

ECOSOC Dialogue on the Longer-term Positioning of the UN Development System

Background Paper on Capacity, Impact and Partnerships Revised Draft

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Distilled Version

1. Introduction

In 2014, the Economic and Social Council (ECOSOC) decided to convene a dialogue on the longer-term positioning of the United Nations development system (UNDS), taking into account the post-2015 development agenda, including the inter-linkages between functions, funding practices, governance structures, capacity, impact, partnership approaches and organizational arrangements. The dialogue serves as part of the build-up to the Special UN Summit on Sustainable Development in September 2015 and as preparation for the Quadrennial Comprehensive Policy Review (QCPR) in 2016.

The Department of Economic and Social Affairs (DESA) has commissioned independent expert papers on the above dimensions to provide out of the box food for thought to stimulate Member State discussions. The subject of the present paper are changes needed in support of the post-2015 development agenda to (i) ensure the internal capacity of the UNDS to carry out its functions and deliver results; (ii) ensure strategic planning, monitoring, evaluation and accountability of UNDS operational activities for development; and (iii) ensure appropriate approaches for forging the relevant and effective partnerships.

Comprehensive policy reviews, and particularly the 2012 QCPR, have provided critical inputs for developing the present paper. Chapter 2 therefore sets the stage by providing a succinct overview of the QCPR process. Chapters 3, 4 and 5 talk to the capacity, impact and partnerships dimensions of the UNDS, including selected questions for UN Member States' discussions on the subject. Throughout, the paper speaks to inter-linkages with the other dimensions that are the focus of the ECOSOC dialogue; it makes particular reference to the functions dimension.

2. The QCPR

The comprehensive policy review process is particularly relevant for UN Member State engagement in and oversight of the UNDS. Comprehensive policy review resolutions establish system-wide policy orientations for UN system development cooperation and country-level modalities. In December 2012, the UN General Assembly (UNGA) adopted resolution 67/226 on the QCPR. It affirmed poverty eradication as the overarching challenge and key element of sustainable development and stresses the relevance of achieving internationally-agreed development goals including the Millennium Development Goals (MDGs). It emphasized the inter-linkages between development, peace and security and human rights and reaffirmed the centrality of national ownership and primary responsibility of each country for

its own development. Overall, the resolution does not go much beyond previous ones except to underline the importance of improving funding for the RC system, to recognize the contribution of Delivering as One (DaO), and to request the UNDS to formulate Standard Operating Procedures (SOPs) for countries wishing to adopt the DaO approach.

The United Nations Development Group (UNDG) has developed an Action Plan for implementing and monitoring the QCPR resolution. The Action Plan identifies areas of collective action as well as indicators to track progress. DESA prepares annual reports on the implementation of the QCPR resolution. As requested by ECOSOC resolution 2013/5, a monitoring and reporting framework was developed. The latest report reveals good progress on many fronts, though uneven in some areas relating to the coherent and effective functioning of the UNDS.

3. Capacity of the United Nations Development System

Framing question: What are the critical capacities that the UNDS will need to put in place and further develop to respond to the changing needs of today's and the post-2015 development landscape?

This chapter addresses the issue of the capacity of the UNDS to deliver results relevant to the Sustainable Development Goals (SDGs). It examines the relationship of such capacities with emerging functions, organizational arrangements and business models. It reveals that...

- ...the scope of the UNDS's work and size of its operations have grown considerably and are difficult to sustain with the current funding levels and modalities;
- ...growth in project activities has "bilateralized" UNDS operations, especially at the country level, and shifted focus towards project management, implementation and resource mobilization;
- ...thus, imbalances prevail between current and required UNDS capacities for delivering on multilateral advocacy, policy, capacity-building, normative and collective action functions;
- ...the UNDS currently lacks a unified "system-wide operating model" or "way of doing business", including an unclear division of labour and missing synergies between different levels; and
- ...the recent ECOSOC workshop on functions concluded that the UNDS has already done much to discuss how the UNDS can become fitter for purpose.

Some lessons learned from the above summarized retrospective have been identified: They address UNDS capacities as part of a theory of change, quantitative and qualitative aspects of UNDS capacities within an internalized system-wide operating model; the catalytic role of UNDS capacities; UNDS capacities in middle-income countries; and synergies with peace-keeping and humanitarian capacities.

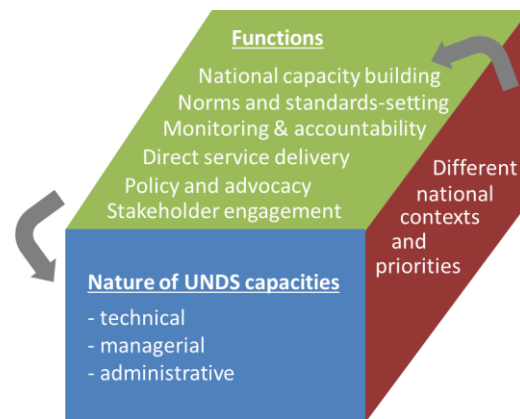
Looking ahead, the following points seem relevant:

- To bring most value, the remit of the UNDS will need to be more strategic and targeted towards sustainable development in all its dimensions, going beyond the current aid paradigm and applying differentiated responses targeting the most excluded irrespective of where they live and contributing to enhanced provision of and access to global public goods based on norms, standards and human rights principles. Otherwise, it will end up spreading itself too thinly.
- A strategic reorientation and reorganization of the UNDS need to be accompanied by a substantial redistribution and tailoring of present UNDS capacities that ensure effective collaboration with

Member States at very different levels of development, added-value partnerships, and successful facilitation and implementation of international agreements. To this extent, it will be necessary to articulate a system-wide operating model.

- Greater fitness for purpose implies delivering coherent joint action in strategic areas where the UNDS as a whole has a comparative advantage and which help to generate global public goods - over and above individual agency mandates. Such areas should have the attribute of requiring and/or promoting multi-sectoral coalitions beyond governments and multilateral organizations.
- The question of how to go about re-profiling the UNDS and its capacities to improve delivery in selected strategic areas of the post-2015 development agenda should not be limited to process but aligned with content and considered within the wider development cooperation architecture, going beyond comprehensive policy reviews and the DaO approach. The UNDS will be able to capitalize on experience made at the country level.
- An effective system-wide operating model should serve to attain greater organizational effectiveness and efficiency, define roles and responsibilities, identify options for rationalizing the UNDS's financial base, and provide solid frameworks for results-based management (RBM) and staffing models. It should respond to what is the nature of the UNDS's work, what are the expected outcomes of its work, how should the UNDS work, and where should the work be done. It should be guided by principles, including increased country focus, greater attention to global public goods, importance of managerial accountability, and strategic resource mobilization and allocation.
- As depicted in Figure 1 for programme countries, the repositioned UNDS-wide operating model could be represented by a three-dimensional matrix composed of seven substantive areas associated with the SDGs, nine functions¹ and three different levels of work (country, regional/sub-regional and headquarters). Human resource allocations would need to follow the logic of the operating model; managerial processes would need to be reformulated.
- A number of critical factors need to be keyed into the equation of a new operating model: i) increased country focus based on a functional grouping of countries and scenarios that help to adjust and standardize the size and presence of the UNDS; ii) decentralization based on the principles of joint but differentiated responsibilities, subsidiarity where headquarters and regional offices have a supportive role, and accountability; iii) access to internal and external expertise through virtual networks connecting multiple locations and limited physical hubs; iv)

Figure 1: Linkages between UNDS capacities and functions - effective system-wide operating model:
UNDS capacities are an expression of UNDS functions adapted to a particular post-2015 country setting



Source: Alison King & Daniel Lopez-Alcuna

¹ Formulation of policies and strategies and advocacy; development of norms, tools and standards; technical support for capacity building; fostering cooperation among countries; leveraging of partnerships; monitoring global norms and standards and progress towards internationally-agreed goals; research and innovation; knowledge brokerage and management; and direct action and operational work for filling gaps in exceptional situations.

environment and mechanisms for creating vertical and horizontal synergies; v) reflection of cross-cutting mandates in renewed set of internal capacities at all levels; vi) economy of scale for global support functions; vii) new business models for multiple country situations; and viii) more harmonized human resource practices that focus on learning and innovation, results-oriented and risk management-driven decision making and ability to convene stakeholders.

- Agreed-upon functions of the UNDS and the increasing capacity of many Member States will have implications on its capacities, which are currently not readily available, especially at country level. A critical challenge will be to establish gaps to be filled.

Likely functions	Necessary internal capacities
Support to countries to respond to national development challenges in a wide range of areas	Capacities to build capacities
Normative and technical support to countries to ensure nobody is left behind	Strong analytical and policy-making capacities as well as knowledge management and evidence-based decision-making competencies
Support to countries to address global development challenges	Competencies in harnessing development cooperation instruments
Invest in conflict prevention, disaster-risk reduction, peace-building, humanitarian assistance, recovery and resilience-building	Critical level of operational capacity to rapidly organize international response and leverage resources
Support to South-South and triangular cooperation	Capacity to understand the changing nature of development cooperation, including analytical policy making and managerial capacities
Partnership-building and stakeholder engagement	Capacity to convene multi-sector efforts and issue-based partnerships aligned with normative values, standards and good governance principles
Integrated policy advice/advocacy	Capacities to gather evidence, to translate into policy advice and advocate; analytical and knowledge brokerage capacities
Strategic innovation in development	Strategic research and innovation capacities

Source: Daniel Lopez-Alcuna & Alison King

Following are a few questions to inform deliberations on how UNDS capacities should evolve and adapt to the new realities and agendas to contribute to its repositioning, taking into account the evolving development cooperation architecture and Member State high expectations:

- 1) Does the UNDS have a clear notion of what kind of capacities are needed to build national capacity and institutional developments in Member States?
- 2) What kind of intellectual and organizational capacities are required for the UNDS to perform the functions it is expected to perform? Are these capacities uniform across agencies and across countries or should they be differentiated depending on the subject of technical cooperation and on the economic, social and political context of each Member State?

- 3) Are capacities in place? Do they need to be supplemented or furthered at a faster speed to ensure the UNDS is relevant and effective? Is the capacity issue exclusively related to internal capacities of the UNDS or should future efforts rely much more on the UNDS ability to mobilize capacities of Member States?
- 4) Can capacities of the UNDS be discussed on their own or do synergies with capacities of the peace-keeping and humanitarian streams of work of the UN need to be kept in mind?
- 5) Is the three-dimensional matrix of substantive areas, functions and levels, as presented above, useful for defining a revised operating model that can help the UNDS reposition itself in light of the post-2015 challenges?
- 6) Are the suggested capacities for advancing each of the eight functions suggested in the ECOSOC dialogue the right ones? Are capacities missing? How should capacity gaps be filled?

4. Impact

Framing Question: What is the nature of the impact that should be expected from the UN development system in the post-2015 era and how to strengthen results management and system-wide accountability to contribute to that end?

This chapter reviews key developments related to the nature of expected impact of the UNDS as well as to the evolution of management strategies for planning, measuring and reporting on results for impact assessment and learning and accountability purposes since the early 1990s. It reveals that...

- ...inter-governmental guidance on the expected impact of the UNDS was somewhat generic and limited until the change of the Millennium; and that the 2012 QCPR mixes long-term effects (impact) and short- to medium-term objectives (outcomes) besides remaining vague in terms of system-wide performance metrics;
- ...the management dimension of programming, monitoring, evaluation and reporting has constantly grown in importance, though an explicit inter-governmental affirmation of sustaining a results culture and results-based management (RBM) was not expressed by the UNGA until 2012;
- ...the UNGA has been very clear on the need to strengthen and use national planning, monitoring, evaluating and reporting capacities and systems, but that in actual fact the development and utilization of national experts and institutions remain low;
- ...the UNGA's main focus as regards programming, monitoring and reporting on UNDS activities has been at the country level, revolving around the UN Development Assistance Framework (UNDAF), which, while welcomed from its beginning, suffered from certain weaknesses and was introduced on top of existing country programmes because UNDS governance was not adapted;
- ...instead, opportunities for simplification and harmonization of country programmes have been sought, all the while aiming to ensure - but not always succeeding - agencies' mutual coherence through alignment with UNDAF outcomes;
- ...the UNGA has neither provided guidance on the desirability or feasibility of system-wide strategic planning at corporate level nor taken decisions to adapt inter-governmental reporting; thus, there is no inter-governmental review of UNDS-wide data, results and contributions to the MDGs;

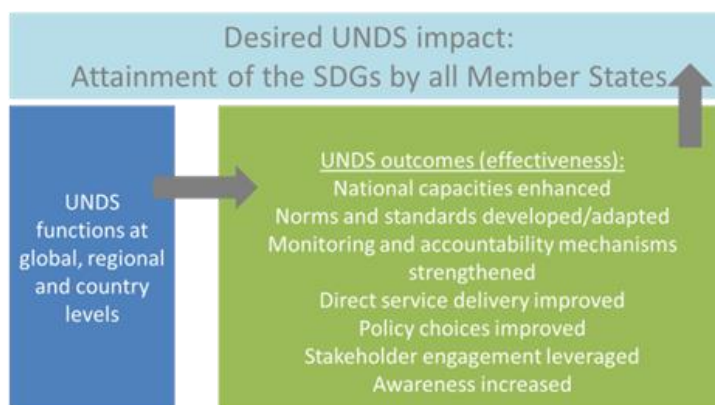
- ...instead, the new Millennium saw movement towards harmonized and results-oriented agency-specific planning and performance reporting linked to the dual purposes of accountability and funding, although this stronger results-orientation might also have affected the quality of funding;
- ...evaluation is recognized as an essential component of the RBM-cycle, and UN organizations - under the leadership of the UN Evaluation Group (UNEG) - have been creating a conducive evaluation environment, although there is room for improvement;
- ...an important step was taken by establishing an interim coordination mechanism for system-wide evaluation, but that dependence on extra-budgetary funding resulted in considerable delays; and
- ...comprehensive policy reviews have not specifically defined accountability and its components in the context of UN operational activities for development.

Some lessons learned from the above summarized retrospective regarding what impact the UNDS is expected to have and how the UNDS should coherently plan for and measure it have been identified: They address the quality of policy guidance on UNDS impact and effectiveness; the ambitiousness of sustaining a more strategic and coherent results culture; the costs of a continuing prevalence of an entity-centred logic to planning, reporting and accountability; and the added value of evaluation organizational arrangements.

The results agenda can be expected to experience a new push with the anticipated inter-governmental agreement on the SDGs:

- The focus of the UNDS will go beyond the MDGs to all 17 SDGs universally covering the three pillars of development. The UNDS can only *contribute* to the SDGs. As showed in Figure 2, its contributions being a reflection of its *functions*. It should be made accountable for those contributions, no more and no less.

Figure 2: Linkages between UNDS impact and functions: The UNDS's ultimate manifestation is the contribution of its multiple functions to the SDGs at different levels



Source: Alison King & Daniel Lopez-Acuna

- The post-2015 era and evolving SDGs are an opportune moment for taking overdue steps to strengthen UN system-wide planning, learning and accountability by transforming QCPR guidance into a more action and results-oriented “UN system-wide strategy for inclusive and people-centred sustainable development” that combines the why, what and how of operational activities.
- Partnerships will be an increasingly integral and strategic part of how the UNDS addresses challenges and fosters advancements. Member States may wish to request the UNDS to develop a common approach and framework for monitoring and evaluating their added value and effectiveness.
- It is difficult to assess whether the SDGs will require more UNDS internal expertise and skills for ensuring rigorous and quality planning and monitoring in addition to using national capacities. It

could well be worth discussing the desirability of institutionalizing pooled inter-disciplinary planning and monitoring advisory capacities for the entire UNDS and a UNDS planning network.

- Monitoring and reporting are important but insufficient for providing the UNDS and Member States with opportunities for learning, accountability and decision-making. Evaluation should play a more important role in making implementation of the new development agenda more evidence-based than it did in engaging with the MDGs.

Following are a few questions to facilitate deliberations of Member States during the workshop on capacity, impact and partnerships to be held on 27 May 2015 as part of the ECOSOC dialogue process on the longer-term positioning of the UNDS:

- 1) Is there a risk that results-based management negatively impacts on core resources as the bedrock of operational activities for development?
- 2) In view of the post-2015 development agenda, should Member States, through ECOSOC and the UNGA, agree on the need to redefine the theory of change associated with the work of the UNDS in order for the appropriate set of attributable results to be defined and the right nature of impact to be assessed, all the while recognizing the complexities and challenges of multilateral development?
- 3) Is it desirable and is it feasible to define binding key indicators for assessing UNDS development effectiveness at the system level?
- 4) Should Member States, at the Sustainable Development Summit, agree to upgrade the current QCPR to a “UN system-wide strategy for sustainable development”? Would this solve the problem of dominant vertical accountability or are other decisions and measures required?
- 5) Should Members States, through ECOSOC and the UNGA, recommend that not only should national accountability mechanisms and processes be assisted by UN country teams, but that they should explicitly also serve to hold UN country teams accountable to non-governmental stakeholders for commitments made in support of country progress towards the SDGs?

5. Partnerships

Framing question: How will the UN need to evolve and adapt vis-à-vis the growing number of players in the development space and ensure its partnership approach is aligned with UN priorities and mandates?

This chapter reviews key developments and issues related to the evolution of UNDS partnership approaches over the past couple of decades within the larger framework of effective development cooperation. It reveals that...

- ...partnerships with non-state actors have emerged over time with an early focus on leveraging expertise in developed countries for the delivery of technical assistance in programme countries and as of late as a response to the limits of multilateralism and the need to convene the knowledge, expertise and capacities of multiple stakeholders to cut through sectors;
- ...the UNGA has adopted several resolutions entitled “Towards global partnerships”, but comprehensive policy reviews did not emphasize UNDS partnership approaches until 2012 when the QCPR recognized the importance of the UNDS increasing its capacity to engage in results-oriented

innovative national, regional and global partnerships with diverse stakeholders and encouraged it to intensify its collaboration with those stakeholders, including for mobilizing financial contributions;

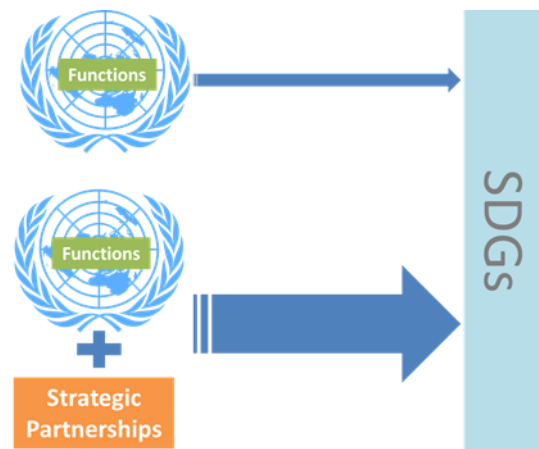
- ...“partnerships” and “partnering” have become an omnipresent word in UN system organizational strategies and programmes with UN organizations maintaining partnership bureaux, partnership advisors or focal points and partnership frameworks/strategies;
- ...through the UNDG, UN agencies are engaged in the Busan Partnership for Effective Development Cooperation and the Global Partnership for Effective Development Cooperation (GPEDC) to sustain political dialogue on issues related to the quality and effectiveness of development cooperation; and
- ...as part of their commitment to effective development cooperation, UN entities have created and joined multiple partnerships with a wide variety of external stakeholders and initiated broad-based global multi-stakeholder partnerships built along the four dimensions environmental sustainability, peace and security, inclusive economic development and inclusive social development;
- ...organizational arrangements have been made to centralize support for UNDS partnerships and stakeholder engagement through the UN Partnerships Office (UNOP) and the Global Compact Office (GCO); and that the recent proposal to create a UN Partnership Facility has not yet found inter-governmental consensus.

Some lessons learned from the above summarized retrospective regarding UNDS partnership experiences have been identified: They address the transformation of global society through redistribution of power between states, markets, civil society and individuals regardless of national boundaries; the shift towards networked, pluralistic governance with greater potential to bridge multilateral norms and local action; basic principles for engaging with non-state actors; limited UNGA oversight of UNDS partnerships due to limited system-wide standards and performance reporting; and differentiation between partnerships as a strategic approach to the work of the UNDS and stakeholder engagement as a function of the UNDS.

The UNDS will likely need to adapt vis-à-vis the growing number of players in the development space and ensure its partnership approach is consistent with its post-2015 priorities and mandates for greater effectiveness and impact:

- In view of the changing development landscape and needs of developing countries, the growing number and types of (potential) players in the development space, and possibly to compensate a decline in ODA, the UNDS should enhance and enlarge its approach to partnerships for boosting its contribution to the evolving ambitious and complex post-2015 development agenda.
- As depicted in the Figure 3, also when partnering for impact the UNDS should focus on its recognized functions where it has an added value, and that

Figure 3: Linkages between UNDS strategic partnerships and functions: Partnerships have the potential to boost the impact of the UNDS on the SDGs



Source: Alison King & Daniel Lopez-Acuna

UNDS capacities and organizational arrangements will need to be adjusted in support of whatever approach is chosen. Consideration should be given to whether the partnership approach at global and regional level should be the same as the one at country level.

- It will be important for the UNDS to define parameters and criteria for multi-stakeholder partnerships that link global change to local change. Successful partnerships at global, regional and country level should serve to amplify the catalytic effect of development cooperation provided they do not disempower Member States and they contribute to global public goods.
- Ownership of the sustainable development agenda by individual Member States is of the essence. Member States will need to pay particular attention to governance aspects of UNDS partnerships, including addressing and managing conflicts of interest, and the need to ensure accountability.
- Transparency is the key safeguard that should underpin all interactions. An essential step to increase transparency should be the establishment of a system whereby all UNDS relationships with non-state actors can be viewed, and which sets out partnership objectives, types of partner contributions, governance and sources of funding.
- Disclosure is however only the first step. An institutional architecture (tools and processes) to conduct and review independent evaluations of the effectiveness and added value of partnerships is required.

Following are a few questions to help advance deliberations on how the UNDS will need to evolve and adapt and ensure its partnership approach is aligned with UN values, priorities and mandates in support of the post-2015 development agenda:

- 1) Should UNDS partnerships be linked to the SDGs and the transformative agenda for attaining them?
- 2) Should the approach to partnerships be the same at global, regional and country levels?
- 3) Should UNDS partnerships be more open to public scrutiny?
- 4) How can dual governance problems introduced by some partnerships be avoided?
- 5) Should partnerships at the country level be led by the UNDS or should this be the primary responsibility of governments? Should the UNDS play a catalytic or leveraging role at country level?
- 6) How should the UNDS ensure availability of sufficient evidence of the effectiveness and added value of UNDS partnerships at the country level?
- 7) What kind of additional monitoring information on UNDS partnerships would Member States like to receive in the context of the QCPR?
- 8) How should networks, coalitions, issues-based multi-stakeholder initiatives dovetail with the regular programmes of the UNDS?

6. Concluding Remarks

Over the last decades, incremental organizational and cultural changes within the UNDS were important. There have been numerous discussions on the implementation and monitoring of different aspects of the QCPR resolution as well as on the adequacy of inter-governmental mechanisms for furthering harmonization and coherence across the UNDS. The repositioning of the UNDS to make it fit for the purpose of supporting Member States in advancing the transformative agenda of the post-2015

sustainable development compact will most likely require major changes and will consequently require guidance by a framework that goes beyond the QCPR process.

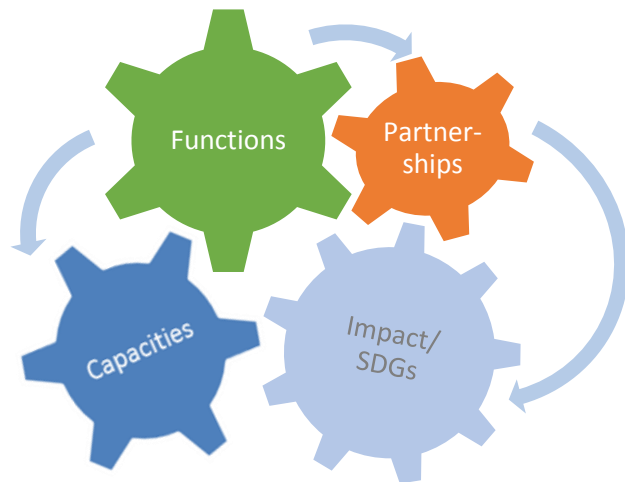
The UNDS needs to strengthen its relevance as well as the effectiveness and impact of its activities. It needs to become more coherent and efficient, especially at country level. In order to do so it should rethink its functions and its organizational arrangements. It should transform its capacities to deliver on its mandate. It should introduce changes in its governance, define suitable ways of financing its work and enhance its ability to leverage partnerships and engage stakeholders to help attain the SDGs.

As discussed in this paper and depicted in Figure 4, the right kind of UNDS capacities to deliver on the agreed-upon functions, twinned with strategic and accountable partnerships will be a prerequisite for attaining effectiveness, which in turn permits obtaining the necessary impact.

It is important though to understand how much the current work of the UNDS already aligns with the new post-2015 development agenda. Mapping current efforts, functions and capacities and comparing them with the emphasis to be placed in the future will yield very valuable information on the gaps to be filled and the magnitude of the effort that lies ahead to have a much greater fitness for purpose.

Another critical dimension of the long-term positioning of the UNDS for addressing the post-2015 agenda is the political economy of change. The fundamental question is whether the UNDS will be able to agree on the key parameters of the major change that has to be undertaken. It is doubtful, given past experiences, that it will do it by itself. Pressure for change will have to come from outside. The clear leadership and support of Member States will be necessary to provide the space for change. They will have to drive the process.

Figure 4: Linkages between UNDS capacities, impact, partnerships and functions: The right aggregation of UNDS capacities to deliver on agreed-upon functions and twinned with strategic and accountable partnerships are important prerequisites for effectiveness and impact



Source: Alison King & Daniel Lopez-Acuna