ranked low compared to other publications across DESA's divisions. FfDO staff could not provide OIOS with alternative data on publication usage, newspaper citations, website downloads, and visits.

55. Although FfDO had not worked on a designated flagship publication, and most of its documents focused on the intergovernmental processes, its report output and visibility were critical, especially during the time of High-Level events and follow-up. Limited access rather than poor quality seemed to be one explanation behind FfDO's low publication usage and visibility because 79 per cent of surveyed stakeholders expressed satisfaction or high satisfaction with the calibre of FfDO's publications. One reason behind this shortcoming might be attributed to the Office's dissemination strategy, which lacked strategic focus and consisted of only one paragraph. It was not tailored to FfDO's publications which were mainly parliamentary in nature and it did not refer to the access by the specific audiences to which the documentation was targeted. FfDO has also been responsible for providing sections of publications like WESS, World Economic Situation and Prospects (WESP) and Millennium Development Goals (MDG) Gap Task Force Report for DPAD, for which it did not hold editorial and outreach responsibility.

G. The division of labour between FfDO and other DESA subprogrammes with regard to some intergovernmental tasks was not always clear

56. While there was general agreement that FfDO played a unique role with regard to financing for development, there was some lack of clarity between the division of labour between the Office with other United Nations entities regarding their general roles in contributing to the Organisation's work in global economic and financial matters. A review of FfDO's activities revealed that there was some overlap and lack of clarity between the division of tasks between FfDO and the work of other DESA divisions.

57. A few examples illustrated these overlaps. Both DPAD and FfDO for instance, engage in some analytical and intergovernmental tasks related to financing, macroeconomic analysis and global economic governance. A senior staff member at DPAD suggested that FfDO's mandate was limited to providing the macroeconomic analysis to the governmental process. In practice however, FfDO was active beyond the intergovernmental level since it has been systematically involved in analytical tasks, such as writing a chapter for the WESP, working on debt issues in the MDG gap task force and publication, and in drafting parts of the WESS. FfDO and DPAD were also both expected to work on several reports of the Secretary-General, and to conduct joint preparations leading up to meetings of BWIs, and to undertake joint visits to IMF during the annual Spring – Fall meetings. The relationship between the two divisions was not fully clear even to senior staff members. Yet, interviewees confirmed that they strongly benefited from a

practical level of collaboration in establishing how each should carry out their responsibilities for analytical and intergovernmental tasks without discord. Additionally, FfDO and the Division for Social Policy and Development (DSPD) were both partly responsible for inclusive finance, while FfDO and the Office for Economic and Social Council Support and Coordination (OESC) both addressed themes of development cooperation and global economic governance through the FfD and the Development Cooperation Forum (DCF) process. The direct consequences of this overlap was a lack of clarity in managing meetings of ECOSOC and BWIs, mapping out the work responsibilities, and tasking contributions of each division/ office to FfD themed reports.

58. There was also some overlap between the division of mandates between DPADM and FfDO. As the Monterrey Consensus touched upon the importance of international tax cooperation, this field was reinterpreted under the Strategic Framework of FfDO. Since 2003 the mandate for taxes was separated between the two DESA divisions, with DPADM continuing oversight of public finance management and FfDO taking the lead on international tax issues. DPADM continued to work on the expenditure side of budgeting or public finance matters, and FfDO focused on the revenue side.³⁵ Technical cooperation, including a dedicated IRA post, which was initially supposed to stay under DPADM, has now also been undertaken by FfDO, especially since the Tax Committee has made renewed calls for increased efforts in capacity development and technical assistance.³⁶

59. This fragmentation and inconsistency created some operational inefficiencies and challenges in ensuring harmonization and coherence for work related to financing for development. Acknowledging these challenges, a senior manager in FfDO noted that his staff “has had to negotiate tasks, because mandates have not given easy answers.” In addressing this concern, FfDO worked with the Directors of various DESA divisions to establish a network of designated focal points to facilitate cross-divisional information sharing and collaboration on financing issues. More concretely, the network will be organised around a few discrete tasks including: developing internal departmental guidelines on using and quoting data on financing for development; formulating a departmental guideline on organising the debate on FfD topics during the ECOSOC meetings; and mapping out the division of labour between divisions and offices to contribute to FfD publications and reports to other intergovernmental bodies. Thus far, FfDO has managed the process quite capably by practicing collaboration at a higher level. The newly established network was a strong step forward, but this collaboration and cooperation cannot be taken for granted.³⁷ The forthcoming review of mandates, update of the ST/SGB on DESA and revising the strategic framework and Programme Budget for future biennia should address this issue.

³⁵ See DPADM projects on knowledge base of innovative e-governance and tax (including technical cooperation on the digitalization and integration of the public accounting and reporting systems, of the tax-revenue procedures, of the customs systems and of the public procurement procedures) <http://www.unpan.org/DPADM/EGovernment>.

³⁶ The 2010 revision of the ST/ SGB expands on FfDO’s TA mandate by “(i) Providing technical assistance, within the context of national needs and priorities, to developing countries and countries with economies in transition in the area of tax administration and management”.

³⁷ FfDO is clearly tasked with “promoting coherence and an integrated approach within the United Nations to issues related to financing for development, for coordinated implementation of and follow-up”. See FfDO strategy at: <http://www.un.org/esa/ffd/overview/mission.htm>.

V. Conclusions

60. FfDO's comparative advantage lies in the normative and policy support it provides to the intergovernmental processes in the advancement of the financing for development agenda. Since the Monterrey Conference, the intergovernmental process has benefited from establishing this small but responsive Office as a central focal point in the United Nations system since prior to its establishment the Organisation's work on these themes was segmented within the system.

61. In its efforts to articulate an institutionally coherent perspective, FfDO became the repository for the current positions of different key players in the analytical debate for financing for development while ensuring a deliberative and coherent multi-stakeholder process. The inclusive nature of the process has also led to the establishment of consultative mechanisms with civil society and the private sector. FfDO has also played a critical role in increasing the visibility of CEITCM and revitalising international tax cooperation issues in the United Nations agenda and beyond.

62. Although FfDO carried out its mandate in a professional and responsive manner, working well to advance and keep track of the financing for development commitments, the follow-up process is a daunting task. The international financial crisis gave the issue of FfD great visibility and expanded FfDO's responsibilities, but it also highlighted discrepancies between developed countries, middle-income countries, and the least developed countries about how to respond to the international financial challenges that were posed. In this context, FfDO should be acknowledged as a small global player whose global role and relevance in the financing for development agenda may be jeopardized by the consequences of the financial crisis and the emergence of players like the G20.

63. At the same time, there were a few internal challenges and constraints that threatened FfDO's effectiveness in supporting the monitoring and follow-up to the financing for development process. The addition of new mandates, such as supporting the Conference and follow-up on the financial crisis, as well as the increase in requests for collaborating on other DESA products, such as analysis on global governance mandated by the GA, have put a strain on the human and financial resources of the Office. In some cases, the role of FfDO was stretched, demanding time-consuming analytical endeavours or topics dealing with the overarching international economic and financial system. This report also highlighted how FfDO's limited access to Member States in ECOSOC and the GA, its low finances, and the lack of clarity in the division of labour with other DESA divisions are risks that should be addressed at a higher level in the Division. In addition to the steps already taken, and as recommended in the DESA-wide evaluation report (E/AC.51/2011/2), the Office should further improve internal communication and coordination by strengthening linkages with other divisions to streamline work planning in cross-cutting thematic areas that maximise interdivisional synergies. FfDO needs to be better positioned for supporting cooperation and strengthened for increasing effectiveness in the follow-up to the financing for development process.

VI. Recommendations

Recommendation 1

64. FfDO in collaboration with the Office of the Under-Secretary-General for Economic and Social Affairs (OUSG-DESA), the Executive Office, and Department of Management (DM) - Office of Programme Planning, Budgeting and Accounts (OPPBA) should present to the Committee for Programme and Coordination (CPC) a revised version of the Strategic Framework for the period 2014-2015 in which the indicators of achievement better reflect the qualitative dimension of its expected accomplishments.

Recommendation 2

65. FfDO should formulate a renewed strategy for its extra-budgetary funding and partnerships, with particular attention to eventual replenishment of the “Trust Fund for International Cooperation in Tax Matters”.

Annex 1

Programme of work for the biennium 2010-2011 Financing for development

<i>Objective</i>	
	To promote and support sustained follow-up to the agreements and commitments reached at the International Conference on Financing for Development, as contained in the Monterrey Consensus, the outcome of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, as well as financing for development-related aspects of the outcomes of major United Nations conferences and summits in the economic and social fields, including the development goals set out in the United Nations Millennium Declaration and the 2005 World Summit Outcome.
<i>Expected Accomplishment</i>	<i>Indicator of Achievement</i>
(a) Effective multi-stakeholder monitoring of and follow-up to the Monterrey Consensus, the outcome of the Follow-up International Conference on Financing for Development and other related outcomes	Increased number of contributions from all the stakeholders in the financing for development process to the annual analytical assessment of the implementation of the Monterrey Consensus, the outcome of the Doha Review Conference and other related outcomes
(b) Strengthened role and fuller use of the General Assembly and the Economic and Social Council, as well as the relevant intergovernmental and governing bodies of other institutional stakeholders, for the purposes of conferences' follow-up and coordination	Increased number and scope of agreements reached and commitments made by Member States as a result of intergovernmental deliberations in the General Assembly and the Economic and Social Council, as well as in the relevant intergovernmental and governing bodies of other institutional stakeholders, for the purposes of conferences' follow-up and coordination
(c) Fuller engagement of Governments and greater cooperation and interaction among all institutional and non-institutional stakeholders involved in the financing for development process to ensure proper follow-up to the implementation of agreements and commitments reached at the Monterrey and Doha Conferences	Increased number and impact of multistakeholder consultations, workshops, seminars and other events on financing for development, including the international and regional financial and trade institutions, as well as the relevant entities of civil society and the private sector

Table prepared by OIOS/IED with IMDIS data.

Annex 2

Programme Outputs and Work Months 2006-2011. Financing for development

	<i>No. of Outputs implemented</i>			<i>Work Months taken to implement outputs</i>		
	2006-07	2008-09	2010-11*	2006-07	2008-09	2010-11
Financing for Development						
Substantive servicing of meetings	98	174	124	24	54	0
Parliamentary documentation	38	61	42	199	215	0
Expert groups, rapporteurs, depository services	5	5	4	18	22	0
Recurrent publications	7	12	15	4	9	0
Non-recurrent publications	7	16	7	12	26	0
Other substantive activities	34	63	57	57	58	0
Advisory services	-	5	1	-	1	0
Training courses, seminars and workshops	5	11	11	30	7	0
Fellowships and grants	-	-	-	-	-	-
Field projects	-	5	1	-	0	0
Conference services, administration, oversight	-	-	-	-	-	-
TOTAL OUTPUTS	194	352	262	344	392	0

* The outputs for the 2010-2011 have not been implemented

Note: the number of outputs used is the total number of outputs which includes the programmed, the additional and the carried forward

Table prepared by OIOS/IED with IMDIS data extracted on 8 December 2010.

ANNEX 3

DESA Publications for 2006-2009, by Division

<i>Division of the Department of Economic and Social Affairs</i>	<i>Publications 2008-2009</i>	<i>Publications 2006-2007</i>
Coordination and support to the Economic and Social Council	4	2
Gender equality and the advancement of women	40	31
Social policies and social development	9	15
Sustainable development	37	38
Statistics	245	234
Population	36	33
Trends, issues and policies in world development	17	16
Public administration, finance and development	15	15
Sustainable forest management	23	24
Financing for development	28	14
Total	454	422

ANNEX 4

In this Annex, OIOS presents the full text of comments received from the Financing for Development Office of DESA on the draft evaluation report of the Office of Internal Oversight Services on the Evaluation of the Financing for Development Office. This practice has been instituted as per General Assembly resolution 64/263 following the recommendation of the Independent Audit Advisory Committee (IAAC). Overall, the Financing for Development Office concurred with our results and conclusions. The comments from the Financing for Development Office on the draft OIOS report have been incorporated as appropriate into this final report.

Comments from the Financing for Development Office on the draft report

United Nations  Nations Unies
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

TO: Mr. Yee Woo Guo
A: Acting Director
Inspection and Evaluation Division
Office of Internal Oversight Services

DATE: 13 May 2011

REFERENCE: DESA-11/00788

THROUGH:

S/C DE:

FROM: Juwang Zhu 
DE: Chief
Office of the Under-Secretary-General
Department of Economic and Social Affairs

SUBJECT: Draft report of OIOS on the Financing for Development Office

OBJET:

1. I refer to your memo of 3 May 2011 addressed to Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs, transmitting the final draft report of OIOS on the Financing for Development Office (FfDO) and inviting comments on the final draft.
2. FfDO expresses its appreciation for the evaluation and has requested the Office of Under-Secretary-General to transmit its comments (attached herewith) on the final draft.
3. On behalf of Mr. Sha Zukang, I would like to take this opportunity to thank IED/OIOS colleagues for your evaluation of FfDO/DESA.
4. We will follow up on the results of the evaluation and the recommendations.

Thank you.

cc: Ms. Carman L. Lapointe
Mr. Byung-Kun Min
Mr. Rahul Sur
Mr. Alex Trepelkov
Ms. Dominika Halka
Ms. Ursula Germann

Financing for Development Office

Official Comments on the Report of the Office of Internal Oversight Services (OIOS) on the Financing for Development Office (FfDO) 12 May 2011

We appreciate the depth and quality of analysis of this OIOS report. The insights and observations are often thoughtful and on the mark. There is no doubt that the OIOS team responsible for this report achieved great understanding of the history, mandate and function of FfDO. There is certainly a great value-added in this report and we hope to use its results to improve the relevance, efficiency and effectiveness of our Subprogramme. Our comments below are organized according to the results as outlined in the OIOS report.

Result A: FfDO served a critical and unique function by facilitating an inclusive multi-stakeholder platform for the follow-up process and global dialogue on financing for development

FfDO agrees with this result.

Result B: The financing for development follow-up in GA and ECOSOC was limited, but FfDO's support to the Committee of Experts on International Cooperation in Tax Matters increased the visibility of the United Nations work on the issue

FfDO agrees that the financing for development follow-up process faces structural weakness related to the lack of designated intergovernmental body on finance and development and limited coverage by the General Assembly and ECOSOC. By adopting the 2002 Monterrey Consensus, Member States decided to use the biennial High-level Dialogue of the General Assembly and the annual Spring Meeting of ECOSOC with BWIs, WTO and UNCTAD as the intergovernmental focal points for the Conference follow-up and coordination. Pursuant to the 2008 Doha Declaration on Financing for Development, ECOSOC, in its resolution 2009/30 on "A strengthened and more effective intergovernmental inclusive process to carry out the financing for development follow-up", adopted certain measures to enhance the role of ECOSOC in the area of financing for development, which are briefly described in the OIOS report. In this regard, the General Assembly, in its resolution 65/145, requested the Secretary-General to submit in August 2012 a report providing elements for an assessment of the existing modalities of the financing for development follow-up process and, on this basis, exploring detailed options regarding possible arrangements for strengthening the process.

Result C: FfDO has faced several constraints in adequately monitoring its performance

FfDO feels that this result requires explanation.

The main message under this result was that FfDO's Strategic Framework contained limited number of qualitative indicators of achievement and thus failed to capture the quality of the progress made towards FfDO's expected accomplishments. FfDO agrees that having more

qualitative indicators of achievement would allow to better measure progress in achieving the expected accomplishments. However, at the time when the Strategic Framework was introduced in its current format, we were instructed that indicators of achievement should be verifiable, measurable or observable. For that reason the preference was given to using the quantitative indicators.

Paragraph 39 reads “Additionally, the broader concept of financing for development, an underlying principle for the office, was not spelled out as an objective in the strategic framework. This limited the time and the effort that the staff devoted to research and analysis of new and emerging issues in support of the intergovernmental process”.

FfDO disagrees with this statement for the following reasons.

(1) The overall objective of Subprogramme 10 is to promote and support sustained follow-up to the agreements and commitments reached at the 2002 and 2008 International Conferences on Financing for Development, as contained in the Monterrey Consensus and the Doha Declaration on Financing for Development, and the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development, as contained in its outcome document, as well as financing for development-related aspects of the outcomes of major United Nations conferences and summits in the economic and social fields. This objective embraces the full spectrum of both original and emerging aspects of the financing for development agenda.

(2) The concept of financing for development was defined and spelled out by Member States in the Monterrey Consensus and Doha Declaration on Financing for Development. These two major outcome documents were the result of extensive intergovernmental negotiations, representing universal consensus. However, financing for development is an evolving concept as the Doha Declaration on Financing for Development addressed new and emerging issues, such as the impact of the financial crisis, additional costs of climate change mitigation and adaptation, price volatility in international markets of key commodities and the growing needs for reconstruction and development of post-conflict countries. Over time, new concepts, such as innovative and inclusive finance, have been included in the financing for development agenda, owing to the substantive support provided by FfDO to Member States in the form of analytical reports and publications.

(3) Financing for development was also addressed by other major UN events, such as 2005 World Summit, 2009 Financial Crisis Conference, 2010 MDG Summit and 2011 LDC-IV Conference. FfDO provided substantive support to the intergovernmental negotiations on the outcomes of those events, a considerable part of which follow the FfD agenda.

(4) As reflected in Result E below, the true reason for inability of FfDO staff to devote sufficient time and effort to research and analysis of new and emerging issues lies in limited post and non-post resources rather than the formulation of the objective in the Strategic Framework, which is sufficiently broad and inclusive. Should additional resources be allocated, FfDO would be prepared to enhance its analytical work.

Result D: A gender perspective was integrated in the consultations and reflected in the Monterrey and Doha outcome documents, yet effective monitoring of gender commitments was lacking

FfDO agrees with this result. This shortcoming should be addressed through developing cooperation between FfDO/DESA and the recently established UN-Women.

Result E: FfDO's effectiveness was challenged by limited resources and expanding mandates

FfDO agrees with this result in general but feels that explanation is in order for paragraph 48.

Paragraph 48 reads “In the 2006-2007 Strategic Framework, FfDO’s role included the “mobilization of additional financial resources for attaining internationally agreed development goals and objectives”. This role was not carried over into the SF in the past two biennia. To date, FfDO relied almost exclusively on fundraising requests made to Member States by the Secretary-General and the executive leadership of the office during the High Level meetings and during the annual sessions of CEICTM. These efforts have not resulted in significant contributions. As shown in the table above, there was an actual decrease in the level of XB funding for the 2008-2009 biennium, compared to the previous cycle”.

OIOS is referring here to an expected accomplishment rather than objective. In reality, the role of the Secretariat was meant to promote and support international efforts in mobilizing additional financial resources for development (for example ODA) rather than direct fund-raising in the FfD trust fund. For that reason, this expected accomplishment was reformulated in the past two biennia.

Result F: FfDO efficiently utilized its staff and financial resources but still lagged on a few discrete tasks like publication dissemination

FfDO agrees with this result. This shortcoming should be addressed through increased cooperation between FfDO/DESA and DPI, provided resources are made available.

Result G: The division of labour between FfDO and other DESA subprogrammes with regard to some intergovernmental tasks was not always clear

FfDO agrees with this result in general. The reasons are largely historical as FfDO was created by mostly redeployment of posts and, to some extent, mandates from other DESA divisions, namely: DPAD, DPADM, DSD, OESC and DSPD. It can be added that the reassignment of responsibilities has not always been accompanied by adequate redeployment of staff and non-staff resources. This issue (duplication and overlap versus synergy and cooperation) should be addressed through the forthcoming review of mandates, updating ST/SGB on DESA, and revising the Strategic Framework and Programme Budget for future biennia, as appropriate.

However, a factual mistake needs to be pointed out in paragraph 57, which reads “FfDO and DPAD were also both expected to work on several reports of the Secretary-General, and to

conduct joint preparations leading up to meetings with BWIs, and to undertake joint visits to IMF during the annual Spring – Fall meetings”.

DPAD is not involved in preparations leading up to the annual high-level meeting of ECOSOC with BWIs, WTO and UNCTAD. What OIOS probably meant was the Spring and Annual Meetings of BWIs for which FfDO and DPAD jointly prepare speeches for United Nations high-level officials. In this case, it should say “meetings of BWIs” rather than “meetings with BWIs”.

Conclusions

Paragraph 62 reads “In this context FfDO should be acknowledged as a small global player whose global visibility and relevance in the financing for development agenda maybe be jeopardized by the consequences of the financial crisis and the emergence of players like G20”.

It is not clear how the consequences of the financial crisis and the emergence of players like G20 would jeopardize FfDO’s global visibility and relevance in the financing for development agenda. In fact, FfDO was assigned to service the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development, mandated by the General Assembly in follow-up to the Doha Declaration on Financing for Development. Moreover, the outcome of the Conference and its follow-up were endorsed by the General Assembly under agenda item on FfD.

By the same token, emergence and activity of the G20 resulted in increased interest and new mandates on the United Nations role in global economic governance, which was also included in FfDO’s portfolio. It would be more appropriate to say that FfDO’s responsibilities in the financing for development and related fields have expanded as a result of consequences of the financial crisis and the emergence of players like G20.