

Papers by the Independent Team of
Advisors to the ECOSOC Bureau

THE FUTURE WE WANT THE UN SYSTEM WE NEED



ECOSOC Dialogue on the longer-term
positioning of the United Nations
development system



United Nations

PAPERS BY THE INDEPENDENT TEAM OF ADVISORS

THE ECOSOC DIALOGUE ON THE LONGER-TERM POSITIONING OF THE UN
DEVELOPMENT SYSTEM IN THE CONTEXT OF THE 2030 AGENDA FOR
SUSTAINABLE DEVELOPMENT





The 2030 Agenda requires a stronger, better-integrated and more strategic United Nations Development System. An Independent Team of Advisors recently offered ECOSOC a vision of a stronger system working as one. I trust we will all benefit from this bold diagnostic work and consider their wide range of proposals.

Ban Ki-Moon, UN Secretary-General
High-level Political Forum, 19 July 2016



We must all help keep up the momentum of our transformative agenda and make sure that lessons are shared and that best practices are replicated. The recent ECOSOC dialogue and the inputs of the Independent Team of Advisors (ITA) are also contributions in moving forward in an effective and coherent manner.

Jan Eliasson, UN Deputy Secretary-General
High-level Political Forum, 18 July 2016

Table of Contents

EXECUTIVE SUMMARY.....	4
BACKGROUND	8
ACRONYMS	9
PAPER 1 – FUNCTIONS AND IMPACTS OF THE UN DEVELOPMENT SYSTEM.....	10
ANNEX A: THE CURRENT UN DEVELOPMENT SYSTEM.....	18
ANNEX B: UNDS FUNCTIONS AND SELECTED MODE OF DELIVERY IN DIFFERENT COUNTRY CONTEXTS.....	19
COMPENDIUM.....	20
PAPER 2 – A NEW FUNDING ARCHITECTURE OF THE UN DEVELOPMENT SYSTEM FOR THE 2030 AGENDA: OPTIONS AND CHALLENGES	22
ANNEX A: UNDS FUNDING AT THE COUNTRY LEVEL	29
ANNEX B: IFAD NEGOTIATED REPLENISHMENTS.....	30
ANNEX C: WHO NEGOTIATED PLEDGES.....	32
ANNEX D: UNEP VOLUNTARY INDICATIVE SCALE OF CONTRIBUTIONS	33
COMPENDIUM.....	35
PAPER 3 – GOVERNANCE STRUCTURE OF THE DEVELOPMENT SYSTEM: THE IMPERATIVES OF EFFECTIVENESS AND INTEGRATION.....	38
ANNEX A: PROPOSED GOVERNANCE STRUCTURE	42
ANNEX B: UN ENTITIES EXECUTIVE BOARDS	43
ANNEX C: PRINCIPLE GOVERNING BODIES, BY TYPE AND REGION.....	44
COMPENDIUM.....	46
PAPER 4 – ORGANIZATIONAL ARRANGEMENTS AND CAPACITIES IN UNDS: SUPPORTING THE REALIZATION OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT	47
ANNEX A: NUMBER OF UNDS OFFICES.....	56
COMPENDIUM.....	57
PAPER 5 – PARTNERSHIPS FOR THE UN DEVELOPMENT SYSTEM.....	58
ANNEX A: BRIEF HISTORY OF PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT IN THE UN SYSTEM	64
COMPENDIUM.....	65
PAPER 6 – INTERLINKAGES IN THE UN DEVELOPMENT SYSTEM	66
PAPER 7 – FINDINGS AND CONCLUSIONS	72
ANNEX I: SUMMARY OF PHASE ONE OF THE ECOSOC DIALOGUE (DECEMBER 2014 – MAY 2015)	88
ANNEX II: SUMMARY OF PHASE TWO OF THE ECOSOC DIALOGUE (DECEMBER 2015 – JULY 2016).....	95
ANNEX III: TERMS OF REFERENCE OF THE INDEPENDENT TEAM OF ADVISORS AND LIST OF MEMBERS.....	107
ANNEX IV: MEMBERS OF THE INDEPENDENT TEAM OF ADVISORS.....	110

EXECUTIVE SUMMARY

The Independent Team of Advisers (ITA) – established by the Bureau of Economic and Social Council of the United Nations – deliberated on a range of complex, inter-related issues and challenges confronting the United Nations development system (UNDS).

They resolved that the UNDS must transform itself to deliver a future we want for our people and the planet, anchored in the principles of universality, indivisibility and integration. In addressing the challenges, the ITA reviewed the functions, funding, organizational arrangements, governance and partnerships and various interlinkages to provide a coherent roadmap for a UNDS that is fully integrated and aligned to the priorities of the 2030 Agenda for Sustainable Development.

Functions

The ITA took a holistic approach to offer a set of bold and transformative recommendations, in the context of a new and ambitious development agenda. Taking into account that functions should inform and determine funding, governance, organizational structures and partnerships of the UNDS, the Team identified the key challenges in the functioning of the UN development system.

Recommendations

The UNDS would need to re-prioritize, specify and integrate many of these functions within and across entities to make them more relevant and effective for the Member States. Greater clarity and specificity about the mandates of agencies, funds and programmes should enable UNDS entities bridge existing gaps and avoid costly overlaps.

It acknowledged that the UNDS was highly fragmented, which constrained the scope and scale of its functions. The Team underscored the need for a global strategic framework to integrate the operational activities of various entities and ensure that UNDS interventions are cross-sectoral and multi-dimensional, while taking into account the linkages between national and regional development and global challenges that require collective action. It was underscored that the strategic framework should take into account differentiated country needs and inputs from the UN system at the country and regional levels.

The design and implementation of a global strategic framework would require the UNDS to provide leadership in development-thinking, rebrand itself to reduce overlaps and fragmentation and pursue a coherent vision of sustainable development at national, regional and global levels.

Funding

The ITA recognized the preponderance of disparate, ad-hoc and unpredictable funding streams – mostly in the form of voluntary and highly earmarked non-core resources – across the UN development system. The fragmented funding practices often led to fragmented functions, governance and organizational arrangements, limiting their development impact and effectiveness.

Recommendations

The team concluded that the UNDS should agree on, and implement, a common strategy to ensure that non-core resources are earmarked at outcomes levels envisaged in the global strategic framework. This should ensure alignment and integration between inter-governmentally agreed strategic objectives and the development projects and programmes funded with non-core resources at regional and country levels.

It was also acknowledged that the UNDS should make greater efforts to pool financial resources, setting specific targets to support the 2030 Agenda. This should enable UNDS to enhance their cost efficiency and effectiveness and expand resource availability to support SDG implementation. The team also suggested that the UNDS should act as a financial broker to facilitate the matching of funding opportunities with local funding and investment needs.

Organizational arrangements

Against the backdrop of a strong nexus between functions and funding, the ITA delved deeper to identify the underlying organizational arrangements that undermine the performance of the UN development system. Taking into account the high overhead and staffing costs and the low rate of delivery per professional staff in various country-contexts, the team emphasized the need for an integrated organizational presence at the country level, under the full authority of the UN Resident Coordinator (RC).

Recommendations

The selection and recruitment of RCs should change fundamentally to attract the most qualified candidates, including from outside the system, with a more varied professional experience and expertise. The ITA also recommended that the existing post of the Deputy Secretary General (DSG) for Development should be re-designated as the Deputy Secretary General for Sustainable Development, with adequate support staff drawn from within the system.

The functions performed by the re-designated DSG for Sustainable Development should be supported by a Strategic Executive Team, composed of the Chief Executives of UNDS entities. The DSG for Sustainable Development should manage the RC system to ensure greater coherence with, and integration between, the global strategic framework and the 2030 Agenda for Sustainable Development at the country level. The ITA also emphasized the need for streamlining country level presence of UNDS entities, scaling up joint offices and integrating various back-office functions with common reporting mechanisms.

Governance

Turning to governance, the ITA recognized existing gaps in both vertical and horizontal governance structures that restrict the ability of the UNDS to function as an integrated system. The accountability and reporting mechanism is often ineffective and inadequate. The existing governance architecture of the UNDS lacks authority to effectively integrate functions, funding and organizational arrangements at the global level, which are critical for supporting the 2030 Agenda.

Recommendations

The ITA underscored the need for a strengthened Economic and Social Council (ECOSOC) to play an increasingly important role in leading, coordinating, integrating and reviewing UNDS efforts, in implementing the Quadrennial Comprehensive Policy Review (QCPR) resolution and supporting the 2030 Agenda. It recommended the establishment of an over-arching Sustainable Development Board (SDB) as an integrated governing body for the system, with its membership determined and elected by ECOSOC. The SDB – established through gradual merger of existing governing bodies – should have both system-wide and agency-specific governance functions. The SDB should oversee the implementation of the global strategic framework and consolidated budget in line with guidance received from the QCPR resolution.

The re-designated DSG for Sustainable Development should report to the board on behalf of the entire UN development system to ensure greater coherence and integration of functions and funding at the entity level. With a view of strengthening horizontal governance, the ITA recommended that the Delivering as One initiative be scaled-up to enhance operational effectiveness of the UNDS.

Partnerships

The ITA reviewed the existing partnership mechanisms and practices across the UNDS. It underscored the need for a broader vision on partnerships in the context of the 2030 Agenda for Sustainable Development, recognizing the critical importance of engaging the private sector, civil society organizations and experts from national and international technical agencies and academia in SDG implementation. Such broad-based partnerships should contribute to strengthening the governance of UNDS, improving organizational arrangements and enhancing periodic monitoring and learning mechanisms.

Recommendations

The ITA recommended the establishment of a system-wide delivery support for partnerships, with a view to identifying partnership needs, gaps and opportunities. It was also suggested that the delivery support for partnerships should undertake a mapping exercise to facilitate multi-sectoral and multi-dimensional partnerships, identifying the roles of all stakeholders and their inter-linkages in implementing the 2030 Agenda for Sustainable Development.

The critical importance of identifying and exploiting various interlinkages were underscored by the ITA. It was recognized that the universal 2030 Agenda is an agenda of interdependence. The Team emphasized that the UNDS must take into account the interlinkages inherent in the 2030 Agenda and its universality. It was also considered an imperative to harness the interlinkages among development, humanitarian assistance and security.

The ITA also called for strengthening the interlinkages among global, regional and national level actions undertaken by UNDS entities, as well as the interlinkages among governance, funding, functions, and organizational arrangements of the UNDS. A repositioned UNDS must fully capture these inherent interlinkages in the context of an integrated Agenda, while also linking the efforts of UNDS and the broader set of stakeholders in sustainable development.

The UN development system we need

The ITA suggested that the re-positioning of the UNDS should begin as soon as possible and be guided by an ambitious timeline. At the same time, it should be an open process which allows for learning, reconsidering and adjusting the individual measures as the system moves forward.

The UNDS would be well advised to continuously assess the need for change and, if necessary, adapt to new challenges in the global development landscape. The implementation of the ITA recommendations would require strong leadership from the Member States to ensure that the UNDS is fully repositioned to deliver the 2030 Agenda.



BACKGROUND

In ECOSOC resolution 2014/14, the Council decided to convene a transparent and inclusive dialogue on the longer-term positioning of the United Nations development system in the context of the 2030 Agenda for Sustainable Development, including the interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches.

This was the first time that ECOSOC was mandated to conduct such an intergovernmental dialogue on reform of the UN development system. The ECOSOC Dialogue consisted of both formal and informal sessions over an 18-month period, with the outcome of these deliberations serving as a key input to the Quadrennial Comprehensive Policy Review (QCPR) of UN operational activities for development by the General Assembly.

The first phase of the ECOSOC Dialogue took place between December 2014 and May 2015 and focused on building a solid understanding among Member States of the current state of play in the UN development system as a whole, before the adoption of the 2030 Agenda.

The second phase of the ECOSOC Dialogue was launched on 17 December 2015, after the adoption of the new development Agenda, and ended in July 2016. Its objective was the development and discussion of concrete proposals and options for strengthening the UN development system in response to the requirements of the 2030 Agenda. This phase included the establishment of an Independent Team of Advisors (ITA) to the ECOSOC Bureau in February 2016, tasked to develop bold and ambitious proposals for consideration by Member States, as one input to the 2016 QCPR resolution. The co-chairs were Ambassador Juan Somavia, former Director-General of ILO and former Permanent Representative of Chile to the United Nations in New York, and Doctor Klaus Töpfer, former Federal Minister for the Environment and former Executive Director of the United Nations Environment Programme (UNEP) and Under-Secretary-General of the United Nations (1998-2006).

The ITA produced seven papers on (i) functions and impacts, (ii) a new funding architecture, (iii) governance structures, (iv) organizational arrangements and capacities, (v) partnership approaches, (vi) interlinkages and alignments, and (vii) findings and conclusions. Throughout these papers, the ITA pushed for breaking silos and achieving horizontal coherence. ITA focused on the importance of one leader at the global and country level by re-designating the Deputy Secretary-General to be fully dedicated to sustainable development, and an empowered Resident Coordinators' system under the DSG, one governing board to speed up the delivery process, one framework to work as a system, and one way of operating by reorganizing presence in the field building on entities' comparative advantages.

This compilation includes all papers produced by the Independent Team of Advisors, as well as the summaries of both phases of the Dialogue.

Other papers produced in the context of the Dialogue by the UN Development Group (UNDG) and by the UN Department of Economic and Social Affairs (UN-DESA), as well as by independent experts commissioned by UN-DESA, are available online at <https://www.un.org/ecosoc/en/content/phase-1> and <https://www.un.org/ecosoc/en/content/phase-2>.

ACRONYMS

BOS	Business Operations Strategy	OAD	Operational Activities for Development
CBF	Common Budgetary Framework	OCHA	Office for the Coordination of Humanitarian Affairs
CD	Country Director	ODA	Official Development Assistance
CPD	Country Programme Document	OECD	Organization for Economic Cooperation and Development
DaO	Delivering-as-One	OMT	Operations Management Team
ECOSOC	Economic and Social Council	QCPR	Quadrennial Comprehensive Policy Review
ERP	Enterprise Resource Planning	RC	Resident Coordinator
GA	General Assembly	RCM	Regional Coordination Mechanism
GAVI	Global Alliance for Vaccines and Immunization	RR	Resident Representative
GFATM	The Global Fund to Fight AIDS, Tuberculosis and Malaria	SDGs	Sustainable Development Goals
HLCM	High-Level Committee on Management	SIDS	Small Island Developing State
HLPF	High-level Political Forum	SOPs	Standard Operating Procedures
IATI	International Aid Transparency Initiative	SPR	Strategic Policy Review
ICT	Information and Communication Technology	UNCT	United Nations Country Team
IFI	International Financing Institution	UNDAF	United Nations Development Assistance Framework
ITA	Independent Team of Advisors	UNDG	United Nations Development Group
LDC	Least Developing Country	UNDS	United Nations Development System
LLDC	Landlocked Developing Country	UN-SWAP	United Nations System-Wide Action Plan
MAF	Mutual Accountability Framework	UNSDF	United Nations Sustainable Development Framework
MENA	Middle East and North Africa region	WB	World Bank
MICs	Middle Income Countries		
NRA	Non-Resident Agency		

PAPER 1 – FUNCTIONS AND IMPACTS OF THE UN DEVELOPMENT SYSTEM¹

The General Assembly resolution 70/1, “Transforming our world: the 2030 Agenda for Sustainable Development” underscores several transformative shifts, which call for fundamental reflection on the role and functions of the UNDS. These shifts include:

- **Universality.** “These are universal goals and targets which involve the entire world, developed and developing countries alike.”
- **Scope.** “This is an Agenda of unprecedented scope and significance.” It “goes far beyond the Millennium Development Goals. Alongside continuing development priorities such as poverty eradication, health, education and food security and nutrition, it sets out a wide range of economic, social and environmental objectives. It also promises more peaceful and inclusive societies.”
- **Integration.** The goals are “integrated and indivisible and balance the three dimensions of sustainable development. Reflecting the integrated approach that we have decided on, there are deep interconnections and many cross-cutting elements across the new Goals and targets.”
- **Addressing inequality and leaving no one behind.** Member States pledged that across the agenda “no one will be left behind.”
- **A people-centred and planet-sensitive process, making sustainability an overarching development paradigm.** The Member States pledged, “We commit to making fundamental changes in the ways that our societies produce and consume goods and services”, to sustainably manage our planet’s natural resources and take urgent action on climate change. “We will work to build dynamic, sustainable, innovative and people-centred economies, promoting youth employment and women’s economic empowerment and decent work for all.” There can be no sustainable development without peace and no peace without sustainable development. We envisage a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination.
- **Giving reality to “we the peoples.”** The Member States agreed, “Our journey will involve governments as well as parliaments, the UN system and other international institutions, local authorities, indigenous peoples, civil society, business and the private sector, the scientific and academic community – and all people.”

At its core, the SDGs highlight a clear “development disconnect” despite progress under the MDGs. In pursuing the 2030 Agenda, Member States expressed resolve that they are “determined to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path.” In Paris they also emphasized the urgency of addressing climate change and agreed a strong initial agenda of action. These broad commitments and ambition will require the UNDS to move from the more limited perspectives of MDGs (implementing sectorial programmes and projects) to an integrated sustainable development vision of universal reach, with its functions meeting the differentiated needs of individual countries at the global, regional and national level.

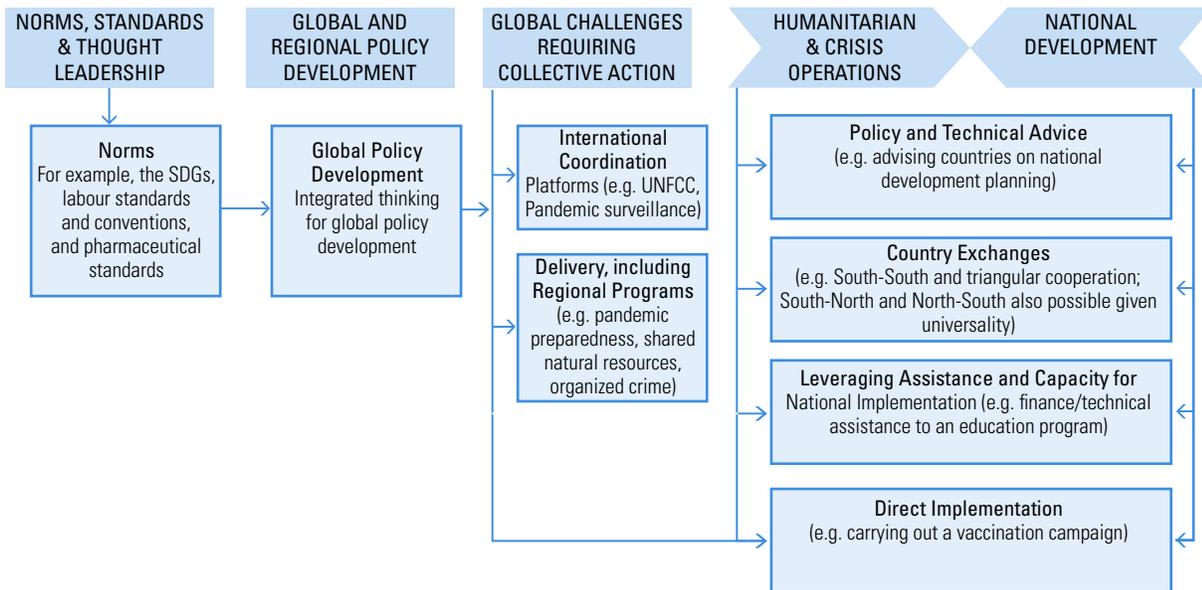
The operational functions of the UN Development System are predicated on, and driven by, globally agreed norms, standards, conventions, agreements, resolutions and declarations. In essence, the UNDS entities help Member States implement global norms and standards, while also addressing global challenges that require collective actions. The functions are also driven by various strategic plan objectives, country-demand and crisis response, as well as by supply-side factors such as the preferences of funding partners and availability of funding.

Currently, UNDS functions vary in coverage, priority and intensity. Some functions of the UNDS – for example, reviewing compliance with the Convention on the Rights of People with Disability – are universal. Other functions – such as policy advice on poverty reduction or programme support for humanitarian assistance – are typically context and region / country- specific (Figure I and also Annexes A and B). There is growing recognition that UNDS should not just use the income criterion only but rather use broader measures to differentiate its functions in various country contexts.

While each UNDS entity performs these functions in varying coverage and intensity, their contributions are not necessarily coordinated and or integrated both within and across entities. The functions of policy advocacy, policy advance, capacity development and programme implementation at all levels need to be integrated and mutually reinforcing to support realization of an integrated sustainable development agenda, avoiding unnecessary overlaps of mandates and functions. The functions are even less coordinated and integrated across entities within a country. The UNDS therefore needs to fully align and integrate policy advice, data and review, policy advocacy functions both within and across entities to foster sustainable development worldwide. It would also need to strengthen linkages between national, sub-regional development, humanitarian and crisis

¹ The Co-Chairs of the Independent Team of Advisers (ITA) led the process of drafting the paper, with inputs from ITA members and a research team. The views expressed herein do not necessarily represent consensus among all ITA members. Additional viewpoints from ITA members are available in a separate compendium. The ITA Co-Chairs would like to thank all ITA members for their invaluable contributions to the paper.

Figure I: UN Development System



operations to improve international policy coordination and effectively address global challenges that require collective action. Given the need for full alignment with sustainable development objectives and priorities, the UNDS should be re-branded United Nations Sustainable Development System, UNSDS, or the UN Universal Sustainable Development System, UNUSDS or such other name that will signal sustainability being the primal focus of the UNDS in the context of the 2030 Agenda.

The 2030 Agenda and the Functions of the UN Development System

The 2030 Agenda for Sustainable Development provides an over-arching mandate for all UNDS entities to support and catalyse the realization of the universal and comprehensive sustainable development goals. The UNDS would need to re-prioritize, specify and integrate many of these functions within and across entities to make them more relevant and effective for the Member States. Greater clarity and specificity about the mandates of agencies, funds and programmes should enable UNDS entities bridge existing gaps and avoid costly overlaps. The UNDS should build upon what already exists, yet respond to the new Agenda’s call for new approaches, and ensure maximum coherence and efficiency. It should also help catalyze political commitment and action. The changes must take place both at the global, regional and national levels to ensure that the UNDS functions are fully aligned to support the SDG agenda.

A. GLOBAL AND REGIONAL LEVELS

i. Global and regional policy development functions.

In the context of the 2030 Agenda for sustainable development, the UNDS would need to prioritize global and regional policy development. In particular, the policy development function would require the UNDS to:

- Provide thought leadership on the substantive and operational dimensions of SDG’s, including in the contexts of setting and propagating norms, standards and frameworks. Develop options for policy integration and coherence between the economic, social and environmental dimensions, as well as the interaction between individual SDGs. For example, policies for adaptation to climate change should also address the imperatives of poverty reduction and social inclusion;
- Strengthen UNDS global, regional and country level coordination of South-South and Triangular cooperation to promote peer learning and uptake of best practices
- Identify and respond to differentiated needs and vulnerabilities of various country categories at global, regional and country levels taking cognisance of universality of SDGs;
- Identify and address key policy and operational changes necessitated by the shift from MDGs to SDG’s (universality, growth patterns, integrated thinking, relations among UNDS entities);

- Facilitate the further evolution of intergovernmental/multilateral dialogues, agreements and institutional cooperation in the field of sustainable development, with due consideration given to the global role of ECOSOC and HLPF as well as that of regional commissions at the regional and interregional level the need for simpler and more aligned functions/roles and responsibilities of the top UNDS policy organs to minimize duplication and overlaps.
- Strengthen capacities to provide early warning emergencies and risk assessment at national, global and regional levels. Availability and sound analysis of economic, social and environmental data will allow UNDS entities to pre-empt crises, undertake mitigation measures and reduce the need for humanitarian interventions.

ii. Functional grouping of UNDS entities around areas of collective outcomes in the 2030 Agenda

- a. The UNDS entities would need to better structure and manage the plurality of entities in the light of agreed outcomes, as first step towards fully integrating the UNDS (details in the governance paper coming later)
- b. The UNDS entities should “deliver as one”, undertaking joint efforts to achieve outcomes, rather than expanding the intermediation of aid. Funding arrangements need to be a driver for coherence, not for competition.

iii. Effective utilization of regional mechanisms

The UNDS must acknowledge the rising significance of the regional dimension and the growing role of regional commissions in many areas of the policy development. This would require the UNDS to:

- Elevate the status of the regional Bureau offices for effective high level interactions with regional leaders.
- Utilize and empower regional mechanisms and platforms;
- Increase support in policy implementation delinked and unrelated to financial contributions, taking into account differentiated country needs.
- Re-prioritize and enhance support for generating, processing, monitoring and dissemination of data, analysis and review of the progress on SDGs. The Regional Commissions assume the function and responsibility to develop and monitor regional indicators for the implementation of the 2030 Agenda for Sustainable Development. These should consist, at the start, of no more than 10 to 12 indicators.

iv. Synergies between UNDS and IFIs

- The **substantive** work (hard/infrastructure vs. soft/capacity development), and funding modalities (loans vs. grants) of the UNDS and the IFIs complement each other well. The UNDS should therefore strengthen synergies between the UN system and the international financial institutions (IFIs), in particular those of the Bretton Woods system.
- The Global Environment Facility (GEF) can be considered as a good practical example.
- Synergies can be developed not only on the system/global level, but also on the regional level, e.g. by partnering of the regional development banks with the Regional Economic Commissions.

v. Integration of UN operational functions for development at the global level

There is a clear need for greater integration of the operational activities of UNDS entities at the global and regional level, without necessarily undermining the policy or operational independence of these entities. Addressing multi-dimensional, cross sectoral and cross border challenges will require a UNDS integrated, not just at the national level, but also at the regional global level. Integration at the national level will remain difficult to achieve, without some degree of integration at the regional global level. Integration at the regional global level will also enable entities to respond more effectively to global challenges that require collective action in the areas of climate change, migration and pandemics.

vi. Integration of humanitarian and development functions

The humanitarian-development dichotomy presents a challenge to align the functions of the UN Development System. In recent years, the demand for humanitarian assistance has grown exponentially, leading to a larger share of international resources flowing to humanitarian activities. While the UN operational assistance for development (UN-OAD) has also grown in recent years – albeit at a slower pace than before – there is a sense, particularly among the programme countries, that humanitarian assistance is diverting resources away from development, largely because humanitarians are operational in protracted crises, whereas development actors are not. The key is to ensure that development interventions, especially through national and local actors, are prioritised in these contexts. There is also a generally shared view that the UNDS needs to bridge the humanitarian development divide to ensure that these two critical functions of the UN system go hand in hand to foster peace, stability and sustainable development. At the same time, the growing focus on humanitarian needs must ensure that it does not divert resources or dilute the

focus on development priorities. A more rational alignment of humanitarian and development functions is necessary to ensure that humanitarian assistance is delivered in the context of broader sustainable development priorities and avoids chronic short-term perspectives. It is also necessary to prevent de-prioritization of development, which can escalate humanitarian crisis in future and strengthen capacities and readiness of UNDS entities to address global challenges that require collective action, which typically transcends the humanitarian-development divide. The UNDS should nevertheless maintain

its capacities to respond rapidly to an acute crisis. The efforts to integrate humanitarian and development functions face a number of practical challenges.

Development assistance is provided under longer-term strategic plans, while humanitarian supports typically follow shorter and unpredictable planning cycles. They also differ in their institutional arrangements and rely on different funding modalities.

Options	Pros and Cons
<p>A system-wide, evidence and science- based, globally relevant framework for the 2030 Agenda, that will map the functions – review, policy advocacy, policy advice and programme support - of a UNDS entity to specific SDG outcomes; specify how the functions of a UNDS entity will draw on the expertise available in other entities and how their own functions will contribute to the realization of the results pursued by other entities; c. Identify how the UNDS entities would allocate their core and noncore resources to support joint functions and activities on the ground; and d. Define a common results framework to ensure a clear linkage between functions, funding and results, with the share of each results achieved by a UNDS entity.</p>	<p>The development of such a framework will entail substantial investment and time-commitment from the UNDS entities, which may not be easy to mobilize. The framework can also end up being a “wishlist” for all UNDS entities to include their preferred functions and activities.</p>
<p>The UNDS entities define their core functions independently and explain how their core functions will support the functions of other entities and at the same time help Member States realize the SDGs.</p>	<p>This will also require a central coordination and clearing mechanism to determine which core functions can be integrated across entities to maximize their impact on SDGs. The option will be equally costly and time consuming to implement.</p>
<p>Implement joint planning and implementation strategies for humanitarian and development programmes at the global level.</p>	<p>This will require strong leadership and new institutional arrangements to bring the two parts of the UNDS together, which may be hard to achieve without strong political support from all Member States. This is likely to face significant resistance from implementing agencies, as this would intervening period inevitably delay crisis response and increase costs for the delivery of humanitarian assistance.</p>
<p>Humanitarian and development entities design and implement “transition plans”, with sufficient flexibility, to allow timely phase-out of humanitarian assistance and phase-in of development work in specific country contexts.</p>	<p>Such transition plans will be difficult to execute in the absence of a mechanism to objectively enforce the transition from humanitarian to development activities. Development actors should work together in crisis setting and design and implement common strategies.</p>
<p>Include humanitarian issues in UNDAFs and/or develop joint global guidelines on how to cooperate and build linkages in different country contexts.</p>	<p>UNDAF cycles may not necessarily correspond with humanitarian needs, which are typically unpredictable. UNDAFs should nevertheless plan/anticipate effective response to a crisis and include some options emergency relief/unpredictable needs/spikes in need.</p>



B. COUNTRY LEVEL

i. Assist countries at their request in implementing the 2030 Agenda for Sustainable

Development, particularly with regard to the challenges presented by universality, comprehensiveness and policy integration

- a. The UNDS entities should assist countries, at their request, to build the appropriate capacities and give the necessary support to countries in developing their implementation strategies for the 2030 Agenda. (NDIS-2030, i.e. Nationally Determined Implementation Strategies for the 2030 Agenda). The UNDS support should include determination of a base line – including assessment of the level of available funding and additional resource requirements – of departure and modalities for a “prompt start.”
- b. The UNDS should assist countries in developing the requisite investment budgets for the 2030 Agenda, with a focus on resourcing finance and other means of implementation. In this context, the Addis Ababa Action Agenda (AAAA) which constitutes an integral part of the 2030 Agenda provides important entry points,
- c. The UNDS should facilitate the creation, development and diffusion of new innovations and technologies and associated know-how, including the transfer of technology on mutually agreed terms. It should promote the

development and use of information and communications technology infrastructure, as well as capacity-building, particularly in least developed countries, landlocked developing countries and small island developing States, including rapid universal and affordable access to the Internet. It should promote access to technology and science for women, youth and children. It should further facilitate accessible technology for persons with disabilities.

ii. Country-specific policy advice to support implementation of integrated policies for SDGs

A growing number of developing countries will expect the UNDS entities to provide policy coherence and capacity development support for implementing the ambitious SDGs at all levels and by all actors. In particular, there needs to be greater emphasis on integrated policy coherence/coordination in middle-income countries. The SDGs represent a complex set of goals that cannot be isolated from each other. The UNDS entities, while drawing on their specialized knowledge and global reach,, should not provide policy advice on one goal or on one set of related goals to the host government, without taking into account how the pursuit of one goal complements or undermines progress in others. This means that stand-alone policy advice will not only be irrelevant for countries, but they can also be potentially detrimental.

Functions	Pros and Cons
<p>The policy advice from UNDS entities would need to be evidence-based, data-driven, objective and credible, requiring this function to be fully integrated at the national, regional and global levels under one UN logo and funded with core resources.</p> <p>This will require strengthened and repositioning of current staff capacities at all levels to lead and facilitate consultations among UNDS entities to form country specific positions on inter-related issues of growth, poverty, inequality employment and decent work, health, mitigation and climate change.</p>	<p>The scaling up of UNDS capacities to provide integrated and system-wide policy advice would require significant investment in its human resources, which may not be readily available. The limited availability of core resources will constrain the ability of UNDS entities to acquire capacities and provide policy advice. However, the UNDS entities at the country level should take advantage of expertise in regional levels, particularly in the Regional Commissions, to provide policy advice to the Member States.</p> <p>Without significant improvement in the quality of policy advice, UNDS entities run the risk of losing credibility with the Member States.</p> <p>Country-specific policy advice may run the risks of ignoring cross-border or regional implications of particular policy option, which may undermine GCRCA and international policy coordination.</p>

iii. Integrated data collection, analysis and review mechanism

The UNDS entities would need to re-prioritize and enhance its support for generating, processing, and dissemination of data, analysis and review at the country level. Given that SDGs include 321 indicators, the UNDS entities will need to invest significantly in their own capacities and also in the capacities of their national partners – particularly in national statistical authorities – to ensure that data are properly collected, analyzed and reported so that policy advocacy, policy analysis and programme implementation functions of the UNDS entities

are evidence-based. A “prompt start” initiative using a limited number of indicators for which data are readily available should allow an “early harvest” for reviewing progress.

UNDS should also facilitate multi-stakeholder review of progress in sustainable development, supported by data and sound analysis. The multi-stakeholder reviews should aim to forge stronger partnerships and not pit one against the other. Also, such reviews should engage independent experts, not just development activists and advocates, to ensure that the process facilitates necessary shifts in policies and supports new policy development.

Functions	Pros and Cons
<p>The data, review and follow-up function of the UNDS should be fully integrated at all levels under one UN logo and supported with core resources, to ensure neutrality and credibility</p>	<p>It may not be easy to mobilize additional core resources to build national and UNDS capacities for data and review and put pressure to divert existing core resources. Regional Commissions must enhance support for national and regional level capacity building for SDG monitoring.</p> <p>Improving cost effectiveness of current UNDS operations and reorienting some of the existing resources may also help to make necessary resources available.</p> <p>Even if core resources are available, the UNDS entities may not fully integrate their data, review and follow-up functions as it may entail high opportunity and transaction costs for them to re-prioritize system-wide monitoring and early warning. UN Regional Commissions should play an important role in strengthening system-wide early warning mechanism.</p>



iv Convening, policy advocacy and outreach

Policy advocacy and convening by the UNDS entities will be particularly essential since the SDGs are not current currency in people’s perceptions and there is even less understanding among policy-makers and stakeholders about the structural transformations that entails the SDGs. The UNDS must leverage its convening power to bring all stakeholders to the table and also fully integrate policy advocacy functions, taking into account the strong inter-linkages among various SDGs. A vaccination campaign by WHO, for example, should be integrated with the education campaign of UNICEF or UNESCO. Currently, a majority of UNDS entities perform their policy advocacy, communication and outreach functions independently, often competing to reach the same audience. This not only undermines the clarity, depth and resonance of their messages, but also imposes a huge financial burden on the system. Policy advocacy functions can also play an important role to facilitate partnerships within and across countries, including Private-Public Partnerships, South-South and Triangular Cooperation. This is particularly important to ensure that the UNDS does not solely rely on traditional ODA to fund its operations on the ground. Private sector entities as well as national and regional development banks have a bigger role to play in facilitating SDG implementation. UNDS should engage with national and regional development banks and call on them to expand their contributions in the area of resource mobilization, and further urge relevant international public and private actors to support such banks in developing

countries. Policy advocacy functions can play an important role in leveraging ODA and expanding the resource envelope for operational activities.

v. Targeted country specific programme implementation, supported by non-core resources

The implementation of the 2030 Agenda will also require improved and tailored support for programme implementation from the UNDS entities, particularly in the least developed countries where resources and capacities will remain scarce during the implementation period. While the demand for resources for programme implementation is likely to grow in low income and the LDCs, they are likely to diminish in a large number of countries particularly in higher middle income countries. As such, the overall resource requirements for programme support may not substantially increase during the SDG implementation period. The programme implementation functions of the UNDS entities should be integrated, to the extent possible, taking into account the varying programming strength and expertise of funds, programmes and specialized agencies. The UNDS entities should also have transition plans to shift to national implementation modalities in all country contexts to ensure national ownerships and support national capacities for implementation. This is critical for long term sustainability of the impact of UNDS programme support.

Functions	Pros and Cons
<p>The integrated policy advocacy functions of all UNDS entities – coordinated at each level under one UN logo – should be mostly funded by core resources to ensure the objectivity and neutrality of UN policy advocacy functions.</p>	<p>Integration of policy advocacy function is likely to face considerable resistance from UNDS entities that typically use independent policy advocacy and outreach to mobilize non-core resources.</p>
<p>The implementation of a fully integrated policy advocacy, communication and outreach function is likely to be cost neutral in the sense that integration will entail substantial cost savings for all entities.</p>	<p>Smaller UNDS entities may fear that their policy advocacy functions will be subsumed in the messages from larger UNDS entities, unless it is coordinated in such a way that is considered impartial to all UNDS entities. UN Regional Commissions can play an important role in strengthening and integrating policy advocacy functions for the entities at the different levels.</p>
<p>UNDS entities should gradually move from programme implementation to policy advice and capacity development, as countries acquire capacities for implementation.</p>	<p>Many programme countries, particularly the LDCs, are likely to resist the shifts away from programme support and implementation.</p>
<p>UNDS entities should periodically assess the capacities of national partners and make necessary adjustments in their implementation modalities.</p>	<p>A premature shift from programme support may stall or undermine progress in sustainable development.</p>
<p>Integration of programme support and implementation will require some agencies to take lead, while others contribute human and financial resources.</p>	<p>This may be hard to implement given the current trends and challenges in pooling of inter-agency financial and human resources. It is often very difficult for a UNDS entity to avail the services of an expert in another entity because of the prevailing complexity in cost-sharing arrangements.</p>

C. RECOMMENDATIONS

Successful Implementation of these recommendations will also require commensurate changes in governance, funding, institutional arrangements, capacities and partnerships, which are presented in subsequent papers.

Strategic emphasis

- The UNDS should be re-branded as the UN Sustainable Development System (UNSDS) or the UN Universal Sustainable Development System (UNUSDS).
- The UNDS should develop a strategic framework to integrate and link the operational activities of various entities and ensure that UNDS interventions are cross-sectoral and multidimensional, while taking into account the linkages between national and regional development and global challenges that require collective action.
- Strategic frameworks could be developed either globally or by functional grouping in support of the 2030 Agenda.
- The UNDS should provide thought leadership to: a. global and regional policy development on substantive and operational dimensions of SDG's; b. develop options for policy integration and coherence between the economic, social and environmental dimensions, as well as the interaction between individual SDGs; c. Identify and respond to differentiated national needs at global, regional and country levels; d. facilitate the further evolution of intergovernmental/multilateral dialogues, agreements and institutional cooperation in the field of sustainable development, with due consideration given to the role of ECOSOC and HLFP as well as that of regional commissions at the regional and inter-regional level. Strengthen the UNDS global, regional and country level coordination and facilitation of South - South and Triangular cooperation to promote peer learning and uptake of best practices.
- The UNDS should scale up and prioritize its functions, using its core resources and under one UN logo, to provide universal policy and technical advice to the Member States on how to integrate the cross-sectoral and multi-dimensional SDGs in national development strategies.
- The UNDS should elevate its regional bureaus, locate them at regional headquarters, utilize and empower regional commissions and other mechanisms and platforms to effectively integrate its functions and realize common outcomes, including drawing on regional mechanisms to address global challenges requiring collective action.
- The UNDS should assist countries at their request in implementing the 2030 Agenda for Sustainable Development, particularly with regard to the challenges presented by universality, comprehensiveness and policy

integration, including support for a. designing coherent, nationally Determined Implementation Strategies for the 2030 Agenda; b. determining a base line of departure and modalities for a "prompt start"; c. identify resource requirements and the requisite investment budgets for the 2030 Agenda, with a focus on resourcing finance and other means of implementation; d. facilitate access to and development of science and technology in countries and regions lagging behind; and e. strengthen capacities to provide early warning against emergencies and risk assessment at national, global and regional levels. While its role in global and regional implementation of the 2030 Agenda is key, the UNDS should strengthen national capacities for implementing development programmes in order to enhance national ownership and contributions.

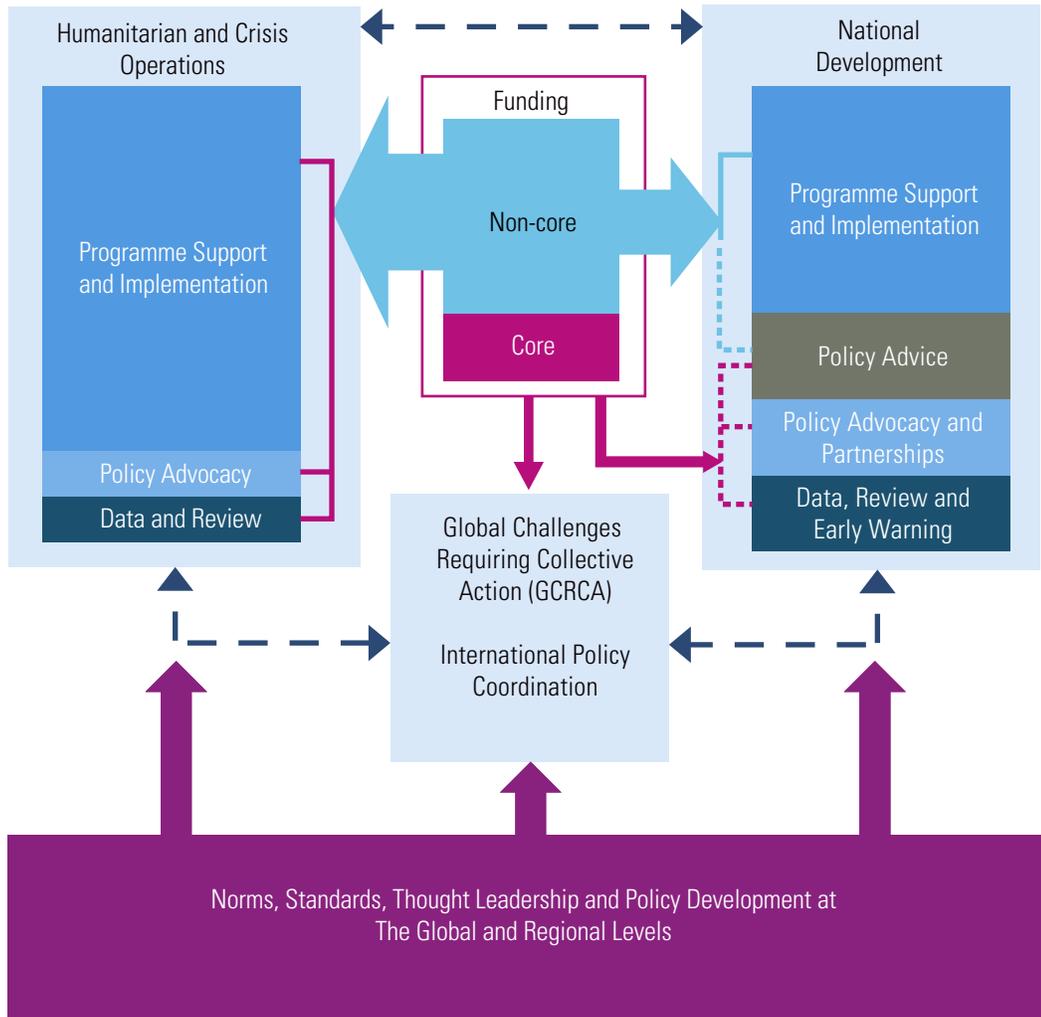
Addressing fragmentation

- The UNDS should consider functional grouping of its entities around the areas of collective and strategic cross-cutting outcomes in the 2030 Agenda (further analysis to follow in papers on governance and organizational arrangements).
- The UNDS should integrate programme implementation at the country level, to the extent possible, taking advantage of the comparative strength and expertise of each entity.
- The UNDS should achieve greater coherence and synergies between its humanitarian assistance and development efforts, to maximize the development and sustainability impact of humanitarian assistance and also to enhance the capacities of UNDS to respond to global challenges that require collective actions.
- The UNDS should integrate its function, using core resources and under one UN logo, to strengthen national capacities for data collection, review and early warning system to make sure that its policy advice and policy advocacy functions are sufficiently analytical and evidence based.

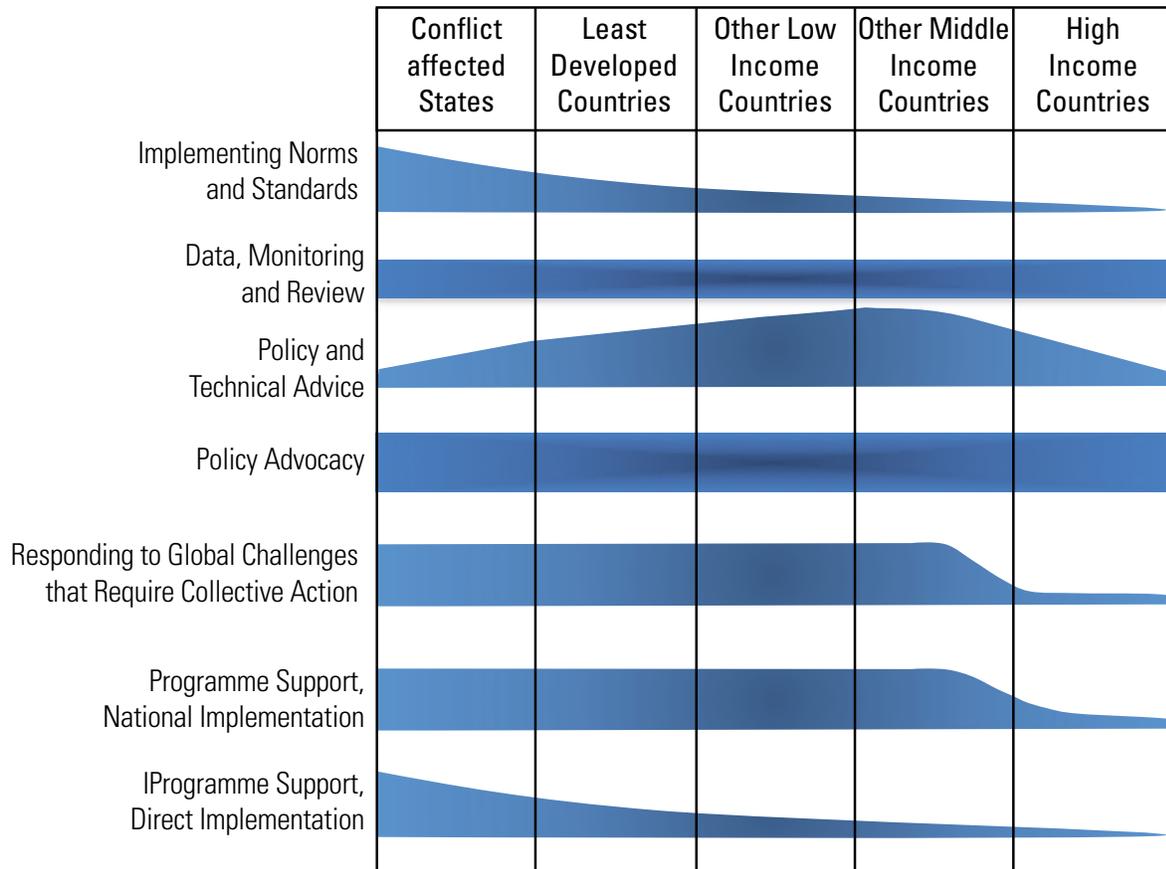
Partnerships and synergies

- The UNDS should strengthen partnerships, particularly with the IFIs, national and regional development banks and private sector, to deliver sustainable development outcomes.
- The UNDS should use its convening capacity to facilitate voluntary peer and partnership reviews at national, regional and global levels as well as among UNDS entities, with a view to strengthen knowledge sharing on the 2030 Agenda implementation and challenges.
- The UNDS should leverage its convening power and undertake policy advocacy functions, using core resources and under a one UN logo, to enhance its visibility, voice and leverage but also to forge stronger partnerships.

ANNEX A: THE CURRENT UN DEVELOPMENT SYSTEM



ANNEX B: UNDS FUNCTIONS AND SELECTED MODE OF DELIVERY IN DIFFERENT COUNTRY CONTEXTS



PAPER 1 – COMPENDIUM

Additional ITA Comments and Reflections on the Functions paper

- The functions paper overlooks some key functions including common services, data collection and maintenance, monitoring and compliance, joint advocacy, etc.
- Regarding the issue the humanitarian assistance versus the development function, it needs to be said that there is a disconnection fundamentally due to the failures of the humanitarian function.
- On the issue of integrated data collection, the main focus should be in developing the capacities of national partners in "developing countries": any quality of data in the long run depends on these capacities.
- ECOSOC should provide the function of "thought leadership" and the UNDS should "implement".
- Regional commissions could have an increased role in coordinating the UNDS in the regions which currently is not the case ...the regional commissions currently "essentially" produce reports whilst they have an important "stock" of specialized knowledge.
- UNDS should definitely provide leadership on further formulation and implementation strategies of SDGs. As it now stands, SDGs are not yet fully understood at Country level, and among the stakeholders. It is very comprehensive and holistic, need integrated approach and yet we could easily lose focus.
- UNDS will need to define more specifically on how to take this leadership role. This is a subject for further discussion.
- UNDS should act as a clearing house, on the various SDGs Indicators. UN Statistical Division certainly is an important player. However the indicators, measurement etc. themselves have to be further developed and elaborated facilitated by UNDS.
- First and foremost it is important to utilize or even undergo a thorough evaluation at UNDS and its entities. How to restructure and make them more effective and efficient should also be based on careful evaluation and assessment.
- UNDS should not be expected to overtake everything in the development process for SDGs. UNDS is certainly ill equipped to do so if based on the existing conditions, it will take a massive reform and restructuring effort to bring the System to perform as the overarching Development System for SDGs.
- It is more important to strengthen Country Office, not by the presence of each of the UNDS entities but by the quality of the policy support and program implementation for some countries (such as LDCs). The presence can be rationalized.
- Assess further the roles and effectiveness of Developing as One and RC at country level.
- There needs to be greater emphasis on harmonization, complementarity of the UN Agencies to deliver TOGETHER AS ONE at the country level.
- Streamline operational procedures within the UN SYSTEM , eliminating unnecessary steps and procedures which hinder and delay implementation of different required actions, avoiding BUREAUCRACY and providing for a more swift and efficient system.
- it is also important to focus on functions that would reflect and lead to tangible impact from UN interventions, I would like to mention and reiterate here what I have addressed during our plenary session with the Heads and Members of State: Youth Employment (SME) s and Poverty Alleviation (namely in LDCs), South- South Cooperation, and Social Safety Nets, I have experienced this in reality, and the visibility and measurable impact were very positive.
- Structure projects and interventions according to Governments needs assessment to achieve better results.(governments in the driving seat)
- Revisit system wide reporting, and control measures.
- Introduce multidimensional approach to poverty pockets (labour intensive projects, Microfinance) a holistic and integrated approach would have a higher impact.
- More clarity on who does what and how and moving from compliance to performance and impact Business as Usual is not viable any more, hence, an integrated approach is critical.
- Alignment and support to National Priorities is key to achieving better and more tangible results, with strong dissemination to the public to achieve better visibility for the UN at country, regional and global levels (More VISIBILITY)
- The use of core resources should not be limited to the normative functions of UNDS. There must be a critical mass of core resources to allow UNDS to function as a neutral system at the service of all member states. Neutrality is not only necessary for the normative functions of the UNDS. As an example, it is also important for policy advice to be totally neutral.

- Regrouping of entities could be a good idea but should be presented in a way that guarantees that we will not end up creating new silos.
- Concerning the issue of linkages between humanitarian and development. It is important to ensure that the humanitarian is framed within a long-term national development strategy responding to exceptional situations. It is also crucial that what is urgent does not take over what is important. We have to make sure that firewalls are created and it is probably better to keep the Humanitarian and Development in separate accounts.
- To enhance system-wide coherence, the UNDS needs to streamline the documentation process among its various agencies. Unified terms and approaches should be adopted as wide as possible in the documentation of various agencies. All UN agencies should be cautious with the use of internal jargon except for in some professional areas such as medical, finance, legal, or accounting area. The complicated internal jargon system just aggravates the problem of silos and lack of coordination in UNDS.
- There is no need to change the name of UNDS to reflect its shift of focus on sustainable development.
- To promote knowledge sharing with greater involvement of member states, rather than the conceited term of “thought leadership”. Knowledge sharing at least has two advantages. First, the knowledge production and sharing process has never been just a purely theoretical process. It should be evidence-based with country practices and experiences constituting an important portion of the knowledge producing process. In this aspect, the middle-income developing countries such as China, India, and Brazil have much to contribute in the knowledge producing and transfer process. International institutions should and also can not monopoly such a process of knowledge sharing. Second, any knowledge sharing targeted at specific recipient country need the active involvement of national government and local communities, with improvised terms and conditions based on various local contexts. Knowledge sharing is a two-way process rather than one-sided transferring.
- Emphasis needs to be put on the role of Middle-income developing countries and the rising importance of new type of South-South Cooperation. There is very rare mentioning of this point in the UNDS, which will be definitely crucial for it to implement its mandate and improve performance.
- For global challenges that require collective actions, there first needs a lessons-learned process from past major crises of global concern, such as the Ebola crisis, Arab Spring leading to great regional instability, and refugee crisis in Europe, etc. Considering the compound nature of such challenges and difficulty of setting up one unique agency responsible for addressing them, an ad hoc approach may be more feasible. Based on the experiences and lessons learned from the tackling of Ebola crisis by international community, some top level coordination around the world is workable when such kind of crises emerge. In the meantime, some key agencies with mandates covering this aspect should build capacity for crisis preparedness and early warning, such as WHO, UNDP, UNISDR, etc.
- The linkage between humanitarian and development areas. I agree that it’s critically important to make the humanitarian work aligned with the long-term development goals. Yet it’s also crucial for the UNDS to bear in mind that in short- and middle-term humanitarian assistance may sometimes become a major area for promoting development. It should be a precondition for sustained development to address vulnerability and fragility and strengthen resilience in the society.
- While maintaining its partnership with the old IFIs, in particular the Bretton Woods system institutions, the UNDS should also attach importance to some new MDBs, such as the AIIB and NDB. The specific focus of the AIIB on infrastructure development may provide great resources for alleviating the bottle-neck problem constraining development in many developing countries. And the NDB, as first MDB sponsored by middle-income developing countries, may have greater role in promoting new type of South-South Cooperation.
- Too much an ‘organization centric’ view. The larger issue is one of policy coherence between policies favored by BWIs and by the UN system. In recent times the gulf has been smaller than before, but one must still attend to the need for better coordination mechanisms.



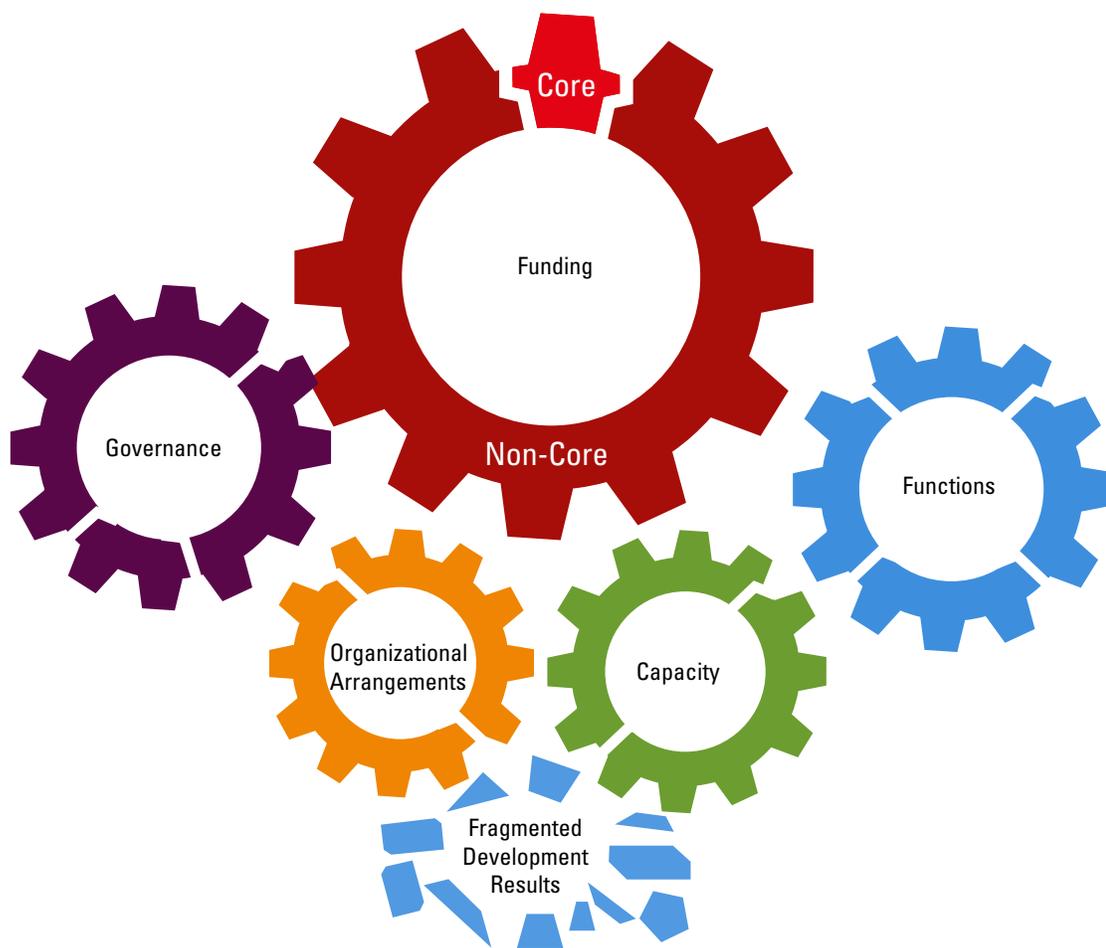
PAPER 2 – A NEW FUNDING ARCHITECTURE OF THE UN DEVELOPMENT SYSTEM FOR THE 2030 AGENDA: OPTIONS AND CHALLENGES¹

In 2014, the UN Development system (UNDS) collectively spent US\$20.0 billion to support development (54%) and humanitarian assistance related activities (46%) in 168 countries, excluding OECD-DAC Member States (Please see Annex A). This is in addition to \$8.5 billion that the UNDS entities spent at the global and regional levels to support the normative and operational mandates. On average, 34 UNDS entities spent about \$113.7 million in each Member State - less than 0.1% of the average GDP of the recipient countries. This, however, masks significant

variation in UNDS expenditure levels across countries. In half the programme countries, UNDS spent US\$32 million or less in 2014. Notwithstanding its small contribution to the GDP of a recipient country, the UNDS expenditures at the country level was equivalent to 13.7% of total ODA disbursements from 29 OECD-DAC members in 2014.

Some 84% of UNDS expenditures in 2014 were funded with voluntary and earmarked resources. These non-core resources – typically determined bilaterally at the country level and outside the inter-governmental mandates and processes of UNDS entities, have grown significantly faster than core resources. This represents a growing ‘bilateralization’ of multilateral aid. Between 1999 and 2014, total non-core resources increased by 182% in real terms, while core resources increased by only 14%. This also underscores a critical disconnect between the inter-governmentally agreed development priorities and strategies of UNDS entities and their actual activities on the ground, which are typically funded with locally mobilized non-core resources.

Figure I: Thematic representation of UNDS in the current context



¹ The Co-Chairs of the Independent Team of Advisers (ITA) led the process of drafting the paper, with inputs from ITA members and a research team. The views expressed herein do not necessarily represent consensus among all ITA members. Additional viewpoints from ITA members are available in a separate compendium. The ITA Co-Chairs would like to thank all ITA members for their invaluable contributions to the paper.

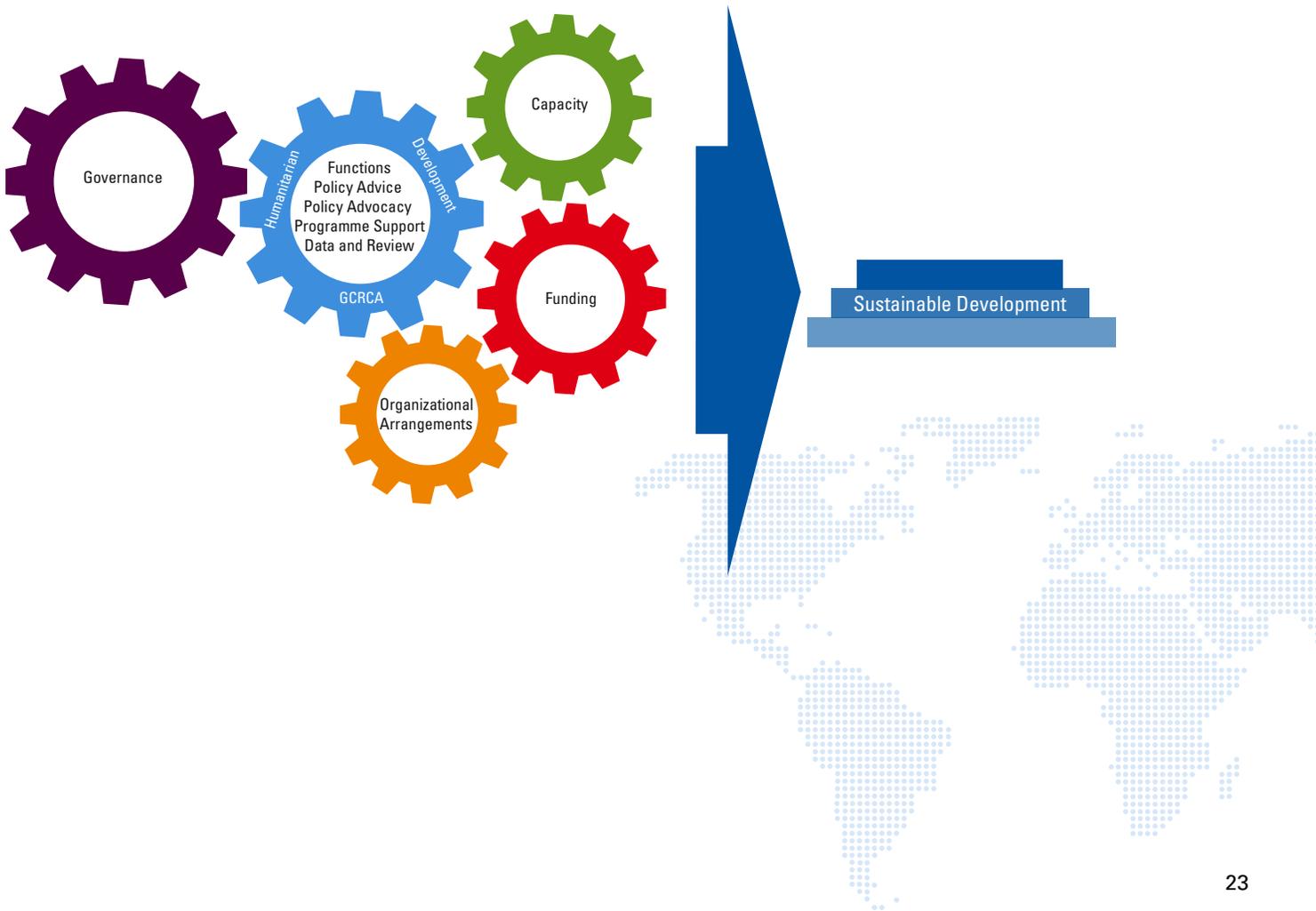
In the current setup, the funding is the lever and driver of UNDS functions (Figure 1), which in turn, determines governance and oversight, institutional arrangements and capacities of UNDS entities. For example, reliance on earmarked resources that are mobilized in a programme country typically entails localized governance at the project or programme level. The existing funding architecture is characterized by:

- Fragmentation of UNDS funds at sources, following different funding modalities (e.g. assessed contributions, pledged core, voluntary non-core, thematic funds), which often makes funding unpredictable and short-term;
- Fragmentation of UNDS funds at usage, earmarking resources for specific entities, thematic areas, countries, programmes and projects, which impedes the ability of UNDS entities to pursue inter-governmentally agreed development results;

- Bifurcation of UNDS funding along the humanitarian-development fault line, which undermines the potential for addressing predictable and protracted crises through a developmental lens ;
- Fragmentation of evaluation and reporting of development results, which undermines transparency, accountability and governance, and in turn, impedes the ability of UNDS entities to deliver on mandates agreed at the inter-governmental level.
- Fragmentation and siloed activities of UNDS entities in the management of human resources, IT, Printing and other operational activities impose high overhead costs on the overall UNDS at country level.

These fragmentations impose huge transaction and operational costs on the UNDS entities and undermine their efficiency, effectiveness, relevance and credibility.

Figure II: Thematic representation of UNDS in the context of SDGs



A new funding architecture

In order to support Member States towards the realization of the 2030 Agenda, the UNDS will need a revamped and integrated funding architecture – with greater flexibility and predictability – that will address the problem of fragmentation and ensure more effective alignment of funding to functions. The UNDS would need to deploy a systemic approach to its own operation and develop a consolidated balance sheet for its operations, measured against the 2030 Agenda, as an initial step towards a consolidated balance sheet of the UN as a whole.

In the context of the 2030 Agenda, governance will need to become the key lever of UNDS (Figure II), which will then determine how the UNDS performs its critical functions in varying priority and intensity, in different country contexts, how these functions should be integrated within and across entities and how they should be funded to support the Member States in realizing the 2030 Agenda. This will require the UNDS to have a revamped funding architecture that is adequate, flexible and predictable.

A. ENSURING GREATER FLEXIBILITY AND PREDICTABILITY OF RESOURCES TO DELIVER CORE FUNCTIONS

The UNDS would need predictable, un-earmarked and flexible resources to perform its core functions at the national level. Taking into account the perspectives of suppliers and recipients of funding, the UNDS quest for additional unremarked, flexible resources should be complemented by much-needed improvements in cost efficiency and cost effectiveness, which are discussed in the paper on Organizational Arrangements. This is an imperative to ensure the neutrality of policy advice, policy advocacy and data and review functions of the UNDS. Given the current level of un-earmarked resources, the UNDS may consider a number of options to mobilize additional quantum of predictable and un-earmarked resources to perform these functions.

Options	Pros and Cons
<p>Assessed contribution (AC): Introduce/scale-up assessed contributions for all core functions, using an agreed scale of assessment for all entities.</p> <p>Review assessed budget to ensure that it adequately funds normative and other core functions (and possibly country level RC functions) and is allocated effectively and efficiently based on results.</p>	<p>This is likely to face resistance from programme countries, which would not want to pay for programme support in their countries.</p> <p>AC will be infeasible for funds and programmes, which are governed by Executive Boards and lack universal representation in their governance.</p> <p>This will require a new governance mechanism that is currently absent.</p>
<p>Negotiated replenishment (NR): NR, as followed in IFAD (Annex B), can enhance some predictability for core resources, with the Member States negotiating and replenishing resources for 3, 4 or 5 years.</p>	<p>While NR provides some predictability, it also encounters the problem of extensive earmarking, as experienced in IFAD.</p> <p>NR can be very cumbersome and process- intensive, which can shrink the base of funding partners, as experienced in IFAD.</p>
<p>Negotiated pledge (NP): It can be another alternative to mobilize flexible, core resources at the global level, as practiced by WHO (Annex C).</p>	<p>WHO has been able to mobilize only a small portion of resources through NP, which is fully flexible and earmarked only at the level of a strategic objective.</p> <p>NP has not been able to generate contributions from a large funding partner base.</p> <p>The problem of unpredictability persists in NP.</p>
<p>Voluntary indicative scale of contributions (VISC): UNEP has used VISC to create the Environment Fund to generate flexible, un-earmarked resources (Annex D).</p>	<p>VISC has managed to generate only a very small amount of resources.</p> <p>The funding partner base to EF has shrunk over the years. However, on average, UNEP is slightly less reliant on their top funding partners for core funding than the major funds and programmes.</p>

Additional options	Pros and Cons
<p>Soft option: Member States could agree to a special surcharge on strictly earmarked development-related and humanitarian assistance funding for UNDS entities, which would become a source of flexible non-earmarked resources for UN development system entities.</p> <p>The levy should be in addition to the cost-recovery charges that UNDS entities recoup from non-core resources.</p>	<p>This is likely to be most effective in providing additional predictable, un-earmarked funding for UNDS entities to undertake core functions.</p> <p>Contributing MS may find it too costly to channel their development assistance through UNDS entities and use alternative delivery mechanisms.</p> <p>Reduce the overall funds for programme implementation, which the programme countries may find unacceptable.</p>

B. HIGHER LEVEL EARMARKING WHILE USING NON-CORE RESOURCES FOR PROGRAMME IMPLEMENTATION

The UNDS entities and the contributing Member States would need to agree on higher level earmarking in project and programme implementation. This would essentially mean that

the contributing member states would need to agree to earmark their funds funding for specific results and not earmark for specific projects or activities. Pooling of resources, with soft earmarking for specific thematic coverage, can also ensure greater flexibility in funding implementation and minimize the adverse effects of project or programme level hard-earmarking.

Options	Pros and Cons
<p>Higher level earmarking would require a system-wide commitment among all UNDS entities that they will not pursue or accept non-core resources that are earmarked at the project or activity level.</p>	<p>A system-wide commitment to higher level earmarking would be hard to achieve and enforce without a system-wide understanding of what actually constitutes results for a particular entity.</p> <p>A system-wide commitment would be also difficult to achieve, especially when some of the entities heavily rely on earmarked resources to undertake programme implementation.</p> <p>Instead of broadening the level of earmarking, this may only lead to funding partners providing fewer (earmarked) resources.</p>
<p>Pooling of resources with higher sustainable development levy on earmarked non-core resources. The sustainable development levy may have a sliding scale, allowing it to decline as the non-core resources are earmarked at higher levels.</p>	<p>This may be difficult to administer in the absence of clear definition and agreement among MS and UNDS entities as to what constitutes a higher level earmarking.</p>



C. STRENGTHENED LINKAGES BETWEEN HUMANITARIAN AND DEVELOPMENT ASSISTANCE

Humanitarian assistance has grown significantly in recent years, given the spread of political crisis, conflict and displacement of people in many parts of the world. The rational alignment of humanitarian and development functions is necessary to ensure that humanitarian assistance is delivered in the context of broader sustainable development priorities and avoids chronic short-term perspectives. It is also necessary to prevent the

perceived de-prioritization of development, which can escalate humanitarian crises in the future and strengthen capacities and readiness of UNDS entities to address global challenges that require collective action, which typically transcends the humanitarian-development divide. Most programme countries would like to prevent de-prioritization of UNDS development spending against the backdrop of rising demand for humanitarian assistance. Given that humanitarian and development assistance follow different funding modalities, there needs to be a funding mechanism to strengthen the linkages.

Options	Pros and Cons
<p>Strengthening humanitarian linkages at source: MS may be encouraged to make clear how much of their contribution to a particular humanitarian assistance should be spent on long-term development priorities.</p>	<p>It may be difficult to assess the development needs at the onset of a humanitarian crisis, which may make such earmarking of humanitarian funds for longer term development difficult.</p> <p>Development entities may not be able to move as quickly to engage in the pledging exercise and identify the resource needs.</p>
<p>Development levy for humanitarian assistance: As humanitarian assistance is delivered on the ground, a portion of the assistance (as a levy or earmarked resource) may be set aside to support longer term development needs. The share of resources earmarked for development may increase over time, as humanitarian assistance recedes and development assistance steps in.</p>	<p>This will require a strong leadership and governance mechanism at the top, which will be addressed in the governance paper.</p>
<p>Alternatively, humanitarian funds should be used appropriately, depending on the context, avoiding the use of humanitarian funds and approaches in preventable and protracted crises, which should be addressed through a development lens. Development funds should be used in crisis contexts by development actors, but there would need to be strong incentives to make sure that these are deployed systematically (and early enough) in these contexts.</p>	<p>This might be hard to implement, given that it might be difficult to identify a protracted crisis ex ante and implement development programmes in crisis contexts.</p>

D. ADDRESSING GLOBAL CHALLENGES THAT REQUIRE COLLECTIVE ACTION (GCRCA)

During the SDG period, UNDS entities will need to strike a delicate balance among managing humanitarian crises, supporting national development priorities and addressing global challenges that will require collective action (GCRCA). Currently, the linkages between humanitarian, national development and GCRCA are weak, if not non-existent in certain cases. A revamped funding architecture, supported and overseen by an effective governance mechanism, would need to strengthen the linkages among humanitarian, national development and GCRCA. The UNDS should assume the role of a financial broker, matching the supply and usages of finances to foster sustainable development.

Global funding for the sustainable development agenda

Funding for the implementation of the 2030 Agenda should be considered at the most extensive and inclusive scale – not limited to funding available to the UNDS – in the context of the Addis Ababa Action Agenda (AAAA). The main objective should be broadening the overall resource base for sustainable development and the UNDS should play a catalytic role or the role of a “financial broker” to mobilize the required domestic and external resources to support the implementation of SDGs. In particular, the UNDS would need to look “beyond aid” and analyse all resource flows, which can support investment in sustainable development at the national level. In particular, the UNDS should:

- Facilitate strengthening of national capacities for domestic resource mobilization, including expanding domestic tax base and preventing tax avoidance, tax evasion and illicit flow of capital;

- Assist member states in identifying gaps, designing appropriate policies and creating enabling environments to facilitate long-term finance for priority development projects such as infrastructure, which is a key role for the IFIs;
- Engage and deepen the discussions on innovative financing for sustainable development, including financing mechanisms using the Special Drawing Rights;
- Engage in the discussions on IFI reforms to ensure that the reforms support the realization of the 2030 Agenda;
- Work with national governments and regional banks with the support of IFIs to create a “brokering role” with full ownership of the country-level institutions and harvest the full potential of the growing diversity of funding while creating investment opportunities for international providers.

A more detailed discussions on the linkages between UNDS funding and the broader financing for sustainable development and the AAAA will follow in the paper on “Inter-linkages”.

The UNDS cannot solely rely on non-core voluntary resources to fund its programmes and projects at the country level. Increasingly private sectors are playing critical role in delivering basic services in health, education, credit and social protection. Leveraging its funding to mobilize additional technical and financial resources will be particularly important for the delivery of basic services in low income countries and LDCs, which can also promote national ownership and strengthen national capacities for implementation. Leveraging UNDS resources are also critical for maximizing the multiplier effects of development assistance and addressing GCRCA at the national level. However, the UNDS, with its very limited grant resources, will have difficulty leveraging investments at scale. ; this will require UNDS to more effectively use public-private partnerships to deliver sustainable results.

Options	Pros and Cons
<p>The pooling of resources with a sustainable development levy can be an important mechanism to strengthen the linkages between development assistance and GCRCA and strengthen UNDS capacities for addressing GCRCA.</p>	<p>The pooling of resources with a sustainable development levy can be an important mechanism to strengthen the linkages between development assistance and GCRCA and strengthen UNDS capacities for addressing GCRCA.</p> <p>Creating a new global fund for GCRCA to address cross border and trans-national sustainable development challenges. The proposed fund will not be vertical fund, addressing a particular thematic area, but a fund that will cross-sectoral and multi-sectoral sustainable development challenges.</p>
<p>Creating a new global fund for GCRCA to address cross border and trans-national sustainable development challenges. The proposed fund will not be vertical fund, addressing a particular thematic area, but a fund that will cross-sectoral and multi-sectoral sustainable development challenges.</p>	<p>The Member States, particularly the contributing MS, are unlikely to support the establishment of a new over-arching fund for GCRCA, given that many of the GCRCA would need to be addressed at the country level within national mechanisms.</p>

Options	Pros and Cons
<p>Leveraging UNDS resources to partner with private sector and deliver and augment the quality of basic services can strengthen the sustainability and impact of UNDS interventions. UNDS resources are scarce and they need to be complemented with additional engagement and support from private sector entities.</p> <p>UNDS involvement through PPPs can also improve the monitoring and evaluation of development results, as this will ensure participation of private sector stakeholders in the development process and demand more value for money.</p> <p>Develop and implement guidelines on due diligence in public-private partnerships.</p>	<p>There needs to be a system-wide framework for managing PPPs to ensure that leveraging of UNDS resources to crowd in private resources is aligned with the inter-governmentally agreed strategic objectives of the entities. PPPs should be well targeted to support the SDG implementation. Furthermore, PPPs should be facilitated to complement various national efforts supported by UNDS and not substitute such efforts.</p> <p>UNDS entities would need to carefully manage PPPs to ensure that private sector providers do not “free-ride”, deliver low quality outputs and risk the reputation of the UNDS.</p> <p>The UNDS will need a compliance mechanism to ensure adherence to these guidelines.</p>

E. RECOMMENDATIONS:

Successful Implementation of the recommendations below will require commensurate changes in governance, institutional arrangements, capacities and partnerships, which are presented in subsequent papers.

Strategic emphasis

- The UNDS should be mandated to engage in negotiated pledges to ensure that funding is predictable and flexible in order to guarantee that the global objectives are guiding all its actions. This may be pursued by functional grouping or by entity.
- The UNDS entities should adopt a common strategy to ensure that non-core resources are earmarked at outcomes levels of a UNDS's strategic plan, with a view to ensuring alignment between inter-governmentally agreed strategic objectives and development programmes funded with non-core resources at the country level.
- The UNDS should play the role of a “financial broker” to support the capacities of developing countries in matching funding opportunities (domestic/external) with local funding/investment needs and augment the overall resource envelope for sustainable development within the framework of AAAAA.
- The UNDS entities should undertake specific efforts to enhance their cost efficiency and effectiveness to make additional resources available to fund core functions for supporting the SDG implementation.

Addressing fragmentation

- The UNDS should develop a consolidated balance sheet for its operations, measured against the 2030 Agenda, as an initial step towards a consolidated balance sheet of the UN as a whole.
- Pooling financial resources has been shown to be a helpful mechanism promoting cooperation. It should be considered to set a target for an increase in pooled resources to support the SDGs, for example, a doubling of current pooled resources.
- The notion of internal levies on contributions to enhance longer-term development priorities (e.g.: redirecting a portion of humanitarian funds to longer-term development) has been discussed. The notion requires further analysis.

Partnerships and synergies

- The UNDS should strengthen synergies with IFIs and other stakeholders to identify innovative financing options, including utilizing SDRs, to assist Member States in accessing resources for sustainable development.
- The UNDS should actively engage with IFIs to ensure stronger alignment and integration among various multilateral processes, and pursue opportunities in the context of Bretton Woods institutions’ reform.
- The UNDS should adopt a common framework for PPPs to maximize the impact of its development interventions as well as guidelines for public-private engagement that maximizes benefits while protecting the UN against reputational risks.

ANNEX A: UNDS FUNDING AT THE COUNTRY LEVEL

Options	2006	2010	2014
Total UNDS expenditures for development and humanitarian assistance (excluding regional, HQ, programme support and management/administration costs) in Member States (billion US\$)	\$11.4	\$16.5	\$20.0
Share of development-related expenditures (%)		61.4%	54%
Share of top 10 UNDS programme countries in "total" UNDS expenditures at the country level	39.0%	43.7%	40.2%
Number of conflict, post-conflict and crisis countries among the top 10 program countries	3	5	9
Share of UNDP, UNFPA, UNICEF and WFP in total UNDS expenditures in Member States	69.8%	67.8%	66.7%
Ratio of non-core to core resources		4.7	5.8
Overhead (programme support, management and administration costs) per \$1 delivery of development related activities		19 cents	22 cents
Overhead (programme support, management and administration costs) per \$1 delivery of humanitarian assistance		12 cents	11 cents

Source: Compiled from CEB data



ANNEX B: IFAD NEGOTIATED REPLENISHMENTS

BACKGROUND

This approach is followed by IFAD for its core funding and is carried out every three years. It has three main objectives: (a) resource mobilization, (b) accountability for results and (c) strategic guidance. IFAD replenishments have provided a central platform for dialogue and reflection on IFAD's strategic directions, operating model and development instruments, results and lessons learned and the resources needed to achieve these.

PROCESS

The replenishment process generally consists of 4 sessions focusing on: (a) review of progress made by IFAD in implementing its work programme; (b) emerging strategic issues, (c) objectives that shall guide the next replenishment cycle and (d) the preparation of a report with recommendations, including a draft resolution which is presented for approval by the Governing Council. The report includes, inter-alia, an agreement on IFAD's strategic priorities, programme of loans and grants, and financial contributions (target level) that will be made by Member States in the corresponding replenishment period. The four sessions include a full review and assessment of the organization, including its policies it has pursued and the overall results and impact of its operations.

The Governing Council (IFAD's highest decision-making body) delegates the task of conducting the relatively complex negotiations of the replenishment process to the Replenishment Consultation Committee, i.e. a more limited group of representatives drawn from the Council's membership. The RCC is the platform where major policy and organizational changes are discussed and agreed upon. From this smaller group, a report is developed which goes to the Governing Council for approval. The full Membership of IFAD, therefore, formally approves the outcome of the work of the RCC to which it has delegated the negotiations. There is a voting structure in the Governing Council partly based on donor contribution levels. Decisions are normally by consensus.

ASSESSING IMPACT

In IFAD's 9th replenishment, Member States pledged \$1.387 billion, more than double the amount pledged in the 7th cycle (\$639.3 million). The replenishment modality used by IFAD ensures a certain level of predictability of funding as the resources generated are intended to finance a three year period. As the funds are part of regular resources which finance IFAD's core mission, they also give the organization flexibility to maintain its strategic direction and ability to respond to emerging issues.

With regard to the donor base, a total of 78 countries made commitments to the 9th replenishment (IFAD9). Contributions from developing countries nearly doubled from IFAD7 to IFAD9, with India, China and Brazil contributing the most from this group.

The replenishment meetings serve to discuss the results in recent years, to define the priorities and volume of resources in the coming years, to shape the policy framework of the agency and to guide the organization to effectively implement its development programme. IFAD has an evidence-based approach to organizational reform with strong role for independent corporate level evaluations in identifying sets of recommendations, which, in turn, are reinforced through replenishment commitments. As a result, this funding mechanism drives change to a large extent.

The measurement of results has been a major issue in the last three replenishments. IFAD responded by developing a comprehensive results measurement framework and is now seen by a number of donors to have developed one of the better results management and reporting systems.

POTENTIAL CHALLENGES

There is an increasing trend towards earmarking of the resources mobilized through the replenishment process. Most of the increase in funding between the 8th and 9th replenishments was due to increase in earmarked funding. In addition, the number of countries contributing to IFAD's replenishments has been declining (although significantly higher than for the World Bank IDA, for example) raising issues both of overall financing of IFAD but also of burden-sharing among the membership.

The replenishment process is heavy and complex. The amount of documentation requested as part of the process is substantial; however, much of the reporting is also in response to other requests from Member States. Furthermore, many changes introduced through the replenishment respond to external challenges and global issues that IFAD would in all likelihood have had to address in any event (such as the strong focus on results).

Sustainability of the replenishment system, to a large extent, is dependent on the trust that has been built between IFAD and Member States. IFAD has gained this trust in many ways, including through high level of transparency, a willingness to examine even difficult issues through evaluations, and responsiveness to issues raised during replenishment consultations. Engagement of Member States in the consultations, however, varies by country. In practice, developed countries have more capacity and resources to prepare for and participate actively in the replenishment dialogue. If the fundamental principle of joint responsibility for IFAD is to be preserved, the original burden-sharing arrangements needs be re-examined in the light of current global political developments. In this respect, non-traditional donors should become a more integral part of the dialogue shaping the institution's agenda and business model.

There are questions though about how feasible it would be to implement such a relatively complex process on a wider scale (i.e. across more UN entities). Certain aspects of the practice of negotiated replenishments but with less complexity than practiced by IFAD could perhaps be useful in the broader discussion of negotiated non-earmarked funding in the post-2015 period.



ANNEX C: WHO NEGOTIATED PLEDGES

BACKGROUND

The financing of WHO has undergone major transformation over the past decades. While WHO's budget has increased substantially, from \$1423 million in the 1990-1991 biennium to \$4400 million in 2016–2017, assessed contributions have remained stagnant.

The programme budget of WHO was originally funded solely by assessed contributions. Now WHO is financed by a mix of assessed and voluntary contributions, and the proportion of voluntary contributions has increased significantly to almost 80 per cent of the total income of the organization.

PROCESS

In addition to its non-earmarked assessed contributions, WHO has adopted a system of voluntary as-if core negotiated pledges. Negotiated core voluntary contributions provide predictable amounts for a time period corresponding to the WHO Medium-Term Strategic Plan, and are negotiated centrally in order to align the extra-budgetary funding with the strategic objectives and results of the organization.

These negotiations are part of a greater structured dialogue process being conducted within WHO underpinned by the following guiding principles: addressing alignment, predictability, flexibility, transparency and broadening of the donor base. The process encompasses the following steps: a strategic planning and preparation phase that sets the framework for dialogue; two milestone dialogue meetings with partners that include Member States as well as non-state actors such as foundations, UN agencies and global partnerships (e.g. GAVI, GFATM); bilateral meetings with a group of partners that include Member States and non-state actors; followed by briefings to Permanent Missions of Member States based in Geneva; as well as regional committee meetings. At the end of the process, funding partners have the option of making funding commitments in the form of negotiated pledges.

ASSESSING IMPACT

In 2014, WHO received \$116 million in fully flexible contributions and highly flexible contributions, earmarked only at the level of a strategic objective. A second type of voluntary contributions included in WHO's voluntary core account are those which are earmarked at the level of organization-wide expected results, disease or programme. A total of \$15.7 million of this type of flexible resources was received in 2014. While these amounts may be considered modest compared to the \$1,869 million mobilized in specified and highly earmarked contributions in 2014, it does provide additional flexibility to address funding gaps which the agency's assessed budget cannot fill. Implementation bottlenecks that arise when immediate financing is lacking are also eased. The core voluntary contributions account thus contributes to both greater alignment and improved efficiency.

POTENTIAL CHALLENGES

The main challenge facing WHO is to raise the volume of such flexible core voluntary contributions, which would require further expanding the donor base. In 2014, fifteen donor countries contributed to the Core Voluntary Contributions Account, which accounted for only 7 per cent of all voluntary contributions to WHO for the 2014-15 biennium. An initial target had been set to increase this share to 33 per cent by 2013).

ANNEX D: UNEP VOLUNTARY INDICATIVE SCALE OF CONTRIBUTIONS

BACKGROUND

The Governing Council of UNEP decided in 2002 to introduce a voluntary indicative scale of contributions to the Environment Fund. The VISC was developed specifically for the EF, taking into account, inter alia, the UN scale of assessment as well as the following criteria: (a) minimum indicative rate of 0.001 per cent, (b) maximum indicative rate of 22 per cent, (c) maximum indicative rate for LDCs of 0.001 per cent, (d) economic and social circumstances of MS, in particular those of developing countries and countries with economies in transition, (e) provision to allow for any MS, in a position to do so, to increase its level of contributions over and above its current level. The objective of VISC was to enhance predictability and adequacy of core funding as well as broadening of the donor base.

PROCESS

The VISC is issued biennially by the UNEP Secretariat following consultations with individual Member States. These consultations are not directly linked to intergovernmental deliberations on the medium-term strategy of UNEP, budget and programme of work. The Executive Director explains the approach and principles underpinning the VISC in a note to the governing body.

ASSESSING IMPACT

Contributions to EF have grown from \$48.9 million in 2003 to \$82.1 million in 2014 or 68 per cent in nominal terms. There was strong growth in funding to the EF in the first five years following the introduction of VISC. Average annual growth in this period was 7 per cent in real terms, or about 3 times greater than the increase in core funding to the major funds and programmes. Since 2008, however, funding to the EF has stagnated similar to voluntary core funding to the Fs/Ps.

The number of donors to EF in the 2003 to 2013 period declined from 123 to 89 suggesting growing funding risks. Volatility in core contributions to EF in the period 2000 to 2014 has been similar to UNICEF and UNFPA and higher than for UNDP, as well as for the Fs/Ps as a group.

Some 75 per cent of donor countries to EF made contributions above, equal or very close to VISC in the 2003 to 2006 period. Between 2012 and 2014, pledges and core contributions of Member States to EF were closely correlated. In the 2012 to 2015 period, 40 countries made annual core contributions to EF.

In 30 years prior to VISC, 74 countries on average contributed annually to the EF (up to 2001). In 2003, 2004, 2005 and 2006, 123, 119, 110 and 107 countries contributed to the EF respectively. In 2013, 88 countries made core contributions to the EF – the second-fewest since the introduction of VISC. In the period 2003 to 2013, OESD/DAC members accounted for between 91 and 94 per cent of contributions to the EF. In the 2014 to 2015 period, this share dropped to 77.8 per cent, with non-traditional donors increasing their contributions. This suggests that VISC has increased participation in financing of the EF. In the 2003 to 2013 period, UNEP was slightly less reliant on top 10 donors for core contributions than UNDP, UNICEF and UNFPA. In 3 years prior to VISC, top 5 donors to EF accounted for 59.2 per cent and top 10 for 82.6 per cent. In 3 years after VISC introduction, these were 52.9 and 79.7 per cent.

Non-core funding to UNEP has grown from \$57 million in 2003 to \$254 million in 2014, or by 11.6 per cent on average annually in real terms. The share of non-core funding of total contributions to UNEP in 2014 was 72 per cent. For the UN development system in general, non-core funding has increased by an average annual rate of 5.8 per cent in the same period. The share of UNEP's resources which are earmarked is therefore growing at an even faster rate than for the UN development system in general and fragmentation can be considered an issue of concern.

POTENTIAL CHALLENGES

The declining number of countries making core contributions to the EF of UNEP over the years suggests that political support for the VISC has gradually decreased. Recent increases by non-traditional donors may potentially compensate for decreasing number of OECD/DAC donors to the EF.

Recent experience from UN entities suggests that a structured financing dialogue at the governance level is central to building commitment of Member States to financing the programme of work of an entity. The fact that the UNEP governing body meets only every two years and the Committee of Permanent Representatives accredited to Kenya is an advisory body makes informed, structured and participatory dialogue on the funding of the organization's programme of work more difficult to realize. Lack of link between core funding to the EF and seats on governing body poses another challenge to the effectiveness of such intergovernmental dialogue, including the sustainability of VISC.

Further modernization of RBM, monitoring and reporting is another area that will greatly influence the sustainability of the VISC as an instrument contributing to higher growth in core contributions to EF. The presentation of causal pathways linking core contributions to EF, as well as other relevant non-core funding, to "core" activities of UNEP and expected results as expressed in the medium-term strategy are particularly important in this regard. VISC. Transparent reporting on the use of core resources to EF is also critical for demonstrating that such funding is clearly linked to the main purposes and central mandates of UNEP and constitute high rate of return and value-for-money.

PAPER 2 – COMPENDIUM

Additional ITA Comments and Reflections on the Funding paper

- UN Agencies have fiduciary accountability towards their own HQ and not towards a central UN entity. Consequently resident coordinator or the One leader coordination team is not fiduciary empowered to strategically direct the individual agencies at country level. Although the UNDAF is a joint strategic framework its enforcing power rests on a) alignment willingness of the agencies; b) resource availability; c) strength of the mutual accountability among UN country team members.
- From Government's perspective, small projects with different agencies are transaction cost heavy. UN also tends to spread out too widely and thinly which is not optimising resources and at times hampers meaningful impact.
- Coordinating NGOs and ensuring strategic alignment with national priorities is a challenge likewise how UN is aligning its resources with national priorities.
- The World Bank has a planning process that ensures a closer partnership and a government buy-in. The government with the WB sits down and look at the priorities and gaps of the government. The WB country strategy develops from it. Also the WB strategy demands monetary input from Government, although symbolic amount it signifies the commonness and alignment of priorities.
- Financing achievement of the SDGs is a common responsibility. Increase of UN membership fees to common pool of funds is an option (based on a model, according with GDP and other economic and social indicators) as well as looking at expanding fee solutions like the air levy promoted by UNITAID.
- UN can certainly have a role in leveraging domestic resources.
- To strengthen the UN's common planning and strategy at country level, central coordination and strategic planning needs to be empowered.
- UN to have resources for responding to emerging needs to allow flexibility and responsiveness.
- The funding paper introduces a special category of global challenges requiring collective action and proposes a vertical fund for resourcing them. This directly undermines the SDGs. Also, vertical funds tend to silo agendas further.
- Are the levies proposed in the funding aimed at raising more resources or integrating various processes? In any case, the purpose of these levies is not clear. The idea of a levy has already been floated as part of the Grand Bargain, so perhaps the paper should follow those discussions before deciding whether or not they work.
- The funding paper also discusses a new form of earmarking that doesn't quite sound right. They are probably trying to get greater investment in and monitoring of aid outcomes, but it is not clear that further earmarking is the way to achieve this.
- A very high volume of resources are allocated to humanitarian assistance with extremely low efficiency (enormous evidence has been gathered over the years). Humanitarian assistance has to be reformed totally under the umbrella of the development function in an integrated perspective.
- The new funding architecture can't avoid highlighting the capacity development issues regarding national revenue collection.
- A reference to the fight against illicit financial flows (notably tax evasions) is important as it constitutes a critical segment of domestic resources mobilization.
- Capacity and quality of the policy support is still an issue. Therefore it is very important to synergy with the BWs Institutions such as the World Bank and the Regional Banks. They have the capacity and the pool of funding to complement SDGs implementation at country levels.
- Roles of Regional Office are unclear. Are their existences commensurate with the resources and funding being allocated?
- The importance of empowering and strengthening the role of the RC with respect to authority, financing, and communicating the RC role within the UN entities and with local and international partners.
- It is also important to diversify resources and establish new partnerships with new donors in addition of course to the current financial situation (core and non-core).
- Cost sharing, countries to mobilize resources and implement, UN role is to support, help in policies, systems, knowledge base and infrastructure, and Institutional Capacity Building.
- It is important to identify the reasons for the reduction of core funding and the increase of non-core funding. We should not shy away from mentioning the inability of UNDS to achieve significant reform. Although it is true that non-core funding gives the donors more control and

- political power, it is also true that the lack of trust is one of the reasons for the decrease of core funding. This is something we have to deal with under governance.
- The main problem under funding is not core or non-core resources. It is rather earmarked or non-earmarked funding. This is where we have to be bold. We could for example propose that country earmarking becomes exceptional. It makes sense in cases of crisis or emergencies but for the rest we should preserve the multilateral aspect of the UNDS. If the UNDS has a real added value, the donors will not reduce their funding because of such a recommendation. It is therefore important to consolidate the added value of the UNDS to make it indispensable for donors in specific areas and for specific functions.
 - Concerning the different models and mechanisms of funding mentioned in the paper, some have been tried and were not success. Is it appropriate to propose them again as possible solutions?
 - The paper focuses, and rightfully so, on securing more resources for the UNDS in order to allow it to implement the SDG's. However we cannot exclude from a paper on funding the absolute necessity to decrease the cost of the UNDS. It will be difficult to argue that the resources are used in the most cost effective way. There is great room for cost reduction (overlap in mandates, heavy and fragmented field presence, heavy structures...).
 - While recognizing the importance of providing as many options as possible, it's also critical in identifying real practical options which merit further elaboration and exploration. Some of the options just seem to be unfeasible and impractical considering political objections from member states or high management costs incurred.
 - The governance structure of the UNDS should be reformed in the way conducive to greater efficiency, transparency, and accountability. It needs to consider the assessments made by donor countries in terms of aid performance and effectiveness. In the meantime, it also should develop a system-wide and integrated result-based evaluation program in country-specific context. The design of evaluation program need to take into account the ideas and views from all member states including the middle-income developing countries, with the evaluation mainly focused on development, environmental, and social impacts while avoiding political elements.
 - Based on the reform of governance structure, the UNDS should first aim at increasing steadily core funding resources, which in most cases reflecting trust in the UNDS governance. Considering the increasing role of emerging donors from the middle-income developing countries, they should have more voices in various agencies of UNDS.
 - It's important to make the use of non-core funding resources compatible with the long-term sustainable development goals. The UNDS needs to develop common standards for identifying different levels of earmarked funding. There should be a general refusal to accept or surcharges levied for projects or activities targeted earmarked funding, with only the exception of emergency humanitarian assistance. This may decrease to certain extent the funding received by various agencies of UNDS in the short term. However, in the long run, a coherent principle-based approach will definitely increase the trust of international community and potential donors in the work of UNDS, thus followed with increasing funding. For the so-called higher level earmarking, the difficult always lies in the identification of specific funding received. It should be based on further study on the integration of SDGs and potential strategic approaches to achieve the goals.
 - Based on a clear understanding of the long-term development goals and approaches to achieve them, the UNDS should make better use of its role as "first mover" or "financial broker" to attract large amount of funding from private sector. The UNDS needs to guide the private sector to make their investment more compatible with SDGs. This also works in building national capacity and mobilizing domestic resources.
 - Development levy on humanitarian funding seems illogical and unfeasible. We need a balanced view on the two kinds of funding of humanitarian and development. On one hand, the humanitarian funding needs to be distributed in the way compatible with long-term development goals of the relevant countries or regions. On the other hand, there needs to be parallel use of the development resources in tandem with humanitarian assistance to consolidate development process and mend the gaps caused by humanitarian crisis, for instance, emergency response to public health crisis combined with measures to improve or transform public health administration system.
 - Contributions from international resource generation mechanisms such as on air travel or international financial transactions, which have been previously mooted many times as a source of development finance – could be earmarked for core or pooled resources. What about, similarly, the SDR issuance proposal? Greater SDR quotas would be attached to greater assessments. What about voluntary contributions to the UN on national tax forms (drawing on insights of behavioural economics?) We need to think much harder about other such possibilities, currently missing here.

- Needs to be discussion on pooled funds at the national level. Not the same as core funds, especially at the country level the availability of pooled funds may be essential to facilitate inter-entity coordination of activities. As it stands, individual entities may be wary of doing coordinated

activities at the field level because there is no place to charge associated expenditures without carefully worked out agreements concerning respective responsibilities.



PAPER 3 – GOVERNANCE

STRUCTURE OF THE DEVELOPMENT SYSTEM: THE IMPERATIVES OF EFFECTIVENESS AND INTEGRATION¹

The ITA paper on functions and impact makes a strong case that certain UNDS functions should be prioritized and integrated to deliver the sustainable development goals at the country level. The subsequent paper on funding makes a further compelling case that these priority functions should be funded with predictable and un-earmarked resources to ensure credibility, neutrality and effectiveness of UNDS interventions. While these are necessary conditions, they will clearly not be sufficient for repositioning the UNDS to support SDG implementation, without commensurate changes in the governance structures and organizational arrangements. The UNDS governance structure should pay special attention to the needs and priorities of LDCs, vulnerable countries, countries in crisis, and the serious challenges within many middle-income countries, strengthening the linkages between peace, security and sustainable development.

The existing UNDS governance is considered to lack adequate mechanisms and capacities to ensure development effectiveness, and accountability. For instance, it is reportedly difficult, if not impossible, to track or account for how a dollar of contributed core resource is spent by an agency at the HQ, regional and country level operations or how much of that dollar is spent on overhead and how much on the actual delivery of development results or how much of the dollar is spent to subsidize non-core activities. This lack of traceability clearly undermines incentives for funding partners to channel voluntary contributions through inter-governmentally agreed global UNDS processes. In addition to these weaknesses in vertical governance within an entity, there are also horizontal governance challenges, which undermine coordination and integration across UNDS entities.

The UNDS governance system – structured as Executive Boards (EBs) or Governing Councils or Bodies (GCs/GBs) – broadly perform three inter-related functions (Annexes B and C). EB/GCs/GBs typically: a. review and approve programmes and budgets for country, regional and global level programmes; b. discuss and approve strategies and select policies, contributing to policy development; and c. exercise control and oversight, reviewing evaluation, performance and audit reports. This is possibly the critical aspect of governance that requires most

attention to ensure accountability and build trust. The reporting mechanism is often ineffective and is only capable of reacting when it is too late. The existing governance architecture, however, lacks authority to clearly integrate functions and funding or mechanisms for coordination and integration of functions at the global level, which are critical for supporting the 2030 Agenda. The effectiveness of UNDS governance largely depends on the time EB/GCs spend on performing their functions, the quality of the EB/GC deliberations and the competence of EB/GC members and the rigor of the analysis and documents prepared and presented by EB/GC secretariats.

i. Enhancing the quality of governance

On average, the EB/GC of UNDS entities meets 2-3 times a year for a total of 12-15 days (Annex B). Collectively, the 149 members of the Executive Boards of UNDP/UNFPA, UNICEF, UN-Women and WFP spend between 36-48 days to take decisions that involve a total expenditure of over US\$ 15.0 billion each year. These four EBs are supported by about 15-16 full-time staff. The above duration and capacities available are clearly inadequate and pose a serious challenge for EBs to exercise due diligence and ensure effective linkages between functions, funding and outcomes. The governing councils of specialized agencies also spend, on average, similar amount of time, meeting 2-3 times a year. If governance is to become the pivot for functions and funding, which will be critical for the 2030 Agenda, it needs to be more empowered, supported by sufficient time commitments from, and professional engagement of, the Member States and entities concerned.

¹ The Co-Chairs of the Independent Team of Advisers (ITA) led the process of drafting the paper, with inputs from ITA members and a research team. The views expressed herein do not necessarily represent consensus among all ITA members. Additional viewpoints from ITA members are available in a separate compendium. The ITA Co-Chairs would like to thank all ITA members for their invaluable contributions to the paper.

Options	Pros and Cons
Increase the frequency and the number of days for meetings of EBs/GCs to ensure that the Member States can exercise their governance functions more rigorously and effectively.	<p>This may not be feasible for many Member States with small diplomatic representation in the cities where UNDS entities are headquartered, as their staffs often juggle between multiple diplomatic responsibilities.</p> <p>This may not necessarily increase the quality of governance, without improvement in the quality of background documents prepared/presented by EB/GC secretariats. This may also lead to more micro-management of UNDS entities.</p>
Establish full-time, dedicated EBs/GCs, with strengthened professional support from EB/GC secretariats.	<p>This will be hugely costly to implement, especially for developing countries unless multilateral resources are made available to support their full-time participation in EBs/GCs, as is the case with the boards of IFI and regional development banks.</p> <p>Again, there is no guarantee that a full-time EB/GC structure will necessarily improve the quality of governance.</p>
Arrange for technical training for EB/GC members on how to analyze financial reports, results frameworks, audits and other technical inputs prepared by EB/GC secretariats.	<p>This will require substantial financial and time commitment from Member States.</p> <p>EB/GC members are transient groups, which make it difficult to invest in their skills.</p>

ii. A unified, over-arching governing board

One key governance challenge is that there is no UNDS system-wide governing body. The QCPR, which comes from the General Assembly, serves as one tool for system-wide governance as it establishes some key system-wide recommendations and policy orientations for the UNDS. It is applicable to all UNDS entities that are under the direct mandate of the General Assembly. ECOSOC is responsible for monitoring the implementation of the QCPR, as well as for providing overall coordination support and guidance to the UNDS. These two bodies however, are political, policy organs with limited responsibility at the operational level. At the senior management level, the coordination and leadership functions of the CEB under the guidance of the Secretary General through its 3 High Level Committees should play an important role by taking decisions to significantly improve the coordination of UNDS entities.

Another challenge is that there is no formal, horizontal mechanism for consultation among EB/GC members of different UNDS entities, other than the informal joint board meetings. Inter-agency consultations and coordination take place among the UNDS senior officials within the framework of CEB, HLCP and UNDG. These frameworks facilitate consultation and coordination among the UNDS senior management, but the EB/GC members are not present. It is also important to note that the relationship between UNDS funds and programmes are governed by the UN Charter, which stipulates that the entity concerned will maintain relations with the UN within the meaning of Article 57 of the Charter of the United Nations. In this context, the rules of procedures of all funds, programmes

and specialized agencies allow the representatives from fellow UN entities to sit in the deliberations of EB/GCs without a vote. Although the arrangement offers an opportunity for an entity to learn about another's decisions and direction, the arrangement is clearly insufficient to ensure integration and coordination of functions at the level of EB/GCs. Only the Compendium of Rules applicable to the Governing Body of the International Labour Office (2011) has a specific provision to consult its GC in matters concerning other UN agencies. Provision 5.7.1 of the Compendium stipulates, "Where a proposal submitted to the Governing Body involves new activities to be undertaken by the International Labour Organization relating to matters of direct concern to the United Nations or one or more specialized agencies other than the International Labour Organization, the Director-General shall enter into consultation with the organizations concerned and report to the Governing Body on the means of achieving coordinated use of the resources of the respective organizations". The next article (5.7.2) adds, "Before deciding on proposals referred to in paragraph 5.7.1 of the present article, the Governing Body shall satisfy itself that adequate consultations have taken place with the organizations concerned." The rules of procedures of these types can ensure a greater role for EB/GCs to provide strategic guidance to inter-agency coordination and integration efforts.

The support for implementing the SDGs will require a governance structure that not only facilitates consultations among various entities, but also strengthens horizontal governance and ensures coordination and integration of functions, programming and funding decisions at the level of global governance of UNDS entities. It will be hard, if not impossible, to achieve

integration of functions, funding and results at the national and regional levels, without commensurate integration of governance and functions at the global level. This will require strengthening those system-wide governing arrangements

that are already in place, namely through ECOSOC and QCPR processes. This will also possibly require a formal integrated governance mechanism, involving all UNDS funds, programmes and specialized agencies.

Options	Pros and Cons
<p>Formalize and strengthen the joint meeting of EB/GCs to discuss issues of mutual concern and develop joint strategies for integration to support the SDGs.</p>	<p>Given the numbers and size of EB/GCs, it would be difficult to achieve effective coordination and integration through a joint meeting, organized annually.</p> <p>It is also unlikely to be cost-effective for the Member States as this may entail significant amount of travel costs.</p>
<p>Amend the rules of procedures of EB/GCs of other UNDS entities, requiring them to consult the EB/GCs on inter-agency matters and integrate their functions to support the SDGs.</p>	<p>Amendment of the rules of procedures will not give the EB/GCs the requisite authority in providing strategic guidance to integrate functions and funding across UNDS entities.</p>
<p>Establish an over-arching, integrated sustainable development board through the merging of the boards of UNDP, UNFPA, UNICEF, UN-WOMEN, UNAIDS, UN-HABITAT, UNHCR, and WFP. Members are to be appointed by ECOSOC. It should meet more frequently than current individual boards.</p> <p>The integrated sustainable development board should adopt a coherent globally relevant instrument for implementing the 2030 Agenda, which should link global, regional and national level UNDS interventions, integrate functions and funding and provide strategic guidance and allocate resources to DAO, joint office and other types of integrated delivery mechanisms at the regional and country levels.</p> <p>The proposed sustainable development board should have authority to allocate certain amount of resources directly to the UNRC and UN regional mechanisms to strengthen integration at national and regional levels.</p> <p>There should be some formal link for coordination and integration between the sustainable development board and the GCs of the specialized agencies.</p> <p>The sustainable development board should include independent experts to enhance the rigour of its deliberations and strengthen oversight mechanisms.</p> <p>The newly designated Deputy Secretary General for Sustainable Development, as explained in the Organizational Arrangements paper, should report to the sustainable development board.</p>	<p>The proposed integrated sustainable development board would be presented as part of a package, identifying its costs and benefits and empowered with authority on functions and funding decisions.</p> <p>Given the complexity of various EBs and their location in various cities, the proposed sustainable development board may be implemented in phases, with the EBs of New York-based entities merged first, followed by merger of boards in Geneva, Rome and Nairobi.</p>

iii. Recommendations:

The effective implementation of the 2030 Agenda for Sustainable Development will require strengthening of governance of the UN development system, ensuring legitimacy, transparency and inclusion of all relevant stakeholders in the UNDS decision-making processes. The revamped UNDS governance should take into account the differentiated needs of countries, especially that of the LDCs, and countries in crisis, and the serious challenges still faced by many middle income countries. Against this backdrop, the ITA makes the following recommendations:

1. Strengthening the role of ECOSOC

In supporting the realization of the 2030 Agenda and implementing the QCPR, ECOSOC needs to play an increasingly important role in leading, coordinating, integrating and reviewing UNDS efforts. As the convener of HLPF, it also needs to ensure that the forum plays an effective role in the follow up to the 2030 Agenda. A strengthened ECOSOC should provide system-wide strategic policy guidance and evaluate the implementation of the SDGs, including the analysis of emerging issues. In effectively fulfilling its mandates, ECOSOC should have:

- a. A full-time elected President;
- b. Adequate full-time support staff, drawn from within the UNDS.

2. Strengthening system-wide governance of the UN development system

The effective implementation of the 2030 Agenda will require an over-arching and system-wide governance structure of the UN development system. With a view to strengthening the UNDS governance, the Member States should:

- a. Establish a Sustainable Development Board (SDB) as an integrated governing body for the system, with its membership determined and elected by ECOSOC (Annex A) and for working towards sustained peace. It should have a strategic capacity for engaging in system-wide prevention and ensuring coherence between the development, humanitarian, peacebuilding areas. The Sustainable Development Board should:
 - Have a broad mandate to determine system-wide strategies for implementation of the 2030 Agenda;
 - Address over-arching management and budgeting issues and reduce costly fragmentation of functions;
 - Avail the services of independent experts and representatives of civil society organizations and private sector to incorporate multi-stakeholder perspectives in UNDS governance;

Options for establishing the Sustainable Development Board:

- The Sustainable Development Board should result from merging of all existing boards for funds and programmes beginning with the transformation of the joint board for UNDP/UNFPA/UNOPS, and gradually merging other existing boards. This will ensure that the transition to the new board will require no additional cost for the system; alternatively,
 - The Sustainable Development Board should aim for “cohesion in diversity” for the gradual integration of the functions of the existing boards or joint boards of UNDS funds and programmes within a clearly defined roadmap. Specialized agencies should be encouraged to associate themselves with, and contribute to, the work of the SDB.
- b. Mandate a full-time Deputy Secretary General (DSG) for Sustainable Development, supported by a Strategic Executive Team (SET). The DSG would provide executive leadership and coordination to UNDS efforts, for implementing the 2030 Agenda, especially that of funds and programmes. The DSG should also be charged to strengthen cohesion in relationships with specialized agencies. ITA endorses the proposal for the creation of a new position of a DSG for political affairs, which should open up the opportunity to restructure the existing DSG position to allow dedicated focus on the implementation of the 2030 Agenda. The DSG for Sustainable Development should:
 - Report to the Sustainable Development Board;
 - Prepare a consolidated budget plan and resources framework for the work of the UN development system as a whole with regard to implementation of the 2030 Agenda, as a basis for priority setting. The Specialized Agencies are encouraged to associate themselves with the overall budget priorities;
 - Provide leadership in strategic thinking, planning, data and reporting;
 - Develop a common human resource management policy;
 - Strengthen coordination mechanisms through the CEB process under the leadership of the UN Secretary General; Have adequate staff support drawn from within UNDS entities and serving under his full authority; the DSG for SD would absorb the role of UNDOCO with all its staff and budget including that which comes from funds and programmes

- Strengthen relationship with the specialized agencies in UNDS, with a view to strengthening system-wide cohesion;
- Facilitate improved coherence with the IFIs in the implementation of the 2030 Agenda.

3. Strengthening the scope and effectiveness of QCPR resolution of the General Assembly on operational activities of the UN system

The QCPR resolution of the GA should become a system-wide strategy for all UNDS:

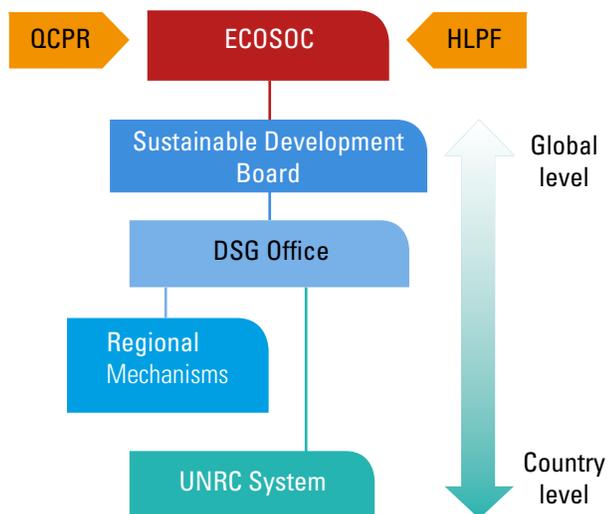
- The QCPR should be transformed into a strategic system-wide tool to assess, monitor and report on operational activities for development;
- Expand the QCPR to include Specialized Agencies, through appropriate decisions by their governing bodies so that all UNDS entities adhere to the QCPR resolution;
- Each governing body of a UNDS entity, including the specialized agencies, should annually undertake a thorough, evidence-based review of its progress with implementation of QCPR resolutions.
- QCPR process, including negotiating the resolution, should be given higher relevance by the appointment of high-level facilitators with enough time to conduct consultations and deliberations. ECOSOC should monitor progress in the implementation of the strategy/framework.

4. Enhancing the quality of decision-making of existing governing bodies

Pending restructuring of the existing governing bodies of UNDS entities, the Member States should:

- Review with priority the composition of the governing bodies of UNDS (as shown in Annex B), particularly those of the funds and programmes, to increase the ownership and participation of Member States, giving due consideration to the principles of equity and effectiveness in representation;
- Require the UNDS entities to strengthen, as needed, the technical capacities of the members of governing bodies, including common training programmes involving members of various governing bodies, in relation to the 2030 Agenda;
- Strengthen the capacities of the secretariats of the governing bodies, where appropriate, so that they are able to provide necessary analysis and technical support to the members of the governing bodies.

ANNEX A: PROPOSED GOVERNANCE STRUCTURE



ANNEX B: UN ENTITIES EXECUTIVE BOARDS

UNDP

Number of annual EB meetings: 3 times in a calendar year
 Duration of meetings: 3-5 days
 Size of EB secretariat: 3 staff

UNEP

Number of annual EB meetings: Once per year
 Duration of meetings: 4 or 5 days
 Size of EB secretariat: NA

UNICEF

Number of annual EB meetings: 3 times in a calendar year
 Duration of meetings: 2-4 days
 Size of EB secretariat: 4 staff

WHO

Number of annual EB meetings: 2 times in a calendar year
 Duration of meetings: 2-9 days
 Size of EB secretariat: NA

UN WOMEN

Number of annual EB meetings: 3 times in a calendar year
 (plus as many 20+ informal briefings)
 Duration of meetings: 1-3 days
 Size of EB secretariat: 5 staff

ILO

Number of annual EB meetings: 3 times in a calendar year
 Duration of meetings: 1-10 days
 Size of EB secretariat: NA

WFP

Number of annual EB meetings: 3 times in a calendar year
 Duration of meetings: 3-5 days
 Size of EB secretariat: 4 staff (27 staff are in the EB secretariat organigram)

FAO

Number of annual EB meetings: 3 times in a calendar year
 Duration of meetings: 1-5 days
 Size of EB secretariat: NA

UNIDO

Number of annual EB meetings: 1 time per calendar year
 Duration of meetings: 3 days
 Size of EB secretariat: NA



ANNEX C: PRINCIPLE GOVERNING BODIES, BY TYPE AND REGION

UN Entity	Governing body type & size	African Group	Asia-Pacific Group	Eastern European Group	Latin American and Caribbean Group	Western European & Other States Group (WEOG)
Funds and programmes						
UNDP UNFPA UNOPS	Executive Board (36)	8	7	4	5	12
UNICEF	Executive Board (36)	8	7	4	5	12
WFP	Executive Board (36)	8	7	4	5	12
UN-Women	Executive Board (41)	10	11	4	7	9
UNHCR	Executive Committee (93 Member States and the Holy See)	28	15	17	10	23
UNAIDS	Programme Coordination Board (22 Member States; 11 Co-sponsors; 5 NGOs)	5	5	2	3	7
UNCTAD (incl. ITC)	Trade and Development Board (194)	54	53	23	33	29
UNEP	UN Environmental Assembly (Universal Membership)	54	53	23	33	29
UN-Habitat	Governing Council (58)	16	13	6	10	13
UNODC	Commission on Narcotic Drugs (53)	11	11	6	10(+1) ²	14
	Commission on Crime Prevention and Criminal Justice	12	9	4	8	7
UNRWA	General Assembly (192)	54	53	23	33	29
Average share		25.0%	22.3%	11.5%	15.5%	25.7%
Specialized Agencies						
FAO	Council (49)	13	14	3	9	10
IAEA	Board of Governors (35)	6	8	4	6	11
ICAO	Council (36)	8	8	2	8	10
ILO	Governing Body (56) (28 Member States; 14 employers; 14 workers)	7	5	3	6	7
IMO	Council (40)	5	10	1	8	16
ITU	Council (46)	13	11	5	6	11
UNESCO	Executive Board (58)	18	14	7	10	9
UNIDO	Programme and Budget Committee (27)	6	6	3	4	8

2 The 53rd member of UNODC's Commission on Narcotic Drugs alternates between Latin America and Caribbean and Asia/Pacific regions every four years (in 2016, the extra spot is based in the former)

UN Entity	Governing body type & size	African Group	Asia-Pacific Group	Eastern European Group	Latin American and Caribbean Group	Western European & Other States Group (WEOG)
UPU	Council of Administration (41)	12	12	3	6	8
WIPO	Coordination Committee (83)	19	19	8	15	22
WHO	Executive Board (34)	9	10	5	5	5
WMO	Executive Council (37)	8	9	2	7	11
UNWTO	Executive Council (37)	10	7	5	5	4
Average share		24.4%	24.3%	9.5%	17.4%	24.4%
Regional Commissions						
ECA ECE ECLAC ESCAP ESCWE	ECOSOC (54)	14	11	6	10	13
Secretariat departments						
OCHA DESA	General Assembly (192)	54	53	23	33	29
Other entities						
IFAD	Executive Board (18)	3	4	0	3	8
OHCHR	Human Rights Council (47)	13	13	6	8	7
Average share		25.6%	23.0%	10.3%	17.9%	23.3%
Total Average share		24.9%	23.2%	10.4%	16.8%	24.6%



PAPER 3 – COMPENDIUM

Additional ITA Comments and Reflections on the Governance paper

- The idea of integration rather than coordination is a very ambitious one. In practice it's still difficult to foresee whether the great transformation of both the governance and organizational structure could be carried out without strong resistance from various agencies or the transformed structure could really live up to expectation. So there needs to be a systematic and consistent research program on the feasibility and roadmap of the transformation steps needed. A three-to-five year reviewing period needs to be set to evaluate the dynamic implications of all the reform measure having been taken.
- The proposal on setting up a Sustainable Development Board working as an overarching organ transcending the current competencies of various EBs or GCs definitely has great advantages. The difficulty lies in the process in centralization of the power and competence in terms of strategic guidance and budget planning. There are also practical difficulties related to the operation of the overarching organ. Despite the elaboration on better secretariat support and more frequent meeting time, reasonable doubts still exist concerning the efficiency of oversight by such an overarching organ on such a non-uniformed miscellaneous UNDS composed of so many agencies. There is a need for a systematic research program on all such kind of dramatic transformative measures proposed.
- The sustainable development board should have a broad mandate for working towards sustained peace; it should have a strategic capacity for engaging in system-wide prevention and ensuring coherence between the development, humanitarian and peacebuilding areas.
- An equitable balance between sustainable development priorities and the concerns of the funding partners could be achieved if the globally relevant instrument is organized by themes within the SDGs that speak of the mandates of specialized agencies – for instance People's basic needs, Prosperity, Planet.
- Organizing by SDG themes entails the risk of sub-dividing the SDGs according to mandates again. This not only undermines the comprehensive and interconnected character of the SDGs, but also coherence amongst agencies, as they are more likely to focus on specific elements of SDGs according to their mandates.
- As the convener of HLPF, ECOSOC would also need to ensure that the forum plays an effective role in the follow up to the 2030 Agenda.
- A more robust management consultancy mechanism established within the UN sustainable development system, which could include a dedicated system-wide body of experts familiar with UN processes but possessing an independent status, perhaps working in conjunction with external consultants and stakeholders of different kinds on appropriately constituted review panels, provided with appropriate resources and privileges to request information. Such consultants could be called upon electively or alternatively might play a mandatory role in periodic reviews of organizations (as opposed to countries). In such periodic reviews, organized according to a system-wide schedule, each organization's approaches would be compared to those of other organizations within and beyond the system, and possible innovations and improvements would be shared.
- Improve and simplify the reporting mechanisms of the UNDS entities through the use of modern technology and managerial tools, ensuring that information is available for member states to exercise control and oversight with full transparency, and review and evaluate the performance of the system as it happens, facilitating timely reaction by the governing bodies when needed.
- ECOSOC system needs to align all subsidiary bodies to the council's cycle and its theme, ensuring that all commissions and technical bodies feed into ECOSOC deliberations in proper time.
- There should be effective and integrated communication process from the secretariats of the governing bodies regarding the progresses and hindrances of the implementation of the 2030 Agenda.

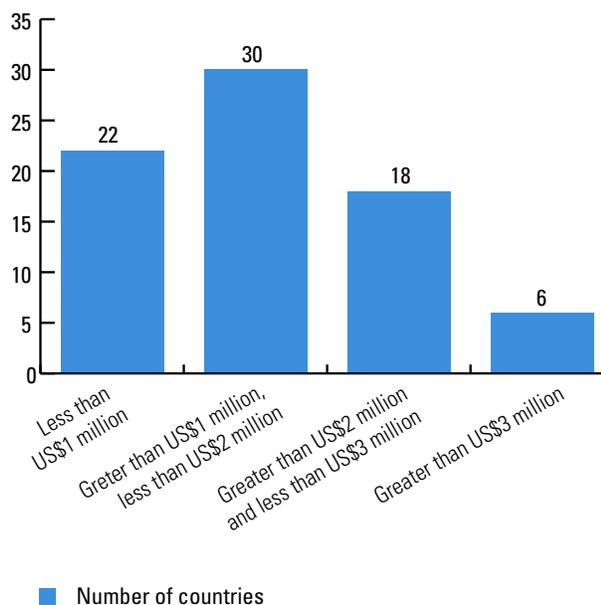
PAPER 4 – ORGANIZATIONAL ARRANGEMENTS AND CAPACITIES IN UNDS: SUPPORTING THE REALIZATION OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT¹

In supporting the transformative 2030 agenda for sustainable development, the UNDS will be required to transform not only its functions, funding and governance architectures, but also its organizational arrangements at the national, regional and global levels. This will entail fundamental changes in the UNDS field presence, the UNRC system as well as changes in regional and global coordination mechanisms. The UNDS entities currently address the challenges of fragmented presence – and make efforts to mitigate its adverse effects – through a variety of voluntary coordination mechanisms at national, regional and global levels. While these coordination have been necessary, they are not a sufficient condition for integration of functions, which is a sine qua non for delivering an integrated sustainable development in the context of agenda 2030. In essence, the UNDS needs to move from coordination to integration if it is to support the achievement of sustainable development. A revamped organizational arrangement will also need commensurate realignment and strengthening of staff capacities in UNDS entities at all levels.

i. National level: Overcoming costly fragmentation

Currently, UNDS organizational arrangements at the country and regional levels are highly fragmented, which undermine the ability of these entities to deliver integrated support to the member states. As a consequence of fragmentation, the UNDS has a near universal field presence. According to the CEB data, 24 UNDS entities, which represent approximately 95% of the UN Official Assistance for Development (OAD) expenditures (2014), maintained 1,432 UNDS offices in 180 countries across the globe. This includes 1279 offices in non-OECD-DAC countries and 153 in OECD-DAC countries (Annex A). These exclude multiple field offices of a UNDS entity within a given country. In 168 of these countries (93%), UNDS has five or more entities present and 65 countries (36%) have 10 or more entities present. A few funds and programmes (UNDP, UNICEF etc.) are physically present in over 120 countries.

Figure 1: UNDS Total expenditure/professional staff. Compiled from CEB data²



In 2014, each of the 1,432 UNDS offices delivered just about US\$2 million on average. Fragmentation of UNDS field presence imposes high overhead and transaction costs. By preliminary estimates, UNDS spent 22 cents on overhead costs for every dollar it spent at the country level². There are, however, significant variations in the overhead cost of deliveries between humanitarian and development entities, but also among various UNDS entities, which suggests that there would be significant cost saving with rationalization and consolidation and convergence of overhead costs across UNDS entities.

The CEB data on 76 countries show that the total OAD per UNDS professional staff is less than \$1 million in 22 countries (Figure 1). There is significant variation across entities in OAD delivery per professional staff (Table I). Understandably, delivery per professional staff is significantly higher for humanitarian or programme implementing entities and fairly low for specialized agencies engaged in promoting norms and standards (Table I). Per staff OAD is therefore a limited indicator of the efficiency of delivery. Furthermore, delivery should mean actual 'implementation', not merely 'financial delivery', which in itself is not an indicator of success for meaningful development work.

However, the very low OAD delivery/professional staff in a number of programmatic entities should raise concern about their viability and effectiveness. The UNDS OAD delivery per professional staff should nevertheless decline during

¹ The Co-Chairs of the Independent Team of Advisers (ITA) led the process of drafting the paper, with inputs from ITA members and a research team. The views expressed herein do not necessarily represent consensus among all ITA members. Additional viewpoints from ITA members are available in a separate compendium. The ITA Co-Chairs would like to thank all ITA members for their invaluable contributions to the paper.

² Estimated from available CEB data on total UNDS expenditures; Total overhead cost includes programme support, management and administration.

the SDG era as many UNDS entities would prioritize policy advice and advocacy and move away from direct programme implementation.

The data also shows that in more than quarter of these programme countries (21 out of 76), the total UNDS expenditure was less than \$5 million in 2014 (Figure II). There were, on average, 6.8 UNDS entities in these countries. This means each UNDS entity spent an average of \$735,000 in these 21 countries. This level of delivery is too low to justify physical presence in many of these countries. The UNDS clearly needs to come up with alternative means of representation, for instance through appointment of honorary UNDS representatives in countries where current physical presence cannot be adequately justified.

While the SDGs represent a universal agenda, this should not necessarily mean that all UNDS entities should maintain near universal physical presence, especially if it entails high overhead costs, and undermines integration of functions and funding. There is a clear scope for synergy and greater impact through strategic integration and consolidation of field

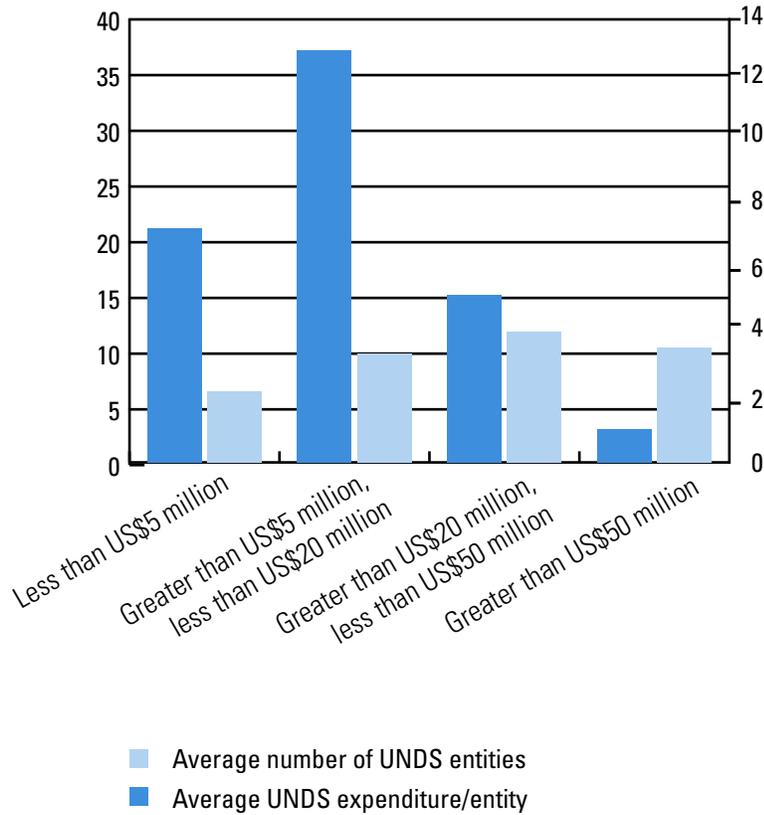
presence. The UNDS entities should consolidate functions at three levels: a. integration of business and human resources management processes through joint operations; b. integration of functions through multi-country offices in countries, where OAD delivery is very low; c. integration of functions under the Delivering as One and One UN logo within a strengthened UNRC system. While the UNDS entities should strive to improve cost effectiveness through consolidation and integration of functions, there should be flexibility to allow for country-specific needs and circumstances, including that of LDCs and countries in crisis, and the serious challenges within many middle-income countries, and to ensure greater development impact. The success of Delivering as One critically depends on strong leadership from the UN Resident Coordinator and the capacities of UNDS staff serving in national, regional and global levels. To ensure the required level of leadership of the UNRCs, their selection should be done on the basis of objective, openly competitive criteria, giving adequate importance to gender balance and regional representation.

Table I: OAD delivery/professional staff in funds, programmes and specialized agencies, 2014, compiled from available CEB data.

	# of Professional Staff	OAD delivery (US\$)/ professional staff
UNDS Funds and Programmes		
WFP	1,348	3,706,155
UNDP	2,579	2,083,083
UNHCR	1,912	1,712,356
UNICEF	3,060	1,590,880
UNFPA	612	1,568,333
UN-Women	311	869,897
UNAIDS	92	521,208
UNDS Specialized Agencies		
WHO	2,002	1,111,651
UNIDO	265	700,411
FAO	1,595	645,651
UNESCO	1,032	606,228
ILO	1,046	446,850
UNWTO	45	64,052
WIPO	502	20,481

Note: Personnel include only staff with contracts of at least one year in duration on 31 December of the year in question.

Figure 2: Average UNDS expenditure/country and average number of UNDS entities in each country



Options	Pros and Cons
<p>Integration of all back office functions (procurement, human resources, travel and ICT) of UNDS entities will offer significant cost savings and efficiency gains. The experience of Joint Operations Facility, involving 7 among 22 UNDS entities present in Brazil, provides a good example.</p>	<p>This will require significant upfront investment to ensure that all entity level procurement, human resources, travel and other business functions related rules and procedures are similar, if not identical, at the HQ levels.</p> <p>Consideration should be given to the UNDS committing to re-programme the cost-savings in the country to provide some compensation for the reduction in national staff. In the long term this move will lead to a greater contribution to national development.</p> <p>For this integration to work out, the entity managing the back office functions must be a neutral service provider to all other UNDS entities, which may not always be easy to ensure. Lack of confidence in neutrality of potential service provider has been a barrier in the past.</p>

contd...

Options	Pros and Cons
<p>Delivering as One, under the auspices of a strengthened UNRC system, can contribute to reducing costs and integrating both operational and programmatic functions at the country level. The current standard operating procedures (SOPs) for DAO, which removes institutional bottlenecks, and promotes coherence, higher standards, use of common operating systems, and shared data, policy analytics, and advocacy to support integrated solutions should be embraced as a best practice and applied across all UNDS entities in the context of Agenda 2030.</p> <p>While making the UN development system more transparent, common results-oriented, and accountable, the SOPs enable a more complete system-wide alignment of the UN contribution at the country level with national development priorities and plans. The entities joining the Delivering as One should unite and serve under one UN logo.</p>	<p>Delivering as One has been a success in the pilot countries. However, challenges persist in terms of harmonization of different functions under one leadership.</p> <p>The effectiveness of DAO/SOPs is largely undermined by the fact that UNDS entities still compete to mobilize non-core resources at the country level and there is little incentive for them to cooperate.</p> <p>The UNRC is perceived as the first among equals without any real authority on other UNDS entities participating in the DAO. DAO is yet another example of coordination without authority.</p> <p>The UNRC is also often perceived as partial to a particular entity – the entity he or she belongs to – which undermines cooperation from other entities.</p> <p>Earmarking of non-core resources by funding partners for joint activities under DAO and channelling the resources through the UNRC system may help to solve some of the incentive problem and empower the UNRC. Better use of One fund would also help to promote coherence. The funding partners will also need to change their funding practices to strengthen the UNRC system.</p> <p>The DAO may also be strengthened through various informal measures and approaches to enhance the efficiency of UNDS.</p>
<p>Joint UN presence in countries where total UNDS delivery is very low (e.g. under US\$10 million/year) and where delivery/professional staff is also low (e.g. under \$800,000).</p> <p>Selective consolidation through joint UN presence at regional and sub-regional levels should enhance integration of functions. UN Joint Presence Offices (JPOs) – established in 2008 in nine Pacific SIDS that report to the Resident Coordinator (RC) based in Fiji and funded by UNDP; UNFPA; UNICEF and UNWOMEN – provides a good example of joint sub-regional presence. Each participating agency leads in one or more countries. JPOs are seen as the ‘one stop shop’ by their host governments for contact with the UN system as a whole.</p>	<p>Joint UN presence would also face the same challenges encountered by DAO, but to a lesser degree if the UNRC is entrusted with formal authority over representatives of other agencies participating in the efforts.</p> <p>The success of joint presence, under one UN logo, would also depend on harmonization and simplification of procedures at the HQ level. To ensure that the UNRC has authority over all staff serving in a joint office, there needs to be simplified rules for secondment of staff from one UNDS entity to another. It is often easier to recruit a consultant than have a professional staff from another entity on secondment, which undermines the ability of agencies to pool their human resources.</p> <p>The success of joint presence would also depend on commitment from the funding partners to channel resources directly to the joint offices, and not to individual UNDS entities. Earmarking of non-core resources for joint offices will provide a strong incentive to UNDS entities to accept the joint office model, reduce overhead costs and enhance integration.</p>

ii. Regional Level: Strengthening linkages between national and regional efforts

The UNDS organizational arrangements at the regional level are sporadic and loosely connected with each other. The UN Regional Commissions – based in Bangkok, Beirut, Addis Ababa, Geneva and Santiago – and their sub-regional offices in a number of cities in all continents lead the Regional Coordination Mechanisms, while the UN Regional Development Group also coordinates UNDS functions at the regional level. However, these mechanisms have not been effective in integrating UNDS functions at the regional level.

The UNDG provides support to the development of the UNDAF at the regional level. The voluntary regional coordination mechanism is supported by UNDOCO, and also by UN Regional Commissions which are physically present in the region. This leads to costly overlaps and duplication of efforts at the regional level. The UN Regional Commissions need to play a far stronger and pro-active role in leading integration efforts at the regional level.

The voluntary regional coordination mechanism is supported by UNDOCO, and also by UN Regional Commissions which are physically present in the region. These multiple arrangements lead to costly overlaps and duplication of efforts at the regional level.

Options	Pros and Cons
<p>Establish regional sustainable development commissions (RSDC), possibly through an evolution of the Regional Economic Commissions (RECs) to lead the integration of SDGs in national and regional development strategies.</p>	
<p>The UNRCs should coordinate their work with the UN Regional Commissions to enhance linkages between national and regional level UNDS efforts.</p>	<p>Stronger integration of national and regional level efforts of UNDS, under the leadership of UN Regional Commissions, should not only offer efficiency gains and enhance effectiveness, but will also assist countries take advantage of the digital revolution.</p>
<p>Strengthening the regional UN functions and capacities would release resources of the country-level RC system. In essence, it would take the “Delivering-as-one” approach to the regional level. The overarching goal is to harvest synergies and to better deliver targeted solutions for the 2030 Agenda, as well as to adequately respond to global challenges requiring collective actions (GCRCA).</p>	<p>A stronger regional-national interface will include strengthening capacities at the regional level, and making those capacities available for national level support based on an integrated human resources management.</p>
<p>The design and implementation of regional UNDAF, which will aim to integrate SDGs in national and regional development strategies, will further enhance effectiveness of UNDS at the regional level.</p>	<p>Earmarking of resources for regional level outcomes, and channelling some of the resources through the UN regional commissions, is likely to encourage UNDS entities to work closely with regional commissions.</p>
<p>The regional UN bodies working through/coordinated by RSDCs should assume the function and responsibility to monitor the most relevant regional indicators for the implementation of the 2030 Agenda for Sustainable Development.</p>	



iii. Global level: Strengthening leadership and accountability

At the global level, the UN Development Group (UNDG) is a key mechanism entrusted with the responsibility for coordinating the functions of UNDS entities. UNDG membership is inclusive, transparent, and open to the entire UN development system. Currently, 31 entities are UNDG members, including all funds, programmes, specialized agencies and UN Regional Commissions. The UNDG also includes 16 observers, including the Office for the Coordination of Humanitarian Affairs (OCHA) and the World Bank.

The UNDG is one of the three pillars of the Chief Executives Board (CEB), which furthers coordination and cooperation on a wide range of substantive and management issues facing UN system organizations. The CEB brings the executive heads of UN organizations together on a regular basis under the chairmanship of the Secretary-General. Within the CEB structure, the High-Level Committee on Management works on system-wide administrative and management issues, the High-Level Committee on Programmes considers global policy issues, while the UNDG deals with operational activities for development with a focus on country-level work. At the senior management level, the coordination and leadership functions of the CEB under the guidance of the Secretary General through its 3 High Level Committees should play an important role by taking decisions to significantly improve the coordination and of UNDS entities.

As the senior most USG³, the Administrator of the UN Development Programme (UNDP) chairs the UNDG. The UNDG Chair reports to the Secretary-General and the CEB on progress in implementing the group's work plan, and on the management of the Resident Coordinator System.

UNDG represents a classic example of coordination without authority – an arrangement where equals (at the USG level) exchange information on a voluntary basis and commit to work together without any mechanism to monitor and enforce their commitments. The UNDG remains ineffective as a coordinating body, as participating entities do not report to UNDGs, but to their own executive boards/governing councils. The UNDG also reinforces the development-humanitarian divide given that OCHA – the central coordinating body for humanitarian assistance – is not a member of UNDG.

The UN Development Operations Coordination Office (DOCO) is the technical support unit for the UNDG. DOCO provides the link between UNDG discussions at headquarters and the work of the UN development system at the country level, and helps the group prepare system-wide agreements, policies and guidelines for country offices. DOCO comprises of five teams, among which only the Country and Regional Support Team – with four full-time staff - is responsible for ensuring coordination between global decisions and country-level operational activities for development.

The current coordination mechanism is inadequate to provide strong leadership and support for integration of UNDS functions at the regional and local levels. Streamlining of back office operations, scaling up joint UN presence in a larger number of countries, strengthening the UNRC system and DAO and also enhancing regional-national linkages will require an integrated and fully empowered organizational arrangement at the global level.

³ The UNDP Administrator is the senior most among all USGs, by virtue of \$1 higher salary than the salaries of other USGs.

Options	Pros and Cons
<p>Alternatively, the revamped UNDG (or UNSDG) should be headed by someone at the Deputy Secretary General level to provide strong leadership to all participating heads of UNDS entities. The designated DSG for sustainable development could take up this role and provide necessary leadership and ensure system-wide integration of functions, funding and results.</p> <p>The DSG would then report to an integrated and revamped sustainable development board, as discussed in the governance paper.</p> <p>The office of DSG for sustainable development should design and operationalize a global coherent Sustainable Development Strategic Framework, with a common strategy and a common results framework for all UNDS entities, including humanitarian entities. The global coherent strategic framework should be linked to regional and country level UNDAF, ensuring synergies among UNDS interventions at national, regional and global levels.</p> <p>The DSG for Sustainable Development would be responsible for preparing a consolidated budget for UNDS, ensuring greater transparency and accountability for development results.</p> <p>The UNRCs would be accountable to the DSG for sustainable development. The Chief Financial Officers (CFOs) of UNDS funds and programmes would coordinate their funding and oversight functions with the COO of UNDS.</p>	<p>The proposed organizational arrangement will also involve significant structural changes, including establishing a fully-fledged support team for the DSG/COO. This will also require significant realignment of reporting lines.</p> <p>The proposed re-arrangement is likely to work if the DSG would have the authority to allocate core/non-core resources to support joint/integrated functions at the country and regional levels and empower the UNRC system and if the RCs should report to the DSG.</p> <p>This would require major revamping of the DSG's office and significant number of personnel to manage these activities. UNDOCO should become part of the revamped office of the DSG.</p>

iv. UNDS capacities at all levels

The UNDS should have capacity for system-wide strategic analysis, strategic planning and early warning, concentrated in a single unit directed by and accountable to the leadership of the UNDS. Thought leadership, strategic analysis and planning, as well as early warning and risk analysis from a global perspective should be a major lever for an integrated guidance to entities on global, regional and country levels. It should be a major source of guidance for budget decisions in the context of an integrated sustainable development budget. Countries remain at the center as drivers of sustainable development, as defined through their NDIS-2030, (i.e. Nationally Determined Implementation Strategies for the 2030 Agenda). There should also be a robust management consultancy function within the UN sustainable development system, which could include a dedicated system-wide body of experts familiar with UN processes but possessing an independent status, perhaps working in conjunction with external consultants and stakeholders of different kinds on appropriately constituted review panels, provided with appropriate resources and privileges to request information. Such consultants could be called upon electively or alternatively might play a mandatory role in periodic reviews of organisations (as opposed to countries). In such periodic reviews, now promoted according to

a system-wide schedule, each organisation's approaches would be compared to those of other organisations within and beyond the system, and possible innovations and improvements shared.

The new organizational arrangement, aligned with the needs of SDGs, will also require realignment of staff capacities. The UNDS staff capacities would need to reorient from compliance mode to sustainable development impacts and results. In the current set up, the UNDS staff capacities are heavily skewed towards skills in programme and project management. The staff capacities are also necessarily sectoral and often issue specific. In the context of SDGs, there needs to be a rebalancing of capacities, striking a balance between specialization and cross-sectoral integration. There also needs to be an assessment of the gaps in existing capacities and how these gaps can be addressed. Currently, the UNDS typically rely on consultants to meet the gap and deliver specific outputs. While there is no specific data on how extensively UNDS entities rely on consultants to deliver outputs, dependency on consultancy has grown over the years against the backdrop of a shrinking base of qualified professional staff in a number of entities. Excessive dependency on consultants, however, carries the risk that the outputs produced do not often meet the required standards and risk the reputation of UNDS.

In scaling up its support for the SDGs and in line with a new organizational arrangement, the UNDS should develop and implement a system-wide new human resources strategy. The strategy should replace, combine or build upon agency-specific capacity development efforts, rather than just add new training, with the objective of developing a system-wide cadre of professional staff to support the implementation of the 2030 Agenda. The SDGs will require the UNDS staff to strengthen capacities to:

- Provide policy advice and capacity development support to member states on how to integrate SDGs in national development strategies and plans;
- Understand and capture the linkages among various UNDS interventions and SDGs to maximize the development impact;

- Analyze data and support early warning at national, regional and global levels;
- Evaluate development results and their spill-over effects at national and regional levels;
- Forge partnerships and mobilize resources to support multi-sector interventions;

Options	Pros and Cons
<p>The UNDS should have capacity for system-wide strategic analysis, strategic planning and early warning, concentrated in a single unit directed by and accountable to the leadership of the UNDS.</p> <p>The UNDS staff training is not coordinated. There needs to be a designated authority to identify the capacity gaps and training needs of the UNDS staff in a multi-year, SDG context.</p> <p>UNDS should develop and adopt a common human resource management system, ensuring that staff capacities are fully aligned to SDG priorities. The common human resource management system should expedite recruitment processes and ensure full flexibility for deployment of adequate staff across different UNDS entities.</p>	<p>The coordination among various research entities may be difficult to ensure given their divergent priorities and work programmes.</p> <p>The implementation of a common human resource management system will require a strong commitment and leadership. The DSG for Sustainable Development may play an important role in providing necessary leadership to ensure that staff capacities are fully aligned to SDG priorities.</p>
<p>There needs to be system-wide mechanism for pooling of resources to strengthen the staff capacities of UNDS entities. The UN Staff College, along with the six research institutions which are part of UNDS, should design and organize specific online and offline training courses on how the UNDS should support integration of SDGs in national development strategies.</p>	<p>It is unlikely that new and additional resources will become available for training of UNDS staff. The UNDS training entities should develop cost effective training online and offline training materials to align and strengthen staff capacities for supporting SDG implementation.</p> <p>There should be particular emphasis on the UNRC training to ensure that the freshly minted UNRCs are fully trained to lead the SDG integration efforts at the country level. The UN Staff College should review the current UNRC training curriculum and make it more relevant for the SDGs.</p>
<p>Selection of the UN Resident Coordinators should become more rigorous and competitive, striking a balance between competency, gender and regional representation.</p> <p>The UNRC selection process should be opened up to all potential external candidates and the requirement of fees for taking the qualifying exams removed.</p>	<p>The UNRC selection process would need additional funding should it be opened up to all candidates.</p> <p>The Member States would need to commit additional financial resources to make the process more competitive.</p>

v. Recommendations:

The ITA recommends the following, taking into account the pros and cons listed earlier:

1. Sustainable Development Board should carefully review the UNDS field presence (considering a sunset clause), identifying scopes for strategic and selective consolidation and integration. This effort should be driven by country and region-specific needs. To ensure greater development impact, it should aim at reducing fragmentation, take into consideration the progressive shift where necessary from direct implementing role to normative and policy development functions.
2. UNDS entities should streamline procedures and develop a common reporting mechanism, to scale up joint offices and integrated back offices under the auspices of one UN logo, reflecting the Sustainable Development vision. When necessary, agency logos should be recognized in the context of specific constituencies or activities. The UNDS should also consider honorary representation, especially in countries without UN presence, to improve the voice, relevance and the impact of the UNDS in the country-level.

The Deputy Secretary General for Development should be designated as the new Deputy Secretary General for Sustainable Development, with adequate support staff drawn from within the system as a whole under his/her authority. Its functions should be supported by a Strategic Executive Team, composed of Chief Executive of UNDS entities. The creation of the Office of the DSG for sustainable development should be broadly cost neutral in the whole system, as it will feed from existing organizational arrangements within the different entities. It could be an option to include the absorption of UNDOCO with all its staff and budget including that which comes from funds and programmes.

3. The UNRCs should be appointed by the new DSG for Sustainable Development. The selection process should be changed fundamentally with a view to encouraging recruitment from various professional background and more varied experience, including from outside the system. The recruitment of UNRCs should be strengthened to ensure that the selection of the most qualified candidates and most suitable to the needs of the country concerned. Where necessary, recruitment criteria should include capacity to perform as a humanitarian coordinator. The existing high application fees for UNRCs examination presents a barrier to entry for individual candidates and should therefore be abolished.
4. Funding support for the UNRC system should be strengthened and adapted to necessary changes. The UNRCs should report to the new Deputy Secretary General

for Sustainable Development as the recognized system-wide authority. Current UNRC system arrangements, including budgetary, should be absorbed by the office of the new DSG for SD.

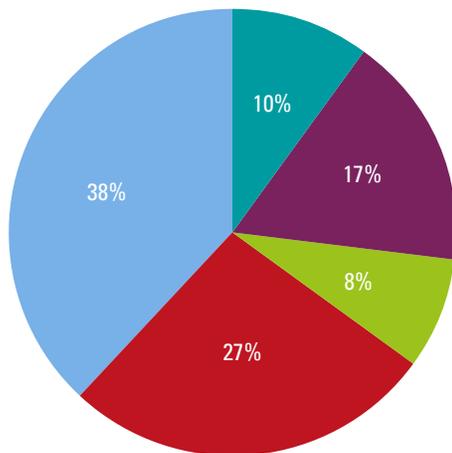
5. Delivering as One should be further scaled-up, with one UN logo and a more empowered UNRC system and flexible staffing arrangements, enabling pooling of technical and financial resources.
6. UNDS entities should adopt a common human resource policy ensure staff capacities are fully aligned with SDGs and their particular mandates. Progressively, all UNDS staff should be able to be flexibly deployed across various entities. The UN Regional Commissions –renamed as Regional Sustainable Development Commissions – should assume a more direct and pro-active role for strengthening local, regional and national linkages. The Regional Commissions should facilitate review and mutual learning in the context of the implementation of the SDGs and should more proactively extend and utilize their capacity for data collection and statistical analysis and also assist the national level in data collection and statistical analysis.
7. UNDS needs to reflect the role of the system in the wider multilateral landscape of organization and improve its external coherence with global/regional actors. UNDS and IFIs should aim for cohesion and joint action in their respective contributions to the implementation of the 2030 Agenda.



ANNEX A: NUMBER OF UNDS OFFICES

Region	UNDS offices
Africa	544
Asia and the Pacific	385
Eastern Europe	115
Latin America and the Caribbean	244
Western Europe and Other States	144
Total	1432

UNDS offices by region



- Africa
- Asia and the Pacific
- Eastern Europe
- Latin America and the Caribbean
- Western Europe and Other States

UNDS entity	Number of offices
WHO and PAHO	159
UNDP	157
UNICEF	139
UNFPA	129
UNHCR	123
FAO	122
WFP	97
ILO and ICTILO	89
UNAIDS	78
UNESCO	71
UNOPS	71
UN-WOMEN	61
UNIDO	44
IFAD	25
ICAO	17
ITU	15
WMO	11
IAEA	7
UNRWA	5
WIPO	5
ITC	3
IMO	2
UNWTO	1
UPU	1
Total	1432

Source: CEB Human Resource Database

PAPER 4 – COMPENDIUM

Additional ITA Comments and Reflections on the Organizational Arrangements and Capacity Paper

- The strengthening of the UNRC system in country-specific context merits more elaborated proposals and concrete actions. The relevant policies need to adapt to the situational variation in terms of country-specific context. There may be several models to be followed.
- First, the “delivering as one under one UN logo” model which may be more appropriate for small developing countries with small-scale UN involvement. The UNRC can work as a full power agent representing all the UN agencies’ work in the relevant country or even several countries adjacent to each other geographically. In this model, the UNRC assumes the decision-making and implementation competency in terms of UN-sponsored programs.
- Second, in countries where due to historical causes one or a few UNDS agencies dominate the work and programs related to UN agencies, the UNRC may mainly focus its work on collaboration with these UNDS agencies and coordinate other UNDS agencies to play more of a supportive role. By taking this role, the UNRC may have certain specific mandates related to some program budget, mainly working under a power-sharing arrangement with the dominating UNDS agencies.
- Third, under some circumstances a lot of UNDS agencies have established institutionalized working relations with their respective governmental ministries or offices in the country. It would be a little difficult for the UNRC to take a more influential role other than a pure coordinator or broker. Otherwise it may take great efforts to reshape and transform the various working relations the UNDS has established in its long-time cooperation with the national governments.
- The pros and cons for the first and second options introduced should not include references to barriers and potential resistance from Member States/Programme Countries. The pros and cons for the first option should state that “lack of confidence in neutrality of potential service provider has been a barrier in the past.”
- The first recommendation makes reference to integration – but Integration of what? The recommendation should also mention the aim of reducing overheads and ‘enabling’ functions.
- In addition to their reporting line to agency heads, resident coordinators should report to the new Deputy Secretary General for Sustainable Development as an acknowledged system-wide authority.”
- The seventh recommendation should be rephrased to read “UNDS entities should adopt a common human resource management policy to ensure staff capacities are fully aligned with SDGs and their particular mandates. Progressively, all UNDS staff should be able to be flexibly deployed across various entities.”
- The recommendation on the Office of DSG and its Strategic Executive Team should include the CEOs of UNDS and humanitarian entities (which, in practice, might only include OCHA). There needs to be representation from the humanitarian side or the divide will become even deeper.
- There is reference to SDGs and their particular mandates, but SDGs are not mandates. In general, the recommendation regarding common human resource policy is unclear.
- How will regional commissions be supported in their new role? As you know, I remain skeptical about the suitability of handing them these particular responsibilities.
- The last recommendation regarding the wider multilateral landscape also needs to include the humanitarian system and not just the IFIs.



PAPER 5 – PARTNERSHIPS FOR THE UN DEVELOPMENT SYSTEM¹

The 2030 Agenda for sustainable development underscores, that all countries and all stakeholders, acting in collaborative partnership, will implement the SDGs. Given that no one actor can realize the SDGs and that an essential feature of the goals is that they are interlinked; the 2030 Agenda emphasizes the role of partnerships – the interlinking of human agency to achieve a common purpose – as a critical means of implementation. While Agenda 2030 recognizes that each country has primary responsibility for its own economic and social development, it highlights the need for Global Partnerships for Sustainable Development and also multi-stakeholder partnerships, involving private sector, civil society organizations and philanthropic institutions, as means for delivering the SDGs. In Sustainable Development Goal 17 of the 2030 Agenda, Member States resolved to “enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources.....and encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships”.²

Given the overarching role of the UN in Agenda 2030 the UNDS is entrusted with the responsibility to forge and facilitate collaborative partnerships, within and across countries, to support the realization of the sustainable development agenda. The UNDS is expected to play a catalytic and support role for broadening and deepening the scope of partnerships, across a wide range of actors, to facilitate implementation of the SDG agenda. It will be critical for the UNDS to assume the role of a broker or facilitator of partnerships during the SDG period, taking into account the priorities and needs of people and countries implementing the SDGs. Partnerships will be one of the critical mechanisms that will determine the success of SDGs. Partnerships will define one of the critical “hows” of the 2030 Agenda.

The imperative of forging partnerships is not new for the UNDS. In fact, all UNDS entities engage in partnerships – in one form or other – to deliver its normative, policy advocacy and programmatic functions. The key partner for any UNDS entity is often the national government. But it also partners with international financial institutions, regional development banks, civil society organizations, and increasingly also engages private sector entities, to deliver on its mandates. The Busan Partnership Agreement, which was adopted in 2011, has assisted in establishing common principles and ensuring

accountability and enhanced effectiveness in the context of partnerships and development cooperation. A chronology of UNDS partnerships for sustainable development is included in Annex A.

During the SDG period, UNDS will need to strengthen its role as a broker in facilitating the creation of inclusive multi-stakeholder partnerships, which engage both traditional and non-traditional development partners for the benefit of countries in the realization of the SDGs. Partnerships should include governments, and such actors as civil society, non-governmental organizations, academia, multilateral and regional development banks, regional organizations, media, businesses, youth groups, cities and municipalities, think tanks and others.

i. Partnerships during the SDG period

UNDS entities typically engage in two types of partnerships: a. partnerships where one or more UNDS entities are a direct party; and where UNDS is not a direct party, but plays the role of intermediary broker or facilitator to bring two or more stakeholders together. In the context of the first type, a UNDS entity would be expected to forge partnership, for example, with a national statistical authority to strengthen data collection or with a private sector entity to deliver basic services. The UNDS entities could also play an important role in forging partnerships for domestic resource mobilization and transfer of knowledge and technology. The second type of partnerships includes public-private or private-private partnerships – including partnerships between and among civil society organizations, NGOs, academia and private sector entities – facilitated or brokered by a UNDS entity within or across countries. During the SDG period, this role will become increasingly critical and UNDS entities will be expected to forge more such partnerships to mobilize domestic and external resources, facilitate transfer of technology, generate venture capitals for small entrepreneurs, strengthen policy development and policy advocacy and strengthen peer and partnership reviews. Given the universality of the 2030 Agenda, these will also include partnerships in the context of South-South, North-South, South-North and North-North cooperation.

A broader vision on partnerships must recognize the centrality of the role of civil society organizations, popular participation and experts from national and international technical agencies and academia in periodic review processes as a central component of SDG implementation. Such broad-based partnerships will also contribute to strengthening the governance of UNDS, improving organizational arrangements and enhancing periodic monitoring and learning mechanisms.

1 The Co-Chairs of the Independent Team of Advisers (ITA) led the process of drafting the paper, with inputs from ITA members and a research team. The views expressed herein do not necessarily represent consensus among all ITA members. Additional viewpoints from ITA members are available in a separate compendium. The ITA Co-Chairs would like to thank all ITA members for their invaluable contributions to the paper.

2 The 2015 resolution of the General Assembly on the “Global Partnership for Development” defines partnerships as “voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve common purpose or undertake a specific task and, as mutually agreed, to share the risks and responsibilities, resources and benefits”.

The UNDS entities would also need to contribute effectively to partnership management, enhancing transparency in, and accountability for, partnerships. Random checks and random audits of various partnerships can play an important role in enhancing accountability and making partnerships more effective for sustainable development.

In order to ensure that partnerships effectively contribute and reinforce other efforts towards the realization of the SDGs within and across countries, UNDS entities would need to:

- a. Forge partnerships that are need-based and aligned with country priorities as well as with UNDS functional priorities for SDGs;
- b. Promote multi-sectoral and multidimensional partnerships;
- c. Simplify the rules of engagement for partnerships, while managing risks;
- d. Enhance effectiveness and ensure accountability for results.

a. Forging need-based, demand-driven partnerships

Partnerships during the SDG period should be demand-driven, and not pushed by supply-side factors. The UN is a valued brand for many stakeholders, particularly for those seeking to enhance their visibility, legitimacy and credibility. There can be direct or indirect pressure on UNDS entities to accept a partner. Leveraging their brand value, UNDS entities should be able to choose and forge partnerships, taking into account specific needs at national, regional and global levels. For partnerships to effectively contribute towards the realization of the 2030 Agenda, it is an imperative that UNDS entities facilitating partnerships are guided by a clear understanding of country needs as well as the existing gaps in UNDS functions, capacities and funding and how a potential partnership can help fill these gaps. The ultimate objective of partnerships should be to address needs of countries as they pursue the 2030 Agenda.

Currently, the UNDS lacks a system-wide capacity for assessing the needs and scope for various types of partnerships. Presently a number of UNDS offices have assigned roles in furthering multi-stakeholder partnerships, namely the UN Office for Partnerships, the Global Compact Office and DESA. According to a 2010 study of the Joint Inspection Unit, these entities typically work in isolation, resulting in unclear responsibilities, overlaps and duplication of effort among them. This underscores the imperative of a system-wide delivery support for partnerships, to integrate and streamline the large number of initiatives of UN funds, programmes and specialized agencies. The system-wide delivery support could assume the role of an incubator and broker to facilitate partnerships and provide various partnership services, including simplifying the rules of engagement and promoting multi-sectoral partnerships.



Options	Pros and Cons
<p>UNDS establishes a system-wide delivery support, with dedicated planning and coordination capacities, to support scaling-up of sector-specific and multi-sectoral partnerships at national, regional and global levels.</p> <p>The system-wide delivery support should act as a broker for intermediating demand and supply for partnerships and reduce transaction costs for individual entities.</p> <p>It should develop common rules and procedures for forging partnerships and make partnerships more transparent and accountable.</p> <p>The proposed system-wide delivery support should also provide partnership resources and enhance the collection of data on various partnerships and their development impact.</p>	<p>The proposed delivery support for partnerships would need significant staff capacity and financial resources to provide dedicated planning and coordination support to all UNDS entities.</p> <p>Many UNDS entities may not use the system-wide delivery support even if it is established, given that the system-wide delivery support may make the process lengthy and cumbersome.</p> <p>The delivery support may be too far removed from actions on the ground to understand the demand for various types of partnerships at the country level.</p>
<p>Establish delivery support for partnerships at the regional level, strengthening capacities of UN regional commissions to facilitate, broker and coordinate partnerships, especially partnerships that involve parties across national borders.</p>	<p>This could be cost-effective given that many cross-border partnerships – including South-South and Triangular Cooperation partnerships – have regional and sub-regional dimensions.</p> <p>This may also ensure effective division of labour between UNDS entities at the country level and UN Regional Commissions in the regional level, with the latter assuming facilitation and coordination roles for managing partnerships.</p>
<p>Empower and capacitate the UNRCs to forge and vet partnerships at the country level on behalf of all UN entities to ensure leadership, coordination and integration.</p> <p>Effective coordination and leadership from the UNRC will help ensure that UNDS entities forge partnerships that offer system-wide benefits.</p>	<p>The UNRC system would need significant additional staff capacities and resources to coordinate partnerships for all UNDS entities.</p> <p>Many UNDS entities may not want to rely on the UNRC to lead partnership efforts on their behalf, especially if the UNRC is not perceived as neutral.</p> <p>Given the national level mandate, UNRCs may not be in a position to effectively identify and broker cross-border, multi-sectoral partnerships, including partnerships for South-South cooperation.</p>

b. Promoting multi-sectoral and multi-dimensional partnerships

During the MDG period, UNDS entities formed or facilitated many multi-stakeholder partnerships. In a typical multi-stakeholder partnership, a number of key actors primarily from within the same sector were crowded in to enhance synergies and impact. Sustainable Energy for All is an example of such a multi-stakeholder partnership. Another example is the Climate & Clean Air Coalition to reduce short-lived climate pollutants. There are many such multi-stakeholder partnerships in the climate sector. Complementing multi-stakeholder partnerships, there were also Action Networks, which were “initiatives that aimed to catalyze new commitments within a certain thematic area.” These Action Networks were partnerships themselves but also often included other partnerships. Many existing multi-stakeholder partnerships and Action Networks are essentially sectoral.

The scale, universality and extensive inter-linkages of the 2030 Agenda will require UNDS entities to look beyond sectoral partnerships and prioritize multi-sectoral and multi-dimensional partnerships within and across countries. The multi-sectoral partnerships would need to link actors from various sectors and dimensions, including economic, social and environmental dimension. UNDS entities would need to play a leadership role in identifying and strengthening various inter-linkages that transcend sectors, dimensions and national boundaries. It would need to assume the role of an effective facilitator to bring the relevant actors to identify the inter-linkages in the context of SDGs. Strengthened South-South, North-South and Triangular Cooperation – intermediated by various UNDS entities – can play a very important role in forging multi-stakeholder and multi-dimensional partnerships for sustainable development.

Options	Pros and Cons
<p>The UNDS undertakes a mapping exercise at the global, regional and national levels, to identify a selection of the various types of multi-sectoral, multi-dimensional partnerships needed for supporting specific or strongly interlinked SDGs. The mapping exercise should identify which areas of the SDGs have little or no partnership platforms in place, for example inequalities, oceans, peace and access to justice. To ensure that the Agenda is treated as indivisible, these areas should be given special attention to ensure that some goals are not left behind.</p> <p>The mapping exercise should also identify defunct partnerships that are no longer relevant to Agenda 2030 implementation.</p> <p>The mapping exercise should be guided by a clear understanding of existing capacity and resource gaps in countries.</p>	<p>Member States may be concerned that some areas of the SDGs not receive more attention than others. To avoid this, a mapping exercise should clearly have delivery partnerships in place, which need to be strengthened or adjusted and which need to be initiated in order not to be left behind in implementation</p> <p>The process could be viewed as top-down. There is clearly no way every multi-sectoral or multi-dimensional partnership at regional, let alone national, levels can be identified and mapped. A number of partnerships will develop organically as the strategies for achieving the SDGs become better understood. It is a process of learning and must include failure as well as success. A mapping of best practices, of types of partnerships etc. would be very helpful provided it does not lead to excessive top-down directives.</p>
<p>Alternatively, the UN Regional Commissions – given their proximity to UNDS entities at the country level – may lead the mapping exercise and identify the needs and scopes for multi-sectoral and multi-dimensional partnerships for SDGs. The leadership from the Regional Commissions can also help to strengthen linkages between global and national level efforts for forging multi-sectoral and multi-dimensional partnerships.</p>	<p>UN Regional Commissions would need capacities and resources to lead the mapping exercise for identifying the needs and scopes for multi-sectoral partnerships.</p> <p>This means that the UN Regional Commissions would need to prioritize partnership management, which may not be forthcoming without some changes in their mandates.</p>

c. Simplifying the rules of engagement and managing risks for partnerships

There needs to be clear and system-wide understanding of what constitutes a partnership. The process of establishing formal partnerships is often unclear and bound by various rules, procedures and practices. It may take months, if not years, for a UNDS entity to enter into a meaningful partnership arrangement or broker a partnership.

There is also the possibility that a UNDS entity may encounter Type I or Type II errors in considering prospective partnerships, rejecting partnership opportunities when it should have accepted or accepting a partnership when it should have rejected. These errors often take place because of complex and cumbersome bureaucratic processes for assessing the underlying risks of a potential partnership. When a UNDS entity is too risk averse, it may undertake excessive due diligence in finalizing a partnership which may discourage a good partner. On the other hand, a potentially hazardous partner may be willing to take advantage of loopholes and pass a bureaucratic vetting process with perseverance. In essence if a partnership vetting process is too cumbersome and bureaucratic, it may induce the so-called “adverse selection” problem, where bad risks can drive out good risk. While some risk classification exists at the entity level, there are considerable discrepancies in the classification and application across entities. As such, it

is an imperative to develop a common and uniform framework for identifying and assessing risks in partnerships that will apply to all UNDS entities.

To facilitate effective partnerships, the UNDS would need a set of simplified and flexible rules. There should be efforts to classify partnerships according to the levels of risk. A line could potentially be drawn between for-profit (higher risk) and not-for-profit organizations (lower risk). For example, if the partner is a national government, the risk should be considered very low. On the other hand, if a partner is a private sector entity with a clear or potential conflict of interest in its area of engagement, partnership risk should be considered very high. Alternatively, partnerships can be classified by the type of engagement. An implementing or funding partner could carry a high risk for a UNDS entity whereas an advocacy partner could carry very little risk. In case of potentially high risk partnerships, UNDS entities should accept a partnership only if risks are commensurate to returns. UNDS entities should always strive to limit its risk exposure, clearly classifying risks and limiting liabilities upfront, without discouraging potentially good partners.



Options	Pros and Cons
<p>The proposed UNDS delivery support for partnerships should standardize and adopt procedures for partnership agreements, simplifying and harmonizing the rules and processes for forging partnerships.</p> <p>This will require significant revisions and amendments to various existing UN protocols, agreements and other legal framework.</p>	<p>This could entail a very lengthy process. The revisions of rules and regulations may require explicit consents of the Member States, which may be difficult to mobilize. The UNDS entities may not necessarily use the standardized UN procedures, especially if they are too prescriptive.</p>
<p>The proposed UNDS delivery support should introduces a review and certification process to enhance transparency and accountability in partnerships. This will help minimize risk exposures, prevent adverse selection and create incentives for good performance from a partner.</p> <p>The system-wide partnership delivery support will be in the best position to introduce a common review and certification process, based on the profile of a partner (national government, cities, NGO, CSO, private sector, for-profit, not-for-profit etc.), the number of years in operation, financial solvency, operational motives, track records etc. The review should be undertaken every 2-3 years to reflect both good and poor performance and unethical practice in the recent past.</p>	<p>This will require a strong political leadership at the highest level, as many current and prospective partners may oppose the introduction of a system-wide review and certification process.</p> <p>This will also require some investment to develop objective criteria for measuring partnership performance and also to institutionalize a process for collecting and updating data.</p> <p>The proposed review and certification process will become effective only if UNDS entities participate in the process and share necessary data with the system-wide delivery support for partnerships.</p>

d. Enhancing effectiveness and ensuring accountability for results

Proponents of multi-stakeholder partnerships argue that they bring significant additional value to the work of the UNDS, such as, greater pooling of resources, an ability to move quickly, and high level of innovation. Critics, however, point out that limited evaluative information is available on the effectiveness of many multi-stakeholder partnerships established and/or led by UNDS entities. A study, examining 348 multi-stakeholder partnerships included in the database of the Commission on Sustainable Development, concluded that 37 per cent of these partnerships produced no output at all in terms of the criteria applied.³

It is critical that in the context of Agenda 2030, the UNDS adopts transparent, measurable and verifiable performance indicators for partnerships, especially when one or more UNDS entities are direct parties to the partnership. Even as brokers they have a vested interest. When evaluating the outcomes of a partnership over time, the UNDS should ensure that the performance measurement is specific and limited to the value-added created by the partnership. This will require UNDS entities to take advantage of the extensive set of SDG indicators to measure and evaluate the performance of various partnerships.

³ (Pattberg et al, 2012).

Options	Pros and Cons
<p>UNDS develops a system-wide results framework – linked to relevant SDG indicators - to evaluate the performance and impact of various partnerships.</p> <p>The results framework should serve as one of the criteria for entering into, reviewing and certifying partnerships.</p> <p>The proposed UNDS partnership delivery support for partnerships may lead the process of developing the SDG-linked results framework for partnerships, incorporating inputs from all UNDS entities. This will ensure broad ownership and use of the results framework by the UNDS entities.</p>	<p>The system-wide results framework would need to strike a delicate balance between specificity and flexibility to make it applicable for partnerships that vary significantly in size, scope, modalities and country contexts and differentiated country needs, especially that of LDCs and countries in crisis.</p> <p>UNDS entities may lack incentives for using the standardized results framework to evaluate partnerships unless it is linked to resource allocation. For example, UNDS entities using the partnerships results framework may receive some additional resources from the delivery support for partnerships for implementing the partnerships results framework.</p>
<p>Further partnerships should include a clear and well defined exit strategy in specific high risk the agreements such as some of those with for-profit organisations, for quickly terminating any partnership that fails to deliver the intended results.</p> <p>UNDS entities should be able to unilaterally exercise the exit option. A clear, well-defined exit clause in partnership arrangements should incentivize partners to deliver the agreed results.</p>	<p>This will require significant revision of many existing partnership agreements, which may be difficult to implement.</p> <p>Some partners may not accept an exit strategy or termination clause in the partnership agreement, especially if they fear that UNDS entities would exercise the option.</p>

ii. Recommendations:

Partnerships will play a crucial role in the implementation of the 2030 Agenda by engaging actors beyond the UN to engage and leverage their resources, capacities and ambitions. Civil society, the private sector, cities and local communities, religious organizations, academia and many others have immense resources and creativity which can make a difference. Engaging people, business, local communities and many others for sustainable development is the prime focus for partnerships, not filling gaps in resource-strapped UNDS.

- UNDS entities should facilitate, and engage in partnerships based on specific needs and priorities of countries, taking into account the existing gaps in capacities and resources at national, regional and global levels, catalyzing and motivating effect of partnerships and their role in fostering innovation, sharing experiences, leveraging capacities and resources;
- The UNDS should establish a system-wide delivery support for partnerships at the global level with delegated responsibilities to Regional Commissions for Sustainable Development and UNRCs– that act as a broker and facilitator for overcoming challenges and a solid vetting process. , The UNDS partnership delivery support should also enhance transparency and accountability in partnerships and ensuring partnerships deliver specific results at global regional and country level;
- The proposed UNDS partnership delivery support should develop and implement standardized procedures for partnerships, simplifying and harmonizing applicable rules and processes, including good governance principles and appropriate exit strategies in instances where these are deemed necessary, to encourage good and effective partnerships and make partnerships more aligned with, and effective for, SDGs;
- The system-wide delivery support for partnerships should undertake a mapping exercise to facilitate multi-sectoral and multi-dimensional partnerships, identifying selected specific inter-linkages and the roles and contributions of all stakeholders in realizing the 2030 Agenda;
- The The proposed UNDS partnership delivery support should, working with/through the UN Regional Commissions and UNRCs play an important role in forging and facilitating South-South, North-South, South-North and Triangular partnerships. Special focus should be given to partnerships with regional organizations, cities and local governance in an urbanized world;
- The proposed UNDS partnership delivery support should facilitate the development and implementation of a system-wide review and certification process, incorporating various indicators of success and risks, results framework and performance measures to periodically review and evaluate the performance of various partnerships and enhance transparency, accountability and effectiveness of partnerships.

ANNEX A: BRIEF HISTORY OF PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT IN THE UN SYSTEM

Year	Event
1998	UN Fund for International Partnerships (UNFIP) established; manages \$1 billion from Ted Turner
2000	Millennium Development Goal 8 (MDG8) mentions multi-stakeholder partnerships
2000	UN Global Compact (UNGC) launched; promotes ten principles covering human rights, labour, environment and anti-corruption
2000	Guidelines on Cooperation between the United Nations and the Business Community issued
2000	First resolution of UNGA "Towards global partnerships" adopted, followed by second resolution in 2001 and from then onwards on biennial basis
2001	Bali Guiding Principles for Partnerships for Sustainable Development established at final PreCom for WSSD
2002	World Summit on Sustainable Development (WSSD) places partnerships prominently as means for implementation, including the announcement of 200 partnerships at the Summit
2003	Building on the Bali Guiding Principles (2001), CSD11 decides on criteria for partnerships and starts holding Partnerships Fairs
2004	UNDESA establishes online database on partnerships
2006	UN Office for Partnerships (UNOP) created as hub for collaboration between UN and the private sector and foundations
2008	ECOSOC starts its annual Partnership Forum
2009	First revision of the Guidelines on Cooperation between the UN and the Business Community; greater emphasis places on assessment, transparency, and accountability
2012	UN Conference on Sustainable Development (Rio+20); partnerships and other voluntary initiatives are seen as means of implementation of Conference outcomes
2013	High-level Political Forum on Sustainable Development established; mandate mentions "platforms for partnerships"
2014	SAMOA Pathway adopted at the Third International Conference on Small Island Developing States; SIDS Partnership Framework established one year later by GA
2015	2030 Agenda for Sustainable Development adopted; including 17 sustainable development goals and 169 targets; SDG 17.16 and 17.17 deal with multi-stakeholder partnerships
2015	Second revision of Guidelines on a Principle-based Approach to the Cooperation between the UN and the Business Sector; stronger focus on due diligence and transparency

PAPER 5 – COMPENDIUM

Additional ITA Comments and Reflections on the Partnerships paper

- In terms of evaluation of performance of various kinds of partnership, there needs a differentiation of partnership with different characteristics. The UNDS is obligated to form partnership with relevant intergovernmental organizations and national governments. It seems this draft paper lacks a part elaborating on how to enhance the efficiency and effectiveness of partnership with IFIs such as the IMF and World Bank. There is great overlapping area between the mandates and work of the UNDS and World Bank as well as major regional MDBs. We need an institutionalized mechanism to facilitate the cooperative partnership between the two development systems so as not to make overlapped efforts and resources in similar areas. For better cooperative outcome, we need have clear mind of the advantages and disadvantages of both the UNDS and the World Bank Group. In practice, the WBG has been working like a self-contained system, with its component agencies focusing on differentiated categories of countries and areas. However, the current global circumstances of increasing complexity, fragility, and instability has constituted great threat to the development programs the World Bank has launched in various countries and regions of the world. It lacks sufficient capacity and effective mechanism in dealing with security-related and humanitarian risks. In contrast, the UNDS just has the advantage of combining both the humanitarian and development work. Therefore, the UNDS and World Bank may have more cooperative space in the crosscutting areas of humanitarian, security, and development. Thus the focus of such kind of partnership may also need to make a corresponding shift.
- With the rising prominence of middle-income developing countries in international development cooperation, the UNDS need pay more attention on facilitating or bridging the new type of South-South Cooperation. This kind of partnership on one side will work on facilitating and channeling of capital flows from the new donors such as China, India, and Brazil to low-income countries. In the meantime, knowledge and experience sharing has become an important component of such partnership. During this process, the UNDS may have to revise its traditional ways of perceiving and doing things, since there may be great difference in the approaches taken by the new donors. To forge such kind of partnership demands the reflection on its own usual practice by the agencies of UNDS.
- At national level, the partnership not only should focus on implementation of programs and projects. It's also of critical importance for the partnership with major donors and development partners of the relevant country

being involved into the process of UNDAF drafting and identification of priority areas in need of special focus. Currently the UNDAF has been mainly made within the UNDS. It needs to become a more inclusive process so as to get the participation of all the major stakeholders. The same approach should also be taken in the case of drafting Nationally-Determined Implementation Strategy of 2030 Sustainable Development Agenda.

- As for partnership with private sector agencies, it's correct to bear in mind the caution that some private sector agencies aims mainly to exploit the opportunities provided by the reputation of the UN system while joining such kind of partnership. The UNDS should set clear standards and code of conduct for the private sector actors in the partnership. The role of the UNDS better be positioned at the first-mover or leveraging role as well as the party providing guidance for the conducts of private actors. It's also important to get the national government involved into the process so as to have more leverage on the private actors.



PAPER 6 – INTERLINKAGES IN THE UN DEVELOPMENT SYSTEM¹

i. Introduction: An Interconnected Agenda

The 2030 Agenda presents a universal comprehensive and interlinked set of goals that define what we, the people of this planet, need to accomplish by the year 2030 to build a sustainable world that leaves no one behind. The Agenda enjoins actors at every level, local, national, regional and global, to work together across their divides in global, regional and country contexts. The 2030 Agenda goes far beyond the imperatives of economic growth and moves into the necessary policy integration of the economic, social and environmental dimension of sustainable development. It links development to sustainability and recognises that there can be no sustainable development without peace and no peace without sustainable development. The 2030 Agenda provides a comprehensive perspective for understanding the concept of development. The 2030 Agenda also envisions a world of universal respect for human rights and human dignity, the rule of law, justice and equality without discrimination, and also a world where increasingly inter-dependent economies are people-centered dynamic, sustainable and innovative, promoting inclusive growth and reduction of inequalities, women's economic empowerment, youth employment and decent work for all. It is a world that must integrate and balance the three dimensions of sustainable development: the economic, social and environmental, and where the requirements of nature as well as of human beings are recognized.

The Sustainable Development Agenda demands fundamental changes in how we produce and consume goods and services, how we manage our planet's natural resources, emphasizing the urgency of pursuing sustainable development. Such an interlinked and indivisible agenda demands mutually reinforcing and synchronized efforts in all dimensions and by all actors of sustainable development.

The 2030 Agenda therefore requires consideration and active mobilization of a multitude of interlinkages. In addressing these interlinkages, the UN must reverse the trends of excessive bilateralization and fragmentation in the global development landscape and revitalize multilateral approaches and institutions by taking steps, which make them more effective. The Agenda provides a new rationale for an inclusive and UN-led multilateralism, taking into account that global sustainable development is an investment in all dimensions of peace and social cohesion. To deliver its multilateral functions in the rapidly changing global context, the UN's collective action

capacities must be significantly enhanced. It needs to turn outwards and foster multilateral linkages. It must be able to bring goals, strategies, actors and resources together. It must lead and broker partnerships, convene, mobilize and leverage actors, facilitate the resolution of global policy conflicts, hold stakeholders accountable, ensure its legitimacy and credibility, develop commonly agreed norms and provide thought leadership. It is a major task.

The fundamental shift in the global development landscape calls for an equally fundamental repositioning of the UN development system (UNDS). Marginal change is not an option; the silo structure must be overcome. In order to assume the new responsibilities, the UNDS ought to function as one coherent whole that embodies the principle of cohesion in diversity. System-wide cohesion requires filling the horizontal leadership gaps in the system, while maintaining diversity of competencies at the headquarters, regional and national levels, reflected in the range of UNDS entities. Well-managed diversity can exploit the benefits of specialization with integrated actions. It is a source of strength and richness. In contrast, fragmentation leads both to duplication and the failure to take advantage of opportunities for cooperation. As such, it is costly, burdensome and a source of weakness. Incentives for cooperation need to be strengthened and competition needs to be reduced. The 2030 Agenda gives Member States the opportunity to take the necessary decisions and place greater trust in such a truly multilateral, efficient and effective UNDS and fund it with appropriate levels of core-contributions and other resources.

ii. External linkages: The UN as the epitome of multilateral development cooperation

a. Interlinkages inherent in the 2030 Agenda and its universality

The 2030 Agenda generates obligations for all Member States. It creates a universal responsibility for every Member State to engage in the implementation of the SDGs, domestically, regionally and globally, taking into account different levels of national development and capacities. Addressing the severity of this global challenge requires collective actions, rebalancing the needs of people, their prosperity and the safety of the planet. It demands a UN system that promotes cohesion in diversity and catalyses interlinked efforts at all levels and in all spheres. The UN's universality, its legitimacy as a multi-lateral convenor, and its acknowledged expertise in specific areas, makes its development system the natural choice for harnessing the interlinkages that underpin sustainable development. The SDGs are interlinked and indivisible, calling for an equally integrated approach to implementation. Shining a light on the interlinkages

¹ This paper has been conceived as an expression of the underlying interlinkages that lead to the recommendations that have been submitted in previous presentations of ITA and discussed in past workshops. There are various references to them as they relate to the need to reinforce these interlinkages in an integrated UNDS system, but it is not the intention to suggest a detailed discussion of them at this stage. The ITA analysis of Findings and Conclusions will contain an overall appraisal of the logic, interdependence and holistic approach of the key recommendations together with an effort to respond to the main questions raised in the workshops.

and providing coherence is the new challenge for the UNDS, both in terms of knowledge and also in terms of managing the politics of development efforts. The UNDS has a crucial role to play in identifying these trade-offs and externalities, raising awareness, and facilitating multilateral processes for resolving conflicts of interests in various contexts.

The principle of universality highlights the evolution from a UNDS centered on the needs of developing countries, which must continue as a priority, to one that also addresses the needs of global sustainable development. It also suggests the need for, and the consequences of, having UNDS engagement in all country contexts, including in developed countries. This might, for example, serve to improve the UNDS monitoring and advocacy function and help the facilitation and brokering of North-South, South-North, North-North as well as South-South and triangular cooperation for sustainable development.

b. Interlinkages with development partners

In a diverse and fragmented development landscape, the potential contribution of the UNDS must be seen as lying foremost in its ability to motivate and coordinate development actors within and beyond the UNDS itself so as to make the best use of the available human, financial and institutional resources. Cohesion in diversity provides a new perspective for the interlinkages between the UNDS and civil society organizations, private businesses, and other partners. Interlinkages with the Bretton Wood Institutions (BWI) and other International Financial Institutions are essential for an effective multilateral development system. This is also echoed in the Addis Ababa Action Agenda (AAAA) for financing sustainable development. The 2030 Agenda as decided by the UN General Assembly (UN-GA), is valid and applicable to all development organizations. Consequently, it is very important that the UNDS works together with the multilateral development banks, the Bretton Woods Institutions (BWIs) and other international financial institutions in the implementation process in order to meet gaps in expertise, financing and programming and scale up the activities for sustainable development.

Existing and new forms of interlinkages with a broad range of development actors – primarily states, but also civil society organizations, philanthropies and private business – must be built upon, while ensuring transparency and accountability. The UNDS would need to view coordination, cooperation, partnerships, and even outsourcing of functions and operational work in the context of various interlinkages inherent in the 2030 Agenda. The UNDS should act as an intermediary that connects development actors with each other and also broker expertise and funding. The brokering role of the UNDS should also involve communicating better the multiple dimensions and country contexts within which sustainable development takes place. The UNDS can play a key role in catalyzing the development of holistic national plans for sustainable development, which can help to guide national investment and policy choices as well as

the supportive activities of development partners.

The UNDS must acknowledge the historical role that nongovernmental and citizen's organizations have played in contributing to shape UN development policies. They have also become central actors in the national and regional implementation of United Nations global decisions through their networks and activities. There already is a wide, dense and active net of civil society actors that bring knowledge, competence, resources, innovations, and enthusiasm to the implementation process. Their sometimes critical views have also helped to adapt them to specific needs of people in particular country contexts. UNDS entities working together must develop innovative and creative forms of partnership with these civil society NGOs which can constitute a key contribution to the realization of sustainable development goals. Civil society also has an important role to play in the monitoring, reporting and learning process at all levels.

The Independent Team of Advisers (ITA) is aware of existing partnership arrangements in various UN entities, which are not necessarily interlinked to serve common but differentiated objectives of sustainable development. Synergetic effects should be exploited more rigorously in this very important, but currently highly fragmented area of development cooperation. Therefore, the ITA emphasizes the need for an optimal use of partnership arrangements at the national, regional and HQ levels. The UNDS must play catalytic roles in brokering effective partnerships channelled towards the implementation of the SDGs, as underscored in the ITA paper on partnerships.

c. Interlinkages between the spheres of science, knowledge, policy, and decision-making

The 2030 Agenda presents an enormous knowledge challenge. The UNDS and all stakeholders should systematically develop the global and entity specific knowledge-base that is necessary to create coherent and integrated sustainable development strategies at all levels. The UN should be an unrivalled center of science and knowledge development and expertise, which is also universal in scope and objective in nature. The UN, with its wide, impartial and diverse network of operational, policy development and normative activities, is in a unique position to create, manage, and disseminate knowledge in order to shape efforts to attain the 2030 Agenda.

Sustainable development requires decision-making that is informed by evidence-based analysis and longer-term perspectives and proposals. The UNDS needs capacities for prognosis and prevention. Crucial interlinkages – thematic, spatial, and temporal – must be identified and exploited to actively and preemptively support national, regional and global development processes. The UN's rich experience with global knowledge development and dissemination should critically shape these interlinkages and their contributions to the SDGs. Important topics in that regard are policy integration

between the economic, social and environmental dimensions of sustainable development, the practical meaning of people centered economies, the foundations of sustainable investment and consumption patterns, the policy implications of universality as well as moving from an MDG to an SDG mindset. It is equally important for the system to fully understand the impact of major technological changes underway in ICT and other fields on the realization of SDGs. The UN's rich experience with global knowledge development and dissemination should shape our understanding of how best to achieve the 2030 Agenda.

The ITA proposes the adoption and use of a system-wide Global Strategic Framework (GSF) to harness the system-wide interlinkages in knowledge development, policy analysis, norm-setting and operational functions of the UNDS and to develop a strategic perspective for common action. The proposed framework would allow UNDS entities to link their own activities to the interrelated activities of other UN entities, including peace-building and humanitarian assistance, as well as to the development strategies of governments and other development actors, providing an instrument for achieving coherent sustainable development efforts at national, regional and global levels, through mapping of efforts, monitoring of outcomes, identifying gaps and opportunities, and making recommendations for greater effectiveness. The GSF would enable the UN development entities to identify how their functions and funding contribute to specific sustainable development activities and programmes, targets and goals and would thereby also enable monitoring of system-wide funding flows. The proposed framework will reinforce and operationalize the interlinkages between knowledge, policy, and decision-making. The GSF could be used to identify gaps in terms of funding and actions which may be apparent at the system-wide level but not at the level of individual entities, or for that matter regions or countries. This will also strengthen the linkages between external and internal interlinkages. It will help to guide system-level prioritization and to guide the generation and allocation of institutional, human and financial resources.

The formulation of a Global Strategic Framework constitutes a new policy, operational, and managerial tool to help UNDS entities bring their capacities together in advancing Sustainable Development Goals. The formulation of the GSF, in particular the knowledge development process, should however take a balanced approach with both the developed countries' views and developing countries' experiences being taken into account. It would not require substantial additional costs for the system. The Deputy Secretary General for Sustainable Development (DSG-SD)², as proposed by the ITA, should be responsible for developing the GSF, which should be discussed and agreed in the system-wide Sustainable Development Board—with the active participation and leadership of UN Resident Coordinators (UNRCs) at the country level, and the substantive involvement of the regional commissions and the strategic policy units in UNDS

entities at the HQ and regional level. While bearing in mind the critical importance of a holistic and comprehensive approach in addressing the interlinkages in the GSF, the UNDS will need to pay adequate attention to specific circumstances and ensure national/local ownership. The benefits of interlinkages or their spillover effects may be common, but the sources can be different. While formulating the GSF, the UNDS under the leadership of the proposed SDB and DSG-SD would need to take into account local knowledge, information and conditions. In this aspect, a well-managed and funded UNRC system can provide valuable support.

iii. Internal linkages: A well-managed UNDS, functioning as one

a. Interlinkages between development, humanitarian assistance, security

The UNDS entities need to think and function as members of one system. This is the essence of cohesion in diversity. The current separation of the three pillars development, humanitarian assistance and peace and security becomes increasingly dysfunctional in terms of achieving their respective goals as both the number and duration of crises are growing. The humanitarian and security pillars are currently self-contained with few incentives for stakeholders to transition towards longer-term development and building sustainable peace. It is imperative to respond to crisis with a view towards longer-term development and strengthening resilience, while providing humanitarian assistance in the short term. As humanitarian crises become more prevalent, there is a particular need to give greater attention to processes that not only cope with symptoms, but address the root causes of conflict in order to build resilient societies. The on-going refugee crises in a number of countries around the world are a case in point, requiring a UNDS with longer-term perspectives that transcends the humanitarian-development dichotomy. The UN humanitarian response should adequately connect its vision and activities to the development pillar to build resilience and sustainable peace. As the Chair's Summary of the World Humanitarian Summit states, "A new and coherent approach is required based on addressing root causes, increasing political diplomacy for prevention and conflict resolution, and bringing humanitarian, development and peace-building efforts together". Resident Coordinators could be vested with more authority and flexibility to address unfolding crisis situations. In this framework care should be taken not to reduce resources assigned to more immediate development needs.

The ITA underscores the need for reinforcing the system-wide review of UN operational activities for development. As the only review mechanism that links the universal, inter-governmental process of the UN General Assembly to the system-wide

2 This is not a new post. The ITA is proposing to re-designate the current DSG as the DSG for Sustainable Development. This is also consistent with the spirit of the GA resolution 52/12B that established the Office of the DSG. The ITA, however, endorses the suggestion of creating a new post of the DSG for peace and security, as considered in a different context.

operational activities for development, the Quadrennial Comprehensive Policy Review (QCPR) is essential to provide guidance for repositioning of the UNDS. The ITA considers the QCPR process to have enormous potential for linking system-wide efforts and outcomes during the 2030 era. As such, the UN specialized agencies should – following consideration and approval by their governing boards – come into the scope of the QCPR resolution to ensure a comprehensive system-wide review of operational activities. The ITA also suggests that each UNDS entity should undertake a thorough, evidence-based annual review of its progress in implementation of the QCPR resolution. This repositioning of the UNDS, as proposed by the ITA, should be sequenced and completed within the 2016-2020 QCPR cycle.

The UNDS must achieve greater interlinkages across the silos, supported by adequate governance, funding and organizational arrangements. The ITA recognizes that the intergovernmental governance structures of the entities are pivotal in stressing the interlinkages and repositioning the UNDS to deliver the 2030 Agenda. The governance at entity level is unable to provide the strategic guidance needed to fully realize the Agenda's synergies and interlinkages. Vertical governance is also inadequate to maintain oversight or to ensure transparency and accountability of the whole integrated SDG Agenda. The ITA also recognizes that the system-wide horizontal governance is virtually non-existent, notwithstanding various coordination mechanisms at the senior management level. However, management coordination cannot be a substitute for horizontal, system-wide governance involving the Member States.

The ITA recognizes the need for a new intergovernmental structure to govern a more integrated UNDS. The existing governing bodies of UN funds and programmes should be progressively integrated in an over-arching Board according to a clear timetable. Fundamentally, the new Sustainable Development Board (SDB) – created through gradual merger of existing governing bodies – should strengthen both external and internal interlinkages, particularly the interlinkages between peace, security, humanitarian and development pillars of the UN, without necessarily creating an additional layer of governance structure. The SDB should have the authority to review and approve the Global Strategic Framework (GSF), as prepared by the DSG for Sustainable Development, in consultations with UNDS entities and with inputs from UNRCs and the UN Regional Commissions at the national and regional levels. The SDB should also review and approve the strategic plans of UNDS funds and programmes, ensuring that they are interlinked with each other and also to the GSF and the SDGs. Crucially, the SDB should administer a pooled fund to finance the UNRC system as well as be responsible for reviewing and enhancing its performance, with adequate institutional safeguards to ensure the quality of the UNRCs and their impartiality in the conduct of their operational roles. As in the case of the QCPR, governing bodies of specialized agencies should consider their participation and contribution to the SDB.

b. Interlinkages between global, regional and country level

While the UNDS should be uniquely qualified to coordinate the implementation of Agenda 2030, it is not designed for a task of such complexity. The UN funds, programmes and specialized agencies that exist today at the global, regional and local levels were established to serve specific and different needs of humanity during the past seventy years. Separately the entities might have been able to cope with the different facets of, for example, the MDGs, but they are not designed or structured to support the realization of complex and highly interlinked SDGs. While the specificity of their mandates gives them unrivalled reservoirs of expertise in many different fields, and a broad range of partners globally, regionally and locally, their sectorial policy responsibilities often lead to many gaps, overlaps and inefficiencies that inhibit the synergistic effects of these interlinkages. Their specialization can also preserve structures of organization, governance and funding strategies, and, less visibly but perhaps more importantly, managerial and institutional mind-sets that hinder cooperation and coherence between the UNDS entities.

The functioning of the UNDS at global, regional and national levels should be highly linked. To operate as one system, the levels of the UN system have to be integrated through appropriate governance, management, and accountability arrangements. Strengthening the national level through RC reform requires commensurate adjustments at the global level. This requires filling the horizontal governance and leadership gap. By shifting the management of the RC-system to the re-designated Deputy Secretary General for Sustainable Development (DSG-SD), the entire UNDS acquires global coherence.

At the national level, UNDS entities should report to the RC, strengthening the RC position and new institutional tools such as the UN Sustainable Development Framework (UNSDF).³ At the HQ-level, functional grouping of UNDS funds and programmes based on joint programmes and activities can help fill the gaps in horizontal leadership and facilitate the functioning of the DSG-SD. The functions of the Office of DSG-SD should be supported by a Strategic Executive Team, composed of Chief Executive of UNDS entities. The DSG-SD should represent the UNDS in dialogues with other major development partners, in particular the BWIs and multilateral development banks and lead the process of developing a coherent cooperation strategy with these development institutions outside the UN.

The regional dimension of the UNDS functions should also play a more important role. The Regional Economic Commissions – re-designated as Regional Sustainable Development Commissions – with their considerable staff resources should become the regional focal point – both internally, but also with regard to strengthened relationships with regional inter-governmental organizations and regional economic blocks. The operational activities of the

3 UNSDF should replace existing UNDAFs

Regional Sustainable Development Commission should interlink the national and HQ level activities of UNDS entities, providing both strategic guidance and expertise in regional contexts and also strengthening knowledge development, dissemination, monitoring and evaluation at the regional level. They can help to identify regional challenges requiring collective action as well as the relation between these and corresponding global challenges. The commissions can also play a crucial role in brokering the processes of periodic review of national plans within a regional and global context, facilitating learning between similarly and differently situated countries, as well as the identification of gaps in resources and in actions.

c. Interlinkages between governance, funding, functions, and organization of the UNDS

The UNDS can only operate as a system if there is a harmonious interlinkage of governance, functions, funding, and organizational arrangements. This makes integration not only necessary, but also an imperative. An urgent assessment needs to be undertaken to identify the required adjustments and alignment of the mandates to make the UNDS coherent, integrated, efficient and cost effective. The governance, organizational arrangements, functions, funding and capacities of UNDS entities must be re-aligned to fully exploit the interlinkages needed for realizing the SDGs. In particular, the ITA emphasizes the need for reforming existing organizational arrangements in the UNDS to ensure firm leadership, and the integration of their functions. A strong and impartial executive leadership is a sine qua non for ensuring that the system operates as a truly interlinked and coherent system that is fit for the 2030 Agenda.

The DSG-SD would manage the UNRC system to ensure that it autonomous, effective and empowered to serve the system as a whole and not influenced or constrained by the priorities of any individual UNDS entity. Such a UNRC system, funded by predictable resources, would strengthen the interlinkages between the functions of the entities at the country level. Repositioning of the UNRC system under the Office of DSG-SD would also ensure greater coordination between global, regional and national level efforts for the SDGs.

The DSG-SD would also lead the process of streamlining and consolidating the functions of UNDS entities, developing criteria for UN Joint Office presence and the integration of back office functions for consideration of the SDB. The Office of DSG would develop specific timelines for reviewing and consolidating UN field presence, to enhance cost effectiveness without undermining the universality of the UN. The DSG-SD should be also encouraged to scale up the Delivering as One (DaO) initiative, promoting one UN logo with an appropriate individual recognition of all participating UN entities.

The country presence of the UNDS with DaO should be organized in a single office provided there are no security restraints,

incorporating experts and other staff delegated from UNDS entities and working under a single, consolidated authority, under the UN identity and one logo. The one UN logo would strengthen the DaO approach and reduce costly country-level competition among UNDS entities that weaken interlinkages and waste scarce resources. The ITA discussed the overall financing system, particularly for funding the UNRC system under DaO, and sees the need for a comprehensive adjustment, especially with regard to DaO.

For the DSG-SD as well as for functional groups, regional commissions and RCs, it is essential to recognize that authority rests on adequate financial and administrative capacities as well as mandates. The system needs a consolidated system-wide budget for effective management of financial and human resources. Coordination without authority has not been successful. The Office of DSG-SD therefore should be adequately financed and staffed to ensure that it can provide necessary managerial leadership to the UNDS and support the Sustainable Development Board. The same holds for the functional groups, bringing together UNDS entities concerned with specific goals. They need administrative capacity and financial authority, so that they can become agents of change in the longer-term repositioning of the UNDS.

The ITA recognizes that the existing fragmented funding practices – characterized by excessive earmarking of resources by the funding partners – undermine the interlinkages between peace, humanitarian and development pillars. The funding practices also undermine collaboration among the UNDS entities. In the current scenario, funding drives functions and organizational arrangements, while governance simply responds too often to the reality of funding practices. The ITA maintains that this must change in order for the UNDS to deliver sustainable development results during the 2030 era.

The ITA urges the Member States to move away from the current excessive earmarking of non-core resources to enable UNDS entities to pursue functions and activities that are fully aligned with inter-governmentally agreed development goals, such as the SDGs. The ITA reviewed various funding modalities available to UN funds, programmes and specialized agencies and concluded that there should be concerted efforts to make financial resources more predictable, flexible and transparent. It recognized that pooled resources, though presently very low, should be encouraged and seen as an important catalyst for system-wide efforts for strengthening interlinkages.

The ITA underscores the imperative of greater rationalization, harmonization and integration of current funding practices to minimize overlaps and high overhead costs and thus to maximize development impacts, and fully exploiting the synergies in interlinkages. The funding partners are strongly encouraged to fund the UNDS, shifting away from offering highly earmarked non-core resources to more flexible core resources. The funding partners that provide non-core resources should be urged

through a variety of incentives and modalities to shift the composition of their contributions.

The Member States should also consider different modalities, such as negotiated pledges, to make adequate, flexible and predictable financial resources available to the UNDS entities. The SDB presents a much-needed platform for the Member States and UNDS entities to negotiate pledges, ensuring stronger linkages between funding, functions and governance. The DSG-SD can facilitate negotiated pledges on behalf of the system to prevent counter-productive competition for resources among various UN entities. Negotiated pledges through the SDB will ensure more transparent and equitable allocation of resources across entities, while preventing zero sum games and promoting alignment between funding and functions both within and across entities. The SDB will at the same time ensure that the UNDS becomes progressively more efficient and cost-effective, through the integration of back office function, joint country presence, realignment of HR practices, etc., as discussed in the organizational arrangements paper.

The ITA proposals for repositioning of the UNDS should not be seen as adding new structures and mechanisms to the system, but rather as rebalancing them. When functions are moved vertically, there should be a commensurate shift in staffing capacities and funding. For example, the DSG's office can build on UN-DOCO and personnel from the entities. The funding for the RC-system would remain largely unchanged, but it would be administered by the re-designated DSG-SD. Establishing functional groups and strengthening the RC needs to go hand in hand with concentrating personal from the system under the respective leadership positions.

iv. Conclusion

The 2030 Agenda is an agenda of interlinkages and interdependence. The interlinkages, while pervasive and obvious in the everyday reality of all human endeavours, are not necessarily ingrained in the day to day operations of the UNDS. A coherent and effective UNDS will remain elusive, indeed illusory, if it cannot harvest the full potential of the interlinkages discussed in the paper. The repositioning of the UNDS for the 2030 Agenda must fully understand and embrace the inherent interlinkages between functions, governance, organizational arrangements, capacities, partnerships and funding in the context of an interlinked Agenda, while also linking the efforts of UNDS and the broader set of stakeholders in sustainable development.

The longer-term repositioning of the UNDS will require a holistic approach. The system cannot be repositioned by simply overhauling its functions or funding architectures without commensurate changes in its governance and organizational arrangements. Likewise, changing the governance system will not necessarily reposition the UNDS to respond to the 2030 Agenda without necessary changes in organizational

arrangements, funding practices, capacities and partnership approaches. As such, the ITA recommendations should be viewed as a comprehensive package – an inter-linked set of recommendations – for addressing an inter-linked set of sustainable development challenges. As mentioned in footnote (1) to this paper the forthcoming document on Findings and Conclusions will address these issues.

The implementation of the ITA recommendations are interlinked and tailored to the existing UNDS. To make cohesion in diversity a reality and to realize the full potential of the recommendations, the implementation should be phased and sequenced appropriately, following a timeline and assigning responsibilities for leading the respective reform efforts. The process of repositioning should begin with a strategic first step, re-designating the Deputy Secretary-General as the Deputy Secretary-General for Sustainable Development and fully empowering him/her to implement the necessary changes. The first step will propel a virtuous cycle of changes, which will make the UNDS coherent and integrated to support the realization of the 2030 Agenda.



PAPER 7 – FINDINGS AND CONCLUSIONS¹

THE FUTURE WE WANT – THE UNITED NATIONS WE NEED

The moment when the General Assembly adopted resolution 70/1 “Transforming our world: the 2030 agenda for sustainable development”, in the 70th year of the United Nations (UN), marked a historic shift. It was the conclusion of several years of long and intense negotiation processes among Member States and other actors that began with the Rio+20 Conference, in which the vision of the “Future We Want” – itself a reference to even deeper roots of the 2030 Agenda, including the 1995 Copenhagen Social Summit and the 1995 Beijing World Conference on Women – emerged.

Now, as a follow-up to this broad multilateral consensus, Member States need to create for themselves “the UN we need” in order to successfully implement the Sustainable Development Goals (SDGs).

Members States embraced several transformative shifts in development-thinking, approaches and cooperation, underscoring the need for:

- **Universality:** The 2030 Agenda clearly states that the 17 SDGs “are universal goals and targets which involve the entire world, developed and developing countries alike.”
- **Scope:** The 2030 Agenda is also broader and more ambitious than any previous global development programs. “This is an Agenda of unprecedented scope and significance.” It “goes far beyond the Millennium Development Goals (MDGs). Alongside continuing development priorities such as poverty eradication, health, education and food security and nutrition, it sets out a wide range of economic, social and environmental objectives. It also promises more peaceful and inclusive societies.”
- **Integration:** These goals are “integrated and indivisible and balance the three dimensions of sustainable development”.. [...] “Reflecting the integrated approach that we have decided on, there are deep interconnections and many cross-cutting elements across the new Goals and targets.”
- **Leaving no-one behind:** The Agenda repeatedly underscores the imperative that “no one will be left behind” and that it is crucial for sustainable development to “reduce inequality within and among countries”.

- **New Development Understanding:** “We commit to making fundamental changes in the ways that our societies produce and consume goods and services”, to sustainably manage our planet’s natural resources. “We will work to build dynamic, sustainable, innovative and people-centered economies, promoting youth employment and women’s economic empowerment and decent work for all. [...] There can be no sustainable development without peace and no peace without sustainable development. [...] We envisage a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination.”
- **Giving reality to “we the peoples.”** “Our journey will involve governments as well as parliaments, the UN system and other international institutions, local authorities, indigenous peoples, civil society, business and the private sector, the scientific and academic community – and all people.”

This people centered and planet sensitive process, making sustainability an overarching development paradigm, is indeed an ambitious agenda. It is a collective expression of the determination to do away with business as usual. It is a call to turn into reality the future that we all aspire for.

Making these transformational shifts a reality requires major changes in the way United Nations Development System (UNDS) entities think, function and deliver:

1. **Universality, in practice,** means that the sustainable development vision becomes a common and accepted policy framework for all countries. This implies that the UN focus on developing countries, which must continue as a priority, must expand to cover relevant policies of developed countries together with an understanding of the way overall global development is moving in the direction of the 2030 Agenda.
2. **The integrated and indivisible scope of the Agenda** requires a profound change in mindset from prevailing sectorial and partial view of development to an articulation of policies based on integrating economic, social and environmental dimensions of sustainable development while dealing with difficult tradeoffs present. Addressing many systemic interlinkages inherent in the Agenda entails a major operational and knowledge challenge that will also require corresponding changes in the governance, organization and funding of the UNDS entities that go far beyond coordination and coherence.
3. **The institutional changes required by the above** will demand a UNDS in which individual entities are guided by the notion of cohesion in diversity, where the rich

¹ The Findings and Conclusions paper presents the core proposals of the Independent Team of Advisors (ITA). It builds on the previous six papers in which some issues are presented in more details.

experience, knowledge and constituencies of each organization are welded together in new ways to achieve common results and under clear lines of intergovernmental and internal UN lines of authority.

4. The funding structure of the overall UNDS system should promote, as a stated priority, joint programmes and activities by member entities to implement the SDG's and reduce the level of funding induced fragmentation and competition. This can lead to more predictable and flexible decisions regarding both core and earmarked resource commitments together with better global information on resource utilization, efficiency and development effectiveness.

Our mission – Our commitment

These and other changes the ITA proposes in this paper are a major task indeed. But we must state at the outset that we believe the leadership of the intergovernmental bodies and of the entities of UNDS themselves is fully up to it. Why? Because the United Nations on many occasions has been up to the task in its seventy-year history and the boldness of the 2030 Agenda again shows its capacity to interpret the needs of the time. It would be unthinkable that having agreed on the most difficult part of charting the future we want for 2030 we then drop the ball and get entangled in institutional tensions that inhibit progress towards the UN We Need which we know is a historical weakness of the UN. ITA's often critical analysis is born out of the respect we have for all entities of the UNDS, which in diverse circumstances and historical times have shown the conviction and capacity to be at the service of the Member States and their people needs. They should rightly feel proud of their achievements.

We have a similar feeling for the governments and delegates who produced the 2030 Agenda. We all know the natural limitations of a negotiated text. But the result is outstanding, in the sense that governments decided to do what they can only do: give political and policy leadership to the United Nations System. Now it is up to them to complete the task. They need to take major decisions that will ensure that the UNDS and its entities are fit for the purpose of helping intergovernmental instances at the global and regional level to move ahead in the implementation of the SDG's and to service individual countries and their people at their request for the same purpose.

This is the objective of the ITA analysis and proposals contained in this report. They are conceived as an integrated whole that needs to be implemented with a clear road map. They are also born out of respect for what governments have already achieved as well for to the mandate given to us: "be as bold and transformative as necessary; leave the politics to us", we were told. We are honoured to have been invited to perform this task to which we have dedicated much energy and personal time within a very tight schedule. We have done so with a collective commitment to service the United Nations to the best of our

abilities. We feel that the recommendations that we make are difficult and yet feasible. We understand the institutional complexities involved, but we believe it is significantly easier to agree on them than it was to do so, on the 2030 Agenda itself. Our hope is that the same political leadership that made the 2030 Agenda possible will now make the UNDS fit for purpose and deliver a *UN we need*.

The Member States will need to take decisions to implement our recommendations, keeping in mind that the process is underway to elect a new Secretary-General. Some key recommendations are relevant to the manner in which she or he will want to organize the senior team at the Secretariat as well as at the Funds and Programmes level, including the relationship with specialized agencies. They also have implications for the work of the Chiefs Executive Board (CEB). The ITA believes that a discussion and initial conclusions of these issues in Economic and Social Council (ECOSOC) now are relevant for the incumbent Secretary-General in relation to reports he will submit to the next session of the General Assembly. It will also contribute to shaping and enhancing the understanding of the new Secretary-General. There is no time to lose, so that she or he can rapidly set the course and the pace for implementing the 2030 Agenda within the UN and for leading the UNDS repositioning, agreed by the Member States.

In transmitting this final paper, the ITA wishes to highlight the central role that ECOSOC and its Bureau will need to play in the implementation of the 2030 Agenda for Sustainable Development. Its overall responsibilities will significantly increase, requiring a regular and systematic oversight of the way the process is moving forward at the global, regional and country levels. An indication of this is the fact that more than 20 countries have already come forward to report on their policies and activities to the High-Level Political Forum (HLPF), which is convened by ECOSOC. Also, Regional Commissions are in the process of establishing Sustainable Development Forums that will report to HLPF/ECOSOC. There are recommendations to strengthen the capacities of ECOSOC to address these expanded responsibilities.

The changing development landscape

The 2030 Agenda creates responsibilities for every Member State to engage in the implementation of the SDGs, domestically, regionally and globally. Development is no longer a concept for developing countries only – as important as that remains in the future for lifting especially the LDCs out of poverty and leaving no one behind. This underscores the need for a broader and more comprehensive perspective on how poverty is measured, for example using a multidimensional matrix structure, ensuring that poverty is not just the absence of income. We need changes in all countries, starting with highest priority in developed countries, in how we produce and consume goods and services, how we manage cities and our planet's natural resources; we need to make the economy instrumental in

decreasing the gap between rich and poor; technology must serve people and decent jobs. Despite increasing global wealth, a huge and increasing gap between the rich and the rest of society, especially those living in poverty continues to test our moral conscience and is a threat to peace and stability from local communities to the global level. All this has significant implications for how the UNDS has to operate, including for example engagement in developed countries, global monitoring and collective action capacities.

The Least Developed Countries (LDCs) find themselves locked in a vicious circle of poverty, crises and underdevelopment. This vicious circle, that can also afflict Middle Income Countries (MICs) in crisis, has to be broken and turned into a virtuous circle. Efforts to achieve that should include, inter alia, education, health, ending the resource curse, investing in infrastructure, tackling illicit flows as decided in the Addis Ababa Action Agenda (AAAA), especially with regard to the exploitation of natural resources, and a special focus on SDG 16 (“Peaceful societies”). For the UNDS, this implies to go beyond the logic of operational activities. Complementary to the sustained and strengthened focus on Least Developed Countries (LDC), the UNDS also has a role to play in addressing the new uncertainties and vulnerabilities faced by middle income countries.

The same is valid for regional and global challenges that require collective action, including the so-called “Global Public Goods”. There simply is no other institution that has similar comparative advantages in dealing with problems that are beyond the capacity of individual states, but which are increasingly part of many SDGs. The UNDS has to make substantial contributions here. Its convening function, its inclusivity and neutrality predestine the UNDS to play a leadership role in the promotion of global sustainability.

There is an urgent need to stop and reverse the trends of bilateralization and fragmentation in the global development landscape and to revitalize multilateral approaches and institutions. The UNDS must be at the core of this. The 2030 Agenda provides a new rationale for an inclusive and UN-led multilateralism, taking into account that global sustainable development is an investment in global peace and crises prevention. The UNDS needs to turn outwards and play a leadership role as convener, norm- and standard-setter, information broker, partnership broker and many other functions.

The 2030 Agenda presents an enormous knowledge challenge. It constitutes an entirely new agenda with which no actor has dealt before in an integrated way. As such, it is critical that the UNDS is the unrivalled center of science and knowledge development. Knowledge is essential, it needs to inform strategic planning and serve as the foundation for early warning and prevention – functions that can lead to huge collective savings.

The ITA recognized the challenges for reconciling humanitarian assistance with longer-term development objectives, taking into account that crisis response, peace-building and conflict prevention are integral to sustainable development. The UN humanitarian response should adequately connect its vision and activities to the development pillar to build resilience and sustainable peace. As the Chair’s Summary of the World Humanitarian Summit states, “[a] new and coherent approach is required based on addressing root causes, increasing political diplomacy for prevention and conflict resolution, and bringing humanitarian, development and peace-building efforts together” (2016). In this effort, care should be taken not to reduce resources assigned to more immediate development needs.

The Independent Team of Advisors (ITA) and how it reached its conclusions

The ambitions of the 2030 Agenda, and the enormity of the challenges, prompted the Member States to revisit and reconfigure the role of the UNDS as the critical driver. In the Economic and Social Council (ECOSOC), the Member States engaged in a dialogue on longer term repositioning of the UNDS in the context of the 2030 Agenda last year. The Member States unanimously agreed in the first phase of the ECOSOC Dialogue that the UNDS must reposition itself to serve the needs of the 2030 Agenda. To help define the best way forward, in February 2016, ECOSOC appointed an ITA to take fresh and objective perspectives on the UNDS and identify how the system could be repositioned to meet the collective, universal and formidable sustainable development challenges posed by the 2030 Agenda.

With 14 members from across the globe, and co-chaired by Ambassador Juan Somavia and Dr Klaus Töpfer, the team engaged in a series of formal and informal sessions amongst themselves, and also with the Member States, UNDS entities and other stakeholders in the course of the past four months. They undertook visits to El Salvador, Ethiopia, UN Economic Commission for Africa (UN-ECA) and the African Union (AU) headquarters, Jordan and Rwanda to understand the UNDS on the ground. Individual members met with UNCT teams in Cairo and Santiago. During their meeting in Berlin, the ITA members also learned about the way a developed country like Germany is implementing the 2030 Agenda. They engaged in consultations with the members of the UN Development Group (UNDG), UN organizations and UN Regional Commission in New York and Geneva. While these consultations and field visits were by no means exhaustive, they offered the ITA members invaluable insights on the working of the UNDS and shaped their conclusions that the UN system must fundamentally change to meet the imperatives of sustainable development. The ITA also benefitted from a number of analytical studies and other reference materials that explained the current state of play in the UNDS. In their deliberations and the reports, the ITA considered and identified the best approaches and mechanisms to ensure that UNDS plays a catalytic role in supporting the implementation of the 2030 Agenda.

The ITA recognizes that the 2030 Agenda for Sustainable Development provides an over-arching mandate for all UNDS entities to support and catalyze the achievement of the universal and comprehensive SDGs. The UNDS would need to re-prioritize and integrate many of its functions within and across entities to make them more relevant and effective for the Member States. Greater clarity and specificity about the mandates of agencies, funds and programs should enable UNDS entities to bridge existing gaps and avoid costly overlaps. The UNDS should build upon what already exists, yet respond to the new Agenda's call for new approaches, and ensure maximum coherence and efficiency. It should also help galvanize political commitment and action. The changes must take place at the global, regional and national levels to ensure that the UNDS is repositioned to support the 2030 Agenda.

The ITA acknowledged the urgent need for tackling climate change. This will also require the UN system to overcome compartmentalization of its efforts and integrate functions across economic, social and environmental domains of sustainable development.

The ITA deliberations were also informed by the fundamental shifts in the development landscape. The growing volume of South-South and triangular cooperation as a complement to North-South interaction is an indication of the rise of new development cooperation actors, accompanying increasing demands from developing countries for more equitable and effective representation in multilateral governance structures. The patterns of resource availability, allocation, poverty, and inequality within and across countries are all changing. There is increasing demand from people for more equitable growth and a need for a transition to sustainable consumption and production patterns starting with the developed countries. Both require the UN system to design and support appropriate development strategies.

The Member States requested the ITA to provide a set of bold and concrete proposals for their consideration. In their papers on functions, funding, organizational arrangements, governance, partnerships and inter-linkages, the ITA has put forward a series of far-reaching proposals for longer term repositioning of the UNDS. All these proposals remain on the table. From among these proposals, the ITA reiterates in this paper the most transformative proposals for the Member States to act upon in ways commensurate with the ambition that they demonstrated while adopting the 2030 Agenda. ITA has made a particular effort to present a balanced set of interdependent proposals that they advise be considered as a whole. Whatever final decisions governments may decide to take on these and other proposals we would urge them to come up with an integrated view and shy away from seemingly easier but likely ineffective piecemeal solutions. It is imperative that Member States seize this opportunity within reach with determination and resolve and give present and succeeding generations the UN we need.

I. THE ITA CONSIDERATIONS

The 2030 Agenda as well as other far-reaching and profound shifts in the development landscape require an equally fundamental repositioning of the UNDS. In making specific proposal on how the UNDS should reposition itself to deal with the new context. The ITA was guided by the following considerations:

- a. UNDS must function as one coherent whole, embodying the principle of cohesion in diversity. This requires filling the horizontal leadership gap while maintaining the diversity of competences and the subsidiary autonomy of leadership at HQ, regional and national levels. Well-managed diversity can exploit the benefits of specialization with integrated actions;
- b. The UNDS must work in an integrated manner that goes beyond coordination and coherence;
- c. Develop and promote policies, norms and standards as important signals to markets and all stakeholders;
- d. The costs of doing little and basically maintaining the status quo would be higher than the costs of repositioning the UNDS. The Member States should consider the proposed changes and their related costs, as necessary investments in the 2030 Agenda;
- e. The repositioned UNDS, as proposed by ITA, should make it more flexible, responsible, and cost-effective without adding bureaucratic layers and exacerbating bureaucratic challenges;
- f. Consistency of reform steps: A change in any aspect of the UNDS operations must be matched with commensurate changes in other aspects, as identified by the ITA. Without this there is likely to be no integration, no inter-linkage, and therefore no transformative change;
- g. The repositioning should be timed, sequenced and calibrated to maximize the positive impact. This needs intensive cooperation and integration of existing structures, especially of UNDG. Staff should be made part of the change process;
- h. The Member States must determine the modalities and specific elements of these proposals including the sequence and timing of their implementation;
- i. The UNDS needs adequate and predictable resource commitments which can be used flexibly. The UNDS needs to be a credible convener and a reliable broker;
- j. The UNDS has to be conceived of as a dynamic system. It needs to be transparent, accountable, and sufficiently flexible and recursive.

- k. Knowledge development will be essential combining sectorial technical experience and know-how with the capacity to advance policies based on substantive interlinkages and integrated thinking.

The UNDS, its leadership, and its dedicated staff have in the past demonstrated that change is possible. The UNDS has not only grown in size and complexity, but there have also been processes of consolidation (for example the creation of UN-Women, Delivering as One (DaO), the merger of governing boards of United Nations Development Programme (UNDP), United Nations Office for Project Services (UNOPS), United Nations Population Fund (UNFPA)). These, and other changes, have made the UN better. The ITA appeals to the reform spirit of the UNDS and Member States to translate the shared vision of a reinvigorated UNDS into practice. The reform proposals presented here all aim to secure the continued political relevance of the UNDS and to improve its effectiveness and reputation. Change would be in the interest of all stakeholders that are committed to UN development cooperation. Working for, or with, a revamped UNDS should be a source of pride.

ITA emphasizes that the reform of the UNDS is by necessity an open process. ITA is confident of the adequacy of the changes proposed in this paper, they are the outcomes of its analytical findings. Therefore, ITA, at this stage, is convinced that these are the best responses to current challenges. But it has become clear to ITA during the discussions with Member States in the ECOSOC workshops that in a rapidly changing world, the UNDS needs built-in flexibility for continuously adapting to and framing new challenges in the global development landscape. Transparency, accountability, system-wide leadership and collective undertakings provide the kind of self-reflective capacity that allows the UNDS to organize its own institutional up-dates. It is in that spirit, for example, that ITA proposes a review of interlinkages between mandates and, if that is seen as appropriate, to repeat this. The process of implementing reform proposals should itself be approached as a stepwise process that is transparent and inclusive and therefore allows for learning and constructive feedback. For example, the structure of the functional groups and their operational details can hardly be conjured at the drawing table only, but will have to emerge from the implementation process that remains open for flexible adjustments along the way.

II. KEY FINDINGS AND CONCLUSIONS

The ITA concluded that the UNDS – as it exists today – cannot be a catalyst for sustainable development, until and unless it transforms itself to become a fully integrated and coherent whole.

A sectorally orientated, fragmented system

The UNDS functions are predicated on, and driven by, globally agreed norms, standards, conventions, agreements, resolutions and declarations. In essence, the UNDS entities help Member States further global goals through a variety of means including direct implementation, promotion of global norms and standards, and collective actions that address global challenges. The functions are often driven by various strategic plan objectives, country-demand and crisis response, as well as by supply-side factors such as the preferences of funding partners and availability of funding.

The ITA took note of the fact that the existing UNDS essentially and predominantly functions in sectoral frameworks, reinforced by the sectoral orientation of the MDGs. The MDGs required the UNDS entities to implement sectoral projects and programs, often at the cost of not exploiting the synergetic effects from inter-sectoral linkages between and among sectors. This exacerbated the fragmentation of the system. The sectoral orientation has been further entrenched by current funding practices, where funding partners often earmark resources at the project level to ensure greater accountability and oversight, forgoing the potential benefits of inter-linkages and integration. Whilst the desire for accountability is understandable, a better balance is needed for effectiveness. It also undermines the inter-linkages between functions, governance, organizational arrangements, capacities and partnerships. This can no longer continue.

The integrated, universal, people and planet centric SDGs need a UNDS that will transcend sectors, integrate functions, identify solutions and achieve sustainable development results. This will require an entrepreneurial UNDS that is able to rise to the challenge of sustainable development and respond to differentiated country needs and contexts. The process of that transformation must begin now. The ITA recognizes that the UNDS should have an over-arching strategic framework that will link functions, funding and activities to the SDGs at national, regional and global levels.

Governance structures do not support inter-linkages and integration

The existing UNDS governance structures often lack adequate mechanisms and capacities to measure development effectiveness, and ensure accountability. For instance, it is apparently difficult, if not impossible, to track, or account for, how contributed core resource are spent by an agency at various levels (e.g. the headquarters, regional and country level)

or how much of that is spent on overheads and how much on the actual operational delivery of development activities or how much is spent to subsidize non-core activities. This lack of traceability undermines incentives for funding partners to channel voluntary contributions through inter-governmentally agreed global UNDS processes. In addition to these weaknesses in vertical governance within an entity, there are also horizontal governance challenges, which undermine coordination and integration across UNDS entities.

The governance structure is also inadequately designed to exercise control and oversight, through commissioning or reviewing evaluation, performance and audit reports. This is possibly one of the most critical aspects of governance that requires most attention to ensure accountability and build trust. The reporting mechanism is often ineffective and is only capable of reacting when it is too late. The existing governance architecture, however, lacks authority to clearly integrate functions and funding or mechanisms for coordination and integration of functions at the global and regional level, which are critical for supporting the 2030 Agenda.

The ITA recognizes that implementing the SDGs will require forms of governance for the UNDS that not only encourage and enable consultation between its entities, but also ensure coordination and integration of functions, programming and funding decisions at all levels. On the other hand, the governing authorities at the entity level often lack time, technical capacities and resources to effectively exercise accountability and oversight, with Member States juggling between many governing bodies and competing priorities. The senior management-level consultations in UNDG, Chief Executives Board (CEB), High Level Committee on Management (HLCM) and High Level Committee on Programmes (HLCP), as bodies of the CEB headed by the Secretary-General play an important role in facilitating coordination among UNDS entities. The ITA recognizes that these cannot substitute for effective and system-wide governance at the level of the Member States. Given the universal and integrated nature of the 2030 Agenda, the UNDS needs an over-arching governance structure that can ensure integration of functions, funding and organizational arrangements within and across entities to deliver sustainable development results.

Fragmented and disparate organizational arrangements and capacities

Currently, the UNDS organizational arrangements at the country and regional levels are highly fragmented, undermining the ability of these entities to deliver integrated support to the Member States. According to CEB data, 24 UNDS entities, which represent approximately 95% of the UN Official Assistance for Development (OAD) expenditures (2014), maintained 1432 UNDS offices in 180 countries across the globe. This includes 1279 offices in non-OECD-DAC countries and 153 in OECD-DAC countries. These exclude multiple field offices of a UNDS entity

within a given country. In 168 of these countries (93%), UNDS has five or more entities present and 65 countries (36%) have 10 or more entities present. A few funds and programs (UNDP, United Nations Children's Emergency Fund (UNICEF) etc.) are physically present in over 120 countries.

While the UN has a universal mandate, the ITA concluded that physical presence is not always necessary for all UNDS entities in all country contexts. The physical presence of UNDS entities should be driven by differentiated country and people needs and reviewed periodically in the context of their effectiveness in delivering the 2030 Agenda. The team took note of various models of unified field presence, which not only present the potential for successfully integrating UNDS functions at the country level but can also enhance the cost effectiveness of the system. The team also recognized the critical need for effective leadership and coordination capacities at the top to ensure that all UNDS entities work together and integrate their efforts to deliver a universal development agenda. A duly empowered leadership and accountability structure at the headquarters level will ensure more effective inter-linkages and coherence between governance and disparate organizational arrangements at the entity level. This will also ensure that a strengthened leadership structure is replicated with an empowered Resident Coordinator (RC) system at the country level. The team also noted that the system lacks a comprehensive understanding of its staff capacities for addressing the challenges of the 2030 Agenda. This must change and the system must quickly map its staff capacities and gaps to ensure that the UNDS has the requisite capacities to deliver the 2030 Agenda.

At the global level, the UN Development Group (UNDG) is a key mechanism entrusted with the responsibility for coordinating the functions of UNDS entities. UNDG membership is inclusive, transparent, and open to the entire UNDS. Currently, 31 entities are UNDG members, including all funds, programs, specialized agencies and UN Regional Commissions. The UNDG also includes 16 observers, including the Office for the Coordination of Humanitarian Affairs (OCHA) and the World Bank.

UNDG, being the only global coordination body for the UNDS, has certainly helped in the exchange of views and to advance some common actions, but it is also an example of coordination without authority – a voluntary arrangement among equals to exchange information and commit to work together without a real mechanism to monitor and enforce commitments. The UNDG remains much less effective than it could be as a coordinating body, as participating entities do not report to UNDG, but to their own executive boards/governing councils. The structure of the UNDG also inadvertently reinforces the “development-humanitarian divide” given that OCHA – the central coordinating body for humanitarian assistance – is not a full member of UNDG.

The current coordination mechanism is inadequate to provide the requisite strong leadership and support for integration of

UNDS functions at the regional and local levels. Streamlining of back office operations, scaling up joint UN presence in a larger number of countries, strengthening the RC system and DaO and also enhancing regional-national linkages will require an integrated and fully empowered organizational arrangement at the global level.

Increased earmarking of resources undermines flexibility and inter-linkages

In 2014, some 84% of UNDS expenditures were funded with voluntary and earmarked resources. These non-core resources – typically determined bilaterally at the country level and outside the inter-governmental mandates and processes of UNDS entities – have grown significantly faster than core resources. This represents a growing bilateralization of multilateral aid. Between 1999 and 2014, total non-core resources increased by 182% in real terms, while core resources increased by only 14%. In addition to that, significant parts of core-contributions are also used for subsidizing earmarked funded projects. As a result, funds and programs are left with very little resources for implementing internationally agreed, strategic plans. This also underscores a critical disconnection between the inter-governmentally agreed development priorities and strategies of UNDS entities and their actual activities on the ground, which are typically funded with locally mobilized non-core resources.

The ITA took note of the fact that funding is currently the key determinant and lever of UNDS functions and organizational arrangements, characterized by increasing trends in earmarked, non-core resources that are often deployed by the funding partners at the country level. While it provides the funding partners with greater transparency in, and accountability for, the resources used by the UNDS entities, it also limits the ability of the system to align and integrate funding and functions to support the realization of inter-governmentally agreed development goals. Continuance of the prevailing patterns of excessive earmarking of resources – in a manner that is often highly inflexible, unpredictable, piecemeal, and earmarked for specific projects and activities – will pose a serious challenge to pursuing an agenda that demands an integrated approach. The ITA identified the critical need for reversing the trends in earmarking of UNDS resources, ensuring that the funding architecture becomes more predictable, flexible and integrated to the 2030 Agenda, while addressing the concerns that have brought about the recent trends. This requires a major effort by UN entities and governing bodies to enhance accountability, transparency, oversight and development effectiveness of UNDS funding in order to create the conditions for reducing earmarking. The team also underscored the need for a more robust, inclusive and transparent platform to ensure that all stakeholders – funding partners, UNDS entities and beneficiary countries – can negotiate funding priorities and requirements.

Disparate partnership arrangements often do not meet full potentials

Currently, the UNDS lacks a system-wide capacity for assessing the needs and scope for various types of partnerships. Presently a number of UNDS offices have assigned roles in furthering multi-stakeholder partnerships, namely the UN Office for Partnerships, the Global Compact Office and the Department of Economic and Social Affairs (DESA). According to a 2010 study of the Joint Inspection Unit, these entities typically work in isolation, resulting in unclear responsibilities, overlaps and duplication of effort among them. The UNDS should facilitate partnerships and provide various partnership services, including simplifying the rules of engagement and promoting multi-sectoral partnerships. The 2030 Agenda emphasizes the role of partnerships – the inter-linking of human agency to achieve a common purpose – as a critical means of implementation. Its Goal 17 entrusts all countries and all stakeholders, working together to achieve the SDGs and the inter-linkages of the goals need partnerships at every level. While the UNDS entities engage in multitude of partnerships, determined by their functional and sectoral priorities, the system as a whole lacks standardized rules, procedures and good practices, which help might help entities to forge efficient and effective partnerships to deliver the SDGs.

A weak and fragmented regional structure

Regions are of growing importance in the international political system. Regional and sub-regional organizations are acquiring significant presence (like the AU in Africa, ASEAN in Asia and recently CELAC in Latin America and the Caribbean) and are important development actors. They represent ownership, they provide resources and capacities and they can mobilize political will. The UNDS ought to interact regularly with these organizations to tap into this global trend, which also is the basis for global multilateralism.

The UNDS organizational arrangements at the regional level are sporadic and loosely connected with each other. The UN Regional Commissions – based in Bangkok, Beirut, Addis Ababa, Geneva and Santiago – and their sub-regional offices in a number of cities in all continents lead the Regional Coordination Mechanisms, while the UN Regional Development Group also aims to coordinate UNDS functions at the regional level. However, these mechanisms have not been effective in integrating UNDS functions at the regional level. The UNDG provides support to the development of the United Nations Development Assistance Framework (UNDAF) at the regional level. The voluntary coordination mechanism in each region is supported by United Nations Development Operations Coordination (UN DOCO), and also by UN Regional Commissions which are physically present in the region. This leads to costly overlaps and duplication of efforts at the regional level. The UN Regional Commissions ought to play a far stronger and pro-active role in providing support to UNDS efforts to give

coherent programs, including those requiring collective actions at the regional level, and more generally should play a role in integration efforts among UNDS entities. They are also suitable platforms for convening development actors, for mutual learning and the brokering of peer reviews within regions. This function would be greatly enhanced if Regional Commissions would act as think tanks and clearinghouse for technology.

Shifting functional structure

The UNDS performs a wide range of functions in the spectrum from direct policy advice and service delivery, at the country level to norm- and standard-setting in the normative sphere at the global level.

ITA recognizes that the transformative shifts necessitate a strengthening of the normative, knowledge, and policy advice function of the UNDS. What the UNDS lacks in terms of financial weight, it should offset through policy development and normative functions and also through bringing together development actors. Policy advice will be the essential UNDS function in graduating and MIC countries (tacking into account, however, that per capita income should not be the only indicator for classifying countries). The cross-border dimension of development problems, the regional and global challenge which require collective action will increasingly become an integral part of development solutions. This also holds for the obligation of strategic thinking and prevention. Dealing with crises requires to tackle root causes and to effectively build resilience; preventing them in the first place requires early-warning, prognostic and preventive action capacities. Monitoring is essential for mobilizing action and for targeting resources to where they are most needed. All this requires a substantial capacity for gathering information, for analysis and for sound evidence- and science-based decision-making. The UN, with its wide, impartial and diverse network of operational, policy development and normative activities, is in a unique position to create, manage, and disseminate knowledge in order to help shape efforts and policies to attain the 2030 Agenda. The strengthening of the normative agenda will not delude the UNDS from its increased operational activities to bring especially LDCs out of poverty and to lead them into the virtuous circle of sustainable development.

III. PROPOSALS BY THE INDEPENDENT TEAM OF ADVISORS

These findings and the fundamental shift in the global development landscape identified above, call for a fundamental repositioning of the UNDS. Marginal change is not an option. The UNDS ought to function as one coherent whole that embodies the principle of cohesion in diversity. System-wide cohesion requires filling the horizontal leadership gaps in the system, while maintaining diversity of competencies and subsidiary responsibility at the headquarters, regional and national

levels. Well-managed diversity can exploit the benefits of specialization with integrated action. In contrast, fragmentation leads both to duplications and to failure to take advantage of opportunities for cooperation; it is costly and burdensome. Incentives for cooperation need to be strengthened and costly competition reduced.

The ITA believes that the operational activities of the UN Secretariat departments and offices should also be fully aligned and integrated with the operational activities of UNDS entities to ensure stronger linkages among normative, analytical and operational activities of the UN. The Committee for Development Policy (CDP) of ECOSOC could be strengthened to provide knowledge support and strategic guidance to UNDS. Furthermore, a repositioned UNDS should be able to take full advantage of the research of the United Nations University (UNU) and other UN research institutions and entities to strengthen the linkages between policy research and operational activities for development.

Recognizing the urgent need for repositioning and rebranding the UNDS, the ECOSOC should formally adopt the terminology, “UN Sustainable Development System (UNSDS)” in all official communications and resolutions.

A. GLOBAL/HEADQUARTERS LEVEL

Strategic governance at the inter-governmental level

i. Full-time ECOSOC President

Without a stronger ECOSOC the UN’s high level capacity to follow the evolution of the multiple facets in the implementation of the 2030 Agenda will not be possible. This would create a leadership vacuum at the heart of the global intergovernmental system.

In supporting the realization of the 2030 Agenda and implementing the Quadrennial Comprehensive Policy Review (QCPR), ECOSOC ought to play a greater role than in the past in leading, coordinating, integrating and reviewing UNDS efforts. As the convener of the High-level Political Forum (HLPF), it also ought to ensure that the forum plays an effective role in the follow up to the 2030 Agenda and has an added value since duplication and overlap in governance is just as unhelpful as duplication and overlap of the UN entities themselves. A strengthened ECOSOC should provide system-wide strategic policy guidance. It should evaluate the implementation of the SDGs, including the analysis of emerging issues, and suggest priorities as well as mid-course corrections. In order to effectively fulfill its mandate, as first step, the ITA proposes that ECOSOC should have:

- A full-time elected President;

- Adequate full-time support staff, drawn from within the UNDS.
- A detailed analysis of the demands on its work resulting from the new responsibilities that the global Sustainable Development Agenda brings to ECOSOC's doorsteps together with the measures to be taken in order to reinforce its ability to address them, so that it may be suitably supported by the UNDS and Member States in its oversight role. Consideration should be given to the fact that its responsibilities cover a wide spectrum of actions linked to global, regional and country activities, as well as substantive, operational and management issues.

ii. Strengthening the scope and effectiveness of QCPR resolution

The ITA proposes that the QCPR resolution of the General Assembly should become a system-wide strategy for all UNDS:

- The QCPR should be transformed into a strategic system-wide tool to assess, monitor and report on operational activities for development. QCPR will provide vital guidance for a Global Strategic Framework (GSF) to be adopted by the UNDS;
- Expand the QCPR to include specialized agencies, through appropriate prior decisions by their governing bodies which set out the role each wishes to play in implementing the QCPR goals so that all UNDS entities adhere to the QCPR resolution;
- Each governing body of a UNDS entity, including the specialized agencies, should annually undertake a thorough, evidence-based review of its progress in implementing the QCPR resolutions. There should also be a system-wide evaluation drawing on these inputs;
- QCPR process, including negotiating the resolution, should be given higher relevance by the appointment of high-level facilitators with enough time to conduct consultations and deliberations. ECOSOC should monitor progress in the implementation of the strategy/framework.

iii. Sustainable Development Board

The ITA proposes the establishment of an overarching Sustainable Development Board (SDB; Annex A) to enhance system-wide governance of the UNDS. The creation of the SDB would involve gradual merger of the governing boards of UN funds and programs. Over time, the SDB could be mandated to govern the operational activities of all the 19 funds, programs and other entities reporting to the General Assembly and ECOSOC and for which the QCPR resolution of the Assembly is formally applicable.

The SDB would have both system-wide and agency-specific governance functions. Those of system-wide nature would include the following: (a) adopt the proposed GSF (discussed later in the section) which would link together the global, regional and national level work of the UNDS along with information on key resources such as funding, staffing and other; (b) promote alignment of functions and funding in the UNDS; and (c) provide strategic guidance and allocate common resources linked to system-performance (e.g. Delivering as One, RC system, joint office and other types of integrated delivery and coordination mechanisms at regional and country levels). The agency-specific functions of the SDB would include all those normally performed by governing bodies of funds, programs and other entities. These extensive responsibilities would require the SDB to meet frequently and for members to devote adequate time and to be adequately supported. The representativeness of the SDB would be ensured through mechanisms to be determined by ECOSOC.

Through these functions, the SDB would become the main governing body responsible for creating system-wide harmonization and simplification. This would greatly enhance the overall cost-effectiveness in the delivery of operational activities of the UN system. The SDB could help to establish good practices, for example a stricter link between core- and non-core activities to realistically recoup the overhead costs of the non-core-activities and to ensure a strategic focus on system priority areas. The work of the SDB could include regular dialogue with specialized agencies on issues of common concern, including QCPR implementation. It is envisaged that the membership of SDB would be elected by ECOSOC for a term of 2-3 years. The SDB would report to ECOSOC and its composition would be determined in a resolution adopted by the General Assembly, giving due consideration to the principles of equity and effectiveness in representation. In addition to country representation, experts might also be added to the SDB as full or partial members.

The SDB should:

- Provide strategic guidance to the implementation of the GSF and identify funding needs and priorities;
- Serve as the platform for periodic negotiated pledges for funding the UNDS entities individually and together;
- Review and approve the strategic plans of UNDS funds and programs, ensuring that they are inter-linked with each other and also to the GSF the SDGs;
- Evaluate the monitoring of progress toward the 2030 Agenda and identify and recommend mid-course corrections in strategic plans of the UNDS;
- Allocate necessary financial resources to the Resident Coordinators, periodically review performance, and

recommend adjustments as necessary in the context of scaling up DaO and related initiatives for integration and coordination of UNDS entities;

- Set criteria for determining when individual field presence is appropriate and for consolidation of UNDS presence, striking a balance between the need for universality and cost effectiveness;
- Establish a broader and more comprehensive perspective on how poverty is measured, for example using a multidimensional matrix structure, ensuring that poverty is not just the absence of income;
- Undertake periodic external review of the mandates of UNDS entities;
- Approve the consolidated budget as presented by the DSG-SD;
- Give consideration to invite independent experts to be advisers or even members of the SDB.

Executive leadership of UNDS

iv. Deputy Secretary-General for Sustainable Development

The existing post of the Deputy Secretary-General should be re-designated as the Deputy Secretary-General for Sustainable Development (DSG-SD), in line with the General Assembly Resolution 52/12B that created the position of the DSG-SD and its office. The re-designated DSG-SD under the authority of the Secretary-General should provide objective, effective and impartial leadership to the UNDS. The office of the DSG-SD should:

- Facilitate the representation of all UNDS entities in the SDB; the secretariat for the board should be provided by the DSG-SD;
- Lead the Strategic Executive Team (SET), comprised of the heads of the functional groups of UNDS, and provide guidance to the implementation of the strategic plans at the entity level, ensuring coherence and integration across entities;
- Design, implement and review progress of the implementation of the Global Strategic Framework;
- Manage the UN Resident Coordinator system, providing leadership and strategic guidance;
- Manage a pooled fund of un-earmarked resources, on behalf of the SDB, to fund the RC -system and other priorities identified by the SDB;

- Facilitate negotiated pledges for funding the consolidated budget;
- Draft a consolidated, transparent system-wide budget on the basis of individual entities budgets and non-core contributions to be approved by the SDB. This should include the negotiation of the minimum for a critical mass of core-funding as a basis the neutrality of the UNDS.
- Ensure common system wide policies on financial and human resources matters including accounting and ethics
- Be the focal point in the Secretariat for the relationship with Regional Commissions.

The Office of the DSG for sustainable development should be created with adequate support staff drawn from within the system as a whole under his/her authority and feed from existing organizational arrangements within the different entities. It could be an option to include the absorption of UNDOCO with all its staff and budget including that which comes from funds and programmes.

v. Strategic Executive Team of UNDS Functional Groups

The ITA proposes the consideration of a Strategic Executive Team, comprising of the heads of functional groups of UNDS entities to support the DSG-SD and the SDB. Four or five functional groups could be established around the 2030 Agenda and the SDGs, bringing cohesion to the diversity of the UNDS. Functional groups should remain open to horizontal cooperation, avoiding siloes. The heads of the functional groups would be accountable to the DSG-SD and the newly constituted SDB, as recommended by ITA. The specialized agencies should also consider how to align themselves with functional groups among themselves and other entities on the basis of joint programs and activities.

ITA has considered that, in the process of conceiving the function of SET the experience of UNDG has to be integrated and after a transition period, the functions of UNDG will be absorbed by the SET. Within ITA, there were also alternative considerations suggesting that a functional grouping structure, represented in the SET, should immediately replace the UNDG as the main coordinating body responsible for inter-agency policy coordination and integration, or not to consider the establishment of SET.

New tools for better strategic reach

vi. Global Strategic Framework

The ITA proposes the adoption of a GSF to harness the system-wide inter-linkages in functions and activities. The proposed framework instrument should enable UNDS entities to link their own activities to the inter-related activities of other

UN entities and also to national development strategies and other development actors, providing a comprehensive map of sustainable development efforts at national, regional and global levels. The exercise will enable the UNDS to inter-link their functions and funding to specific sustainable development indicators, targets and goals. The instrument will also serve as an instrument for system-wide monitoring of achievements and gaps in terms of funding and actions. The re-designated DSG-SD should be responsible for developing the GSF, which should:

- Take into account differentiated country needs and inputs from the UN system at the country and regional levels comparable to the Intended Nationally Determined Contributions (INDCs) in the climate field, taking note of the findings from countries' periodic process of mutual assessment and learning (discussed further below);
- Complement the strategic plans and frameworks of individual UNDS entities and not replace them;
- Enable the UNDS to inter-link their functions and funding to specific sustainable development indicators, targets and goals;
- Serve as an instrument for system-wide funding decisions, reporting and monitoring, as well as the identification and recommendation of needed mid-course corrections;
- GSF also needs to be the basis for the consolidated budget.

vii. Negotiated pledges for funding the UNDS

Funding has an external (contributions to the system) and internal (managing resources) aspect. The two are inter-linked. ITA recognizes that transparency and accountability in spending money are essential for donors and investors, especially for core-funding. Demonstrated and proved as well as prospective efficiency and effectiveness are prerequisites for successful funding. The more accountable and efficient the UNDS becomes, the better are its chances to attract the resources needed for making the investments for change on the ground. The UNDS' credibility and attractiveness for donors crucially depends on its economic and professional handling of resources.

To improve the internal use of resources, the UNDS under the leadership of the DSG-SD should work towards a system-wide consolidated budget. Matched with the Global Strategic Framework, it would not only help to identify funding gaps and bottlenecks, but it would also constitute a leadership tool for both the DSG-SD and the SDB. A system-wide balance sheet assembled from the budgets of individual agencies would be a first step to trigger the longer-term process towards a system-wide balance sheet.

The Member States should harmonize varying and divergent funding modalities that exist at the entity level to ensure that

funding decisions are transparent, predictable and flexible. Negotiated pledges in the SDB can harmonize and streamline funding flows to the funds and programs overseen by the SDB. Negotiated pledges for individual entities should be integrated in the consolidated budget and should:

- Ensure more predictable resource flows, allowing direct negotiations among all stakeholders and enhancing transparency and accountability in resource allocation;
- Encourage earmarking of resources at the level of SDG-related outcomes and programmes rather than highly specific activities within entities;
- Prevent counter-productive competition and a zero-sum mentality among funds and programs by rewarding collaboration and joint programmes among entities
- Create opportunities for pooling of resources, through introduction of standardized and system-wide cost recovery framework and applicable surcharges, especially for funding the RC system with predictable and earmarked resources;
- Ensure that a critical mass of core funding is secured in order to secure the multilateral aspect of the UNDS and the need for total neutrality in the implementation of many of its functions.

Pooling financial resources has been shown to be a helpful mechanism promoting cooperation among entities. Consideration should be given to setting a target for an increase in pooled resources to support the SDGs, for example, a doubling of current pooled resources. The ITA proposes that UNDS entities, under the guidance of DSG-SG and his/her leadership team, should take appropriate measures for scaling up pooled funding to support joint programming at global, regional and country levels. The SDB should periodically set targets for pooled funding at the level of functional groupings to support implementation of joint programs and activities.

The UNDS should also scale up and strengthen its role of a "financial broker" to support the capacities of developing countries in matching funding opportunities (domestic/external) with local funding/investment needs and augment the overall resource envelope for sustainable development. In that context, ITA recognizes Member States in the AAAA pledged "to help combat illicit flows" and for that purpose "invite the International Monetary Fund (IMF), the World Bank and the UN to assist both source and destination countries." The UNDS should therefore strengthen synergies with International Financial Institutions (IFIs) and other stakeholders to identify innovative financing options, including utilizing SDRs, to assist Member States in accessing resources for sustainable development. That asks for mutual supportive activities between UNDS and Bretton Woods Institutions.

viii. Comprehensive, external independent review of mandates of UNDS entities

The ITA proposes an externally, independent, participatory review of the mandates of all UNDS entities, with a view to streamlining their functions, funding and organizational structures to better implement the Sustainable Development Goals. The review of mandates should aim at reducing costly overlaps among the UNDS entities, reducing operational costs and improving their development effectiveness. Where deemed necessary, the review of mandates should recommend merger, dissolution or enhanced cooperation on SDGs of UNDS entities, if deemed necessary, for consideration of ECOSOC. The ITA urges the Member States to fully support the review of UNDS mandates.

ix. Mapping of staff capacities

The UNDS should have a comprehensive understanding of its staff capacities at national, regional and global levels to identify strength and gaps in supporting the realization of the 2030 Agenda. This is also critical for ensuring that the staff capacities in UN funds, programs and specialized agencies are inter-linked to support the implementation of an integrated agenda. The DSG-SD should:

- Lead and implement the mapping exercise in consultation with the UNDS entities;
- Ensure that the mapping exercise serves as an important input to the GSF;
- Establish a mechanism for periodic review of staffing needs, capacities and gaps to ensure that UNDS is sufficiently flexible and yet responsive to meet changing demand at national, regional and global levels.

UNDS entities should adopt a common human resource policy ensure staff capacities are fully aligned with SDGs. Progressively; all UNDS staff should be able to be flexibly deployed across various entities.

x. Partnership Delivery Support

The primary purpose of creating multi-stakeholder partnerships is to leverage the strengths of different public and private actors towards the realization of the 2030 Agenda. Such partnerships are generally of four main types: (a) knowledge generation and sharing (e.g. Global Water Partnership), (b) service provision (e.g. GAVI), (c) standard-setting (e.g. Alliance for Water Stewardship) and (d) financing vehicles (e.g. Global Environment Facility). In some partnerships, the UN is the initiator or driving actor (e.g. UN Global Compact, Sustainable Energy for All); in others UN entities are represented in governance (e.g. GAVI); while in still others they serve as permanent observers (e.g. Global Water Partnership). There are also currently eight Action Networks

in the UN system, which are described as “initiatives that aim to catalyze new commitments within a certain thematic area.” These Action Networks are partnerships themselves but also often include other partnerships.

A Partnership Delivery Support mechanism will facilitate multi-stakeholder and multi-sectoral partnerships, assuring transparency, accountability and the alignment of stakeholders to the 2030 Agenda and UNDS’ strategies for its implementation. The Delivery Support could also be linked to the office of DSG-SG. There is an acute need for streamlining partnership procedures across the system to encourage effective partnerships and minimize risks without, however, limiting the creativity of entities individual partnership approaches. The Partnership Delivery Support should:

- Develop and support the implementation of standardized procedures for partnerships, simplifying and harmonizing applicable rules, processes and good governance principles;
- Maintain a repository of information, guidance and good practices on partnerships;
- Minimize costly overlaps, delays and risks in partnerships;
- Monitor and review the performance of various partnerships within the system for consideration of the SDB;
- Draw on staff resources from the partnership offices in UN funds, programs and specialized agencies not only to minimize costs but also to enhance coordination and integration of various partnership efforts.

xi. Stakeholder Integration and Awareness Raising

The UNDS must acknowledge the historical role that nongovernmental and citizens’ organizations have played in contributing to shape UN development policies. They have also become central actors in the national and regional implementation of the United Nations global decisions through their networks and activities. There already is a wide, dense and active net of civil society actors that bring knowledge, competence, resources, innovations, and enthusiasm to the implementation process and sometimes necessary initial views. These can cover a wide spectrum of activities including contribution to research, policy formulation, monitoring, reporting, learning process, communication and awareness raising. The UNDS must make full use of this capacity.

B. REGIONAL LEVEL

The regional dimension of the UNDS functions should also play a more important role by elevating the responsibilities of their Regional Bureaus. The Regional Economic Commissions – re-

designated as Regional Sustainable Development Commissions – with their considerable staff resources should become the regional focal point – both internally, but also with regard to strengthened relationships with regional inter-governmental organizations and regional economic blocks. The operational activities of the Regional Sustainable Development Commission should inter-link the national and headquarters level activities of UNDS entities and Resident Coordinators, providing both strategic guidance in regional contexts and also strengthening knowledge development, dissemination, monitoring and evaluation at the regional level. This will require a realignment of staff capacities within the reformed Regional Commissions to deliver on the new role.

xii. Enhanced regional coordination

The ITA proposes the merger of the coordination functions of the Economic Commissions and UNDG at regional level. The Regional Economic Commissions should also serve as think tanks and knowledge hubs, supporting a tightly knit and streamlined regional presence of UNDS.

Reformed Regional Commissions can help to identify regional challenges requiring collective action as well as the relation between these and corresponding global challenges. For this, their role as think tanks that are well connected to developments in the region and that can identify and fill research gaps needs to be strengthened. They need to lead the knowledge-challenge at the regional level.

Governments should enhance practical support to Regional Commissions for generating, processing, monitoring and dissemination of data, analysis and regional review of progress in SDG's implementation according to national plans.

They should:

- Aggregate country strategies to regional portfolios;
- Lead region-wide monitoring, evaluation and learning efforts;
- Engage partners, facilitate partnerships including civil society and private business;
- Serve as regional facilitator and platform for the MAL process of periodic assessment and learning among peers and partners, and sharing of experiences generally;
- Work together with Regional Coordinators to reinforce the links between national and regional efforts and support their own regional coordination. Especially in conflict-affect regions there must be a team spirit of RCs.
- Promote interregional policy cooperation with other Regional Commissions including on the basis of the Regional Sustainable Forums they are creating.

- Interact with Regional Intergovernmental and development organizations including public financial institutions.

There is much room to enhance the collaboration between the UN and academic and a broad range of professional experts through innovative collaborative mechanisms which draw on the knowledge of the latter as individuals as well as members of institutions. The regional commissions should convene regional-level Committees for Development Policy (CDP) to enhance knowledge support and policy guidance to UNDS activities at the regional level. The role of the existing global CDP should be reviewed and enhanced so that it can provide more effective support to the SDB.

C. COUNTRY-LEVEL

xiii. Reform the Resident Coordinator system

The RC system would be managed by the proposed Office of the DSG-SD. RC would also report to the DSG-SD. The ODSG-SD would prepare a global budget for the RC system and submit to the SDB for review and approval. The RC system would be funded with predictable, un-earmarked pool resources, raised through assessed contributions or through negotiated pledges.

At the country level, the RC would continue to lead the preparation of the UNDAF and the Common Budgetary Framework documents, which would become key building blocks in the development of the Global Strategic Framework. The UNDAF should be re-named and re-branded as the UN Sustainable Development Framework (UNSDF). UNSDF should be broader in scope and mandate, moving away from UN providing assistance to UN supporting and facilitating sustainable development. The RCs would also be responsible for mobilizing and allocating system-wide funding for activities at the country level through mechanisms such as DaO funds. The SDB would provide intergovernmental guidance regarding the management of the RC system. It would be the role of the DSG-SD to further develop the guidelines for selection of RCs, in consultation with the SDB. The DSG-SD would also annually report to the SDB on progress in implementing policy guidance on the RC system.

The recruitment of UNRCs should be strengthened to ensure that the selection of the most qualified candidates and most suitable to the needs of the country concerned. Where necessary, recruitment criteria should include capacity to perform as a humanitarian coordinator. The existing high application fees for UNRCs examination presents a barrier to entry for individual candidates and should therefore be abolished.

The ITA proposes the strengthening brokering role of RC to identify project/funding needs and availability of funds. The RC should have a UNDS country-funding envelope. The ITA also underscores the need for strategic funds for RC management

and appropriate institutional safeguards to ensure the independence, neutrality and effectiveness of the RC system.

xiv. Developing Delivering as One

The findings strongly suggest that there is a need to strengthen the horizontal governance of the UNDS. In that context, the ITA proposes that the DaO initiative be scaled-up, with entities uniting and serving under a common UN logo in countries applying this approach, while mentioning under it the entities active in a particular role. The Addis Ababa outcome document has also called for strengthening UN coherence, relevance, effectiveness and efficiency, including through achieving further progress in the DaO approach. One cornerstone in that regard should be a common logo as an expression of cohesion in diversity. This is based on the notion that in the post-2015 era with greater emphasis on integrated approaches in addressing complex national and global development challenges, UN entities will not only have a comparative advantage in their own right, but also as part of a “system”, where the sum is larger than the individual parts.

The DSG-SD should be expected to scale up the DaO, encouraging participating UNDS entities to function under one UN logo to further integrate their efforts and minimize costly competition for resources at the country level. The country presence of the UNDS in the DaO should be akin to a typical government representative office in a country. The one UN logo would strengthen the DaO approach and prevent costly competition among UNDS entities at the country level that undermines inter-linkages. This will entail significant cost savings for the system.

To ensure the independence of RCs, utmost importance must be given to impartial mechanisms for the selection, evaluation and promotion of RCs and for the protection of the reporting line between RC and DSG-SD from inappropriate political or institutional pressures.

xv. Comprehensive review and progressive consolidation of UNDS field presence

The SDB, on behalf of the entire UNDS, should comprehensively review the rationale and justification of field presence of UNDS entities in each country contexts with necessary support from the DSG-SD. The review exercise should:

- Set criteria for determining when individual presence is appropriate and for consolidation of UNDS presence, striking a balance between the need for universality and cost effectiveness;
- Suggest a timeline for selective consolidation of UNDS field presence for consideration of the SDB;
- Suggest a mechanism for periodic review of UNDS field presence, ensuring that presence is sufficiently flexible and demand-driven;
- Develop system-wide rules and procedures for integrating back office functions of various UNDS entities at the country and regional levels and at the level of the entities themselves (Funds and Programs);
- Organize the country presence in a single office provided there are no security restraints, incorporating experts and other staff delegated from UNDS entities and working under a single, consolidated authority, under the UN identity and one logo.
- Scale up the DaO initiative, encouraging participating UNDS entities to function under one UN logo to further integrate their efforts and minimize costly competition for resources at the country level.

xvi. Mutual Assessment and Learning to Support the 2030 Agenda

It is essential to start a process of periodic review of efforts and experiences, exchange of lessons and mutual learning, paired with forward looking strategic planning, in order to assess progress and develop plans toward the SDGs at global, regional and national levels. All countries, North and South, should be encouraged to undertake, and participate on a voluntary basis in Mutual Assessment and Learning (MAL) concerning their efforts to promote and attain the SDGs. These assessments – organized at the country level – should aim to incorporate a diversity of perspectives of citizens and stakeholders within a country, as well as interested peers and partners, civil society, and relevant experts. They can become a means of ensuring greater national ownership, evidence-based understanding of development strategies, as well as coherence between medium-term planning frameworks employed by the Bretton Woods Institutions, other UN entities, and government. As a stocktaking exercise, they can provide a better picture of what is required for addressing challenges requiring collective action for the attainment of the SDGs and duly inform the inter-governmentally agreed review process, such as the HLPF, including through the identification of gaps in resources and necessary actions. As such, the assessments provide a reference point for the SDB and the ECOSOC in their deliberations about whether the world is on track to achieve the SDGs and if not what more must be done.

IV. A ROADMAP FOR IMPLEMENTING THE PROPOSALS

The ITA believes that the re-positioning of the UNDS should begin as soon as possible and be guided by an ambitious timeline. At the same time, it should be an open process which

allows for learning, reconsidering and adjusting the individual measures as the system moves forward. The UNDS would be well advised to continuously assess the need for change and, if necessary, adapt to new challenges in the global development landscape.

A forceful and result-focused implementation of the recommendations requires strong leadership from Member States, in the context of the General Assembly and of ECOSOC. While ITA has found that leaders and staff of the UNDS entities proved in the past that they are remarkably open to bold changes, the entities will look for that leadership to endorse their own efforts to better align themselves with the 2030 Agenda.

Change at this scale is linked with high expectations and commitment but also with a certain degree of hesitancy or even reluctance. The transition process can be successful only if guided by prudent change management at the top with integration of all staff and other stakeholders. This should include clarity of objectives and criteria, transparency in decision-making, as well as good communication with the organizational environment, including civil society and media. The transformation from an existing structure to a new one should involve and build on the commitment and capacities of the staff. The majority of UN staff is exceptionally motivated and committed to the values of the UN, and to its best possible performance. This is perhaps the greatest asset in the change process, and it should be fully valued. Likewise, the ITA proposes making best use of experience and advice already available in UNDG.

The ITA has benefitted greatly from interaction with ECOSOC during the various workshops and retreats which have made members better understand the perspectives, concerns and priorities of the member states. Despite the obvious plurality of views, the ITA has proposed the changes as a coherent whole, affecting almost all parts of the system, but guided by a compelling logic. It is preferable that they be endorsed together and implemented in the appropriate sequence, but they are not a take-it-or-leave-it proposition. If member states find particular elements difficult to resolve, as may well be expected given the scope of the recommendations, this should not stop other elements from being moved forward.

The implementation of the ITA proposals should be paced and sequenced appropriately to realize their full potential. It should be completed in a three-year period.

Immediate

The longer-term re-positioning should begin with a strengthened ECOSOC leadership and the designation of the new DSG-SD. The DSG-SD, under the authority of the Secretary General, should be mandated and charged to lead the process of longer term positioning of the UNDS.

- She/he has to decide on a transition team for this structural change;
- As the starting point, DSG-SD should develop a roadmap and clear timeline for implementing the ITA recommendations;
- Staffing the office of DSG-SD quickly and adequately should be a priority; this should be done by redeploying staff from UNDOCO and other entities;
- The reporting line of the RCs should shift to the DSG-SD;
- The DSG-SD should determine the functional groups of UNDS entities for consideration of the SDB, with a view to determining the composition of SET.
- The DSG-SD should also follow-up on the implementation of the QCPR resolution.
- The DSG-SD should be the focal point for the relationship of Regional Commissions with UN Headquarters,

Near-term (six months-1 year)

The DSG-SD should then initiate the process for establishing the SDB through a decision of ECOSOC.

- The DSG-SD should propose the structure and composition of the SDB its mandate, rules of procedures and calendar of activities for approval of the ECOSOC and organize a first exploratory meeting;
- The DSG-SD should initiate work on the GSF;
- The DSG-SD should begin work towards a consolidated budget; in this context, he will review funding modalities, including negotiated pledges, and recommend system-wide measures for making financial resources more flexible and predictable for the UNDS;
- The DSG-SD should undertake a mapping of UNDS staff capacities, followed by an assessment in the light of the 2030 Agenda imperatives.
- The SDB should decide on the modalities and a timetable for gradual merger of existing governing bodies of UN funds and programs. It should do its part to develop structures and procedures for a consolidated budget of the UNDS and for the review of funding modalities.
- The SDB should undertake an External Independent Participatory Review of mandates of all UNDS entities.

Medium-term (1-2 years)

- The DSG-SD should organize a full review of the mandates of the UNDS entities and their field presence and should recommend necessary measures for consideration of the SDB. The SDB will have the full power to reconsider and revamp the field presence of UNDS entities, while ECOSOC will determine the merger of UNDS entities should that be recommended by the SDB;
- The DSG-SD should roll out a medium-term strategy for strengthening internal and external inter-linkages within the context of a dynamic GSF. This would require the DSG-SD to identify and recommend concrete measures for strengthening the inter-linkages among the humanitarian, peace and development pillars of the UN;
- The DSG-SD should roll out the Partnership Delivery Support, drawing on the partnership expertise and resources of UNDS entities.
- The DSG-SD should establish an architecture for the governance of the process of periodic Mutual Assessment and Learning involving the regional commissions, and RCs, appropriate as an essential input for the periodic revision of the GSF and for the consideration of the SDB as to what gaps in actions and resources exist and what correctives must be taken.



ANNEX I: SUMMARY OF THE VICE PRESIDENT OF ECOSOC FOR OPERATIONAL ACTIVITIES FOR DEVELOPMENT, H.E. MS. MARIA EMMA MEJÍA VÉLEZ, PERMANENT REPRESENTATIVE OF COLOMBIA TO THE UNITED NATIONS, ON BEHALF OF THE ECOSOC BUREAU – PHASE 1: DECEMBER 2014 – MAY 2015

1. Introduction

In ECOSOC resolution 2014/14, the Council decided to convene a transparent and inclusive dialogue on the longer-term positioning of the United Nations development system in the context of the post-2015 development agenda, including the interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches. This is the first time that ECOSOC has been mandated to conduct such an intergovernmental dialogue on reform of the UN development system. The ECOSOC Dialogue process consists of both formal and informal sessions over an 18-month period, with the outcome of these deliberations serving as key input to the quadrennial comprehensive policy review of the General Assembly of operational activities of the UN system in 2016.

This report provides a brief summary of key messages of the first phase of the ECOSOC Dialogue, which took place between Dec.'14 – May'15 and included the following meetings: 3 formal sessions (15 Dec.'14, 30 Jan.'15 and 23 Feb.'15); 4 informal workshops: functions (17 Apr.'15), funding (8 May'15), governance (13 May'15) and organizational arrangements, capacity and impact and partnership approaches (27 May'15); a civil society briefing (28 Apr.'15); and a high-level retreat (29-30 May'15).

ECOSOC Dialogue sessions and workshops have been open to all Member States and other relevant stakeholders and the participation level in both formal and informal events has been high. Background papers prepared by independent experts, DESA and UNDG have informed discussions during the first phase of the ECOSOC Dialogue.

The Coordination and Management Meeting of ECOSOC on 9 June 2015, will take stock of progress of the ECOSOC Dialogue to date and discuss the way forward for the second phase of this process, which will commence in October following the High-level Summit of the General Assembly in September 2015.

2. The post-2015 development context

The broader context within which the UN development system operates is expected to change considerably in the post-2015 era, in particular, as the result of the transformational agenda,

to be adopted by the General Assembly in September this year, which includes universal sustainable development goals aimed at human development and preservation of the planet.

Poverty eradication, the greatest global challenge we face as humanity, social equity and equality, and the preservation of the planet and its resources and inclusive sustainable development are brought together in a unified and universal post-2015 development agenda. The SDGs build on the foundations laid by the MDGs, but are more comprehensive and ambitious and closely interrelated.

The SDGs also signify the growing interdependence of country, regional and global action inherent in the broadening of the post-2015 development agenda to include what is sometimes referred to as global development challenges requiring collective action. This interdependence of development action will require UN entities to further enhance synergy between the normative and operational support functions in the post-2015 era through greater integration and coordination in the delivery of operational activities.

In addition, the capacity and development needs of many programme countries and the nature of development challenges have evolved significantly since the beginning of the century. While the core challenge of alleviating poverty remains at the centre of development cooperation efforts, other critical challenges, including those resulting from the process of globalization, increasing interdependence of countries, climate change and urbanization, have grown in importance at the outset of the post-2015 era.

The shift to a sustainable development agenda, moreover, will require the UN development system to identify means of engagement and implementation that allow for a universal response. Global targets and indicative global indicators will be complemented with additional indicators to be set at the national level, taking into account country circumstances and progress. All countries will need to monitor and report on progress, with the UN development system likely to be called upon by Member States to facilitate progress reviews at global, regional and country levels.

Besides the emerging post-2015 development agenda, the broader development landscape that impacts the work and

functions of the UN development system is also changing in several other important ways. This includes, but is not limited to, the changing profile of poverty; rising inequality within and across countries; protracted nature of crises in many humanitarian and conflict-affected settings and, as a result, the growing importance of conflict prevention; the need to make development at the country level more resilient against external shocks; the need to upscale the transition to sustainable consumption and production patterns; increasing demand from people for more equitable and accountable development; the changing balance of economic power in international relations; the rise of new development cooperation actors; the need to tackle climate change and its effects; technological innovations and the data revolution; the growing volume of South-South and triangular cooperation as a complement to North-South cooperation; and the increasing demands from developing countries for more equitable and effective participation in governance and enhanced capacity and working methods of governing bodies in the UN development system.

3. Implications for the United Nations development system

There is recognition that the post-2015 development agenda and other drivers of change pose a significantly different challenge and higher level of ambition for the UN development system than the earlier MDGs agenda. Sustaining the development gains that have been made in many developing countries since the beginning of the century is also an important challenge for the UN development system. Ultimately, the UN development system will be judged in the post-2015 era by the Organization's continued ability to deliver concrete results in programme countries. Brought together, all these factors will determine the changes required in the positioning of the UN development system in the post-2015 era.

This section briefly summarizes key messages of the ECOSOC Dialogue process to date organized around the six areas of focus: functions, funding practices, organizational structures, capacity and impact and partnership approaches, in the UN development system, as well as the interlinkages among them.

A. FUNCTIONS

There is shared view that the UN development system should focus on the functions that the Organization is best qualified to perform in support of Member States as they implement the post-2015 development agenda. The UN development system should not expect to be involved in every aspect of the implementation process, but rather focus on those areas where the Organization has established comparative advantage vis-a-vis other development cooperation actors. For example, the comparative advantage of the Organization is generally seen as supporting implementation of the multilaterally agreed norms, universal legitimacy, neutrality, strong focus on national

ownership and leadership, global reach and convening power. These functions are critical for the universal agenda and they apply to all countries.

At the global level, the UN development system needs to help ensure the alignment of the full range of global bodies and initiatives behind the sustainable development goals, and provide the advocacy and convening capacity needed to bring the major global development actors and institutions together in a coordinated approach in the realization of the SDGs. At the regional level, the UN development system needs to provide similar convening and coordination functions, to monitor and report on implementation, and to leverage regional capacities to support national implementation of the SDGs, including through the exchange of best practices.

At the national level, the UN development system must be able to provide effective, timely support across contexts and needs. These range from middle-income countries where the highest value is in supporting policy coherence by bringing the legitimacy of the Organization's norms and standards to national policy dialogue, to persistent crisis countries and regions, where the UN development system must drive for greater integration of long-term development and resilience with humanitarian and security responses, to break recurrent cycles that are both devastating to human welfare and debilitating in terms of mounting costs and donor fatigue. In all countries, the UN development system can be expected to provide support, upon request of Member States, to national efforts to monitor and report on the implementation of the post-2015 development agenda.

The significant broadening of the global development agenda as reflected in the proposed SDGs will have commensurate impact on the functions of the UN development system in the post-2015 era. Some functions will continue to be important like the provision of comprehensive support to least-developed and low-income countries and those in humanitarian and conflict-affected situations, as well as normative and technical assistance to middle-income countries to ensure that no one is left behind. Furthermore, other functions like support to developing countries to address global development challenges, can be expected to require greater attention in the post-2015 era than in the past.

In addition, there are several areas that have been growing in the work of the UN development system in the past decade and which can be expected to become functions in their own right in the new era, in response to the requirements of the post-2015 development agenda and other drivers of change. This includes support to South-South and triangular cooperation; leveraging partnerships for sustainable development; strengthening integrated policy advocacy; and fostering strategic innovations and learning in development in all country contexts, in particular, in middle-income countries.

B. FUNDING PRACTICES

There is growing recognition that the current funding architecture of the UN development system has become too unbalanced, with 75 per cent of total contributions currently in the form of non-core resources, of which some 90 per cent are single-donor and programme and project-specific, thereby leaving only 10 per cent of non-core funding as pooled. The adoption of the post-2015 development agenda provides a window of opportunity to undertake a comprehensive review of the funding architecture of UN operational activities.

- Functions should drive selection of funding practices

There is recognition among Member States that funding should flow from agreement on functions, and not the other way around. Different functions require different funding modalities. Some functions like the normative, leveraging and convening role of the UN development system are best funded through core contributions. As these functions become more important in the post-2015 era, the core funding of the UN development system will need to increase commensurately.

At the outset of the post-2015 era, each entity will need to carefully define its functions, followed by a structured dialogue with Member States on the most appropriate funding modalities, e.g. building on the recent experience of WHO and the funds and programmes. There is also need for better system-wide statistics, analysis and reporting on the volume, sources and destination of funding flows for UN operational activities in order to improve the capacity of central governing bodies to provide guidance and coordination of the UN development system.

- The need to strengthen the multilateral character of the UN development system

The UN development system has a particularly important role to play in the post-2015 era in strengthening global norms, provide policy advice and support efforts to address inequality. The increased importance of global development challenges and accelerating pace of globalization will also require further strengthening of the capacity to implement global norms and policy advisory function of the Organization in all developing countries. For UN entities to play this role effectively, core resources will be vital. Towards that end, each UN entity will need to improve information flow to Member States on the use of core funding for operational activities. Structured dialogues with Member States on the medium- to longer-term resources situation can also contribute to improving the funding architecture of entities. There is also recognition that increasing the quality of earmarked funding will have to be accorded higher priority in the post-2015 era. This can be achieved by either broadening the level at which the earmarking is done or by introducing more flexible provisions.

- Greater use of integrated financing mechanisms will be needed in the post-2015 era

The post-2015 development agenda will place greater emphasis on the capacity of the UN development system to integrate normative, policy and operational support at the country level. Funding must also incentivize greater integration of humanitarian assistance and development-related activities. This will call for greater use of inter-agency pooled or joint funding mechanisms at both global and country levels, underpinned by strong capacity of entities in the efficient design and operationalization of such instruments. Agency-specific thematic contributions will also need to be scaled-up and become a key element of the funding architecture of the UN development system in the post-2015 era. Furthermore, vertical/global funds can be expected to become an important instrument to support the strengthening of legislative and policy frameworks in developing countries in response to global development challenges. Vertical/global funds in support of specific SDGs that consolidate a number of smaller instruments into broader UN facilities with a view to ensuring a stronger future UN normative role should also become part of the overall funding strategy of the UN development system in the post-2015 era.

- The role of partnerships and innovative sources of financing

In the past few years, the UN system has been very active in establishing a number of issue-based coalitions of multiple stakeholders in development areas of high importance. These issue-based alliances will need an appropriate mix of financing mechanisms in order to be effective. The UN development system can be expected to build and support a number of financing facilities for issue-based alliances to be established and/or further strengthened in the post-2015 era. This leveraging role of entities in the post-2015 era will also require significant strengthening of the core funding base of the UN development system.

In addition, the UN development system will have to actively explore options for increasing the use of innovative sources of financing and raise the number of individuals giving to the Organization to complement traditional financing sources. Both these sources of funding are likely to grow significantly in the coming decades and it could become important for the longer-term positioning of UN entities to achieve a strong foothold in these areas. Entities like UNICEF and WFP, for example, have been highly successful in mobilizing contributions from individuals as well as the private sector, for their activities.

C. GOVERNANCE STRUCTURES

There is need for a rethink of the governance arrangements that guide and oversee the UN development system at central, agency and country levels. By placing the sustainable development goals at the centre of each entity's strategic plan, there is a window of opportunity to align the vision and priorities of all governing bodies, while using governance arrangements at central, agency and country levels to help ensure greater coherence in advancing the implementation of the post-2015 development agenda. This may also allow for more effective division of labour between governance at the strategic level and the management of entities and their activities.

The multidimensional nature of the post-2015 development agenda and other development challenges and risks emanating from growing interdependence of countries, will require the development of more flexible and coordinated governance capacity in the UN development system. Greater emphasis on policy coherence, interoperability across entities in programming and operations and integration of entity inputs at all levels will be difficult to realize without enhanced policy cooperation among agency and system-wide governing bodies in the UN development system. This will also call for further development of capacity for system-wide governance of UN operational activities, e.g. by capitalizing on the potential of ECOSOC, the informal Joint Meeting of Boards and the quadrennial comprehensive policy review of the General Assembly of operational activities of the UN system. The QCPR has the potential to become a strategic instrument and it should be applied through the UNDS, including the specialized agencies. However, there was a need for in-depth discussions on this idea.

Member States will also need to discuss how to improve representation in governance, as well as the capacity and working methods of governing bodies of UN development system entities. This could involve a review of the experiences of some UN entities like UNAIDS and the Committee on World Food Security in introducing innovative methods such as constituency-based approaches in selecting representatives of Member States and non-state actors in governing bodies. Moreover, there is need to examine other options to enhance equity and effectiveness in participation and improving capacity and working methods of governing bodies. There is also recognition that more effective system-wide governance of operational activities of the UN system will require further improvements in system-wide statistics, analysis and reporting.

D. ORGANIZATIONAL ARRANGEMENTS

Current organizational arrangements in the UN development system at the country level have been strongly influenced by the continuous need of entities to focus on the mobilization of resources. In some countries, as a result, where the volume of operational activities is small, there may be large number of

entities present. In more than half of all programme countries (53 per cent in 2013)) the UN development system as a whole accounts for less than 10 per cent of total ODA at the country level. Most UN development system entities also have established regional offices to support and coordinate the work at the country level. In addition, more than 40 programme countries have adopted the delivering- as-one model at the country level. Future efforts should build on the DaO, as this modality has informed the delivery at the country level.

The need for enhanced integration of inputs of entities in the post-2015 era will require stronger coordination capability at both agency and system-wide levels to leverage knowledge, expertise and resources. Greater emphasis on the establishment of multi-sector, issue-based alliances will also require strengthening of system-wide capacity at the central level for strategic planning, coordination and leveraging of expertise and resources, as well as similar role of the resident coordinator at the country level. The need for more coordinated planning, financing and implementation of UN development system support for the realization of the post-2015 development agenda may therefore possibly require the development of new system-wide planning instruments at the global level. It was proposed that a global strategic framework may be adopted. This proposal will need to be analyzed further.

Flexible field presence models of UN development system entities should be guided by the principle of cost-effectiveness, including in countries where the Organization is a relatively small player in development cooperation from a funding perspective. Similarly, in programme countries where adequate national capacities and systems exist, e.g. in middle-income countries, the relevance of the delivery service function (project management and implementation) of the UN development system may need to be examined.

Complementary to the ongoing efforts at harmonization of business practices, policies, rules and regulations, the idea of "mutual recognition" of individual entities' procedures could be further reviewed. In contexts where harmonization may be less feasible, or could prove too costly, such "mutual recognition" agreements could allow UN development system entities to better leverage each other's strengths for maximum impact, by both, capitalizing on diversity to engage externally based on core functions and drawing on mutual strengths to operate in effective, efficient and integrated ways.

The nature of the post-2015 development agenda, moreover, will necessitate strengthened and new roles for the UN development system at the regional level, beyond coordination and information sharing. For example, there is need for the UN development system to explore options for new and strengthened regional and/or sub-regional platforms, and instruments on data, statistics, monitoring and review of progress, as well as on transborder, intra-regional and cross-regional issues, and to provide specialized support to country offices.

E. CAPACITY AND IMPACT

To better support implementation of the post-2015 development agenda, the UN development system needs a workforce that has the necessary capacities, flexibility, mobility as well as the ability to transcend agency-specific identity and allegiance. This is one of the highest priorities of the UN development system in the post-2015 era, which will require a significant culture change in mind-sets.

The strong normative content of the post-2015 development agenda will also require improved capacity in the UN development system at all levels for upstream, integrated and often more sophisticated policy support, building on the specialized expertise of different entities. Most development challenges are now cross-sectoral and the UN development system in order to be effective will have to be able to field integrated, high-quality policy teams in programme countries. In countries in transition from relief to development, the UN development system will also need to possess capacity for seamless integration of inputs across entities.

In a UN development system transitioning towards a more upstream, integrated policy model in the post-2015 era, it will also be particularly important to step-up the use of national capacities, systems and institutions in programme delivery at the country level. Capacity development is a core function of the UN development system, and the use of national capacities, systems and institutions should be central to the design of all programmes at the country level. There is a growing sentiment among programme country governments and UN Resident Coordinators that national capacities are not sufficiently used by the UN development system, particularly in areas such as procurement, financial management, monitoring, reporting and evaluation.

The impact of the UN development system is also ultimately measured by the ability of the Organization to deliver results in programme countries. Towards that end, the UN development system needs to improve the coherence of results-based management and reporting across entities, including with a view to enabling a better measurement of the results of the system as a whole. At the same time, caution should be exercised in placing too much emphasis on the value-added of reporting on what can be measured, rather than reporting on what is most significant as a contribution of the UN development system.

F. PARTNERSHIP APPROACHES

There was also a strong call for greater transparency in results and resource reporting. Partnership-building with external organizations has since become increasingly important in the work of the UN development system. And for the UN, as the only universal body, partnerships can be expected to become even more important in the delivery of the post-2015 development agenda. The UN development system will need to possess strong capacity

to convene multi-sector, issue-based partnerships, aligned to normative values and standards and good governance principles and with strong accountability for results, to facilitate collective responses to national and global development challenges. Also critical will be the fostering of greater inclusiveness and increasing and facilitating the engagement and participation of a broad range of stakeholders in the implementation of the post-2015 development agenda. However, it is important that partnerships do not undermine the core programme of the UN development system, but are primarily aimed at augmenting the Organization's capacity to contribute to the realization of the post-2015 development agenda.

At the outset of the post-2015 era, it will also be important to examine what kind of inter-agency coordination, intergovernmental oversight mechanisms, and other organizational measures, will be necessary to help ensure that partnerships involving many UN entities operate in an effective and transparent manner. It was pointed out that ECOSOC is well-placed to serve as a focal point for intergovernmental review of partnership efforts within the UN development system.

G. INTERLINKAGES

In the early years and till the late 1980s when the UN development system was much less complex than today, it was easier to ensure that interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches, were coherent and mutually supportive. Governance, funding and the use of a single rule book to regulate the delivery of UN operational activities across entities were key instruments to help ensure the coherence and consistency of such interlinkages in this period.

The major change that took place in coordination and funding arrangements in the UN development system in the early 1990s when each entity had to begin mobilizing resources for operational activities directly from donor countries, made the pursuit of interlinkages between the six above areas more complex.

In the post-2015 era, the inter-connection and mutual dependency among the SDGs and targets will make it more important than in the earlier periods to ensure that the interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnerships approaches, are coherent and mutually supportive at both agency-specific and system-wide levels.

Each entity, through for example the respective strategic planning process, will need to carefully shape its core functions and then specify the funding, governance, organizational arrangements, capacity and impact and partnership approaches,

that would facilitate their effective realization. The delivery of different entity functions can therefore be expected to require different staff capacities, funding practices, organizational arrangements and partnership approaches etc.

What will be unique about the post-2015 era, is that Member States and the UN development system will also have to come together to define the system-wide aspects of funding, governance, organizational arrangements, capacity and impact and partnership approaches, that will be critical for the realization of the post-2015 development agenda. For example, there is likely to be need for strengthening of strategic overview and guidance of UN operational activities at the system-wide governance level. Member States, accordingly, will need to discuss how to achieve that policy objective, e.g. through ECOSOC, the Joint Meeting of Boards or the QCPR resolution of the General Assembly. QCPR will need to be modernized.

As mentioned earlier, the need for enhanced integration of inputs of entities in the post- 2015 era can also be expected to require stronger coordination capability at both agency and system-wide levels to leverage knowledge, expertise and resources. The strengthening of the Organization's capability to engage in strategic partnerships with civil society and private sector organizations will also require enhanced capacity at the central level for planning, coordination and leveraging of expertise and resources. It is therefore particularly important at the outset of the post-2015 era that Member States and the UN development system define carefully the areas that will require strengthening of system-wide response and execution.

4. The way forward

Member States generally recognize that the UN development system is at an inflection point where significant changes will be required, if the Organization is to remain a preferred partner of governments in the realization of the post-2015 development agenda.

The organizational renewal, or what some refer to as "rebirth", of the UN development system in the post-2015 era that is called for, should build on earlier reform initiatives like the delivering-as-one model, but transcend it and become more transformational in nature, commensurate with the ambition level of the new agenda. This will require strong leadership from Member States themselves.

The first phase of the ECOSOC Dialogue process has focused on building a solid understanding among Member States of the current state of play in the UN development system in the context of the post-2015 development agenda and other drivers of change.

The High-level Summit Outcome in September provides an important opportunity for Member States to inject strong political momentum to the second phase of the ECOSOC

Dialogue. In addition, there will be need during the second phase of the ECOSOC Dialogue to further strengthen the capacity of this deliberative process by enlisting the support of a group of high-level strategic thinkers and experts to assist Member States in concretizing, analyzing and prioritizing options for strengthening the UN development system.

Based on the discussions undertaken during the first phase of the ECOSOC Dialogue, the following six strategic priority issues emerge, which could serve as a starting point for deliberations of Member States during the second phase of this process, which is expected to commence in October following the conclusion of the High-level Summit of the General Assembly in September:

First, clarity on the emerging functions of the UN development system in the post- 2015 era is critical for ensuring alignment with the other five areas that are the focus of the ECOSOC Dialogue. Based on discussions during the first phase of the ECOSOC Dialogue, the UN development system, in the post-2015 era, can be expected to continue to provide comprehensive support across a wide range of areas to least-developed and low-income countries and those in humanitarian and conflict-affected situations, as well as high-quality normative and technical assistance to middle-income countries. The universal nature of the agenda will also have implications for the functions in high income countries. A study should be conducted to analyze these implications especially for the UNDS's work in MICs and HICs.

Support to developing countries to address global development challenges can also be expected to grow in importance in the post-2015 era. In addition, several new functions are emerging in the UN development system which reflect both growing demand from Member States themselves as well as the requirements of the post-2015 development agenda, namely strengthening support to South-South and triangular cooperation; leveraging partnerships for sustainable development; strengthening integrated policy advocacy; and fostering strategic innovations and learning in development.

Second, the current funding architecture of UN operational activities has become too unbalanced and not conducive to the strengthening of the normative, leveraging and convening role of the UN development system that is called for in the post-2015 era. There is therefore need to explore more systematically innovative models to improve the volume and predictability of core funding for UN operational activities, such as, negotiated voluntary pledges and indicative scale of voluntary core funding. At the same time, there is need to improve the quality of non-core resources and use more innovative ways for funding the UN development system.

Third, there is need to improve the effectiveness of system-wide governance in the UN development system, including through strengthened role of the QCPR resolution of the General Assembly. There is also recognition that improving the equity,

representation and effectiveness of participation of Member States and non-state constituencies in governance, as well as the capacity and working methods of governing bodies in the UN development system, should be accorded priority in the second phase of the ECOSOC Dialogue.

Fourth, the UN development system will require differentiated country presence models in the post-2015 era in order to effectively meet the needs of programme countries at different levels of development. It will also be important to further strengthen regional platforms. The comprehensive nature of the post-2015 development agenda will also require significant strengthening of system-wide results-based planning in the UN development system.

Fifth, cost-effective measurement of agency and system-wide results in programme countries will require the UN development system to adopt a coherent results-based management system across entities. The system will also require a work force that is well trained, equipped, mobile and driven to work for one UN. Moreover, the UN development system will need to fully utilize national capacities, systems and institutions in the delivery of the post-2015 development agenda, including in the areas of procurement, financial management, monitoring, reporting and evaluation.

Sixth, successful realization of the post-2015 development agenda will require strengthening of partnerships between governments, civil society, private sector, international organizations and other relevant actors. The UN development system is well-placed to serve as convener of such multi-stakeholder partnerships. It is therefore important to examine what kind of inter-agency arrangements, intergovernmental oversight mechanisms and other organizational measures are needed to help ensure that such partnerships involving many UN entities operate in an effective and transparent manner.

Finally, effective deliberations on the above six strategic priority issues during the second phase of the ECOSOC Dialogue process will need to be informed by high-quality analytical work.

ANNEX II: SUMMARY/UPDATE OF THE SECOND PHASE OF THE ECOSOC DIALOGUE BY THE VICE-PRESIDENT OF ECOSOC, H.E. MR. HÉCTOR ALEJANDRO PALMA CERNA, REPRESENTATIVE OF HONDURAS TO THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL, ON BEHALF OF THE ECOSOC BUREAU

1. Introduction

In ECOSOC resolution 2014/14, the Council decided to convene a transparent and inclusive dialogue on the longer-term positioning of the United Nations development system in the context of the post-2015 development agenda, including the interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches.

The first phase of the ECOSOC Dialogue took place between December 2014 and May 2015 and focused on building a solid understanding among Member States of the opportunities and challenges facing the UN development system in anticipation of the adoption of the 2030 Agenda. Comprehensive information on the various meetings and other events that took place during the first phase, including relevant background documentation, is available on the ECOSOC website: <https://www.un.org/ecosoc/en/content/what-ecosoc-dialogue>

The purpose of the second phase, which began with a Briefing Session on 17 December 2015 and culminated in a formal Meeting of the Council on 7 July 2016, was to discuss concrete ideas, options and proposals for strengthening the UN development system. With that objective in mind, the ECOSOC Bureau, at the outset of the second phase, decided to further enhance the knowledge base of this process by enlisting the support of a group of high-level experts to assist Member States by providing ideas, proposals and options for adapting the UN development system to the requirements of the 2030 Agenda.

An Independent Team of Advisers composed of 14 members and co-chaired by Dr. Klaus Topfer, former Under Secretary-General and Executive Director of the United Nations Environment Programme and Ambassador Juan Somavia, former Permanent Representative of Chile to the United Nations and former Director-General of the International Labour Organization, was formally established in early 2016 and met for the first time in February 2016 in conjunction with the Operational Activities for Development Segment of ECOSOC. The team of advisers presented its conclusions and recommendations as an input to the discussions at an ECOSOC Dialogue workshop that took place 22-23 June 2016.

Background papers prepared by the Independent Team of Advisers and specific proposals submitted by Member States

and the UN development system informed discussions during the second phase of the ECOSOC Dialogue. Comprehensive information about ECOSOC Dialogue meetings held during this phase, such as agendas, background documents and summaries, where relevant, as well as relating to the work of the team of advisers and specific proposals submitted by Member States, can be found on the above-mentioned website of the Council.

There is deep awareness among Member States that the UN development system is at a crossroads following the adoption of the 2030 Agenda. The organizational renewal needed will require significant changes in (i) capacity, particularly at the system-wide level, (ii) mindset and action in the UN development system, and on the part of Member States, (iii) the same vision and determination as the one that led to the adoption of the 2030 Agenda itself.

This summary is prepared in pursuance of operational paragraph 44 of Council Resolution 2014/14. In this paragraph, the Secretary-General has been requested to reflect the ECOSOC Dialogue discussions in his report on the quadrennial comprehensive policy review of operation activities of the UN system for consideration and action by Member States during the 2016 review.

The purpose of this summary is to synthesize the discussions that took place during the second phase of the ECOSOC Dialogue on the longer-term positioning of the UN development system as a whole, with particular focus on the changes required to achieve effective interlinkages and alignment between functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches.

2. Understanding the changing development context

The UN development system doesn't operate in a vacuum; it is an integral part of a broader network of organizations working to advance development around the world. The ability of the UN development system to succeed in this environment depends on the Organization's ability to create value for Member States, particularly programme countries. This value creation is ultimately influenced by the benefit and cost positions of the UN development system vis-à-vis other actors in international development cooperation.

For a long time, only individual UN entities have strived to strategically position themselves in the broader development cooperation environment. However, in ECOSOC resolution 2014/14, Member States decided for the first time to engage in a dialogue on the longer-term positioning of the UN development system as a whole. This process has provided Member States with an opportunity to engage in a dialogue on the specific value the Organization could be expected to deliver in the implementation of the 2030 Agenda.

Besides the 2030 Agenda, a number of other changes in the broader development environment will also influence the longer-term positioning of the Organization. These factors include the changing profile of poverty and development; rising inequality within and across countries; protracted nature of crises in many humanitarian and conflict-affected settings; the need to upscale the transition to sustainable consumption and production patterns and tackle the effects of climate change; technological innovations and the data revolution; the emergence of new powers from the South, a number of which having established significant development cooperation programmes; and the increasing demands from developing countries for more equitable and effective participation in governance of the multilateral system. The universality of the new agenda also means that the pursuit of sustainable development and poverty eradication has become the responsibility of all countries, both individually and collectively, through strengthened international cooperation.

During the ECOSOC Dialogue, Member States repeatedly emphasized that the promotion of sustainable development in the post-2015 era would require the UN development system to strengthen its ability to provide integrated, coordinated and coherent support to programme countries. In this context, two factors were particularly highlighted:

Growing complexity and interconnectedness of development challenges

The 2030 Agenda is bold in its ambition to universally end poverty in all its forms and dimensions and reduce inequalities. All countries have committed to sustainable development that leaves no one behind. While the core issue of alleviating poverty remains at the heart of the 2030 Agenda, other critical challenges such as those resulting from the process of globalization, increasing interdependence of countries, climate change and urbanization, have grown in importance as well. The interconnectedness of these development challenges means they need to be addressed in an integrated, coordinated and coherent manner.

The substantive breadth and depth of the 2030 Agenda, its universal and indivisible nature and the interlinkages and mutual dependency among the sustainable development goals and targets illustrate well the growing interconnectedness of country and global development action. SDG1, End poverty in all forms everywhere, for example, will require strengthening of social

protection systems at the country level (target 1.3), as well as global action to enhance the resilience of the poor and those in vulnerable situations to climate-related events and other economic, social and environmental shocks and disasters (target 1.5).

Greater emphasis on global development challenges also means that the development prospects of countries are increasingly interconnected. Developed countries can no longer achieve sustainable development without commensurate progress in developing countries and vice versa. While a continued strong provision of assistance for basic needs in LDCs is central to the 2030 Agenda, those countries will also need simultaneous support to allow them to benefit from globalization and to enable them to deal with collective development challenges.

Increased diversification of capacity of programme countries

The past decade has witnessed growing diversification in capacity of programme countries. Many of the 49 least-developed countries -of which 33 are in conflict and crisis situations, with a population of almost 900 million-, continue to face significant capacity constraints and will require support from the UN development system in a wide range of areas. At the same time, many governments in those countries are increasingly expecting the UN development system to be able to deliver not only an integrated and coordinated policy, but also technical and implementation support, in order to strengthen national ownership and improve cost effectiveness in programme delivery. Support to LDCs and those in conflict and other special development situations should continue to be accorded highest priority in the work of the Organization. Engagement at the country level must also remain demand-driven and have a strong focus on capacity building, so as to ensure national ownership of efforts and results.

Although many middle-income countries (MICs) have acquired significant capacities and resources in the past decade, they continue to face significant challenges and vulnerabilities as recognized in many General Assembly resolutions, especially in GA/70/215. In the post-2015 era, the MICs can be expected to demand more integrated policy and technical support from the UN development system aimed at enhancing capacity for policy coherence, institution-building and leveraging of private finance. There is an increasingly competitive market for these types of services and many MICs have the capacity to identify and finance the best expertise available in the market place. Taking into account their broad and complex diversities, MICs, for example, may particularly require integrated support to address global development challenges through strengthening of domestic enablers such as legislative and regulatory improvements and capacity building of national institutions and systems in different areas. MICs are also likely to request support to enhance country-level supply of certain goods of importance to the global community, e.g. for adaptation to climate change and protection of biological diversity.

3. Implications for the UN development system

The adoption of the 2030 Agenda has implications for every aspect of the work of the UN development system, including interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches. The UN development system, as repeatedly highlighted during the ECOSOC Dialogue process, must become adept at working effectively with different stakeholders and across the peace and security, development and humanitarian pillars of the Organization. An earnest appraisal of the role and capacity of the UN development system to support the implementation of the 2030 Agenda is called for at the outset of the post-2015 era. This will require high-level political commitment of Member States and bold leadership in the UN development system itself. This section briefly summarizes key messages of the second phase of the ECOSOC Dialogue organized around the six areas of focus: functions and impact, funding practices, governance structures, organizational arrangements and capacity and partnership approaches, in the UN development system, as well as interlinkages and alignment among them.

A. FUNCTIONS AND IMPACT

In the view of the Independent Team of Advisers (ITA), the search for sustainability of people and planet has become the overarching vision of the UN development system in the post-2015 era. With this overall vision in mind, the team has identified five core functions of the UN development system in response to the requirements of the 2030 Agenda, namely:

- National development support
- Humanitarian and crisis operations
- Norm and standard-setting and thought-leadership
- Global and regional policy development
- Global challenges requiring collective action

ITA has also made several recommendations to facilitate the achievement of these functions, including: rebranding the UN development system as “UN Sustainable Development System” with a common and unifying identity and logo; developing a Global Strategic Framework to provide comprehensive overview of the work of the UN development system in support of 2030 Agenda implementation; strengthening the policy development function across entities; deepening the regional dimension and thought-leadership capacity of the Organization; enhancing networking of staff capacities across entities; and strengthening the leveraging capacity of the Organization. The team has also recommended that it be considered to organize the UN development system around functional groupings, thus

facilitating integration and coordination in the work of entities.

In many countries in protracted crisis, ITA has also pointed out it becomes particularly important that development interventions are given due consideration in the support provided by the UN development system. The Organization needs to bridge the humanitarian-development divide in order to ensure that these functions go hand-in-hand in fostering peace, stability and sustainable development. At the same time, it becomes important that humanitarian assistance doesn't divert resources away from longer-term development activities.

According to UNDG/DOCO, 95 UN country teams (out of 131) are currently supporting programme countries in their national strategies for implementing the 2030 Agenda. In half of those programme countries, the UNCT has received a request to assist the government in mainstreaming the SDGs in national development plans. In many programme countries, UNCTs are also supporting the national government in localizing indicators and strengthening capacities on data, policy, local service delivery and reporting. To facilitate the SDG mainstreaming process, UNDG has developed the MAPS framework (mainstreaming, acceleration and policy support). UNCTs have also established some 837 results groups to support the implementation of specific SDGs at the country level.

Furthermore, since the adoption of the 2030 Agenda, UNDG has invested significant time in developing more in-depth knowledge on issues such as universality, pooled financing and theory of change. New UNDAF guidance has also recently been rolled out, which demands more strategic programmatic and policy collaboration among entities at the country level. The UNDAF instrument, moreover, is proposed to be renamed as the United Nations Sustainable Development Framework.

There is consensus among Member States that the coverage, priority and intensity attached to the core functions of the UN development system will need to be context-specific while the work of each entity should simultaneously be guided by a clear strategic focus. There is also consensus among Member States that support to LDCs and those in conflict and other special development situations should continue to be accorded high priority in the work of the Organization but this should not be done at the expense of the needs for support of other programme countries. Engagement at the country level must remain demand-driven and have strong focus on national capacity building. In middle-income countries, the UN development system will particularly be expected to provide integrated policy and technical support.

The proposed Global Strategic Framework to guide operational activities of the UN system in the post-2015 era, in the view of some Member States, could become a useful tool for consideration, but requires further reflection, particularly with regard to its impact on programme delivery, as well as its relationship with existing instruments such as strategic plans

of entities and country programme documents of the funds and programmes. More information is required on how the global strategic framework could contribute to improvements in system-wide coherence, effectiveness and efficiency in the implementation of the 2030 Agenda.

The concept of ‘functional groupings’ in the UN development system, which would encompass multiple development sectors and SDGs, was also felt by many Member States to warrant further consideration. Some felt that the creation of such functional groupings among UN entities would be particularly relevant at the country level.

Some Member States during the ECOSOC Dialogue also called for a review of the existing mandates and activities of UN entities, with a view to better understanding areas of duplication and overlap. Such a review could serve as an important starting point for planning of UN development system support for the implementation of the 2030 Agenda.

Several Member States recognize that natural complementarity exists between humanitarian assistance and development-related activities of the UN development system in countries in conflict-affected situations. At the same time, there are concerns among many Member States that increased humanitarian assistance should neither lead to ‘de-prioritization’ of development-related support to programme countries nor weakened policy and operational independence of the respective entities. Some Member States are also concerned that in conflict-affected situations, some development-related activities may be prioritized by donor countries at the early stages of support at the expense of humanitarian assistance. It was also repeatedly emphasized that there should be no diversion of funds from support to other development partners.

There were calls by some Member States for strengthening of joint planning between the two pillars, particularly at the regional and country levels. It is also important for the UN development system to be able to separately track and account for humanitarian and development-related resources. Moreover, the division of labour between the humanitarian, development and peace and security pillars of the Organization should be made more transparent with a view to strengthening accountability of entities in programme delivery.

There was also recognition among many Member States that the Organization will need to strengthen the regional dimension in its work in the post-2015 era. Some Member States also called for better understanding of the implications of the principle of universality in the work of the UN system, particularly at a time of greater interconnectedness of development challenges.

Notwithstanding these views, the five emerging core functions of the UN development system as highlighted at the outset of this section enjoyed broad-based support among Member States during the ECOSOC Dialogue.

B. FUNDING PRACTICES

Funding practices in the UN development system are characterized by a number of challenges. For development-related activities, these include the need to reduce funding risks and volatility and improve predictability and volume of resources flows; increase volume of flexible non-earmarked and loosely-earmarked resources and reduce fragmentation of the resources base; improve financial and other incentives for non-earmarked and higher quality earmarked funding; achieve full cost recovery of non-programme costs for earmarked funding; and improve transparency in reporting on the sources, uses and impact of different types of resources at both planning and implementation stages.

Humanitarian financing and assistance for conflict countries faces many similar challenges, including the need for higher volume and more flexible non-earmarked and loosely earmarked resources due to the unpredictable nature and rapidly growing demand for support; the need to reduce strict earmarking of funding, particularly at early stages of recovery; lack of predictable and flexible financing for peacebuilding and development in countries in protracted crises; and the importance of strengthening the use of integrated strategic results and resources frameworks to address current lack of high-quality data and information on funding gaps and requirements, particularly in countries in protracted crises.

In the past two decades, funding for UN operational activities has become highly fragmented. The high degree of strict earmarking indicates that contributions in the UN development system are strongly influenced by donor-specific priorities. This is generally seen to negatively affect the ability of entities and the UN development system as a whole to implement mandates and core activities in the most effective and efficient manner, and to have been influenced by contributors’ need for greater visibility, control over disbursements, enhanced accountability and concerns about distribution of decision-making power at the level of governing bodies. Funding, as a result, is often seen as driving activities in the UN development system.

ITA has made five main recommendations with a view to improving the funding architecture of the UN development system: firstly, special efforts should be made to enhance cost-efficiency and effectiveness in the work of the UN development system in order to create incentives for contributors to provide more flexible, demand-driven funding; secondly, a consolidated balance sheet for the UN development system should be developed in order to show how non-earmarked and earmarked resources are aligned with 2030 Agenda implementation, including funding gaps; thirdly, the relationship of UN entities with the international financial institutions should be strengthened in order to improve the complementarity of their work, particularly at the country level; fourthly, the role of the UN development system as a broker of funding should also be enhanced; and, fifthly, a common framework for public-private partnerships should be developed with a view to maximizing

development benefits while protecting the Organization against reputational risk.

The UN development system is also exploring various ways to improve the quantity and quality of funding for operational activities. This includes expanding the use of pooled funding mechanisms with a view to driving greater integration and coordination in the delivery of operational activities, particularly on cross-cutting issues, resilience-building and integrated policy support. The examples of the Ebola Response Multi-partner Trust Fund, the Somalia Development and Reconstruction Facility and the UN Delivering-as-One Papua New Guinea Fund were highlighted in this regard. The Multi-partner Trust Fund Office is also leading preparations for setting up a global pooled funding mechanism. The UN development system is also encouraging the development of various innovative financing mechanisms, e.g. with a view to improving the quality of funding for humanitarian assistance.

It was also pointed out that a number of entities have developed good practices to improve the predictability and quality of resources flows for operational activities. The negotiated replenishment process of IFAD, for example, has resulted in a high degree of transparency in terms of results expectations and knowledge of resource requirements and gaps at the governance level, which in turn has helped build trust between IFAD and Member States and other stakeholders. The IFAD process has also served as a vehicle for regular consultations among Member States and the senior management on issues related to reform of the organization. WHO has introduced a funding option aimed at encouraging more flexible negotiated pledges by donors. Through a series of dialogues between the agency and its funding partners, Member States and non-state actors, commitments are negotiated involving flexible resources in addition to assessed contributions to the entity. In 2003, UNEP launched an initiative based on voluntary indicative scale of contributions. The VISC has improved burden-sharing among Member States compared to the period prior to its introduction, enhanced stability and predictability of non-earmarked resources due to broader donor-base and lowered the dependence of UNEP on top donors.

Member States recognize that the current level of non-earmarked funding to the UN development system is not sustainable. Some Member States, however, are of the view that increased non-earmarked contributions would require a high degree of clarity at the level of governance on what constitutes core functions and activities of an entity and their expected results and impact, along with improved transparency in reporting on results derived from use of non-earmarked funding, as well as strong intergovernmental ownership of strategic plans and resources frameworks.

Member States and UN entities alike also recognize that improving transparency and information flow on the sources, use and impact of both non-earmarked and earmarked funding, including how core and non-core activities are defined, is

critical for enhanced resources mobilization at entity and system-wide levels. A culture of transparency can foster better alignment between the preferences of contributors and the strategic intent and work priorities of entities. Capitalizing on new opportunities to mobilize system-wide funding would also put additional demands on the quality of system-wide statistics, analysis and reporting.

In the view of some Member States, further discussion and analysis is required with regard to the potential of a negotiated pledging mechanism to improve the volume and burden-sharing of non-earmarked funding in the UN development system. It was also pointed out during the ECOSOC Dialogue that further strengthening of the UN resident coordinator system in the post-2015 era may require the introduction of a financing system based on assessed contributions.

Member States generally agree that it would be desirable to earmark funding only at the outcome level of strategic plans of entities. Achieving such high-level of earmarking, however, would require strong ownership of Member States of the strategic plans and resources frameworks of entities and a high degree of confidence in the quality of their results-based management, evaluation and reporting systems.

It was also highlighted that the current predominance of strictly earmarked funding has resulted in a highly complex and resource-consuming reporting system for both entities and programme countries alike. This reporting burden is particularly heavy on governments in small programme countries, including Small Island Developing States, and those with multi-country offices. Representatives of those countries appealed to donors to consider reducing current reporting requirements. Efforts could also be stepped up to adopt common UN results reporting standards, which would help avoid duplication and reduce overall burden on entities and programme countries.

With regard to the ITA-proposed consolidated budget for the UN development system, Member States expressed interest to know how such an instrument would advance more informed governance deliberations at the global level.

C. GOVERNANCE STRUCTURES

Member States have debated for a long time how to make the individual parts of the UN development system work more effectively together, without weakening the independence of individual entities, including their governing bodies. This quest for improved governance has become even more critical over time as the volume of operational activities of the UN system has experienced rapid growth and also as the result of the recent adoption of the 2030 Agenda.

The governance system of the UN development system has changed remarkably little since the Organization was

established some 70 years ago. It continues to reflect the specialized and decentralized design of the Organization and Member States have been reluctant to alter this system in any significant way. The system is two-tiered, consisting of the General Assembly and ECOSOC at the central level and the Executive Boards of the operational funds and programmes and the governing bodies of the specialized agencies at the entity level. Governance also takes place at the country level, where programme country governments and UN development system entities establish priorities and assess progress in the implementation of activities.

It was stressed by ITA that the requirements of the 2030 Agenda for greater horizontal cooperation among sectors and actors will pose a special challenge for the UN development system due to the vertically-oriented governance, accountability and operational lines of UN entities. The UN development system will therefore need to develop the necessary capacity to perform as a “system” if the Organization is to effectively support 2030 Agenda implementation.

In the post-2015 era, the UN development system will also need governance capacity that can effectively balance agency and system-wide interests as well as the national and global perspective in decision-making. Agency-specific governing bodies, in addition, will require enhanced capacity to provide effective strategic guidance and oversight of the respective entities. Central governing bodies, on the other hand, will need capacity to coordinate with authority in order to enable the UN development system to capitalize on opportunities for synergy in programming and operations across entities and to ensure effective implementation of system-wide mandates. The composition of governing bodies should also help ensure strong political and performance legitimacy of entities of the UN development system.

ITA has made four recommendations to improve governance of the UN development system: firstly, strengthen the monitoring and oversight role of ECOSOC by establishing a fulltime ECOSOC President with adequate staff-complement; secondly, establish a Sustainable Development Board through the gradual merging of governing bodies; thirdly, improve the scope and effectiveness of the quadrennial comprehensive policy review resolution of the General Assembly; and, fourthly, enhance the quality of decision-making by individual governing bodies by reviewing their composition and working methods.

The view was also expressed during the ECOSOC Dialogue that the term ‘governance’ needs to be clearly defined in the context of the UN development system. The role of governance is not to manage an entity or provide broad political guidance. This is the role of senior management of entities and central governing bodies like the General Assembly and ECOSOC, for example. The role of a governing body is, inter alia, to carefully negotiate strategic priorities for an entity, or the system as a whole; define key outcome areas and core functions and activities and

their financing logic; determine funding requirements and gaps; and assess results and impact. In a well-functioning governing body, these key functions become part of a negotiation process among Member States.

Few governing bodies in the UN development system, however, actually perform such core functions, although they are generally an integral part of governance of most other multilateral institutions. Discussions on the role and functions of governing bodies in the governance of UN development system entities will therefore need to begin with clarity on the expectations of Member States in this regard.

There is recognition among Member States that ECOSOC will need to play an important role in facilitating and supporting the implementation of the 2030 Agenda. There is less consensus, however, whether the establishment of a fulltime ECOSOC President with an additional staff complement is necessary for the realization of that objective.

Some Member States are open to the proposal to establish a Sustainable Development Board to enhance coordination in the UN development system. However, other Member States raised a number of issues that would need further discussion, such as the SDB’s scope of work, role, membership, including participation of non-State actors, relationship with the General Assembly and ECOSOC as well as governing bodies of other entities, including the specialized agencies, and also how this change in governance would enhance the impact of the work of the UN development system. Some Member States also asked how a single board would differ from existing governing bodies in terms of efficiency, effectiveness, results, workload and time commitment of members.

Member States also asked how a more centralized approach through the establishment of a Sustainable Development Board would contribute to improved strategic guidance of the work of the UN development system as a whole and whether functioning of existing governing bodies could be enhanced instead, e.g. through capacity-building of members and secretariats and complemented with further strengthening of existing inter-agency coordination mechanisms. Despite these differences, all Member States recognized the gap in horizontal governance and the need to address it.

Member States generally agree that strengthening leadership, coordination, transparency and accountability in the UN development system is closely interlinked with efforts to improve governance of operational activities of the Organization.

The proposal to strengthen the scope of the QCPR and somehow include the specialized agencies in this process, as well as the introduction of annual implementation reviews at the level of entities, was met with general favour of Member States. UNDG has also proposed that the QCPR resolution of the General Assembly be transformed into an overarching strategic

framework for the entire UN development system. Member States are also strongly interested in knowing how to make this process more effective both in terms of sharpening the content of the QCPR resolution, but also when it comes to accountability for implementation, including strengthening the participation of the specialized agencies.

D. ORGANIZATIONAL ARRANGEMENTS AND CAPACITY

It was highlighted several times during the ECOSOC Dialogue that strengthening organizational arrangements and capacities in the UN development system is a key lever for enhanced cost-effectiveness in the delivery of operational activities, which can then contribute to more strategic positioning of the Organization in global development cooperation.

It was explained that according to the latest CEB and DESA figures, the delivery of UN operational activities in the 50 smallest programme countries in 2014 was about \$2 million and \$271,000 per office and staff, respectively. The global averages, in comparison, are \$17.4 million and \$535,000, respectively. Over 30 per cent of all offices of UN development system entities are in programme countries where UN operational activities account for less than 10 per cent of total official development assistance. Some 38 per cent of all offices are in Africa, which accounts for 45 per cent of UN operational activities, translating into some 12 offices per country on average. Nineteen per cent of all UN development system offices are in the Americas region with nearly 10 offices per country on average. The Americas region, however, accounts for about 9 per cent of UN operational activities, of which 40 per cent are so-called “local resources”, or funds provided by governments for in-country activities.

ITA has made seven recommendations to improve organizational arrangements and capacity in the UN development system: firstly, the proposed Sustainable Development Board should review the field presence of UN entities; secondly, the post of Deputy Secretary-General should be re-designated as Deputy Secretary-General for Sustainable Development with responsibility, inter alia, for harmonization and simplification of business practices; thirdly, the DSG-SD should manage the UN resident coordinator system; fourthly, funding of the UN resident coordinator system should become the responsibility of the DSG-SD; fifthly, the delivering-as-one initiative should be scaled-up; sixthly, UN development system should adopt a common human resources policy; and, seventhly, the UN development system should strengthen cooperation and partnerships with the international financial institutions in order to achieve better complementarity of work at the country level.

UNDG/DOCO reports that 54 countries are currently formally applying the delivering-as-one approach. The UN resident coordinator competency framework has also recently been

revised by introducing a new performance system for RCs and UNCTs. UNDG also recognizes that the introduction of the SDGs will have important implications for business operations of entities at both field and headquarters levels. A Plan of Action for Headquarters to remove bottlenecks impeding UNCTs in delivering-as-one has been developed and is already under implementation. The introduction of the Standard Operating Procedures and the associated Business Operations Strategy are both steps to provide the basis for further harmonization by entities at country and headquarter levels.

The new UNDG position paper on business operations envisages that global, regional and local service centres can serve as central repositories from which services can be sourced from different entities. Such service centres could be operated by individual entities based on comparative advantage and proven expertise as well as on the basis of mutual recognition of relevant policies, regulations and procedures. UNDG is also actively encouraging member entities to adopt the International Public Sector Accounting Standards. The findings of mid-term evaluations of business operation strategy pilots show that significant savings can be accrued at the country level through greater inter-agency cooperation in the area of business practices.

Member States generally agree that there is need to review the existing field presence of UN development system entities with a view to improving cost-effectiveness in programme delivery at country and regional levels. There is also strong support for the UN development system developing flexible office presence models that respond to different country contexts and which could be implemented in a phased manner. The role of the regional commissions and regional offices of entities should also be considered in this context.

Some Member States, however, asked how re-designating the post of Deputy Secretary-General as Deputy Secretary-General for Sustainable Development, would contribute to better coordination in the UN development system. The role of the DSG-SD in system-wide planning and financing were particularly highlighted as areas where further information and discussion is needed.

Member States strongly agree on the need to streamline reporting procedures and back office functions in the UN development system as part of introducing more flexible joint office presence models in programme countries. Streamlining of back office functions of entities at the country level has been a longstanding priority of Member States, but progress so far has been limited, primarily due to lack of harmonization of rules, regulations, policies and procedures at headquarters level. The current reporting arrangements in the UN development system are also costly and pose significant transaction costs on programme country governments and entities alike. Many Member States also felt there is considerable scope for harmonization of reporting, monitoring and evaluation in the UN development system.

There is also consensus on the need for a highly transparent, inclusive and professional recruitment process for UN resident coordinators in order to attract high-caliber individuals with the skill sets required to effectively contribute to national development efforts in programme countries. Member States also recognize that strengthening of coordination in the UN development system at all levels is an essential precondition for effective delivery of the 2030 Agenda. Some Member States raised their concern regarding the practical application of the current firewall between the UN resident coordinator and the UNDP resident representative function. In that context, some Member States agree with the proposal to abolish fees for participation of candidates in UN resident coordinator competency assessments in order to encourage a more diverse pool of applicants. At the same time, the neutrality and impartiality of the UN resident coordinator function must not be compromised. There is also strong support among Member States for empowering UN resident coordinators and enhancing the capacity of their offices at the country level to ensure UNCTs coordination and coherence. UN coordination at the global and regional levels also needs to be strengthened in support of 2030 Agenda implementation.

There is growing consensus among Member States that empowering the UN resident coordinator and establishing an effective financing framework for the resident coordinator system must go hand-in-hand. Some Member States argue that the role of the UN resident coordinator has become a core function of the UN development system and should therefore be financed through assessed contributions. Member States requested further options for financing the UN resident coordinator system that could be discussed during the upcoming QCPR consultations of the General Assembly. Some Member States also felt that reporting on the country-level results of the UN development system and allocation of system-wide funds should be more firmly established as core functions of UN resident coordinators.

Many Member States highlighted the need to further accelerate the implementation of the delivering-as-one initiative in programme countries. This could include significant strengthening of the UNSDAF as a common inter-agency framework for planning, programming, monitoring and measuring results of the UN development system as a whole at the country level. The Common Budgetary Framework instrument should also be applied in all programme countries as mandated in the 2012 QCPR resolution of the General Assembly.

Some Member States highlighted the need to strengthen the One UN Fund in delivering-as-one countries as an important instrument to foster greater system-wide coherence in the work of the UN development system. The proposal to create one UN logo in delivering-as-one countries generated mixed reaction from Member States. There is general consensus that the relationship between agency and system-wide logos will require further elaboration and discussion. While there is merit

in presenting the UN as a system that delivers-as-one, it would also be important not to lose the advantages that the identity of each entity brings to the Organization.

E. PARTNERSHIP APPROACHES

The scale, universality and ambition of the 2030 Agenda increase the demand on the UN development system to become a catalyst for new multi-stakeholder partnerships. The aim of such partnerships is to leverage the strengths of different public and private actors in support of national and global development priorities. It is also important to ensure that such partnerships are effective, efficient, transparent and accountable.

The UN development system can play an important role as convener, broker, facilitator and implementer of multi-stakeholder partnerships in support of the realization of the 2030 Agenda. The Organization, however, will need to carefully define where such partnerships are most relevant and can provide additional value to accelerate 2030 Agenda implementation. According to UNDG/DOCO information, entities of the UN development system were engaged in 304 active partnerships on the ground in 2016.

ITA has made a number of recommendations to improve partnership approaches in the UN development system, which can be grouped into two main categories: firstly, UN development system entities should facilitate, and engage in partnerships based on the specific needs and priorities of countries; and, secondly, the UN development system should establish system-wide support for partnerships at the global level with delegated responsibilities to regional commissions and UN resident coordinators. The system-wide support for partnerships could develop and implement standardized procedures, simplify and harmonize applicable rules and processes, including good governance principles and appropriate exit strategies; map existing partnerships; work with and through the regional commissions and UN resident coordinators; forge and promote South-South, North-South, South-North and triangular cooperation partnerships; and facilitate the development and implementation of a system-wide review and certification process, incorporating various indicators of success and risks, results framework and performance measures in order to periodically take stock and assess the impact, transparency and accountability of such initiatives.

Some Member states inquired as to what constitutes a 'multi-stakeholder partnership'. It was explained that a multi-stakeholder partnership involves an agreement among a range of partners to collaborate with a view to advancing a common goal. An important purpose of a multi-stakeholder partnership is to increase the likelihood that such a common objective is effectively realized. A partnership agreement often involves complex negotiations with regard to definition of goals, areas of responsibility, authority lines and impact and

results measurement. Learning and innovation and committed leadership are generally recognized as integral elements of any successful partnership, especially when dealing with complex, interlinked development issues. Flexibility, transparency and accountability also become important characteristics of effective partnerships.

Member States stressed that partnerships should complement, not substitute, the role of the UN development system in supporting 2030 Agenda implementation. It is also critical that partnership efforts be driven by the specific needs of countries and augment existing national efforts. Member States also encouraged further analysis on how the UN development system could strengthen partnerships with the Bretton Woods Institutions and other international financial institutions in support of 2030 Agenda implementation.

With regard to the proposal to establish a central support mechanism for partnerships in the UN development system, some Member States raised questions pertaining to its scope of work, role, institutional set-up and oversight mechanism. Member States generally agree that such a mechanism could help harmonize principles and standard operating procedures across entities, including for results and impact measurement, help identify and broker strategic opportunities for system-wide partnerships, and foster sharing of best practices, but should not act as a centralized, bureaucratic hub for vetting such initiatives. An important role of a support mechanism could be to help reduce reputational risk for the Organization in this area. Such a mechanism should also be subject to oversight by a central governing body like ECOSOC.

In the context of increasing need for flexibility and diversity in the generation and implementation of partnerships, aligned with country priorities and needs, some Member States questioned whether centralization could make it more difficult for the funds and programmes to play a catalytic and facilitating role in this area. More analysis is therefore required on how a central support mechanism could strengthen a catalytic, yet strategic, approach to partnership-building in the UN development system, while also helping to ensure that the values, norms and standards of the Organization are firmly upheld. However, the role of such a mechanism in acting as a knowledge system, collecting and sharing best practices and innovations in the area of partnerships received broad-based support from Member States.

Member States generally agree that regular provision of statistics, analysis and reporting on multi-stakeholder partnerships at different levels can facilitate enhanced transparency, accountability and overview and more informed decision-making at the intergovernmental level. Mapping of existing partnership initiatives can also facilitate better understanding of on-going efforts, capacities and gaps.

There is broad agreement among Member States on the need to strengthen the regional dimension in generating and implementing partnerships in the UN development system, but Member States have varying views on how this objective can be realized most effectively. Some Member States highlighted the essential role of the regional commissions in this regard, while others questioned whether their comparative advantage is to serve as a catalytic actor in this area. Some Member States highlighted the unique operational strengths of the regional hubs of agencies, funds and programmes of the UN development system in initiating partnership efforts, which they deemed more suitable in terms of institutional space and expertise.

Many Member States highlighted the high rate of growth in South-South and triangular cooperation in recent years as an example of effective partnerships among relevant countries. A number of Member States also pointed out in this regard that South-South cooperation should be seen as a complement to traditional development cooperation and partnership efforts, not a substitute. South-South cooperation is also guided by principles contained in the Nairobi Outcome Document of the High-level United Nations Conference on South-South Cooperation.

Some Member States emphasized that a whole range of principles and guidelines for multi-stakeholder partnerships between UN entities and non-governmental actors already exist. It is important that the implementation of those policies is subject to common and systematic approach within the UN development system in order to ensure adequate accountability for results and impact. This includes the development of common standards and reporting rules and regular evaluation, both internally and by independent external bodies. Governing bodies of entities should also be expected to regularly assess the effectiveness of partnership principles, policies and guidelines established at the global level e.g. through the ECOSOC Partnership Forum, as well as to review the findings of independent evaluations. Such deliberations of governing bodies can contribute to the work of the High-level Political Forum, which sets the overall direction for partnerships efforts of the Organization for 2030 Agenda implementation.

F. INTERLINKAGES AND ALIGNMENT AMONG THE SIX ECOSOC DIALOGUE AREAS

Member States agree that achieving interlinkages and alignment among the six ECOSOC Dialogue areas is critical for positioning of the Organization in the post-2015 era. The principle of alignment in this context is meant to signify the importance of functions driving funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches in the UN development system as a whole at country, entity and global levels. The concept of interlinkages means that these six areas are also interconnected.

When there are clear interlinkages and alignment among the six ECOSOC Dialogue areas, the UN development system is likely to operate at high-level of system-wide coherence, effectiveness and efficiency. The country level is particularly important in this regard, as it is the foundation for effective interlinkages and alignment at the entity and global levels.

Information presented by ITA members, representatives of UNDG and Member States during the second phase of the ECOSOC Dialogue suggests that the work of the UN development system is currently not characterized by effective interlinkages and alignment among the six areas. According to CEB and UNDG/DOCO figures, the UN development system has more than 1400 offices in programme countries of which about two-thirds are in middle-income countries; the major UN agencies have near universal presence; there are 131 UN country teams with 15 UNDG members in each team on average (11 resident, 4 non-resident); in one regional hub, ITA was informed that the UN development system employs some 4000 staff with 29 agencies present; there is considerable duplication of regional structures and limited coordination among them; each UN entity has developed its agency-specific rule book for delivery of operational activities which has meant that the use of common services remains limited to few selected areas in most programme countries; the large footprint of agencies in programme countries has also meant multiplication of costs such as those relating to vehicles, meetings, power, water, office expenditures etc. and the ratio of operational activities per staff and agency and as share of total ODA at the country level is often low; and there is little common planning among entities when it comes to staffing to support activities at the country level.

The picture described above shows that the UN development system as a whole at present doesn't operate at a high-level of system-wide coherence, effectiveness and efficiency. Such inefficiencies in the work of the UN development system as a whole can be attributed to three main factors: (a) fragmentation of the funding base, particularly heavy reliance on strictly earmarked contributions; (b) limited system-wide governance at country and global levels; and (c) the current voluntary, consensus-based coordination arrangements.

Some 75 per cent of contributions for operational activities are currently earmarked, of which 90 per cent are strictly earmarked and therefore only indirectly aligned with the strategic plans and mandates of entities. This heavy reliance on strictly earmarked funding creates incentives for UN entities to continuously broaden their mandates, which, over time, has contributed to overlap and duplication of activities and other inefficiencies. For example, some 20 entities engage in water and energy-related activities that often compete for the same funding. A large number of entities have established gender and HIV/AIDS programmes and units, which are often not driven by a common vision, strategy and work plan.

Achieving interlinkages and alignment among the six ECOSOC Dialogue areas will also require significant strengthening of governance, management and planning at country, entity and global levels. At the country level, the UNDAF, proposed-to-be UNSDF, serves as a key instrument to foster alignment of the overall contribution of the UN system with national development plans and strategies. A complementary instrument, the Common Budgetary Framework, has also been introduced in many programme countries. The purpose of the CBF is to present a consolidated picture of how the UN country programme, as defined in the UNSDF, is expected to be financed from both non-earmarked and earmarked resources mobilized by different entities, as well as the likely funding gaps.

During the ECOSOC Dialogue it was pointed out by Member States, ITA members and representatives of UNDG that the role, scope and mandate of the UNDAF and the CBF at present are too narrowly defined in order to ensure interlinkages and alignment among the six ECOSOC Dialogue areas at the country level. What may be required is transforming the UNDAF instrument into a more comprehensive system-wide planning instrument.

At the entity level, it also becomes an important role of the respective governing body, in cooperation with the senior management, to ensure that contributions to country-level plans/programmes are well-aligned with the main purposes and central mandates of the Organization.

At the global level, it will similarly be important for Member States to have an overview of interlinkages and alignment among the six ECOSOC Dialogue areas for the work of the UN development system as a whole. The proposed Global Strategic Framework is envisaged to provide a comprehensive overview of the contribution of the UN development system as a whole to 2030 Agenda implementation; funding requirements and gaps; expected results and impact; and other resources such as staffing and office presence of entities. Interlinkages and alignment among the six ECOSOC Dialogue areas could also be further strengthened by development of system-wide guidelines for various aspects of country-level work such as: office presence, business practices, staffing, results-based management and partnership approaches.

4. Conclusions

Member States recognize that the UN development system is at a crossroads and that important changes will be required, if the Organization is to be well positioned to respond to the requirements of the 2030 Agenda. It is important in this regard that Member States and the UN development system move quickly in order to ensure that the momentum behind the new agenda is not diminished. The renewal that is called for should build on earlier reform initiatives but transcend them, pick-up the pace and become more ambitious and forward-looking in nature.

A summary of key conclusions of the second phase of the ECOSOC Dialogue is provided below:

Functions and impact

1. The eradication of poverty, promotion of sustainability of people and planet will be the overarching vision of the UN development system in the new era. This will call for strong capacity in the UN development system at country, entity and global levels to integrate economic, social and environmental dimensions including global agreements, norms and standards, in programme activities. Strong provision of assistance for basic needs in LDCs is central to the 2030 Agenda, but those countries will also need simultaneous support to enable them to benefit from globalization and deal with collective development challenges, including strengthened support for data and national statistical capacity development. Middle-income countries will need more focused policy and technical support taking into account their broad and complex diversities.
2. Planning of the UN development system support for the implementation of the 2030 Agenda could begin with an independent review of existing mandates and activities of entities of the UN development system, with a view to better understanding areas of duplication and overlaps. In addition, an overall mapping of the coverage of different agencies by location including entity-specific data and statistics on programme and personnel costs in relation to programme delivery at national, sub-regional and regional level is necessary to ensure the proper assessment of the current state of the UN development system.
3. The UN development system has a particularly important role to play in countries in humanitarian, conflict or protracted crisis situations. It becomes particularly important in such country contexts to ensure careful balance between humanitarian and development-related support, particularly at early stages of assistance. More effective joint planning, greater transparency and accountability and distinct tracking of resources flows between the two pillars can be helpful in this regard.

Funding practices

4. The high increase experienced in strictly earmarked contributions in the past two decades has weakened the alignment of functions and funding in the UN development system and contributed to duplication and overlaps of activities and other inefficiencies. A fundamentally different approach will be required in the new era in order to put funding of UN operational activities on a sustainable path, including measures such as the following:

Firstly, institutionalizing structured financing dialogues at the level of governance can foster closer alignment between the core functions and activities of an entity and how they are financed. A regular, well-prepared structured financing dialogue process has the potential to enhance the predictability and quality of resources flows and reduces funding risks for the respective entity, as well as the system as a whole.

Secondly, increasing non-earmarked, core contributions to the UN development system will require greater clarity at the level of governing bodies on what constitutes core functions and activities of an entity and their expected results and impact, along with improved transparency and accountability in reporting to Member States on the use of those funds.

Thirdly, outcome-level earmarking of funding is desirable, but would require strong ownership of Member States of the strategic plans and resources frameworks of entities and high degree of confidence in the quality of their results-based management, evaluation and reporting systems.

Fourthly, the crosscutting nature of the 2030 Agenda provides rationale for strengthening system-wide funding. The ability of the UN development system to capitalize on opportunities for system-wide funding would benefit from further improvements in the quality of system-wide statistics, analysis and reporting.

Governance structures

5. The term 'governance' needs to be better defined in the context of the UN development system, including the role of governing bodies at entity and system-wide levels. The overarching objective should be to strengthen the ownership of Member States, individually and collectively, of the work of the UN development system.

Firstly, at the country level, the national government should be empowered in its responsibility for ensuring that the work of the UN development system is fully aligned with national development plans and strategies.

Secondly, at the entity level, governing bodies should have the necessary capacity and legitimacy to ensure strong intergovernmental ownership of strategic priorities, key outcome areas, core functions and activities and their financing logic and funding requirements and gaps, as well as results and impact.

Thirdly, at the system-wide level, governing bodies such as ECOSOC should have the necessary capacity and legitimacy to ensure that opportunities for synergy across entities are effectively exploited and system-wide mandates such

as those established through the QCPR resolution of the General Assembly, duly implemented.

Organizational arrangements and capacity

6. Member States realize that transformation of organizational arrangements in the UN development system is critical for strategic positioning of the Organization in the new era:

Firstly, an ambitious vision, action plan and timetable should be established for harmonization and simplification of business practices across entities, with progress regularly monitored and assessed at the intergovernmental level.

Secondly, an ambitious vision, action plan and timetable should be established for rationalization of office presence of entities at country and regional levels e.g. through introduction of differentiated country office models, with progress regularly monitored and assessed at the intergovernmental level.

Partnership approaches

7. Partnerships should complement, not substitute, the role of the UN development system in supporting the implementation of the 2030 Agenda. Partnerships should also be driven by the specific needs of countries and augment existing national efforts. Regular provision of guidelines, statistics, analysis and reporting on multi-stakeholder partnerships at different levels can facilitate enhanced transparency, accountability, responsiveness and overview and more informed decision-making at the intergovernmental level.

Interlinkages and alignment

8. Achieving interlinkages and alignment among all six ECOSOC Dialogue areas in the post-2015 era will require Member States to put in place effective arrangements for governance, management and planning at country, entity and global levels that ensure high degree of accountability, transparency and responsiveness in the delivery of UN operational activities.

ANNEX III: TERMS OF REFERENCE OF THE INDEPENDENT TEAM OF ADVISORS AND LIST OF MEMBERS

Terms of Reference Independent Team of Advisors

Background

In ECOSOC resolution 2014/14, the Council decided to convene a transparent and inclusive dialogue on the longer-term positioning of the United Nations development system in the context of the 2030 Agenda for Sustainable Development, including the interlinkages between the alignment of functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches. The ECOSOC Dialogue will provide a key input to intergovernmental deliberations on operational activities of the UN system to be undertaken by the General Assembly in 2016.

The first phase of the ECOSOC Dialogue, which concluded on 9 June 2015, focused on building a solid understanding among Member States of the current state of play in the UN development system as a whole. A number of ideas were generated during this phase, which will require further reflection and analysis.

The objective of the second phase of the ECOSOC Dialogue process will be to develop more concrete and consolidated proposals and options for consideration of Member States as input for the QCPR negotiations in October 2016.

Introduction

The global development paradigm is undergoing a major change with the adoption of the 2030 Agenda for Sustainable Development. This agenda is a universal, comprehensive and integrated blue print for the future of humanity and the planet. While poverty eradication is a central focus of the agenda, it also deals with critical issues such as inequality, unsustainable consumption and production patterns and peaceful societies. Countries will have to make major adjustments in embracing this new framework for pursuing development of their societies. They will have to ensure that no one is left behind. It is a huge undertaking. To this end, Member States expect the UN system to provide support that will help them in promoting policy integration across the board and effectively monitor the implementation of the agenda.

The role of the United Nations development system will have to be adapted to (a) meeting the demands of the 2030 Agenda; (b) the changing development landscape; and (c) addressing emerging challenges. To this end, deeper analysis is required on the policy, operational and institutional challenges that the 2030 Agenda poses to the UN system and international development cooperation in general. Such analysis should lead to concrete recommendations to assist Member States in ensuring that the UN General Assembly's deliberations on longer term positioning of the UN development system to decide on possible specific and transformative changes, including in the areas of functions, funding practices, governance structures, organizational arrangements, capacity, impact and partnership approaches.

With that objective in mind, the Bureau of ECOSOC is establishing an Independent Team of Advisors to assist Member States in their deliberations to make the UN system ready to support the implementation of the new development agenda, by providing ideas and options for the future of the UNDS.

Scope of work

The Independent Team of Advisors to the Bureau of ECOSOC will be expected to provide strategic analysis and recommendations on how the UN development system as a whole can maximize its contribution to the realization of the 2030 Agenda and respond effectively to the changing development landscape and emerging challenges. The proposals by the Team should also promote coherent interlinkages between the emerging functions of the Organization in the post-2015 era and funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches of the UN development system as a whole.

The output of the Team will be ideas, proposals and options in advance of each workshop and retreat of the second phase of the ECOSOC Dialogue, for consideration and discussion by Member States and guided by the following questions:

- (i) How should the UN development system respond to the universal character, transformational ambition and policy integration requirements of the new development agenda, as well as its commitment to leave no one behind? What are the implications for the functions and the other areas covered by the ECOSOC Dialogue, for the individual UN entities and system-wide, to ensure coherence, coordination, less competition among UN entities and no overlaps? What should be the main system-wide functions of the UNDS?
- (ii) How to ensure greater alignment, coherence, synergies, and easy transition from the delivery of peacebuilding, humanitarian assistance to longer-term development-related

support, building on the findings and recommendations of other recent reviews and assessments of peacebuilding, peacekeeping operations and humanitarian assistance pillars of the broader UN system?

- (iii) How to improve system-wide and organization-specific governance in the UN development system, at headquarters level as well as in the regions and at country level?
- (iv) How will the funding architecture of the UN development system need to change in support of the implementation of the 2030 Agenda, in particular for system-wide functions and coordination of the UNDS?
- (v) How to make country presence models, regional cooperation platforms, headquarters platforms and inter-agency coordination arrangements in the UN development system more coherent and effective in order to respond to the differentiated needs and capacity of programme countries, to system-wide functions as well as the new requirements of the 2030 Agenda?
- (vi) How to enhance the capacity and impact of the UN development system at the country level and headquarters in support of the implementation of the 2030 Agenda? What changes will be required in human resources management, regulations and related areas to enable the UN development system to provide integrated capacity building to Member States? Which system-wide capacities, approaches and regulations in the UN development system will need to be further strengthened in the 2030 Agenda?
- (vii) How to make the UN development system an effective, transparent and accountable convener of multi-stakeholder partnerships?

Consultations

An important objective of the consultative process will be to ensure that the perspectives of all key stakeholders are actively elicited in the work of the Independent Team of Advisors, including through the use of innovative methodologies. The stakeholders will include Member States, UN entities, including Executive Heads of funds, programmes, agencies and Resident/Humanitarian Coordinators, regional commissions and Secretariat departments, bureaus of governing bodies, chairs of inter-agency bodies as well as private sector and non-governmental stakeholders.

It is envisaged that members of the Independent Team of Advisors will participate in various formal and informal sessions of the ECOSOC Dialogue to brief on their ideas, proposals and options and to respond to Member States' queries, while also conducting more focused consultations with Member States,

UN entities, governing bodies and other stakeholders at global, regional and country levels, if needed.

Finally, it is also envisaged that members of the Independent Team of Advisors will also participate in informal briefings and events to deepen discussions in specific areas, which may be held on the side of the workshops and retreats to complement the discussions throughout the Dialogue process.

Composition

The Independent Team of Advisors will include a maximum of 15 experts and will be constituted on the basis of their relevant thematic expertise, geographic and gender balance. It will ideally include high-level experts with expertise from government, academia, UN system and civil society, with knowledge and/or experience of the purposes and functioning of the UN development system as well as the substantive intent of the 2030 Agenda. The members of the Team will work in their personal capacity and are selected by the ECOSOC Bureau.

The Team will appoint two co-Chairs upon suggestion of the ECOSOC Bureau, who will be responsible to lead and coordinate the Team.

Expected outcome, timeline and technical support

The work of the Independent Team of Advisors will consist in providing concrete ideas, proposals and options in advance of each meeting (workshops and/or retreats) of the ECOSOC Dialogue, to be discussed by Member States during the sessions.

The work will culminate in a compilation of ideas, options and proposals that could serve as inputs for discussion during the last retreat, taking into consideration the Member States' exchanges throughout the sessions of the second phase of the Dialogue, and presented two weeks before the last retreat.

The input of the Team into the workshops and/or retreats will be first presented to the ECOSOC Bureau and subsequently be made available to all Member States. The work and documents produced by the Team will have to be submitted at least two weeks before each session of the Dialogue, will have no official status and will represent only the views of the Team. The Team can present options, representing the different views within the group, as the Team is not expected to present only consensual inputs receiving the support of the whole group.

The Independent Team of Advisors will be expected to identify short, medium and longer-term vision and benchmarks, thus laying a platform for an actionable plan of implementation rather than open-ended proposals, recognizing that change may need to occur in phases.

The Independent Team of Advisors is time-bound. It is expected to commence work in January 2016 and cease to exist upon completion of the second phase of the Dialogue on the longer-term positioning of the UN development system (expected in June 2016).

Further information on the working methods is provided in the attached annex.

It is recognized that effective deliberations of the Independent Team of Advisors will need to be supported by appropriate research and analytical capacity. To facilitate the substantive work of the Team, a small, independent technical support secretariat will be established and housed in the UN Secretariat. A key role of the secretariat will be to ensure that deliberations of the Team are evidence-based through extensive use of statistics and data in each of the six areas that are the focus of the ECOSOC Dialogue.

Funding for the activities of the Team will be extra-budgetary and on a voluntary basis, guided by full transparency and accountability to Member States.



ANNEX IV: MEMBERS OF THE INDEPENDENT TEAM OF ADVISORS

Experience and skills profile

The members of the Independent Team of Advisors will be high level experts with expertise from government, academia, UN system and civil society, with knowledge of the work and functioning of the UN development system at country, regional and/or global levels.

The members of the Team are expected to possess complementary knowledge and experience, including with regard to the areas of the UN development system that are the focus of the ECOSOC Dialogue: functions, funding practices, governance structures, organizational arrangements, capacity and impact and partnership approaches. Their skills profile should include the ability to provide balanced, forward-looking and high-quality analyses and proposals on complex issues, underpinned by sound judgement, and the ability to lead and engage in focused and substantive policy discussions with key constituencies of the UN development system.

Team members need to be familiar with the 2030 Agenda for Sustainable Development as well as the broader lines of the development landscape in which the UN development system operates.

Time period

The Team is expected to commence work in January 2016 and complete its work by the end of the Second Phase of the ECOSOC Dialogue, upon which the Team will be dismantled.

While the total time commitment of the Team members is likely to vary, it is broadly estimated to be around 60 working days, between January December 2016 and end June 2016, with the greatest workload expected from the Chairs.

Outputs and Work Requirements

Team members are expected to make specific substantive contributions to the overall preparations, analytic inputs, and the overall work of the Team, and submit it to the Bureau with a deadline of two weeks prior to each workshop and retreat of the second phase of the ECOSOC Dialogue, for distribution and later consideration and discussion by Member States during the sessions of the Dialogue. The inputs produced by the Team don't need to be consolidated and agreed by all the members of the Team, in such cases options are to be presented and clearly indicated as non-consensual.

It is envisaged that the Team will meet jointly in four working sessions in New York for three to four days each, to be organized in conjunction with ECOSOC Dialogue workshops, retreats and other meetings. Team members may be requested to lead or

participate in regional consultations, if needed.

Preparations for meetings of the Team, consultations with stakeholders at different levels, engagement in issue-specific discussions within sub-groups of the Team and the completion of the work of the Team can be expected to require significant commitment from all members.

LIST OF MEMBERS IN ALPHABETICAL ORDER

Independent Team of Advisors to the ECOSOC Bureau

Juan Somavia (Chile) – co-chair

Mr. Juan Somavia is the former Secretary-General's Special Advisor on Interregional Policy Cooperation. He was also Director-General of ILO and Permanent Representative of Chile to the United Nations in New York. He has held key positions in the United Nations system including: Chair of the Preparatory Committee of the World Summit for Social Development, Copenhagen; President of the United Nations Economic and Social Council. As Permanent Representative, he represented Chile on the United Nations Security Council and was its President in April 1996 and October 1997. Ambassador Somavia is at present Director of the Diplomatic Academy of Chile.

Klaus Töpfer (Germany) – co-chair

Mr. Klaus Töpfer is the Former Federal Minister for the Environment. He also served as the Executive Director of the United Nations Environment Programme (UNEP) and Under-Secretary-General of the United Nations (1998-2006). He has received numerous awards and honors, including in 2008 the German Sustainability Award for his lifetime achievement in the field of sustainability. In 2012 he was inducted in the "Kyoto Earth Hall of Fame".

Armida S. Alisjahbana (Indonesia)

Ms. Armida Alisjahbana is a Professor in the Department of Economics at Padjadjaran University. She was formerly the Minister of National Development Planning and Head of the National Development Planning Agency (BAPPENAS) in Indonesia. She has been involved in various research projects and has served as a consultant to the UNU Institute for Advanced Study in Tokyo, the World Bank, ADB, AusAID, the European Commission, and ILO.

Chen Dongxiao (China)

Mr. Chen Dongxiao is President of the Shanghai Institute for International Studies and is the Vice Chair of the China National Association of International Relations (CNAIR). He is also a member of the ASEAN Regional Forum's Expert and Eminent Persons group and is a senior advisor within the International Business Leaders Advisory Council (IBLAC).

Vera El Khoury Lacoueilhe (Lebanon)

Ms. Vera El Khoury Lacoueilhe currently lectures on international organizations at the Sorbonne Law School (Université Paris I Panthéon-Sorbonne). With 20 years of experience as a diplomat in multilateral diplomacy, she has represented Saint Lucia during two mandates at the Executive Board of UNESCO, and at the International Organization of Francophonie. She has chaired several inter-governmental committees including the World Heritage Committee. She also was the chair for UNESCO's Independent External Evaluation Ad Hoc Working Group.

Paulo Luiz Moreaux Lavigne Esteves (Brazil)

Mr. Paulo Luiz Moreaux Lavigne Esteves is the General Supervisor at the BRICS Policy Center. He has previously held consultancy positions with UNDP, the State Government of Minas Gerais, CNPq and CAPES. Between 2005 and 2009 he served as director of the Brazilian International Relations Association and is currently an elected member of the Executive Board of the International Studies Association section on 'International Political Sociology'. He is presently engaged in research on the convergence among the fields of international security, humanitarianism and development.

Hanaa El Hilaly (Egypt)

Ms. Hanaa El Hilaly is the Director-General of the Social Fund for Development in Egypt and the Managing Director and Board Member of Amwal Financial Investments (Pioneers Holding Group). She is also currently a board member for the Tadamon/Solidarity Microfinance Foundation, the Egyptian SMES Association, the Business Enterprise Support Tools (BEST) SMEs Foundation, and the Arab Foundation for 'your Young Scientists'. She is an advocate for women's empowerment and chairs the Women in Business and International Cooperation Committees of the American Chamber of Commerce in Egypt.

Jennifer Jones (Jamaica)

Ms. Jennifer Jones is a Sociologist and Social Researcher specializing in development issues, social policy and community development. Currently working with a colleague on a Situation Analysis of Children and Women in Belize for UNICEF, her recent work includes leading Jamaica's first customer feedback survey in courts across the island for the Ministry of Justice in 2014 and co-preparation of a Poverty Reduction Action Plan

for the Government of Montserrat in 2013. She also prepared Jamaica's Report and National Presentation for the 2009 ECOSOC Annual Ministerial Review.

Maria Isaltina Lucas (Mozambique)

Ms. Maria Isaltina Lucas is the President of the National Statistics Institute of Mozambique. She previously held positions as the Permanent Secretary of the Ministry of Economy and Finance; the National Director of Treasure; the Deputy Director of Public Finance Reform; the Deputy National Director of Treasure and the Head of the Department of Domestic Debt and Debt Analysis.

Ibrahim Mayaki (Niger)

Mr. Ibrahim Mayaki is the Chief Executive Officer of the Secretariat of the New Partnership for Africa's Development (NEPAD). He previously served as Prime Minister of Niger (1997-2000), Minister in charge of the African Integration and Cooperation as well as Minister of Foreign Affairs. He has also held the position of Executive Director of the Rural Hub, a Platform in support of Rural Development in West and Central Africa and was a guest Professor at the University of Paris XI.

Ms. Sara Pantuliano (Italy)

Ms. Sara Pantuliano is the Director of Humanitarian Programmes at the Overseas Development Institute. She is also the Vice Chair of the Global Agenda Council on Risk and Resilience of the World Economic Forum, a Trustee of SOS Sahel, and a member of a range of advisory boards, including the Humanitarian Innovation Fund, the Refugees Studies Centre and the UN Association of the UK.

Sanjay Reddy (India)

Mr. Sanjay Reddy is an Associate Professor of Economics at the New School for Social Research. He has worked extensively as a researcher, consultant, and expert for international organizations, such as the G-24, ILO, Oxfam, UNAOC, UN DESA, UNICEF, UNDP, UNU-WIDER, UNRISD and the World Bank. He has been a member of the advisory panel for UNDP's Human Development Report, the UN Statistics Division's Steering Committee on Poverty Statistics, and the advisory board of the UN Special Rapporteur on the Right to Food.

Edward Sambili (Kenya)

Mr. Edward Sambili is currently a faculty member with the Economics Department at Egerton University in Kenya. He was previously the Permanent Secretary in charge of National Planning, Kenya's Vision 2030, the ACP, MDGs, NEPAD and the APRM. He was a member of the Post-MDGs Contact GROUP, a Japan-led international panel of experts on the post-2015 agenda. He was also the former Deputy Governor of the Central

Bank of Kenya and the former Director of the Capital Markets Authority.

Vaira Vike-Freiberga (Latvia)

Ms. Vaira Vike-Freiberga was the sixth President of Latvia (1999-2007). During her Presidency, she was known for raising her nation's recognition through her work at the UN, the EU and through other international activities. She was named Special Envoy to the Secretary General on UN reform and was an official candidate for UN Secretary General in 2006. She is affiliated with 29 international organizations, including the Council of Women World Leaders, the International Criminal Court Trust Fund for Victims, the European Council on Foreign Relations, and the World Leadership Alliance – Club de Madrid.



United Nations