

**Economic and Social Council**Distr.: General  
30 June 2017

Original: English

**Economic and Social Council**

Agenda item 7 (a)

**Operational activities of the United Nations  
for international development cooperation: follow-up to  
policy recommendations of the General Assembly and the  
Council****Repositioning the UN development system to deliver on the  
2030 Agenda – Ensuring a Better Future for All****Report of the Secretary-General***Summary*

The 2030 Agenda, with its pledge to leave no one behind, is our boldest agenda for humanity. It will require equally bold changes in the UN development system. The report offers the Secretary-General's vision on the repositioning of the UN development system to deliver on the 2030 Agenda, within the context of his overall reform agenda, with prevention as a cross-pillar priority. It also responds to the mandates contained in GA/RES/71/243 due by June 2017. The report is the product of extensive and inclusive consultations with the UN development system and Member States, and in-depth analysis of relevant studies and data on the system's present functions and capacities to support the 2030 Agenda.

The review of the system's functions and capacities was carried out in accordance with operative paragraph 19 of GA/RES/71/243. This is the first time that such exercise has been undertaken at the system-wide level. The extent of the work has incurred some limitations in the capacity of the system to produce complete and exhaustive data within the available timeframe. Nonetheless, the outline offers sufficiently robust evidence to identify gaps and overlaps, and point a direction for the system to deliver on the promises of the 2030 Agenda.

Per operative paragraph 45, this report also offers options for improving the accountability and overall coordination of the entities of the United Nations development system and their oversight by Member States, and benefits from consultations with the Joint Inspection Unit. Accountability and transparency of the United Nations are top priorities of the Secretary-General, and the report offers a number of proposals to enhance the tools and oversight by Member States to more effectively report and account for system-wide results.

This is the first report of the Secretary-General on the repositioning of the UN development system. It is only the beginning of a change process. The UN development system review will evolve over the remainder of the year, culminating in a second report in December, which will further elaborate on this vision and deliver on the remaining QCPR mandates.

- I. Introduction**
- II. The 2030 Agenda and its pledge to leave no one behind: our boldest agenda for humanity**
- III. The functions and capacities needed to deliver on the 2030 Agenda**
  - A. Review of current functions and existing capacities of the UN development system
  - B. Addressing capacity gaps to support policy integration, data management, partnerships and financing
  - C. Early insights in addressing gaps and overlaps in support of the SDGs
- IV. Delivering coherently through strengthened and accountable leadership**
  - A. In-country – a new generation of Country Teams
  - B. At regional level – a cohesive policy voice
  - C. At global level – repositioning development at the highest levels of the organization, to support and enable results at the country level
- V. Strengthening accountability for UN development system’s support to the 2030 Agenda**
  - A. Improving governance and oversight by Member States
  - B. Increasing transparency on system-wide results
  - C. Strengthening internal accountability to deliver on collective mandates
- VI. Addressing funding trends to deliver one agenda together - towards a Funding Compact**
- VII. The way forward**

## **I. Introduction**

1. On 1 January, 2017, I assumed my role as Secretary-General of the United Nations, humbled by the trust placed in me and determined to lead the Organization to better meet today's complex and interlinked challenges. Despite significant socio-economic growth in recent years, the rising tide of prosperity and empowerment has not lifted all boats. While the overall proportion of humanity living in poverty is lower than ever, more than 700 million people still live in extreme poverty. Over 200 million people remain jobless, with young people disproportionately affected. In many countries, inequality is rising and persistent discrimination is limiting the opportunities of women and girls. More than 65 million people have been forced from their homes. Anxiety is growing as societies face dire situations of famine, extreme climate events, inadequately managed urbanization, population growth, water scarcity, armed conflicts, gender based violence, ethnic, religious or political discrimination and a rise in violent extremism.
2. A set of landmark agreements reached in 2015 - the 2030 Agenda for Sustainable Development, the Paris Agreement on climate change and the Addis Ababa Action Agenda on financing for development - offers a pathway to a better future. These efforts have been complemented by the "sustaining peace" resolutions adopted by the General Assembly and Security Council, along with the "New Ways of Working" in humanitarian settings, where protracted emergencies and deep-rooted development challenges coexist. These comprehensive and interlinked agendas, cutting across the peace, development and human rights pillars of the United Nations, provide a clear roadmap for Member States and the UN system alike.
3. The 2030 Agenda, in particular, raises the bar high. Universal in its coverage, it applies to all countries and commits to "leave no one behind". Transformative and integrative in its design, it requires implementation on a dramatically different scale from its precursor framework, the "Millennium Development Goals". It is the defining agenda of our time. Achieving the SDGs will provide a better life for all, prevent crises both natural and man-made, and build a firm foundation for human rights, stability, prosperity and peace in all societies.
4. As countries build new capacities and transform ways of working to enable more whole-of-society responses, the United Nations too must change. This is a leitmotif of the 2016 Quadrennial Comprehensive Policy Review (QCPR), a robust Resolution that underlined the need to strengthen the UN development system "with a view to enhancing its coherence and efficiency, as well as its capacity to address [...] the full range of development challenges of our time, as set out in the 2030 Agenda"<sup>1</sup>.
5. The QCPR produced specific requests to ensure a UN development system that is fit for purpose for the 2030 Agenda. It seeks to address gaps and overlaps in the functions and capacities of the system, as it works more efficiently and collectively towards the implementation of the Sustainable Development Goals (SDGs). It demands deeper accountability, more transparency and stronger oversight. And it urges greater coherence at all levels, in particular through a reinvigorated UN Resident Coordinator system.
6. The review of the UN development system is a fundamental component of a set of mutually-reinforcing reform efforts, which I have launched to ensure that the United Nations responds to changing global needs. These include a review of the peace and security architecture and of our internal management, as well as clear strategies and action plans to achieve gender parity, end sexual exploitation and abuse, and strengthen counter-terrorism structures.
7. Our aim is clear: to work better together across the United Nations system and with a greater emphasis on prevention to address the root causes of instability, vulnerability, exclusion and conflict. Critical to this vision is the repositioning of sustainable development at the heart of the United Nations, with the 2030 Agenda as the

---

<sup>1</sup> A/RES/71/243 OP 6

guiding framework. Sustainable and inclusive development is an end in itself. It is also our best tool to build resilience, prevent crises, ensure human rights are a lived experience and sustain peace.

8. We must invest much more to eradicate poverty, reduce inequalities and end exclusion. We must help countries strengthen institutions so they are able to efficiently deliver services to people. Our support to countries must contribute to creating decent jobs and entrepreneurship opportunities, particularly for young people, and increase women's participation in the workforce, empowering people to have stewardship over their futures. And we must ensure that national development strategies are risk-informed. Prevention is always better than cure. By tackling the root causes of crises, we can prevent the fraying of the social fabric and consolidate the foundations for peace, prosperity and inclusive societies. Sustainable development builds resilience and sustains peace, and sustained peace enables sustainable development.
9. Since my first day in Office, I have acted to strengthen the focus on sustainable development. In addition to other tasks set out in General Assembly Resolution 52/12B, I have assigned comprehensive responsibilities on sustainable development to the Deputy Secretary-General, supported by a redesigned Sustainable Development Unit. I have also created an Executive Committee to promote integrated decision making with strategic inputs from throughout the United Nations family. Moving forward, I will continue to take all possible measures to make the UN system more integrated and coherent in its support to Member States.

#### A UN development system that is fit to serve all our partners

10. The UN development system has a proud history of delivering results. Across the decades, it has generated ideas and solutions that have changed the world. In many countries, we have supported flagship national policies and the reinforcement of institutions, which have made a real difference in people's lives. Most recently, the system made significant contributions to supporting countries in their pursuit of the Millennium Development Goals, the most successful global anti-poverty effort in history. These are impressive achievements. A successful past serves as a firm foundation for future achievement. The 2030 Agenda and the many new challenges facing the world require, however, a recalibrated UN development system, with a new generation of Country Teams, supported by bold and accountable leadership.
11. We have come a long way in strengthening UN coordination – from the establishment of Resident Coordinators as leaders of UN Country Teams in the late 1970s, through the creation of the UN Development Group (UNDG) in 1997, to the piloting of “Delivering as One” countries in the 2000s, to the recent development of Standard Operating Procedures for UN Country Teams. Over the years, UNDP has been the lead driver in strengthening coordination within the system. It has historically dedicated significant efforts, resources and political attention to these activities and in building a functional firewall between its programmatic and coordination functions. UNDP, today, continues to fund the bulk of the Resident Coordinator system.
12. I am convinced, nonetheless, that the current model has reached its exhaustion point and is insufficient to match the ambition, effectiveness and cohesion required by the new agenda. Reforms over the years have taken place, predominantly, in the field, with a lack of commensurate progress in regional and global arrangements and in individual entities. Today, there is an imperative to ensure we have a system firmly in place that emphasizes leadership, accountability, collaboration, efficiency and results. Governments and partners are counting on us - 114 Governments have already requested support as they localize and implement the SDGs.
13. Our roadmap for change is designed to make the system stronger while minimizing disruption at a time when continued and determined actions are needed by governments and stakeholders to deliver on the SDGs. Guided by the 2030 Agenda as the “raison d'être” of the UN development system, this effort must be rooted in three guiding principles:
  - Reinforcing national ownership and leadership;
  - Ensuring country-contextual responses rather than a “one size fits all approach”;

- Making country level delivery for all the litmus test for success.
14. Moving forward, I see a United Nations that is a valued partner for all countries - North and South alike - as they advance on the path to meeting the SDGs. Our shared vision is a United Nations that advocates for the excluded and vulnerable and works with national partners in the advancement of all human rights: economic, social and cultural as well as civil and political rights. We want an Organization that is a trusted impartial advisor to Governments – one that does not prescribe solutions, but helps to broaden the options available for our partners as they seek solutions to old and new problems alike.
  15. We want our United Nations to be a catalyst for action, an innovator, convenor and a champion of what works – using evidence and data to inform national planning and prioritization, and our own coordinated support to Agenda 2030 at country level. We seek to be a 21<sup>st</sup> century thought leader that draws on its unparalleled universal reach to be at the forefront of policy making and innovation, bringing in national and regional perspectives to the global debate.
  16. At the same time, our Organization must be firm in upholding the universal values and norms agreed by our member states, but flexible in adapting its presence, support and skillset to each country. Our shared objective is a United Nations that fully delivers on its mandates, with a focus on results and a culture of collaboration. Together, I know we can ensure that the world has the United Nations it needs, to deliver on the future it wants and deserves.

## Responding to the QCPR

17. This Report offers my vision for change for the UN development system in the context of the 2030 Agenda. It also responds to the specific QCPR mandates to be delivered by June this year. My subsequent report in December will build upon this vision and respond to the remaining QCPR mandates. It will offer a full set of recommendations for consideration by the Economic and Social Council (ECOSOC) and, subsequently, the General Assembly.
18. In preparing this Report, we have led an open and inclusive consultation process with Member States, the UN development system and other key stakeholders. An internal working mechanism, co-chaired by representatives of the Department of Economic and Social Affairs (DESA) and the UNDG, supported both the consultation process and the analytical work that underpin the report. In line with the QCPR Resolution, we also consulted with the Joint Inspection Unit on proposals to enhance the system’s accountability, overall coordination and oversight by Member States. A special effort was made to dialogue directly with Resident Coordinators and UN Country Teams, to ensure the exercise remained anchored in country realities.
19. These consultations confirmed wide support for ambition in the changes that would make the UN development system fit to support the SDGs and the other components of the 2030 Agenda. Member States were also clear in reaffirming their primary responsibility to implement the 2030 Agenda, with the United Nations providing tailored, effective, efficient and coherent support as they identify their national priorities for action on the ground. There is amongst Member States and UN partners alike a strong sense that while it is important to build on what exists, we must also ensure that the system response corresponds to the level, scale and ambition of the 2030 Agenda.
20. To further strengthen the review of the system and its ability to help countries deliver on the SDGs, an evidence-based, in-depth technical review was undertaken, drawing on previous studies and bodies of work. External independent expertise was engaged to help gather and analyze the extensive data underpinning the system-wide outline of functions and capacities mandated by the QCPR. A reference group of individuals with recognized experience in development practice and policy has been established to serve as an informal “sounding board” as the work moves forward.

21. This report should therefore be seen as the first milestone in reporting to member states on the direction we will be taking, as we move towards a comprehensive set of recommendations by December. I am determined to ensure that the process continues to remain inclusive and transparent as we move forward.

## **II. The 2030 Agenda and its pledge to leave no one behind: our boldest agenda for humanity**

22. The 2030 Agenda represents a paradigm shift, with multiple implications for international cooperation for sustainable development. It aims to complete the “unfinished business” of the Millennium Development Goals, and transform economies, consumption and production patterns, while protecting the environment and the dignity and rights of everyone, everywhere. It reaffirms the importance of effective institutions, adequate financing and partnerships to achieve sustainable development. The new agenda, and the transformation it seeks, has substantial implications for governments, the United Nations and the full range of actors in sustainable development.
23. The SDGs are comprehensive, universal and interlinked, and cut across all dimensions of sustainable development. They will therefore be pursued differently in each country, according to national priorities, needs, institutional set-ups and the financing mix available for SDG implementation. Previous sector-focused policy-making or a goal-by-goal approach will not achieve the 2030 Agenda for Sustainable Development or its SDGs. Stronger integrated planning, strategic thinking and policy integration will be crucial for Governments to define the best SDG implementation mix at the local level.
24. Conceptually, the ambition of the SDGs calls for a “whole-of-Government” approach. Today’s development landscape features an inspiring array of new actors. Powerful domestic forces, spanning all levels of Governments, civil society, academia, the scientific community and the private sector, from micro-enterprises to multinationals, have coalesced to fight poverty. This is the underlying vision of the “global partnership” found in the 2030 Agenda – where Governments, the private sector, civil society, and the United Nations work together to mobilize all available resources. This is a potential asset. But to deliver on the promise of a prosperous and peaceful future, development actors will have to find new ways of working together and leveraging genuine partnerships that make the most of expertise, technology and resources for sustainable and inclusive growth. The rapid evolution of alternative forms of development cooperation, including the scaling up of south-south cooperation, is beginning to suggest bold, innovative means to strengthen cooperation to deliver the SDGs.
25. Financing the 2030 Agenda will take trillions of dollars annually. There is need for action at unprecedented scale to reorient available public and private sources of finance in addition to official development assistance (ODA) to ensure global inclusive growth and shared prosperity. Making effective use of diverse financing sources will entail an alignment of private financial flows with the 2030 Agenda, which in turn will require Governments and markets to join in new partnerships that build awareness and trust, align regulations and enable innovative instruments to foster risk sharing and accountability. At the same time, it remains vital for Member States to honour their commitments to meet the target of 0.7% of Gross National Income as their contribution to official development assistance, and to leverage the catalytic potential of ODA to enable the wider SDG financing. For the world’s most vulnerable countries, ODA still remains a lifeline and commitment to the values of multilateralism.
26. In promising to leave no one behind, the SDGs challenge policy makers, development practitioners and multilateral bodies to look far more deeply at data and the people behind the aggregated statistics. They call for a universal approach that recognizes that the SDGs affect - albeit in different ways and degrees - every person around the globe. Walking the talk on “leaving no one behind” will imply interrogating national averages and country typologies based on national income through reliable disaggregated data and a stronger focus on ending exclusion. It will require calibrating the necessary support for each country through multidimensional approaches, regardless of a country’s income status. Almost three-quarters of the world’s poor live in middle-income countries - a stark reminder of the challenges that these countries continue to face.

27. “Leaving no one behind” is also about preserving a special focus and international commitment to support the most vulnerable countries in our human community - LDCs, SIDS and LLDCs. Comprising 91 member states with a combined population of 1 billion people, these countries face severe constraints in implementing the 2030 Agenda, owing to limited institutional capacity, high risk perception, ODA dependence, and high vulnerability to shocks and climate change. One big test of our common humanity will be bringing the SDGs fully to life in these 91 countries.

### **III. The functions and capacities to deliver on the 2030 Agenda**

#### **A- Review of current functions and existing capacities of the UN development system**

28. In line with the QCPR mandate<sup>2</sup>, the UN development system – with the assistance of an independent team of experts – reviewed its existing functions and capacities in an effort to respond to the challenges and opportunities of the 2030 Agenda.
29. More than 30 entities worked openly and within tight timeframes in the largest review of its kind. Participants admirably worked to overcome methodological difficulties stemming from different reporting and data-gathering systems and limited ability to reflect interconnectedness across Goals and targets. The review has illustrated the need to conduct deeper analysis of the preliminary findings to inform the December report. While data collection remains incomplete – with some entities still to fully contribute – the process helped provide a first-time overview of the system’s collective ability to support the SDGs. The study drew on the functions outlined in Operative Paragraph 21 of the QCPR. Capacities were defined as entailing expenditures, human resources and knowledge products. Financial data was based on 2016 data estimates, still to be audited but sound enough for rigorous aggregated analysis.
30. The preliminary results of the outline indicate that the United Nations development system is still to complete its transition from the MDGs to the 2030 Agenda for Sustainable Development. For example, over 50 per cent of the system’s budget is still concentrated in the first six SDGs. This reflects a continuing focus on MDG-type interventions and highlights the need to embrace conceptually and substantively the full sustainable development agenda captured in the 17 SDGs.
31. There is also a visible gap in the delivery of important functions required for the 2030 Agenda. The data revealed insufficient capacities for data management and the provision of integrated policy advice. Providing integrated policy services is one of the main reasons why the UN development system has to do business differently. Yet, according to agencies’ preliminary estimates, 16 per cent of total funds - or similar share of total staff - were dedicated to policy advice, normative support and data collection and analysis in 2016. Interviews with senior officials from several entities also pointed to risks that siloed competition within the United Nations system could be an unfortunate factor helping to sustain silos within our partner institutions.
32. Regarding the “data gap”, while there are undeniably strong data generation capacities within the system, these assets are scattered across entities and insufficiently impactful. Additionally, the system is unable to showcase common results, due to the lack of consistent data collection on a system-wide basis. The review provided a stark reminder that current systems and processes to manage programmes, expenditure and personnel across the UN

---

<sup>2</sup> A/RES/71/243 OP 19 “Requests the Secretary-General, in consultation with the entities of the UN development system, to carry out by June 2017 a system-wide outline of present functions, as defined in their strategic plans and similar planning documents, and existing capacities of all United Nations entities carrying out operational activities for development in support of the implementation of the 2030 Agenda for Sustainable Development, with a view to identifying gaps and overlaps in coverage and providing recommendations for addressing them, identifying comparative advantages and improving the inter-agency approach, in accordance with their respective mandates”.

system vary significantly and are not fully set up to align to the SDG framework. This needs to be addressed at all levels as a matter of urgency.

33. The study also confirmed the need to recalibrate and enhance other critical United Nations skillsets to match the needs of the 2030 Agenda. This includes the need for revamped capacities on partnerships and financing; statistics, innovative and integrated analysis, planning, foresight and risk management; advocacy and messaging on sustainable development; and technical expertise on emerging, frontier issues.
34. Highly earmarked funding further weakens coordination and system-wide accountability. The allocation of 91 per cent of all non-core flows to single entity projects is another serious hindrance to the system's capacities to further integrate its approach to support to SDGs. The 2030 Agenda was deliberately designed to be comprehensive and integrated. Together with the complexity of the challenges at the country level, it demands UN development system entities to work closely together and pool expertise. It also requires a new and more integrated approach to capacity building of national institutions – private and public – especially for SDG planning, monitoring, evaluation and implementation. Yet the system still lacks a common methodology or standards for capacity development.
35. The study has, nonetheless revealed strong foundations on which to build the system's transition to the SDGs. Entities selected an average of 65 targets of focus, a sign that the cross-sectoral nature of the SDGs was well understood, with close to 80 per cent of the system's financial and human resources disbursed at the country level. The system's focus on the country level remains one of its core strengths.
36. The United Nations development system has launched a number of innovative tools for joint support to the SDGs, including for the support for SDG mainstreaming, acceleration and policy support – known as the MAPS methodology. Nevertheless, these joined-up initiatives remain a small share of the overall delivery of the system. Only about 6 per cent of total non-core funding is channelled through interagency pooled funds. This incentive gap illustrates the opportunity of using multi-partner pooled funding mechanisms to enhance integrated programme outcomes for the SDGs.

## **B- Addressing capacity gaps to support policy integration, data management, partnerships and financing**

37. Skillset gaps in supporting governments in leveraging partnerships, financing, data and policy integration are of particular concern. These skillsets are essential to better enable the UN development system to support the universal localization of the 2030 Agenda, mobilise expertise and resources to take the SDGs to scale, adapt to country contexts and strengthen the coherence of its support to help countries accelerate implementation of their national priorities.
38. Given the integrated nature of the new Agenda, together with the complexity of the sustainable development challenges countries face, the system needs more sophisticated policy integration skills. Governments will have to assess trade-offs and synergies to prioritize accelerators and sequence actions for maximum results.
39. With disaggregation of data being key to 'leaving no one behind', the UN development system must ramp up its ability to manage collected data and turn it into insights to better inform accountability to our partners for our results in implementation at country level.
40. Strengthening the system's capacity for policy advice will also be critical as Governments increasingly request support in how best to integrate the SDGs into their national plans and governance structures, make the necessary trade-offs and prioritize and sequence their actions. This report will outline ways to strengthen the "policy backbone" of the United Nations leveraging its unique combination of normative legitimacy and operational reach.

41. Revamped capacities to support partnership building will be crucial to success. As reflected in Goal 17, the sustainable development agenda can only be realized with a strong commitment to partnerships at all levels between governments, private sector, civil society and others. We will need to mobilise both existing and additional finance, technology, knowledge and expertise that countries can apply to accelerate progress. With this recognition, we must harness the convening power of the United Nations through platforms where stakeholders can meaningfully engage, build trust, exchange know-how and technologies, strengthen relationships and bring synergy and coherence to achieve results.
42. We will also need to embed multi-stakeholder partnerships into the core business model of the UN development system, pooling system-wide expertise across the partnership spectrum. We must also step up capacities to support and leverage south-south cooperation, as a complement to traditional development assistance. This form of cooperation among developing countries is a unique asset for knowledge-exchange, transfer of appropriate technologies, and tested development solutions– as valuable to developing countries as financial resources.
43. As partnerships increasingly claim space in planning processes from global to country levels, the UN development system must be ready to support national demands for inclusive alliances and participatory planning processes that take account of the needs of the most vulnerable and excluded. As citizens and others helped shape the 2030 Agenda, so too should they shape its implementation. Failure to be inclusive in shaping our common future will only heighten anxieties, create tensions and cloud the possibilities for high impact collaborative action and results.
44. The financing needs for the SDGs call for a comprehensive overhaul in the UN system’s approach to financing. As per the Addis Ababa Action Agenda, to unlock the trillions of dollars needed to achieve the SDGs, Governments will need more support to attract, leverage and mobilise investments of all kinds – public and private, national and global. Continued Official Development Assistance (ODA) will be critical to leave no one behind and catalyse other financing streams, but insufficient for the achievement of the SDGs. In spite of an increasingly conducive environment, SDGs investments continue to lack scale. Cross-sectoral partnerships and a blending of capital are also proving complex for many Governments. To date, the lack of “bankable” projects has been a major impediment to greater SDG investment.
45. The UN development system – in particular UN Country Teams - will need to develop adequate skillsets to help countries design and leverage investments for project. Expertise that is now scattered across the system needs to be pooled, supported by a stronger policy backbone, to enable new thought leadership in the global economic/financial policy space. For this, the system needs to acquire additional knowledge and expertise to be on the cutting edge of new horizons, thus becoming a facilitator for meeting country needs. Building these capacities will also provide the ability to engage more effectively with public and private financing partners including the World Bank and other International Financial Institutions (IFIs), regional and national development banks, foundations, donors, national governments and institutional investors to source capital as well as credit enhancement/risk mitigation solutions. The aim is to assist member states to develop project financing propositions for their priority SDG initiatives, forming the core of their capital raising plan, as well as identifying the opportunities, resources and financial partners required to make the projects happen.
46. **To address these critical gaps in skillset and capacities, we will:**
  - **Strengthen the talent pool, training and knowledge and performance management, bringing in new expertise and building on the know-how across the various United Nations training institutes and entities of the UN development system. This will be done in close collaboration with the management reform track.**

- **Strengthen the system’s capacity for data literacy, technology, collection and analysis at disaggregated levels, aligned to the SDGs; and ensure harmonized data and reporting systems across agencies to facilitate system-wide reporting, accountability and enhanced visibility of collective results.**
- **Launch the following partnership-focused work-streams: (i) a process with the UN Global Compact, DESA and the UNDG aimed at adopting a system-wide approach to partnerships; (ii) a review of the role of the Global Compact and its relationship with UN Country Teams to enhance engagement with entrepreneurs, the private sector, financial institutions and others to more effectively support national SDG priorities; and (iii) an analysis of ways to strengthen the UN development system’s capacities to foster and support south-south and triangular cooperation, building on the United Nations Office for South-South Cooperation and the United Nation’s country presence.**
- **Build on the existing collaboration among several UN entities to devise a refreshed system-wide compact with the World Bank and other International Financial Institutions (IFIs) to sharpen our partnership around high-impact actions in support of the SDGs. Obvious synergies with the assets and expertise of IFIs and the UN system need to be better leveraged for SDG achievement.**
- **Work with DESA, the Regional Economic Commissions and the UNDG to determine a clearer division of roles in support to financing for development. There is a critical role for UNDP as the arrowhead of a new generation of Country Teams. Under the leadership of empowered Resident Coordinators, it will be critical that the system can continue to rely on UNDP’s institutional, operational and strategic capability for multi-sectoral, whole of government responses, mobilizing other agency-specific expertise as required. UNDP’s integrator mandate is a valuable asset for the entire system as it transitions to an interlinked agenda and must become a primary focus of UNDP’s future strategic plans. A strengthened DESA will work in collaboration with Regional Economic Commissions to provide the policy guidance and backing needed at the country level for this crucial work.**

### C- Early insights in addressing gaps and overlaps in support of the SDG

47. The study confirmed significant overlaps in the UN development system support to SDGs and targets. This is not surprising considering the integrated nature of the 2030 Agenda, which require multiple kinds of expertise and investments at scale. Nor is it necessarily negative. In many ways the diversity of expertise and mandates within the UN development system is a source of strength. In the absence of more robust coordination and accountability systems, there is however a high-potential for overlaps and duplication.
48. For example, the review found: funding and staff remain highly concentrated in a limited number of SDGs - with approximately 50% of funding allocated to three SDGs (Goals 2, 3 and 16); the lack of clear delineation of roles for capacity development and the implementation of environment-related support; several entities overlapping on enterprise development and on trade and investment; Regional Economic Commissions and regional structures of other UN development system entities engaging in very similar analytical work; and the overwhelming majority of knowledge products currently being developed by single entities and often treating similar topics. The risk of inefficient overlaps is amplified by the fact that a number of agencies seem to be delivering relatively minor resources in common SDG targets. Twenty-four entities, for example, have reported expenditures on SDG 1; yet only three entities accounted for approximately 75 per cent of the total spending and four entities delivered less than US\$4 million each on this goal.
49. We will continue to analyse the data collected and seek solutions over the coming months, as we prepare recommendations for my subsequent report in December. In doing so, we intend to reinforce system-wide leadership and accountability around common results, with more responsive and coherent UN Country Teams. Our goal is clear: to better equip the system to limit overlaps through adequate division of labour and collaborative approaches that generate synergies.

50. Redundant and/or inefficient business processes also need to be addressed and will be a core focus of both the present development review and internal management reform. Every United Nations entity, regardless of size or mandate, currently has some administrative support services structures. Yet, integrated service centres exist only in four countries. We have common premises hosting two or more entities in the majority of countries. We can consolidate further, reduce the number of representational offices and generate significant cost-savings, to increase programmatic investments. UNDP’s global operational platform and service capacity, including in humanitarian and crisis settings, are valuable assets to be built upon and leveraged. Only 22% of UN country teams have undertaken a strategic review of their business operations. Rationalizing the business operations and back-office functions – especially at country level – would be a clear step forward in ensuring more effectiveness and cost-efficiencies.
51. The data also showed significant gaps in thematic coverage of SDGs, in terms of expenditures and personnel. This was particularly evident in looking at “new” Goals, relating to economic and environmental dimensions of sustainable development, including water and sanitation (SDG 6), energy (SDG 7), and the environment (goals 13-15), sustainable consumption and production (SDG 12) and industry and infrastructure (SDG 9). The latter two SDGs are the only goals where less than 40% of expenditure goes to the country level (24% and 39%, respectively). As the outline has shown, our investment in gender equality and women’s empowerment is also far too low and demands much more concerted attention by the UN development system.
52. In dealing with the gaps in SDG coverage by the UN development system, it is important to adopt a humble approach and recognize that the United Nations cannot – and should not – be doing everything, everywhere. Others may be better placed to take some parts of the agenda forward. The United Nations should however be well-positioned to advise and provide or broker technical support to Governments across all areas of sustainable development. Where the United Nations is not a primary actor, it must help in bringing together the key partners around each goal to hold partners to international commitments.
53. Revamped interagency planning, coordination and accountability mechanisms should allow the system to identify areas in which it could cover gaps by pooling expertise and assets across its entities; or cases where the United Nations may be better positioned to support Governments in mobilizing financing and expertise from other partners. To be in a position to do so, the United Nations convening capacities and new skillsets need be strengthened as a matter of priority. Moving forward, we will also consider the strategic use of multi-partner trust funds to help catalyse support to those “new” SDGs that are especially transversal in nature, which the system is currently covering in a fragmented and ‘piecemeal’ way.
54. **To address identified gaps and overlaps in SDG coverage, we will:**
- **Further analyse the data and findings emerging from the outline of system-wide functions and capacities, as we work on related recommendations and the system-wide strategic document.**
  - **Build on the results of other ongoing reform processes, including the independent assessment to enhance the effectiveness of UN-Habitat and the independent review of capacities of UN agencies, funds and programmes to sustain peace.**

#### **IV. Delivering coherently through strengthened and accountable leadership**

##### **A - In-country – towards a new generation of Country Teams**

55. The interagency approach to translate the aspirations of the 2030 Agenda into shared results on the ground will need to move beyond coordination towards the new narrative for sustainable development. It will require stronger, bold leadership that inspires and incentivises collective action for one agenda, delivering in support of countries.
56. A UN development system that has the capacity to deliver coherently on the 2030 Agenda is rooted in a new generation of UN Country Teams. The new agenda requires that we adopt a modular approach to country presence where the configuration of the UN Country Teams – its composition, skillsets, functions and focus - is driven by national governments and other national stakeholders on the basis of their nationally-defined plans and SDG priorities. Each UN Country Teams configuration should reflect each country's context and realities. Achieving the SDGs in each country will consolidate the foundation for peace, prosperity and human rights.
57. To operationalize this principle, two key actions will be required. First, we will establish objective criteria to rationalize physical presence on a country-by-country basis. In some cases, this may reduce representational presences while ensuring continued access by Governments to agency expertise through co-location, virtual presence or any other mechanism that provides support in an efficient and relevant manner. In others, additional skillsets and/or entities may be required to support country capacities as determined by their needs.
58. UNDAFs would be repositioned and strengthened as the single most-important UN planning tool in all countries, with tangible implications for guiding UN support and presence and progressively taking precedence over individual entity country programmes and plans. Rather than a picture of all UN Country Teams' activities in a given country, UNDAFs must become a system-wide response to national priorities; and this compact around results must be underpinned by a clear budget framework. Where adjustments in UN country presence are required, they will be made. Colocation amongst agencies or secondments to Resident Coordinators' offices would be maximised where criteria for representational presence are not met, or full representational presence may not be required. This will make more resources available for programmes on the ground, while strengthening and incentivising UN Country Team's integrated policy capacities and reducing transaction costs for partners. The reviews would rely on strong oversight from the regional and/or headquarters level to ensure the necessary standards and accountability, and with recommendations made binding, subject to agreement of the host Government.
59. Second, common operational services/back-office functions should become the "default" option for UN Country Teams, aiming for economies of scale and harmonization of business procedures. Agencies with large operations – which may need to preserve operational autonomy for a variety of reasons – could maintain their separate services, provided that a clear business case is presented. This should build on the ongoing UN development system efforts to consolidate service provision through integrated service centres at the country level (horizontal centres) or global/regional service offices (vertical centres), and be consistent with ongoing management reform efforts. Only in exceptional cases would the United Nations run multiple back-offices in a given country. These measures could potentially save hundreds of millions of dollars, which could then be reinvested into delivering results to directly improve people's lives.
60. The new generation of Country Teams should allow us to move away from a standardized universal presence with an average of 18 agencies per country team, to Country Teams that are more cohesive, flexible, leaner, and efficient and focussed in their substantive scope, with robust integrated policy capacities and greater responsiveness to national priorities and demands. Traditional governance of UN development system cooperation has been based almost exclusively on consensus with weak accountability and emphasis on

individual agency autonomy. Over time, diversity without sufficient accountability has become a liability rather than a strength. This approach has not, and will not lead, to transformative change to improve people's lives.

**61. In moving towards the “modular” approach to the new generation of UN Country Teams, we will:**

- **Consult with Member States and UN partners to ensure a more responsive and tailored UN Country Team's configuration.**
- **Develop proposals, together with UNDP and key UN entities, along two main pillars: criteria to rationalize physical presence by individual entities; and a strategy to reposition and ensure common operational services/back-office functions as the standard model for Country Teams.**

**Reasserting the authority and impartiality of UN Resident Coordinators**

62. Critical to the emergence of new generation of Country Teams will be ensuring a step change to the Resident Coordinator system. We will resolve the ambiguity in the role of Resident Coordinators. Today, Resident Coordinators are expected to steer UN Country Teams' support at the national level, but with limited tools and no formal authority with respect to other locally posted UN entity heads.
63. To effectively support the new agenda, Resident Coordinators must possess the requisite development profile, including strong collaborative competencies, according to the needs of the country where they are posted. Resident Coordinators must have clarity in their role and functions to draw directly on agency expertise, interact with partners on behalf of the system and the Secretary-General, and help make the necessary prioritization of UN support according to national priorities and needs.
64. A “primus inter pares” arrangement, dependent on the goodwill and understanding of the heads of UN agencies, funds and programmes at country level, will no longer suffice. While UN Country Team members are accountable to their respective Agency heads on individual mandates, enhanced efficiency and impact will require that they also report and remain accountable to the Resident Coordinator on system-wide activities. This will require compacts between the Resident Coordinators and members of UN Country Teams, ensuring greater accountability to one another on performance and for a shared contribution to country priorities.
65. Resident Coordinator profiles will be reviewed, given the heightened demands of the new agenda. Resident Coordinators must be first and foremost strong sustainable development advocates and professionals, with deep understanding of national planning processes, all dimensions of the SDGs, and of varying contexts and the political economy of development. Moving forward Resident Coordinators should become policy integrators, capable of steering and overseeing the system's substantive contribution to the 2030 Agenda, in line with national priorities and international norms and standards. Resident Coordinators will need strong knowledge on data and statistics, innovation, partnership development and effective communication for sustainable development. Specific skillsets of Resident Coordinators will need to be adapted to the specific needs of the countries where they are posted.
66. Resident Coordinators must be able to lead UN Country Teams on integrated analysis, planning, and foresight processes; and have a scope on emerging, frontier issues, with significant implications for achieving the SDGs. With Agenda 2030 as their main objective, Resident Coordinators must champion and support Governments and their people in their efforts to promote a prevention approach, focused on building resilience of national institutions to anticipate disruptions and shocks that could make the SDGs unattainable or undermine progress achieved. They must be able to work with national governments and other national stakeholders to apply and uphold UN values and norms in a manner that is sensitive to national context and prerogatives.

67. Empowering the Resident Coordinator system will not flow from authority alone. It also requires capacity and resources. Moving forward, it will be critical to ensure that Resident Coordinators and their offices are well resourced and equipped with the appropriate skillsets to advise national governments and support the 2030 Agenda. Currently, the functions of Resident Coordinators' offices focus primarily on leadership in the development of the UNDAF together with Government and other national development counterparts, coordination and oversight over UNDAFs and joint programmes. Resident Coordinators' offices of the future must also be the country level hub for strategic analysis and planning, including for prevention, policy integration, system-wide partnership building and financing for the SDGs.
68. Resident Coordinators need to be supported by high quality policy and technical advisers who can provide specialized integrated policy expertise and support the coordination of system-wide contributions at the country level to implementing the SDGs. The Resident Coordinator must be able to leverage the capacities of individual UN entities to achieve agreed system-wide results at the country level.
69. Finally, it is critical that entities of the UN development system accelerate efforts to achieve gender balance and equitable geographic representation in all appointments, including of Resident Coordinators. We have made great strides, with 45 per cent of Resident Coordinators now being women, the good practices of which are informing my broader gender parity strategy.
70. With strengthened leadership must also come greater accountability and impartiality. From the consultations and analysis undertaken, we are set on a path that would delink the functions of Resident Coordinators from UNDP Resident Representatives. The current "firewall" between these two functions is insufficient to guarantee the level of impartiality that would generate the confidence within and outside the system to ensure Resident Coordinators can effectively lead.
71. Building on UNDP's leadership, institutional memory and operational support will be critical to a revamped Resident Coordinator system. However, there should be no conflict in the roles and responsibilities of Resident Coordinators and UNDP as an individual entity and member of UN Country Teams, and serving as the integrator platform for the UN development system. Success of the 2030 Agenda requires that the Resident Coordinator function remains anchored in the operational system for development, firmly connected to the country level, and with UNDP as its key instrumentality.
72. Relevant legal, operational, budgetary and strategic considerations are currently under review to ensure that the transition to an improved Resident Coordinator system is smooth and well sequenced, and avoids disruption to implementation at the country level. In line with the QCPR mandate, I will present more detailed proposals to improve the Resident Coordinator system by December 2017.
73. **In strengthening the leadership of Resident Coordinators, we will continue consultations with Member States, the Presidents of UN entities governing bodies and key UN entities in order to:**
  - **Establish clear accountability lines from all Country Team members to Resident Coordinators, and from Resident Coordinators to the Secretary-General.**
  - **Identify the best operational model to ensure full impartiality of the Resident Coordinator function, through a delinking of the functions of UN Resident Coordinator and UNDP Resident Representatives on the ground. This would be mirrored by adequate regional and global coordination and accountability mechanisms.**
  - **Identify funding and staffing requirements of Resident Coordinator offices, maximizing Agencies' secondments of technical and policy expertise and advisory services from non-resident agencies.**

**74. In ensuring that Resident Coordinators and their teams have the necessary skillsets required by the 2030 Agenda, we will:**

- **Review the knowledge and learning function across the UN to make sure our training and knowledge is updated, optimized and made available in the best possible way to UN Country Teams and Member States.**
- **Assess the work programmes and results of the various research and training institutes of the United Nations for relevance and impact.**
- **Strengthen the interface between Resident Coordinators and normative entities of the United Nations, including DESA and Regional Economic Commissions, to ensure that UN Country Teams receive the substantive support to deliver on their complex mandate.**
- **Review the recruitment method and career incentives to build the pipeline of new Resident Coordinators and ensure that mobility is adequately rewarded.**
- **Prioritize moving from 45 per cent female Resident Coordinators to full gender parity as soon as possible.**

**Operationalizing the Humanitarian-Development nexus at the country level**

75. Crises are increasingly protracted, with populations displaced on average 17 years and humanitarian needs at levels not seen since the end of World War II. With the scale, complexity and human cost of the challenges we face today, ending need by reducing risk and vulnerability is everyone's responsibility.
76. For those whose livelihoods and lives are at risk on the ground, the distinction between humanitarian assistance, development support, and building peace is meaningless. These challenges affect people's lives in a unified and simultaneous manner – our response will never be adequate if fragmented.
77. We must implement the New Way of Working across development and humanitarian activities, with a focus on collective outcomes at the country level. As the QCPR recognizes, "a comprehensive whole-of-system response, including greater cooperation and complementarity among development, disaster risk reduction, humanitarian action and sustaining peace, is fundamental to most efficiently and effectively addressing needs and attaining the Sustainable Development Goals".
78. A strengthened focus on the humanitarian-development nexus - or its linkages to peace and security - must not lead to a diversion of funds or shift in focus from development to other objectives. If so, we have failed in our primary objective of making the world more peaceful and prosperous. Nor should the New Way of Working undermine, in any way, the principles of humanitarian action, especially in situations of armed conflict. The New Way of Working is about offering a concrete path to removing unnecessary barriers between humanitarian and development actors as they jointly work towards strengthened investments in sustainable development, people and institutions, and doing so as early as possible. It is also about protecting sustainable development gains where possible, and preventing the loss of peace dividends whenever a crisis or shock hits.
79. Operationalizing the New Way of Working will require strengthening the role of the UN development system within the overall UN architecture with the right skillsets and tools to anticipate risks and draw on all the assets of the organization as it supports the 2030 Agenda. To enable more coherence on the ground, a change in conceptual thinking, organizational culture and in working methods across Agencies, Funds and Programmes and within Secretariat departments and entities will be required. Establishing a clear institutional anchoring for this work at the global level will also be needed to ensure that country efforts are adequately guided and supported, and that regional approaches are adopted as we confront an increasing number of cross-border crises.
80. In addition to implementing the New Way of Working, we are determined to strengthen the interlinkages between the 2030 Agenda and sustaining peace, with a focus on the development of effective and accountable institutions and the tackling of the root causes of conflict. The peace-development linkage will be particularly

important in conflict or post-conflict contexts where UN peace operations and UN Country Teams often coexist. Increasing investments in prevention, universally and across all pillars is also vital. A UN development system that is more cohesive and accountable for results on the ground, should be better positioned to collaborate with the peace pillar in a way that addresses divisions and contradictions that hinder optimal results for vulnerable populations. Progress in this regard will be critical to sustaining peace and development gains, mindful of the distinct operational realities in each area of work.

**81. To advance the New Ways of Working and its contribution to the 2030 Agenda:**

- **The Deputy Secretary-General will work with OCHA and the UN Development Group to (i) streamline policies and operational guidelines at Headquarters to incentivize and facilitate coherence in the field; (ii) improve cross-pillar analysis, planning and programming; (iii) review the “double hatting” or “triple-hatting” of senior UN leadership on the ground; and (iv) identify flexible financing modalities in support of resilience building, joint humanitarian-development objectives in protracted crises, also recognizing their contributions to sustaining peace.**
- **A Steering Committee of Principals will be established to foster synergies in humanitarian and development action. The Steering Committee will be chaired by the Deputy Secretary-General, with operational leadership from OCHA/ERC and UNDP. The Committee will include the largest UN operational entities working in both humanitarian and development settings. It will guide collective action required from both the UNDG and the IASC, focused on enabling the New Ways of Working on the ground, adopting regional approaches and strategies when required, and mobilizing global action and support to major crises. This is an effective and cost-effective way to ensure a “locus” for the nexus within headquarters, in line with existing mandates.**

**82. To improve the interlinkages between sustainable development and sustaining peace, we will:**

- **Expand the investments of the United Nations’ Peacebuilding Fund to support integrated UN action for prevention and measures preventing escalation in the midst of violent conflict.**
- **Build interlinkages with the simultaneous review of the UN peace and security architecture to ensure better coherence with and support to the development pillar and SDG implementation.**

**B - At regional level - a cohesive policy voice**

83. Stepping up the UN policy voice at the regional level is critical to meet the demands of the new agenda. Regional Economic Commissions, in turn, are an essential component of the UN development system policy backbone. They provide the connective tissue between the global and local levels, and offer regional perspectives on global issues. Regional Economic Commissions have a primary role as policy think tanks, providing data and analytical services and policy advice to address regional issues, and supporting the development of a wide range of regional norms, standards and conventions. They serve as platforms for engagement with regional intergovernmental institutions, for intra- and inter-regional exchanges, extending and expanding new forms of development cooperation and regional partnerships.

84. Other UN entities also have a regional presence or regional work-stream, individually or as members of the Regional UN Development Groups (UNDG). The core functions of the Regional UNDGs are to provide leadership, strategic guidance and services to UN Country Teams; quality assurance and monitoring of UNDAFs and joint initiatives; ensure performance management of Resident Coordinators and UN Country Teams, as well as ‘trouble shooting’ in difficult country situations and dispute resolution.

85. Regional offices of different United Nations agencies, however, are scattered in different locations, and definitions of regions can differ from one agency to another. Coordination at the regional level is sub-optimal,

with two direct consequences: (i) an unclear division of labour at the regional level, with potential overlaps – especially as Commissions engage with national governments on capacity building or when Regional UNDGs engage in the production of studies and knowledge products on region-wide or sub-regional issues; and (ii) a sub-optimal use of the UN’s policy capacities on regional priorities, including on issues critical to the success of the 2030 Agenda such as financing for development and statistical capacity building.

86. Moving forward, and in line with our focus on strengthening leadership, Regional Economic Commissions should be empowered as the lead voice of the UN development system on policy making and research and production of knowledge projects at the regional level that nurture integration and balanced progress on sustainable development. UN Country Teams, in turn, should preserve the primary role in supporting national governments in implementing, monitoring and reporting on the SDGs. In this regard, it is important to build on the “Statement of Collaboration” between Regional Economic Commissions and the UNDG, with related accountabilities to ensure a clear division of labour.
87. As part of these efforts, we intend to work closely with the Regional Economic Commissions in ensuring that they progressively focus on three key functions: (i) as think tanks of the UN system at the regional level, providing world-class analysis and knowledge on region-wide priorities, innovation, financing for development and transboundary issues. In doing so, they need to strengthen their interface with DESA on the one hand, and with UN Country Teams on the other; (ii) as the regional platforms for the exchange of best practices, follow up and review of regional progress on the 2030 Agenda, as well as analysis of existing and emerging challenges, engaging the broader UN development system; and (iii) for supporting and strengthening the normative and policy capabilities of UN Country Teams, which would ideally rely more systematically on the expertise of the Commissions, rather than external actors. The Commissions’ capacity for upstream policy advocacy, sought especially by Middle Income Countries and countries with special needs, should be further utilized by Resident Coordinators and UN Country Teams. In addition to being cost-effective, this approach would promote consistency in United Nations’ diagnostics and advice.
88. While the specifics of this arrangement are to be further detailed, there would be obvious synergies and significant cost-efficiencies in rationalizing and strengthening the coherence of the physical presence at the regional level. This should not only yield cost-savings but, most importantly, generate high-quality expertise that only the United Nations can provide through its unique combination of normative legitimacy and operational reach. In considering these proposals, we will work with UN development system entities to ensure that country-focused operational work currently performed by members of Regional UNDGs are preserved where appropriate. The focus will be on strengthening cohesion and leadership around policy and data issues and reinforcing the synergies between country and regional action.
89. **To improve coherence and a unified policy voice at the regional level I will conduct, before the end of the year, a review of the UN development system regional functions, policy and data-management capacities to:**
  - **Clarify the division of labour between Regional Economic Commissions, DESA and UN operational entities**
  - **Explore the possibility of colocation or pooling of system-wide policy capacities at the regional level, under the overall coordination of Regional Economic Commissions, to ensure a unified and more impactful policy voice.**
  - **Review existing UN regional coordination structures and the linkages to ECOSOC-mandated Regional Coordination Mechanisms (RCMs).**

C - At the global level - repositioning development at the highest levels of the organization, to support and enable results at the country level

**Global mechanisms that support and enable changes in the field**

90. While the focus remains on improved delivery on the ground, strengthened coherence and thought leadership will greatly depend on our actions at the global level. The impact of previous reform efforts have frequently been limited by the lack of commensurate efforts or progress at the headquarters level. In interviews with Country Team members and Resident Coordinators, greater coordination, coherence and harmonization at the global level were repeatedly underscored as critical conditions for improvements to the functioning of UN Country Teams. There is a sense that some significant advances in working better together and reducing silos at the field level have not been consistently matched at headquarters.
91. In addressing this long standing issue, I intend to assume to the fullest my responsibilities as Chief Executive of the United Nations, and reassert a leadership role in the sustainable development efforts of the United Nations, in support of Member States and our staff on the ground. We have begun a review of the Chiefs Executive Board for Coordination (CEB) to ensure it is well positioned to provide the forward-looking leadership and accountability that the system requires and that it is an effective tool to support action and mandate implementation across the system in support of member states.
92. The Deputy Secretary-General will act as the facilitator of integration and system-wide coherence, a convener of global-level initiatives for sustainable development, as well as neutral broker in interagency processes. I count on this position to enhance the accountability of the UN development system and the impartiality, coherence and effectiveness of United Nations sustainable development activities, fully respecting the operational capacities and mandates of individual entities. The Deputy Secretary-General will also continue to support me in driving the UN development system repositioning. This is in full respect of Resolution 52/12 B, which created the position of the Deputy Secretary-General to elevate, inter alia, “the profile and leadership of the United Nations in the economic and social spheres”
93. **In reinforcing global leadership and accountability on the coordination of the UN development system, I will:**
  - **Task the Deputy Secretary-General to (i) assume the Chairmanship of the UN Development Group with UNDP serving as vice-chair; and (ii) work with the UN development system in reviewing the composition and working methods of the UNDG.**
  - **Reposition the CEB to enhance coordination, coherence and accountability of the UN system leadership.**

**The United Nations thought leadership on sustainable development**

94. In strengthening the United Nations “thought leadership” at the global level, we want to bolster the UN development system’s vertical policy backbone, building on the unique comparative advantage of the United Nations: its capacity to bring in the field perspectives into the global debate and offer best practices and policy options to Governments.
95. DESA has a critical role to play, leveraging the role of Regional Economic Commissions and bottom-up analysis from UN Country Teams. Like many of our partners, I look forward to a DESA that is at the forefront of financing for development and sustainable development policy, including in new, frontier areas emerging through advances in science and technology.

96. To move towards this objective, we intend to build on General Assembly resolution 70/299, through which Member States requested me to enhance the effectiveness, efficiency, accountability and internal coordination of DESA, considering the need to avoid overlap in its work and ensuring that the work of the Department is organized in an integrated, cohesive, coordinated and collaborative manner.
97. The mandate contained in resolution 70/299 is in parallel, but inter-related with the QCPR. DESA, as a headquarter-based UN Secretariat programme on regular budget, with normative, analytical and capacity building functions, has a unique role within the UN development system. DESA reform must be consistent with the development system review envisioned in the QCPR. In addition, the important ongoing intergovernmental discussions on the alignment of the agendas of the General Assembly, ECOSOC and its subsidiary bodies, also impact how DESA provides integrated support to those processes.
- 98. To enhance the effectiveness, efficiency, accountability and internal coordination of DESA, I will:**
- **Task the Deputy Secretary-General to oversee DESA’s ongoing review process, with three key objectives to (i) improve DESA’s support to intergovernmental processes related to sustainable development; (ii) step up DESA’s capacities for policy analysis and knowledge production (iii) reassert DESA at the forefront of sustainable development policy at the global level, including as the “docking station” for financing for development at the global level, working closely with international financial institutions and the World Bank.**
  - **Call upon the Assistant-Secretary-General for Economic Development to serve as United Nations Chief Economist. The Chief Economist would be responsible for spearheading cutting-edge analysis and policy innovation, feeding into strategic integrated planning within the UN development system to support Member States, and serving as a strong technical interlocutor with International Financial and Economic Institutions. The Chief Economist would work closely with Regional Economic Commissions and with the UN development system to draw on the unique field-based knowledge of the system to generate contributions and shape the global debate.**

## **V. Strengthening accountability to guide the UN development system’s support to the 2030 Agenda**

99. Strengthening the accountability of the United Nations development system is essential as we transition to greater system-wide coherence and ensure greater mutual support and coherence across silos. It is also critical to the repositioning of the system in support of the Agenda 2030. While oversight has to be exercised, first and foremost, by countries at the national level, a reinvigorated governance mechanism at the global level is critical to preserving the multilateral nature of the United Nations and increasing incentives for inter-agency collaboration.
100. As mandated by the QCPR, we have consulted closely with the Joint Inspection Unit (JIU) to explore ways to improve the accountability and overall coordination of the entities of the UN development system, and their oversight by Member States. In line with its Statute, the JIU has provided independent advice on principles and parameters to help guide our analysis. We are grateful to the JIU Chair and all Inspectors for their engagement. We have also undertaken a thorough review of previous studies and Member States deliberations on the issues at hand.
101. We share with the JIU the view that, while concerns about fragmentation of the United Nations governance and accountability mechanisms have been a recurrent issue over many years, the new Agenda provides a renewed momentum and policy framework to address these challenges head-on. The SDGs offer a framework to guide UN

entities across the development system and the opportunity to lead a paradigm shift from accountability between providers and recipients towards collective accountability for development outcomes.

102. Current governance structures at the global level are insufficiently robust to foster coherence and a whole-of-system approach at the depth required by the new agenda. In our interaction, the JIU emphasized the need to drive any changes according to specific, well defined purposes, with particular attention to defining functions that require and are amenable to system-wide governance. As framed by the JIU, “with the requirement for horizontal cooperation and integrated approaches never more urgent, the question is how best to enable this while maintaining the dynamism stemming from the varied composition of the UN development system”. In response, we will focus on three core dimensions of accountability: improving Member States oversight over the UN development system support to the 2030 Agenda; increasing transparency on system-wide results; and strengthening internal accountability to ensure that the system delivers on mandates entrusted to it.

## A - Improving governance and oversight by Member States

103. Inter-governmental oversight mechanisms must provide strategic direction, hold the system accountable for results, and embrace transparency. They must also create an enabling environment and incentives for joint action and innovation across the UN development system, which is needed to achieve the SDGs. The governance architecture of the UN development system, in its current form, is unlikely to provide the level of oversight required to ensure a more cohesive UN development system’s support to the 2030 Agenda. Not only is the governance fragmented across individual governing bodies, with limited interaction amongst themselves and with the ECOSOC. It is also increasingly challenged by a growing share of non-core resources allocated to a myriad of small-scale projects which are negotiated outside the scope of governing bodies.

104. Accountability to Member States will require, inter alia, addressing these challenges, to ensure consistency of the guidance from Governing Bodies to the system with that emerging from the ECOSOC; and better oversight of system level results. I commend the ongoing work by Member States for the strategic alignment of the work of the ECOSOC and the General Assembly with the 2030 Agenda, and the efforts to revitalize the work of the General Assembly and its various committees. This streamlining would help enhance strategic guidance and oversight of the operational activities for development of the United Nations system at the headquarters, regional and country levels.

105. Additional actors and mechanisms that cross these multiple layers and lines are also key to ensuring oversight, transparency and accountability of the system, as well as system-wide coherence:

- At the political level, the High Level Political Forum provides political leadership, guidance and recommendations on the implementation and follow-up to the 2030 Agenda.
- ECOSOC’s Operational Activities Segment provides overall coordination and guidance for system-wide operational efforts. At the country level, UN development system’s support is coordinated, aligned to country priorities, and made transparent to all actors through the UN Development Assistance Framework.
- At UN Headquarters, these include the Chief Executives Board, the UN Development Group, and the High-Level Committees on Management and High-Level Committee on Programmes.

106. Agency by agency reporting to respective governing bodies continues, nonetheless, to be the norm. Principal organs have limited ability to hold individual entities accountable for implementation of system-wide mandates. In recent years, as the coherence agenda advanced on the ground, system-wide issues tended to become primarily the domain of inter-agency mechanisms, such as the CEB and the UNDG, operating on the basis of consensus and not formally accountable to governing bodies. Subsequent changes in the coordination function have not altered the voluntary, consensus-based nature of this arrangement. There is an evident accountability gap in the UN development system’s interface with Member States on issues that do not belong to any individual governing

body, including a review of system-wide results. The new agenda provides an opportunity to bridge this accountability gap.

**107. To strengthen system-wide governance and oversight of the UN development system's support to the 2030 Agenda, we propose the following options for consideration by Member States:**

- **Redesigning the ECOSOC Operational Activities Segment, through sharply focused meetings of the segment twice a year.** Its key functions would include (i) providing system-wide policy guidance and serving as an accountability platform on collective support to the SDGs. This review would be based on light annual reporting, focused on system-wide SDG results. This should form part of existing reporting requirements and draw on agencies individual processes to avoid burdensome or duplicative efforts. It would be complemented by independent assessments and evaluations of system-wide results and performance; (ii) serving as a platform for coordination of the work of the Executive Boards, replacing the joint meetings of the Boards that have no legal standing; (iii) strengthening the linkage of normative and operational functions, including translating global norms originating from different parts of the system into system-wide operational guidance.
- **Progressively merging the governing boards of New York-based funds and programmes, building on the current practice of joint Board meetings of UNDP/UNFPA/UNOPS, and UNICEF and UN Women.** The impact of this merger could be significant, as these entities deliver a substantial share of operational activities on the ground, and count with close to half of the total staff of the UN development system. Other entities – including specialized agencies – could maintain their individual bodies, but with a stronger linkage with the ECOSOC. The merger would place focus on the horizontal governance of the system, with increased strategic guidance and oversight by Member States and emphasis on joint strategy, planning and results to better deliver on one agenda. The joint Board would however continue to offer dedicated space for individual entity issues, to ensure that vertical accountability on entity-specific results remains robust. This would entail reviewing the current functioning of the boards with a view to improving coherence, efficiency, quality of engagement, transparency, strategic oversight, more systematic follow-up and adherence to clear rules as mandated by the QCPR.
- **Strengthening the interface with Member States on system-wide issues.** I want to engage more directly with the ECOSOC on system-wide support to the SDGs and on activities falling under the responsibility of the CEB and the members of the UNDG. While these are to remain internal, management mechanisms at the disposal of the Secretary-General, increasing transparency on their activities and engaging in an interactive dialogue with Member States to ensure that their work is aligned to multilateral guidance and expectations is a win-win proposition. We will be discussing the modalities of this interaction with the President of the ECOSOC and other Member States.

**B - Increasing transparency on system-wide results**

**108. To increase transparency on system-wide results, we will work with the UN development system to complement the current focus on agency-specific mandates and compliance. This will include the following initiatives:**

- **Annual reporting on system-wide results at all levels.** In each country, one joint, annual report to host governments on collective support to the SDGs as reflected in the national development plans. Many UN Country Teams already produce a single report on results for their host governments. We would like to see that practice universalized and standardized to allow for comparability and aggregation at the global level. Accountability and transparency to host governments and other national stakeholders begins with a stronger Resident Coordinators system and better ways to report on results achieved, so that governments and citizens alike can understand the role, value and delivery of the UN development system. At the regional level, annual reporting on the United Nations contribution to regional policy issues and knowledge production, to be coordinated by the Regional

Economic Commissions. At the global level, the UN development system will continue to harmonize its data management and reporting systems to produce regular reporting to the ECOSOC on its collective contributions to the SDGs, building on the methodology developed for the “outline of system-wide functions and capacities” mandated by the QCPR.

- **Reinforced transparency on agency-specific expenditures and results through system-wide enrolment into the International Aid Transparency Initiative, to ensure that States and citizens have real-time visibility into our expenditures.** Agencies also will build upon significant progress in results reporting systems to make the UN contribution to sustainable development more visible and concrete.
- **Creating capacities for independent evaluation of system-wide activities.** The UN development system requires dedicated capacities to undertake more frequent and consistent system-wide evaluations of performance and results. We envision the establishment of a small independent office – which could be anchored in the Executive Office of the Secretary General or other internal coordination mechanisms providing support to a revamped Resident Coordinators system. This office would have a light footprint and focus on ensuring coherence in the work of the various independent evaluation offices of individual entities, while also undertaking select evaluations on the UN development system performance in support of SDGs globally or at the country level.

## C - Strengthening internal accountability, to deliver on collective mandates

**109. To increase transparency on system-wide results, we will work with the UN development system to complement the current focus on agency-specific mandates and compliance. This will include the following initiatives:**

- **A series of measures to increase accountability within internal management and coordination mechanisms, such as the CEB and UNDG.** Just as we ask countries to nationalize the international conventions they ratify, it is essential that inter-agency agreements and standards be respected, tracked and reported on by every member of the UN development system, to their Boards, through my reports, in direct interaction with ECOSOC and in the public domain. They must become a part of individual entity strategic plans, budgets and results.
- **In instilling a stronger sense of internal discipline, we will continue to improve upon performance management, including through simplification and rationalization of tools and mechanisms to ensure that compacts between senior leaders and the Secretary-General are results-based and enforced.** The new UN System Leadership Framework endorsed last April by the CEB provides a basis on which to build. This will be complementary to other proposed reforms to strengthen the accountability of Resident Coordinators and Country Team members.

## VI. Addressing funding trends to deliver one agenda together - towards a Funding Compact

110. For a UN development system that can work as one and effectively support the implementation of the 2030 Agenda, adequate funding is essential. The fundamental question of the system’s funding patterns in light of the 2030 Agenda will be further elaborated by the end of 2017, as mandated by the QCPR<sup>3</sup>.

<sup>3</sup> /RES/71/243 OP 20 “*Also requests* the heads of the entities of the United Nations development system, under the leadership of the Secretary-General, to develop and present by the end of 2017 for consideration by the operational activities for development segment of the 2018 session of the Economic and Social Council [...] options for aligning funding modalities with the functions of the United Nations development system, to be reflected in the new strategic plans and similar planning documents of its entities”.

111. To ensure a more coherent, efficient and effective United Nations, Member States must provide the core funding that fosters national ownership and enables a more flexible and strategic system. High levels of earmarked funding constrain the system's ability to deliver in a coherent fashion, to effectively support policy integration, data management, institutional building, partnership and financing approaches – functions that will be increasingly important moving forward. It also undermines accountability for system-wide results.
112. The evidence from the review of UN development system functions and capacities makes this patently clear. Currently, only about 15% of the system is core-funded, a percentage that has declined over the past ten years and continues to decrease. At the same time, more than 90% of all non-core flows are being directed to single donor-single entity projects. Fragmentation and volatility is the norm. An effective repositioning of the UN development system will depend, significantly, on simultaneous changes to current funding practices.
113. Funding to the UN development system must be more predictable, sustainable, flexible, timely and multi-year. Operationally, the provision of resources must be structured in a way that maximizes collective results at the country level and the impact of the United Nations where it can make a difference. Fragmented funding divides the system – providing incentive for competition; not for the collaboration needed to produce integrated responses. Together, we must explore ways to provide better and more direct funding for joint activities and programmes, as well as funding approaches that encourage integration and coherence. A UN development system that is fit for the 2030 Agenda also requires funding leadership and coordination with the right capacity and policy mix to bring this all together. It also requires funding spaces that allow for testing and innovation, including addressing the issues of tomorrow so that countries can bear, share and manage risks more effectively and be more resilient to shocks.
114. The UN development system must also earn the trust required to mobilize more predictable and less earmarked funding. In part, we will do so through our commitment to provide all Member States with the transparency and accountability they owe their citizens. We have offered a number of proposals above to improve our efficiency, further open ourselves to scrutiny, to embrace the value of transparency.
115. We are also confident that the progressive shift to system-wide results will provide a much more robust results story for our partners to fund collective results and coordination functions.

**116. In addressing the funding fragmentation:**

- **In the coming months and in preparing for proposals in December, we will work on a Funding Compact with Member States to explore reasonable options that could help improve the quality and predictability of resources allocated to the UN development system, in return for greater effectiveness, transparency and accountability on system-wide results.**
- **At the centre of our efforts will be the need to rebuild confidence and support to the core budgets of UN development entities, while identifying mechanisms – pooled funds or other innovative funding sources – that could help ensure that the non-core component is less tightly earmarked and contributes to country-led SDG results.**

## **VII. The way forward**

117. The UN development system must effectively respond to the demands of the new development landscape and the new development agenda. Expectations are high for the UN development system to align effectively with the 2030 Agenda, and meet the demands Member States have expressed through the QCPR process.
118. The analysis indicates that the system is both willing and ready, but is not fully equipped nor designed at this time to live up to the ambition of the 2030 Agenda.

119. There is an urgent need for the UN development system to move beyond coherence and coordination towards greater leadership, integration and accountability for results on the ground.
120. This report is a first step in identifying areas that require further work, measures to build mutual trust, and ways to renew our partnership to achieve the 2030 Agenda and ensure that the UN development system can play the role that Member States require of it. A further report will be issued in December, in accordance with the request of the QCPR. That document will provide further clarity on the measures and ideas mentioned in the present report, in particular regarding proposals for the improvement of the Resident Coordinator system. It will also respond to the QCPR call for a system-wide strategic document, and will provide recommendations on how funding efforts can better align with the work required from the United Nations in response to the 2030 Agenda.
121. This is only the beginning of a process that will unfold until the end of the year. Member States have asked me to be ambitious in being fit for supporting countries to deliver on Agenda 2030. We therefore count on the continued confidence and engagement of Member States
122. Just as our founders looked well into the future, when they shaped and adopted the Charter of the United Nations, so do we have a collective responsibility to invest in the United Nations of tomorrow – and the world we want to see in 2030 and beyond.
123. People around the world are looking to us. I count on your support as we move forward. Together we can deliver a strengthened United Nations development system that supports countries to achieve concrete results for the people and the planet.