

The Governance of the UN 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 II and III). 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

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.

On average, the EB/GC of UNDS entities meets 2-3 times a year for a total of 12-15 days (Annex II). 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.

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
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.	Given the numbers and size of EB/GCs, it would be difficult to achieve effective coordination and integration through a joint meeting, organized annually. It is also unlikely to be cost-effective for the Member States as this may entail significant amount of travel costs.
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.	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.
Establish an over-arching, integrated sustainable development board through the merging of the	The proposed integrated sustainable

<p>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 ensure an equitable balance between sustainable development priorities and the concerns of the funding partners.</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>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>
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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 I) 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 and 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:

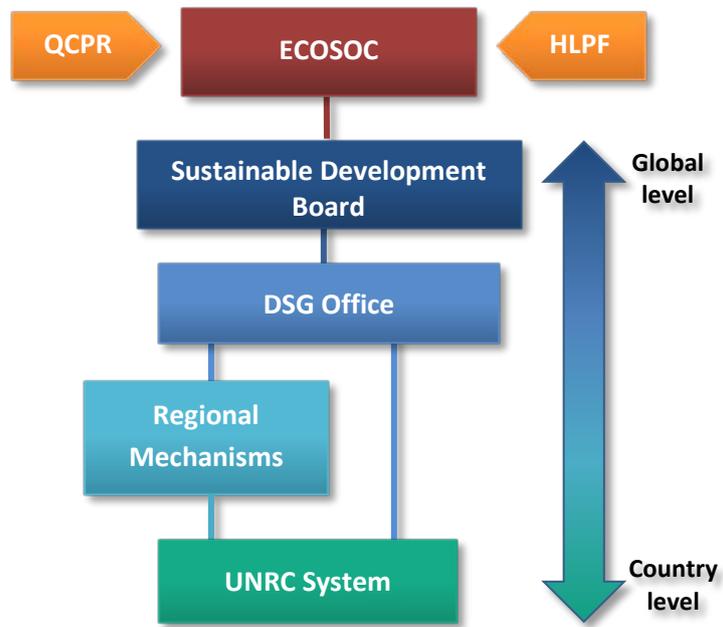
- The QCPR should be transformed into a strategic system-wide tool to assess, monitor and report on operational activities for development;
- Expand the QCPR to include Specialized Agencies, through appropriate decisions by their governing bodies so that all UNDS entities adhere to the QCPR resolution;
- 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 II), 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 I



Annex II
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

UNICEF

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

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

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)

UNEP

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

WHO

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

ILO

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

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 III – 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

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)
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
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

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)
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%