



THE PRESIDENT
OF THE
GENERAL ASSEMBLY

25 April 2018

Excellency,

I have the honour to transmit herewith a letter, dated 25 April 2018, from H.E. Mr. Sabri Boukadoum, Ambassador and Permanent Representative of Algeria and H.E. Mr. Ib Petersen, Ambassador and Permanent Representative of Denmark, Co-facilitators of the repositioning of the United Nations development system, in the context of the General Assembly resolution 71/243 related to the quadrennial comprehensive policy review (QCPR) of operational activities for development of the UN system.

The Co-facilitators are circulating their proposal on funding of the Resident Coordinator system. The next informal consultations will take place on Thursday, 26 April 2018 at 3:00 pm in conference room 4.

Please accept, Excellency, the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read 'M. Lajčák', written in a cursive style.

Miroslav Lajčák

All Permanent Representatives and
Permanent Observers to the United Nations
New York



THE PERMANENT MISSION OF ALGERIA
TO THE UNITED NATIONS



25 April 2018

Excellency,

We are writing to invite you to our next informal consultations on the repositioning of the United Nations development system on Thursday, 26 April, at 3:00 pm, in conference room 4, to continue our discussion on the funding of the Resident Coordinator system.

Since our last informal consultations, we have had the opportunity to consult bilaterally on the various proposals on the funding of the Resident Coordinator system. We would like to thank all Member States for the proposals presented in this regard. Based on the ideas received and our discussions with Member States, and taking into consideration the feedback received throughout the consultation process, we now present the enclosed proposal on funding of the Resident Coordinator system.

The proposal includes three sources of funding for the reinvigorated Resident Coordinator system, keeping in mind the need to ensure adequate resources for the inception period and the full implementation of the proposed arrangements, and for a review before the end of the 75th session of the General Assembly. Annual reporting to ECOSOC at its Operational Activities Segment is envisioned to ensure the necessary accountability and oversight by Member States.

The proposed funding model is built on the basis of a hybrid solution that includes:

- (i) A one per cent coordination levy on strictly earmarked third party non-core resources to development-related activities, to be paid at source; the levy would not be charged on inter-agency and thematic pooled funds, local resource cost-sharing and cooperation of programme countries and global vertical funds;
- (ii) Doubling the current UNDG cost-sharing agreement among entities of the United Nations development system; further scaling up could be considered as projected efficiency gains are realized within entities in 2021/2022;
- (iii) Voluntary, predictable, multiyear contributions to a dedicated trust fund to support the inception of the reinvigorated Resident Coordinator system, in particular as front-loaded contributions for the inception period.

It is proposed that the Secretary-General present to the Member States, before the end of the current session of the General Assembly, an implementation plan detailing the arrangements for the inception of the reinvigorated Resident Coordinator system, including on the operationalization of its funding arrangements.

To ensure full accountability to Member States on the implementation, functioning and funding of the Resident Coordinator system, it is proposed that the Secretary-General report on a yearly basis to the ECOSOC Operational Activities Segment, starting in 2019. The Secretary-General will also provide a review of the reinvigorated Resident Coordinator system to the General Assembly before the end of its 75th session, i.e. by September 2021. The review will allow Member States to assess the functioning and funding of the Resident Coordinator system and to consider the recommendations made by the Secretary-General.

It is our strong belief that the proposed funding and accountability arrangements for the reinvigorated Resident Coordinator system present the most practical way to reconcile the positions expressed by Member States over the course of our consultations. We have also consulted with the Secretary-General, who has confirmed his openness to move forward with a hybrid solution that is supported by the membership and ensures a decisive step forward in establishing an impartial and empowered RC system.

We are looking forward to hearing from you on our proposal at our informal consultations of Thursday, 26 April. We urge you to look at this proposal in a constructive spirit and with a view to ensure the repositioning of the UN development system. We do hope we will be able to conclude our work swiftly, and we rely on your constructive and creative collaboration to that end.

Please accept, Excellency, the assurances of our highest consideration.



Sabri Boukadoum
Permanent Representative of Algeria
to the United Nations



Ib Petersen
Permanent Representative of Denmark
to the United Nations

All Permanent Representatives and
Permanent Observers to the United Nations
New York

PROPOSAL BY THE CO-FACILITATORS - 25 April 2018

Funding the Reinvigorated RC system

Emphasizes that adequate, predictable and sustainable funding of the Resident Coordinator system is essential to deliver a coherent, effective, efficient and accountable response in accordance with national needs and priorities, and, in this regard, *decides*, to provide up to USD255 million¹ annually from January 2019, onward, through:

- a one percent coordination levy on strictly earmarked third party² non-core contributions to UN development-related activities, to be paid at source;
- doubling the current UNDG cost-sharing arrangement among UN development system entities;
- voluntary, predictable, multiyear contributions to a dedicated Trust Fund to support the inception period;

Strongly urges all Member States to contribute to the Trust Fund, in particular as front-loaded contributions for the inception of the reinvigorated RC system, and in a timely manner, to ensure necessary, predictable and sustainable funding for the inception period;

Calls on all Member States in the relevant governing bodies of all UN development system entities to ensure that all entities double their agreed contributions under the current UNDG cost-sharing arrangement, and *recommends* that the governing bodies refrain from revising their entities' cost-recovery frameworks during the inception period of the reinvigorated Resident Coordinator system;

Requests the Secretary-General, in consultations with the UN development system entities, to present an implementation plan for the inception of the reinvigorated RC system, including on the operationalization of its funding arrangements, to the General Assembly, before the end of the 72nd session;

Emphasizes the need to ensure full achievement of efficiency gains envisioned in the Report of the Secretary-General³ in a timely manner and redeploy these efficiency gains for development activities, including coordination;

Requests the Secretary-General to report annually to the ECOSOC Segment on Operational Activities for Development on the implementation of a reinvigorated Resident Coordinator system, including its funding, starting in 2019, to ensure accountability towards Member States;

Also requests the Secretary-General to submit for the consideration of the General Assembly, before the end of its 75th Session, a review with recommendations on the functioning of the reinvigorated Resident Coordinator system, including its funding arrangement.

¹ A/72/684-E/2018/7

² This does not include local government cost sharing

³ A/72/684-E/2018/7