**United Nations Development Group Asia-Pacific**
**Workshop on 'Role of UN in the Middle-Income Countries', 10-12 October 2011**

**Statement**
**To the IV High Level Intergovernmental Conference on Delivering as One**
**8-11 November, Montevideo, Uruguay**

---

**Moving forward: From a traditional development assistance paradigm towards a coherent *Delivering as One* partnership with the middle-income countries**

The need for a focused analytical and policy work on the middle income countries (MICs) has been acknowledged at the highest UN levels: *"At present, the United Nations system has no well-defined agenda that guides its substantive programme content towards the priorities of middle-income countries. … a clear approach that defines guidelines and sets priorities in middle income countries is needed, rather than to proceed on an ad hoc basis."*

- The *Delivering as One* framework enables the UN to maximize comparative advantages, ensure coherence, speak with 'One Voice' on policy issues and mobilize expertise from across the UN agencies to provide high quality, responsive policy advice to the governments of the MICs;
- The MIC categorization and GNI measure is too simplistic and does not do justice to the development needs of country(s), nor to the issues addressed by the normative mandates of the UN;
- The unfinished development agenda in all types of MICs (upper and lower) suggests the need for a more gradual transition phase during which the UN and other development partners provide ongoing support;
- Upstream engagement becomes particularly important because of increased national ownership and capacity for programme implementation (thereby reducing the UN's operational role), and because it reflects different needs and challenges in MICs;
- The dichotomy between upstream and downstream engagement is artificial and there is a need for policy coherence between both levels. Supported projects should create the evidence base for informed policy choices;
- The UN is no longer operating within an assistance paradigm and should focus on partnership modality; this poses many operational challenges and will require greater coherence across the UN system and engagement of the UN agencies at country, regional and global levels.

## The Middle Income Countries in Asia and the Pacific

*Regional characteristics:*
Asia and the Pacific is home to 27 MICs, the majority of which are categorized as lower middle income countries with persistent pockets of poverty, while eight countries are classified both as MICs and least developed countries (LDCs). Two thirds of those living below a dollar a day in the region are citizens of the MICs. A small group of emerging MICs is driven primarily by major windfall from extractive industry revenues. A closer look reveals significant diversity in terms of size, socio-economic factors, political systems and development challenges but also commonalities: relatively high average growth rates, openness to trade and integration in the global economy, reasonable to high Human Development Index (HDI) scores.

*Key Challenges:*
- Inequality between and within the MICs in the Asia-Pacific region exists along different lines, including rural/urban, gender, ethnicity, class, and age, e.g. youth unemployment and poverty amongst the older segments of society.
- Vulnerability results from various factors: social, institutional, productive (reliance on a few commodities) and financial (including inadequate integration in the international financial markets);
- Significant disparities persist in political participation, access to and quality of secondary education, and employment opportunities.
- In order to sustain economic growth MICs in the Asia- Pacific will have to strengthen domestic and regional demand and become less dependent on traditional export markets in Europe and the US.
- Democratic governance has often been neglected as impeding economic progress. As a result, formal institutions in many countries in the region still lack substantive democratic processes, values and relationships to allow for meaningful participation of the broader public in political decision making. This has reinforced the lack of accountability of governments to the citizens or specific societal groups.
- Effective local government continues to be point of engagement regarding issues directly affecting the livelihoods and well-being for many citizens.
- There are significant risks associated with doing "business as usual"-- UN is likely to be seen as out of touch with government priorities, duplicating efforts, pushing individual mandates rather than being responsive, and will have less influence on policy as a result.

## Policy Options
*Moving towards better practice:*
- In a MIC context, downstream engagement is appropriate if it informs policy;
- Advocacy and social mobilization can create a demand for the expertise of the UN;
- Resident Coordinator's Office should be the facilitator for knowledge sharing drawing upon the full range of technical expertise available throughout the UN system, in close conjunction with sectoral experts at the agency level;
- A coherent approach to policy advice helps to maximize the use of resources and expertise, and strengthens the impact of the message via "One Voice";
- UN-wide coherence can support improved upstream policy harmonization and coherence on the part of government, and facilitate the coordination amongst development partners.

*Proposals for consideration:*
- Simplified processes that emphasize UN-wide coherence are needed. This will require new capacities and modes of operation.
- There is an increased demand for "high-level" expertise (in-country) which the UN system might not be able to provide given the current configuration of country offices. This would require the UN to map the available technical expertise (country, regional and global) and to determine how it could be deployed in a more effective and timely manner.

## Operational frameworks
*Moving towards better practice*
- There is a need to move away from a UN Development Assistance Framework towards a UN partnership modality, building on the experience in the region. This will require a system of mutual accountability with the governments and within the UN country Teams. This will require as well the involvement across the UN system (and greater integration of IFIs as full members of the UNCT where appropriate)
- Cost-sharing for certain activities and South-South partnerships are important strategies to develop further, but there needs to be an increase in core funding to support the UN work on normative mandates and other politically sensitive challenges. This will require reviewing the full range of tools and business operations to support the new modality and utilizing the existing flexibility within the system.

**Resource Mobilization**

*Moving towards better practice*
- Partners support is an issue not for an agency or for the UN. Better identification and recognition of the comparative advantages of the UN agencies can lead to greater achievements;
- Better use of the analytic capacities of the UN to do gap analysis and identify development challenges and resource needs;
- Identify potential partnerships in the UNCT and beyond (win-win) to meet specific resource needs;
- UN agencies working together to deliver policy advice and advocacy with "*One Voice*" has proven to have greater impact and creates greater synergies. "One Communication" strategy/team is key to support fundraising efforts.

*Proposals for consideration*
- Share financial and human resources;
- Combine partners' approaches based on the UN's convening power and promote multi-stakeholder, multi-sector collaboration to avoid duplication and fragmentation within the country;
- Leverage and add value by using small resources as seed money for critical interventions.
- Maintain a critical mass efficiently managed resources at the country level and ensure the provision of minimum levels of core funding for work on normative mandates.
- Identify possibilities for funding opportunities at national level with indigenous foundations, the corporate sector, the government and others
- Expand "assets" to address an issue through better use of international expertise