



THE PRESIDENT  
OF THE  
GENERAL ASSEMBLY

7 June 2021

Excellency,

I have the honour to circulate herewith a letter dated 7 June 2021 from the Secretary-General of the United Nations transmitting an advanced unedited version of the report entitled “Review of the functioning of the Resident Coordinator system: rising to the challenge and keeping the promise of the 2030 Agenda” which is to be issued as A/75/905.

Further information on the co-facilitators' plans in relation to the Secretary-General's report and related intergovernmental process, as required, pursuant to General Assembly resolutions 72/279 and 75/233, will be communicated in a subsequent correspondence.

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

A handwritten signature in blue ink, appearing to read 'Volkan Bozkir'.

Volkan BOZKIR

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



THE SECRETARY-GENERAL

7 June 2021

Dear Mr. President,

I have the pleasure to share herewith my report on the review of the Resident Coordinator system, “*Rising to the challenge and keeping the promise of the 2030 Agenda*”, for the consideration of the General Assembly.

This report responds to the request from the General Assembly in resolution 72/279, that I submit a review with recommendations on the functioning of the reinvigorated Resident Coordinator system, including its funding arrangements, before the end of the seventy-fifth session of the General Assembly. It draws on the best available data from the United Nations and external sources, and the feedback received from delegations throughout the extensive consultation process which I set out in my letter to Member States dated 1 April 2021.

I trust that the report provides a solid foundation for the intergovernmental process that will ensue, under the guidance of the co-facilitators that you have appointed, His Excellency Mr. Sofiane Mimouni, Permanent Representative of Algeria, and His Excellency Mr. Martin Bille Hermann, Permanent Representative of Denmark.

Together with the Deputy Secretary-General and my team, I stand ready to support the process of consultations as required. I would be most grateful if this letter and the enclosed report could be shared with Member States.

Please accept, Mr. President, the assurances of my highest consideration.



António Guterres

His Excellency  
Mr. Volkan Bozkır  
President of the seventy-fifth session  
of the United Nations General Assembly  
New York



# General Assembly

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## Advance unedited version

**General Assembly****75<sup>th</sup> session**

Agenda item xx

**Operational activities for development: operational  
activities for development of the United Nations system**

### **Review of the functioning of the Resident Coordinator system: rising to the challenge and keeping the promise of the 2030 Agenda**

#### **Report of the Secretary-General**

**Summary**

This report is submitted in response to operative paragraph 16 of General Assembly resolution 72/279, which requested the Secretary-General to submit for the consideration of the General Assembly, before the end of its seventy-fifth session, a review with recommendations on the functioning of the reinvigorated Resident Coordinator system, including its funding arrangements. It also responds to further specifications of the same request in General Assembly resolution 75/233.

The report draws on Member State feedback since the establishment of the reinvigorated Resident Coordinator system, including, most recently, from a series of plenary, regional group, and bi-lateral consultations. It also draws extensively from independent surveys of programme country Governments, UN entities and Resident Coordinators administered by the UN Department of Social and Economic Affairs in late 2019 and late 2020, as well as internal reviews carried out by the Development Coordination Office, surveys and analysis by UN development system entities, an advisory body of work by the UN Office of Internal Oversight Services, and other internal and external assessments.

# **Table of Contents**

## **Executive Summary**

### **I. The journey thus far**

- A. Repositioning the UN development system for the 2030 Agenda
- B. From resolution to results

### **II. Performance of the RC system: meeting its immediate objectives**

- A. Strengthened RC leadership, authority, and impartiality
- B. Enhanced backstopping capacities
- C. Closing the gaps

### **III. Towards a strengthened UNCT contribution on the ground**

- A. Better alignment to national needs, priorities contexts
- B. An effective response to the impacts of the COVID-19 pandemic
- C. A shift in the nature and quality of SDG support
- D. More efficient operations

### **IV. Moving to the next level –accountabilities and incentives**

- A. Strengthened oversight and accountability
- B. Incentivizing change through improved funding practices

### **V. Sustainability by predictably funding the Resident Coordinator system**

- A. The funding trajectory of the RC system
- B. The hybrid model and its performance
- C. The right size of the RC system – overview of DCO and RCO capacities
- D. The way forward

### **VI. Looking ahead: A multilateral response through the UN development system that delivers for people and planet**

<b>Annex 1</b>	UNSDG cost-sharing arrangement - Annual amounts per entity
<b>Annex 2</b>	Countries contributing to the 1% levy since 2019
<b>Annex 3</b>	Overview of resources of the special purpose trust fund of the RC system

## Executive Summary

1. In 2015, world leaders set out the most comprehensive framework yet for realizing one of the founding objectives of the United Nations: the economic and social advancement of all peoples. The 2030 Agenda for Sustainable Development is a uniquely ambitious integrated framework, seeking to eradicate poverty in all its forms and to secure dignity, opportunity, and justice for all on a healthy planet. Amid an unprecedented global pandemic, its relevance has been reinforced and its implementation has become even more urgent.
2. As the parameters of this new agenda were emerging, it became clear that the UN's primary vehicle for supporting countries with its implementation was not fit for this new purpose. Through the decades, the UN development system (UNDS) made a tremendous contribution to improving human wellbeing. However, a fragmented network of some 36 entities was ill-prepared to deliver the transformative support that countries were demanding to advance the Sustainable Development Goals (SDGs).
3. Assuming my functions as Secretary-General less than two weeks after the adoption by the General Assembly of the 2016 Quadrennial Comprehensive Policy Review (QCPR) resolution, I expressed my determination to reposition sustainable development at the heart of the United Nations. After all, sustainable and inclusive development – underpinned by respect for human rights – offers our best pathway to a future of peace, dignity, and prosperity for all. The 2016 QCPR encapsulated – like no QCPR before – a unified call by Member States for a deeply transformed UNDS, with impact, coherence, and accountability at the center. Over the course of 18 months, I worked with Member States, entities from across the UN development system and key stakeholders to develop a series of proposals to reposition the UNDS. Learning from what works and understanding that reforms must result in impact on the ground, I centered my proposals not on what UN entities do individually, but on how to deploy the very best of a coordinated and coherent system to support country priorities for implementing the SDGs.
4. This joint effort culminated in June 2018 in the adoption, by the General Assembly, of the most far-reaching development reforms in the history of the organization. At the core of resolution 72/279 was the establishment of a reinvigorated, independent, impartial, and empowered Resident Coordinator (RC) system that would help facilitate the emergence of a new generation of UN Country Teams (UNCTs).
5. During the last three years, all hands were on deck to fully operationalize the new mandates without disruption to activities on the ground. This included the rollout of the new reinvigorated RC system at the global, regional, and country level – supporting 162 countries and territories. This is a significant achievement in and of itself, for which I am grateful to Member States, the UN Development Programme (UNDP) and UNDS entities for their support.
6. As requested by resolution 72/279, I have now undertaken a thorough review of the functioning of this new RC system, including its funding arrangements. In this report, I set out my analysis, findings, and recommendations, drawing on the best available data from UN and external sources as well as feedback from delegations. I draw six overarching conclusions.
7. **First, the immense efforts of the UN Sustainable Development Group over the last three years are bearing fruit and the RC system is meeting its immediate objectives.**
8. A more diverse pool of RCs with sustainable development in their DNA and strong leadership capacities is taking shape. Their independence and impartiality are opening the door as never before for the engagement of a wider set of UN entities in UNCTs, making more fully available to countries the capacities of specialized Agencies, Regional Economic and Social Commissions and the Department of Economic and Social Affairs, amongst others. Greater leadership and authority are facilitating more consistent and coherent UN engagement with governments and a diverse range of partners on the ground, including International Financial Institutions.
9. The new investments in core capacities to support RCs are also showing clear added value. The five professional positions in RCOs are facilitating improved UNCT planning, stronger emphasis on SDG financing and economic policy, better convening and leveraging of dynamic partnerships, a sharper focus on SDG data and results and more effective communications as a system. This cadre of coordination professionals is supported by the newly established Development Coordination Office (DCO), which has moved into high gear. DCO is also ensuring

timely and responsive secretariat support for the work of the UN Sustainable Development Group at the global level and its new regional teams are bringing a new level of coordination engagement at the regional level, helping the system roll out key tools for integrated planning, policy, and programming, especially new Common Country Analyses and UN Sustainable Development Cooperation Frameworks.

10. **Second, there is strong evidence that the value of the RC system – in terms of improved leadership, coordination, and convening – is translating into a strengthened and more tailored contribution from UNCTs**
11. Feedback from Member States and other stakeholders shows that the UNDS is now responding better to national needs and priorities and providing a more tailored response to specific country contexts. A significant strengthening of RC system capacities in Multi-Country Offices is expected to deliver much needed improvements in our support to Small Island Developing States. The strengthened and equal distribution of coordination capacities in every country, supplemented by the expanded reach of UNCTs, is also key. In contexts affected by crisis or fragility, double-hatted and triple-hatted RCs are working to facilitate improved collaboration across the UN's development, peace, and humanitarian operations. Determined actions are underway and though still at its early stages, this report documents evidence of where the new arrangements have made tangible improvements. There have also been significant improvements in transparency and accountability for results.
12. Crucially, the RC system has passed its first major test. In helping to facilitate a rapid, coherent, and effective response by the UNDS to the immediate health, humanitarian, and socio-economic impacts of the COVID-19 pandemic, it has shown its considerable value and potential. Committed and better coordinated efforts by the entire system are seen in concrete, measurable results, a sample of which include: in 2020 240 million people received essential-health related services; 1 in 10 children globally received distance learning support; 73 million children were vaccinated against life-threatening diseases; nearly 120 million people were supported through social protection schemes; and over 650,000 women and girls were provided with gender-based violence services despite COVID-19 related constraints and lockdowns. The early evaluative evidence points to the critical enabling role played by the RC system in shaping the response. This was supported by a clear global policy and monitoring framework, effective communication between global and national levels, a dedicated pooled fund to incentivize joint and integrated action, and clarity as to the respective roles of the RC, UNDP and UNCT members at the country level.
13. The COVID response set the bar and provides a blueprint for how the RC system can leverage the diversity and immense capacities of the UNDS to accelerate SDG implementation during the Decade of Action. Numerous examples show that this is in fact already happening. This report illustrates how RC coordination of the Cooperation Framework process is leading to more integrated planning and a shift in the nature and quality of support the UNDS can provide. It shows how the RC's leadership is enabling more integrated policy advice and joint programmatic support from the UNDS on key SDG transitions. It also shows how the RC's convening role can be used effectively to allow the UNDS to engage in ambitious partnerships at national and local levels and help leverage financing from all sources for countries' sustainable development priorities, in line with the Addis Ababa Action Agenda.
14. Efficiencies are also being achieved due to the impetus provided by the reforms, a significant push from individual UN entities and a more collaborative way of working embodied in the new RC system. Efficiency gains will free up much needed resources for SDG programming by UNCTs.
15. **Third, the RC system is leveraging the wider UN reforms.**
16. A new management paradigm for the UN Secretariat and wider efforts to secure gender parity and regional diversity at all levels of the Organization have all benefited the rollout of the new RC system. This is true also of the UN Data Strategy, the UN Youth Strategy, and my Call to Action on Human Rights, all can serve to strengthen the capacity and tools of our teams on the ground to advance sustainable development. A recalibration of the UN's peace and security pillar has taken place alongside efforts to strengthen collaboration across our development, humanitarian and peace operations – with the RC system having a crucial role to play including as it relates to the mobilization of surge capacities for UNCTs, when required, in transition settings. At the regional level, a more coordinated UNDS also holds significant potential. The creation of Regional Collaborative Platforms in each region and the work conducted through issue-based coalitions on subregional and regional

development priorities have reinforced capacities of RCs and UNCTs to address country level and cross-border challenges. Through DCO regional teams, a dedicated capacity is primed to provide focused support for RC and UNCTs in their respective regions. This is, however, very much a work in progress and will require determined action from the UNDS and oversight from member states to ensure it bears fruit in every region.

17. **Fourth, while important benefits have already accrued and the direction of travel is positive, it is also abundantly clear that a continued push and some recalibrations are still required.**
18. Leadership and capacity: Feedback and data show that the coordination, leadership and convening capacities of RCs is paramount to effective UNCTs but is not universally where it needs to be. There is also scope for an improved contribution from RCOs and DCO, particularly at the regional level, and in information and communications. In this regard, I have outlined a series of measures for the attention of DCO and UN entities to help further diversify the RC pool and create incentives that will improve the career path of RCs. I have also identified areas for attention by DCO and the Chair of the UNSDG as it relates to DCO's own performance, and that of RCOs.
19. Country team configuration: Reviewing country presence is a key part of securing a new generation of country teams. It is crucial to ensuring that we see the most efficient deployment of the system's resources to address national priorities and needs through implementation of agreed Cooperation Frameworks, but we are not yet seeing the progress that is needed for an integrated agenda. I have requested the UNSDG to develop a clearer pathway in this regard over the course of 2021 and 2022, including as it relates to securing the most appropriate skillsets and profiles in UNCTs.
20. Rising to the challenge of the Decade of Action: The shift towards the substantive contributions from the UNDS to support SDG implementation is still a work in progress. The response to the COVID-19 crisis shows what the UNDS can do when it comes together in a coherent and unified manner and there are important learnings for the future. In addition, there remains a need to further sharpen the skillsets and capacities to accelerate progress over the course of the Decade of Action, particularly in areas such as integrated policy support, financing, data, and partnerships. It is also essential that we step up our work on partnerships and our collaboration on the ground with international financial institutions.
21. Accelerating efficiency gains: There is scope for further progress in efficiencies, including as it relates to common premises, global shared service centers, the UNDS regional presence and reporting by UN entities on efficiency gains. Further action on the side of UN entities and governing bodies is now required to maximize the availability of resources for SDG programming.
22. Improving the quality of funding for the UNDS: A strong effort has been made by Member States to meet their commitments under the Funding Compact. This is visible in the increases in the share of assessed core funding to UN entities and in support for some pooled and entity-specific thematic funds. I commend Member States for their commitment. Yet little progress is being made on two of the most important incentives and enablers of a coordinated and integrated approach by the UNDS: increasing the core share of voluntary funding for UNDS entities and adequate capitalization of critical funds such as the Joint SDG Fund. There is a need also to further broaden the donor base. These challenges are not unexpected. Funding practices require a shift in the approach by traditional development partners that has been established over many decades, and the support of national-level decision makers. The broadening of the funding base requires new donors to provide support to core functions in a manner that recognizes both a changing global context and historical responsibilities. If changes are not made, the reforms will simply not reach their full potential. The capacity of the UNDS to support achievement of an ambitious 2030 Agenda will be limited, affecting confidence in multilateralism itself. With unrivalled reach across the world, a diversity of skillsets, a normative foundation and long-established relationships with numerous development partners, including first and foremost programme governments, the UNDS continues to provide a unique value proposition for advancing sustainable development progress at scale, including in places that are furthest behind. I urge all Member States to seize this opportunity to maximize returns on their investments and to step up their contributions to the system. To facilitate this, I am proposing that the traditional Pledging Conference for Development Activities be reimagined to become a forum for Member States to announce their annual commitment to invest in a repositioned UNDS, in particular in unarmarked voluntary funding of UN entities and in the Joint SDG Fund.

23. **Fifth, the dual accountability model, which is at the heart of a well-functioning RC system, is inconsistently applied and needs reinforcing.**
24. Resolution 72/279 sets out clear parameters for a new set of accountabilities within UNCTs, with UN entities accountable to their governing bodies on their respective mandates and reporting, periodically to RCs on their contribution to collective results under the Cooperation Framework. Yet implementation of this model is, at best, inconsistent. RCs continue to face challenges to their authority, inadequate levels of cooperation and the persistence, in some instances, of a ‘go-it-alone’ culture. Progress has been made in aligning Country Programme Documents with the Cooperation Framework, but work remains to be done. In some instances, programme country Governments themselves, as well as local development partners, do not adequately recognize the leadership role of the RC, thus contributing to a fragmented response. In addition, there are clearly instances where RCs appear to have gone beyond their defined role, and there is still insufficient clarity regarding some specific functions, such as on resource mobilization or communications. The integrator function of UNDP is another area where we need to make further progress. It is critical that all UNCT members, UNDP Resident Representatives and Resident Coordinators share a common understanding of how it can be leveraged to support implementation of the Cooperation Framework. In short, there have been widespread changes in the formal sense – a new Management and Accountability Framework, changes in HQ guidance of entities to their country representatives, action by a number of governing bodies to encourage better coordination and greater coherence in UN action – but the deeper shift in behavior and entity business models is still a work in progress. This needs to change.
25. While entities are still trying to find the right balance between visibility, attribution and collective results and we still need to strengthen engagement between RCs and UNCTs, the letter and the spirit of dual accountability model must be fully adhered to. Some concrete changes are now needed to further facilitate this. I call on the General Assembly to reinforce the dual accountability model. I am requesting the Chair of the UNSDG to work with the group to address decisively any issues that remain a source of ambiguity or concern. This includes clarity on the roles of RCs, UNCTs and the specific role to be played by UNDP to support integrated policy and programmatic support. Governing boards have taken on their roles in overseeing adherence to the dual accountability model with great determination and I am requesting the Chair to ensure they are provided with the information and tools needed to further advance this work, ensuring full alignment from country level right up to the global level.
26. **Sixth, the current model for funding the RC system is not generating adequate or predictable levels of resources. This is not sustainable. It represents a significant risk and places considerable operational constraints on the RC system. It jeopardizes the success of the work that we have undertaken together these last four years.**
27. Over the past three years, a sterling effort by the Development Coordination Office, UN entities, the governing bodies of UN entities, and various Member States has made the very best of the compromise hybrid funding model agreed in 2018. The cost-sharing arrangement put in place by UNDS entities is working well and meeting expectations. The 1% levy on tightly earmarked voluntary funding has generated over \$40million in 2020 but is well short of the \$80million initially envisaged in 2018 and has not led to a reduction of strictly earmarked voluntary funding, as initially intended. Voluntary funding has been crucial to the early transition and has stabilized over the past two years. I commend all who have made contributions, particularly those who did so early, in multi-annual commitments and at a level that is in keeping or indeed beyond the equivalent of the assessed value. Yet the expected level has still not been reached, contributing to a budget shortfall of some \$70million in 2020, 27% of the total budget.
28. We have now reached a point where the continued underfunding of the RC system is set to undermine its operations – undermining the coordination required for an \$18billion annual development spend by the UNDS; undermining our ability to attract the talent that RC leadership on the SDGs requires, and undermining the RC system’s capacity to maximize the contribution of the UNDS just as countries face difficult prospects of recovery from a large-scale human crisis and a make-or-break moment on SDG implementation.
29. Some have asked if the budget of the RC system could be reduced. I believe this cannot be done without diluting your ambition for a transformed UNDS working more effectively together to deliver for your specific sustainable



development needs. The RC system continues to represent an efficient and lean operation – with some 86% of its \$281million budget focused on field level coordination in 149 countries and territories. It has already generated savings that have supported the boosting of capacities in support of Small Island Developing States. As this report shows, with less than 1% of the total budget for operational activities for development, the investment in its core capacities – RCs, RCOs and DCO – is generating clear returns that are already translating into improved performance and results by the UNDS.

30. Over the past two years, prudent financial management, a staggering of recruitment and redeployment of savings due to operational restrictions related to the COVID-19 pandemic, has allowed us to build up the RC system, while responsibly maintaining spending just ahead of cash flow, despite budget shortfalls. We are fast approaching a moment of truth however, as the RC System reaches full strength and our ability to stagger spending patterns is narrowed. Needless to say, this situation creates significant uncertainty for managing the system. It will inevitably lead to posts going unfilled. The full ambition of General Assembly resolution 72/279, will require a predictably and fully funded RC system, sustainable over time.
31. I remain convinced that the logical conclusion is to fund the RC system – this core development function – through assessed contributions under the UN’s regular budget. Should this not be agreeable to Member States, I encourage the establishment of a hybrid 2.0 funding model. This model would maintain the cost-sharing arrangement that is strengthening the collective buy-in of the UNDS in the repositioning exercise. It would maintain the levy, with a projected threshold of \$50million but administered and paid at source in line with resolution 72/279. I recommend, however, replacing the voluntary contributions component and the current funding gap with assessed contributions from the regular budget to secure a sustainable and predictable funding base. This would amount to a total of approximately \$154million, freeing up voluntary resources for much needed investment in programming through the UNDS. This hybrid 2.0 model would, I believe, greatly strengthen the funding foundations of the RC system.
32. The progress made in the past three years in creating an empowered, independent, and impartial RC system has been rapid, significant, and impressive. It is something that we should all be proud of because it has been a joint effort. It has only been possible because we pursued a common vision and because Member States and the UN development system all pushed in the same direction.
33. Now, we must take it to the next level. I call on the UNDS to further embrace the RC system, because it is the best vehicle we have for achieving greater impact. I urge individual Member States – whether in programme countries, in donor capitals or in governing bodies – to do all they can to facilitate the leadership of the RC and a more collaborative UN development system. Finally, I urge the General Assembly to take decisive action to secure the sustainability of the RC system and to continue to support this journey to maximize the contribution of the United Nations to the economic and social advancement of all peoples – ending the injustice of poverty and achieving sustainable development for all.

## **I. The journey thus far**

34. As Member States were gearing up to adopt the 2030 Agenda, a process of deep reflection, review and repositioning of the UN development system got underway. It was centered on ensuring the system was fit for purpose and ready to step up to the transformation demanded by the 2030 Agenda.
35. This chapter provides a recap on the process that led to the adoption by the General Assembly of Resolution 72/279, recalling the level of ambition that was contained in that resolution. It also provides an overview of the steps taken to translate those reforms into practice in the intervening three years, demonstrating that deep changes and significant progress has been made in a short period of time.

### **A. Repositioning the UN development system for the 2030 Agenda**

36. The 2030 Agenda presents an entirely different proposition to the UN development system, the broader multilateral system, and governments everywhere than its predecessor, the Millennium Development Goals. Its transformative emphasis on inclusive economies and an integrated and balanced approach across the three dimensions of sustainable development calls for a much wider and more sophisticated offer from the UN development system, one that leverages the full breadth of the system's capacities. And its ambition and urgency – in keeping with the scale of the challenges posed by continuing poverty and burgeoning inequality, persistent gender discrimination and a climate emergency – demanded a recalibration of how the system could maximize its contribution.
37. Member States recognized in resolution 71/243 on the QCPR that an Agenda that sought to transform our world by 2030 required nothing less than a transformation of the UN development system. Upon taking office, I immediately established a process to consider options to do just that. Over the course of 2017, based on a deep analysis of the system's functions and capacities and informed by extensive engagement with Member States and the members of the UN development system, I put forward a series of repositioning proposals in two foundational reports.<sup>1</sup>
38. At the core of those proposals lay a recognition that the value proposition of the UN development system needed to change significantly. There was a clear need to shift away from the supply-driven, largely project-and sector-based approach by disparate entities. Instead, the system needed to become more than the sum of its parts, providing high-quality, integrated policy advice and programmatic support, and to fully leverage its convening power in support of country priorities to drive national implementation of the SDGs.
39. The analysis showed that such a shift could only be achieved through a fundamental rethink of coordination arrangements and accountabilities, especially at the country level. As I stated at the time, business-as-usual approaches would simply not deliver the quality enhancements in UN support for the much-needed transformation at country level. The 2030 Agenda demanded a full-time coordination function leading UN country teams with different skillsets, more cohesion, responsiveness, and greater accountability for results. I proposed to enhance leadership on development at all levels. At the global level, I elevated the coordination of sustainable development to the Deputy Secretary-General and delegated to her the chairship of the UNSDG. At the regional level, new Regional Collaborative Platforms have been established to bring the diverse capacities of UN entities together behind a series of issue-based coalitions on subregional and regional development priorities. At country level, I proposed the creation of an independent, impartial, and empowered RC function, backstopped by a small core of professional staff and a standalone Development Coordination Office, located in the UN Secretariat.
40. In turn, a new generation of UN Country Teams, under the leadership of the RC and with a responsive UNDP providing an SDG integrator function, would focus on leveraging the best of the UN development system regardless of their geographical location. Achieving such change would not come about easily: it would require behavior and mindset change, a fresh commitment to transparency, results and oversight, a strengthening of the

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<sup>1</sup> “Repositioning the UN development system to deliver on the 2030 Agenda: ensuring a better future for all”, June 2017 (A/72/124–E/2018/3) and “Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet”, December 2017 (A/72/684–E/2018/7).

sustainable development skillsets across the UN development system a new-set of accountability arrangements among UN entities and a significant shift in patterns of UN development system funding.

41. These arrangements also called for a new set of tools for joined-up analysis and action, centered on a UN Sustainable Development Cooperation Framework that was in keeping with the deep transformation called for by the 2030 Agenda and intentionally aligned to country needs and priorities. To ensure UN development system support was tailored to different contexts, I called for a recalibration of our support to countries in special situations – Least Developed Countries, Landlocked Developing Countries, and, particularly Small Island Developing States – and to strengthen collaboration across our development, peacebuilding and humanitarian operations, underpinned by human rights. There was also a very clear need to revisit arrangements at the regional level with a view to more effectively and efficiently channel expertise towards UNCTs and take more targeted action on cross-border challenges. In total, these changes would reposition the UN development system, with an effective and enabling RC system as its backbone, to be truly fit for the 2030 Agenda era.
42. Over the course of 2018, Member States considered these proposals, examined the different options, and took a landmark decision in General Assembly resolution 72/279. Member States decided to create a dedicated, independent, impartial, empowered, and sustainable development-focused RC system and called for a new generation of UN country teams. Instead of funding the RC system through the Organization’s regular budget as I had proposed, Member States agreed on a hybrid funding model, composed of a 1% coordination levy on tightly earmarked third-party non-core contributions to United Nations development-related activities, to be applied at source; a cost-sharing arrangement among United Nations development system entities; and voluntary, predictable, multi-year contributions to a dedicated trust fund. Over the course of 2018 and 2019, further changes were agreed, including a Funding Compact, proposals for strengthening Multi-Country Offices and revamping arrangements at the UN regional-level; and on establishing an independent System-Wide Evaluation Office to undertake more frequent and consistent system-wide evaluations of UNSDG performance and results.
43. Taken together, the agreed reforms represented the most ambitious change in this history of the UN development system and a watershed moment for the United Nations. They placed sustainable development more squarely at the center of the Organization, in line with the UN Charter and based on the realization that sustainable, inclusive development that is grounded in human rights provides the best vehicle to eradicate poverty in all its forms, achieve peaceful and prosperous societies, and protect the environment and the rights of future generations.

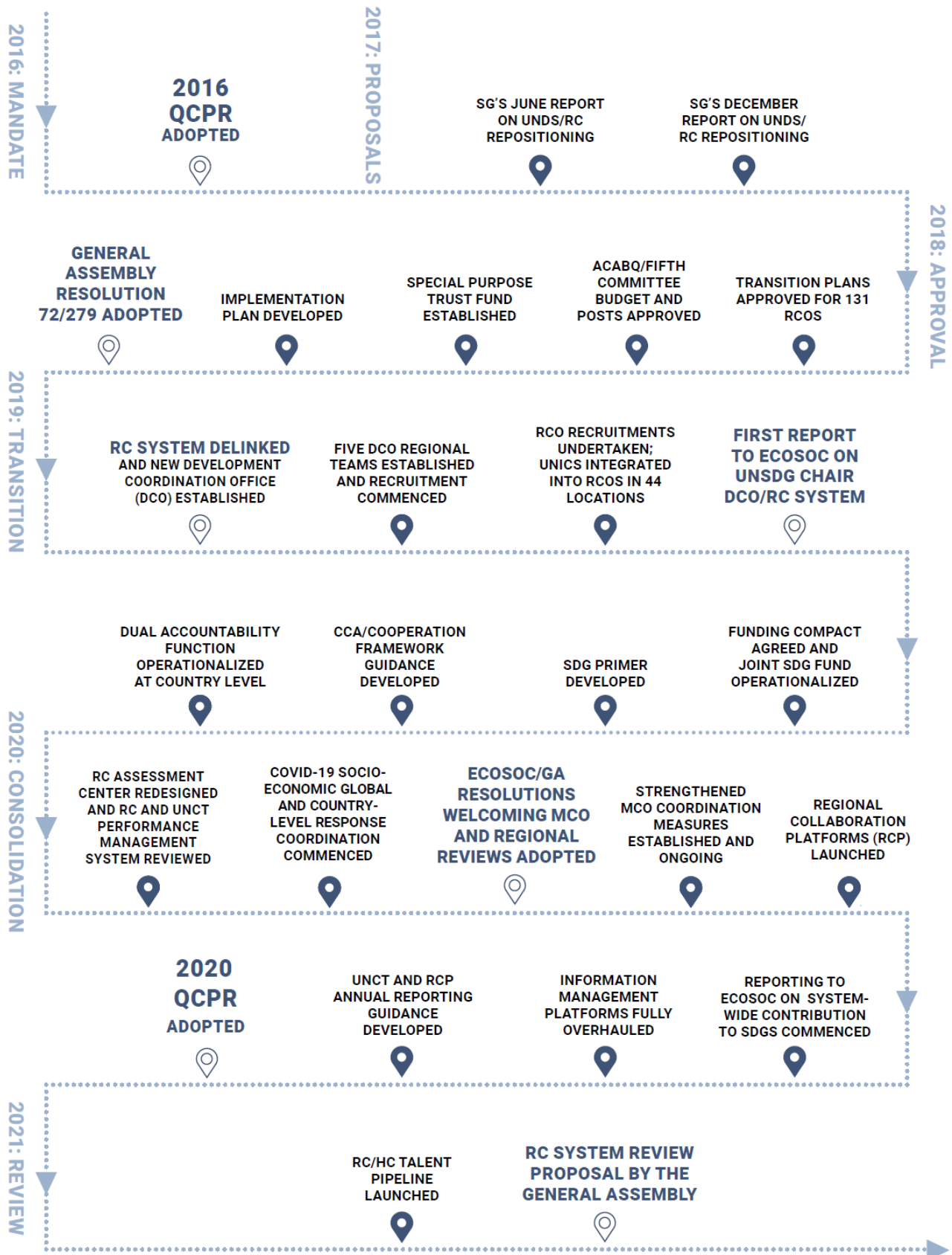
## **B. From resolution to results**

44. With the adoption of resolution 72/279, I moved swiftly to ensure full and effective implementation with the establishment of a dedicated transition team and RC system implementation plan.<sup>2</sup> By the end of 2018, the key changes required to establish the new RC system were in place.
45. A special purpose trust fund was created to manage all contributions and financial transactions of the new RC system. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) approved the creation of applicable posts and the Fifth Committee approved the allocation of the cost-sharing contribution from the UN Secretariat members of the UNSDG, with the governing bodies of almost all other UN entities doing likewise. Early contributions were also mobilized to ensure sufficient funding to get the new RC system off the ground. In addition, the Development Operations Coordination Office was formally separated from UNDP and a stand-alone, renewed Development Coordination Office was established within the Secretariat. Transition plans were approved for 131 RCOs and a memorandum of understanding was signed by the Secretariat and UNDP to ensure the maintenance of operational services for the RC system during the transition period.

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<sup>2</sup> [Resident Coordinator system implementation plan](#)

# RC SYSTEM OPERATIONAL AND SUBSTANTIVE MILESTONES - 2017 TO TODAY



46. The smooth transition to the reinvigorated RC system was achieved, with the support of a dedicated task force, comprised of my Office, key Secretariat entities and UNDP. The task force revised thoroughly and continuously all aspects, including the legal foundations of the new RC system, contractual issues, and the transition in the operational systems underpinning the RC system. It was essential in the transition to be able to benefit from UNDP's close collaboration and important operational support, formalized through a service level agreement (SLA) between the Secretariat and UNDP. Through the SLA, UNDP continued to provide some services to the RC system for a fee, while the transition of different services proceeded in a staggered manner over the course of 2019. Where necessary, the timeframes for transition of some services or specific countries were adjusted to avoid disruption. This achievement should not be underestimated, and I commend the engagement of the secretariat and all entities, and especially the stalwart support of UNDP, that made it possible.
47. In the two years that followed, all staffing, funding, policy tools and accountability arrangements have been put in place with remarkable efficiency to support the full operationalization of the new RC system, including the core capacities of the RCOs and the assigned positions in DCO. New arrangements have been put in place to strengthen the MCOs, including through additional regional and country coordinators and the establishment of a new MCO in the North Pacific. In terms of incentives and accountabilities, a historic Funding Compact was agreed. New arrangements were operationalized in 2019 through the country-level internal Management and Accountability Framework (MAF), setting out the relations between UNCT members and the RC and reporting requirement, in keeping with Resolution 72/279. The global and regional components of the MAF have also been developed and expect to be signed-off by the UNSDG by mid-2021.
48. Notwithstanding the scale of the change that was required and the challenge of an unprecedented global pandemic, the necessary steps for establishing the independent, impartial, and empowered RC system as envisaged by Resolution 72/279 have been taken. Due to the considerable efforts of the UN system and governments, the reinvigorated RC system has moved from concept to reality.

## **II. Performance of the RC system: meeting the immediate objectives**

49. General Assembly resolution 72/279 stressed several areas where the new RC system was to excel, as an enabler of a repositioned UN development system. The RC system would require new levels of leadership, authority, and impartiality to deliver. It would also require a strong support infrastructure in the Development Coordination Office and through RCOs. Below, I set out the state of play on each and identify ongoing challenges and areas where refinement or deeper changes are needed.

### **A. Strengthened RC leadership, authority, and impartiality**

50. Enhanced leadership, authority and impartiality of the RC system is at the core of the new arrangements established as part of the reforms. The knowledge, skills and capacities of RCs are crucial to that end. Numerous steps have been taken to ensure progress on both fronts.

51. Since 1 January 2019, RCs are now fully delinked from the UNDP resident representative function and report directly to the Secretary-General in a system managed by the Development Coordination Office. RCs benefit from the new delegation of authority rules that I established as part of the management reform. This delegation of authority provides them with crucial flexibility and ensures the system remains field-focused and able to adapt to quickly changing country needs.

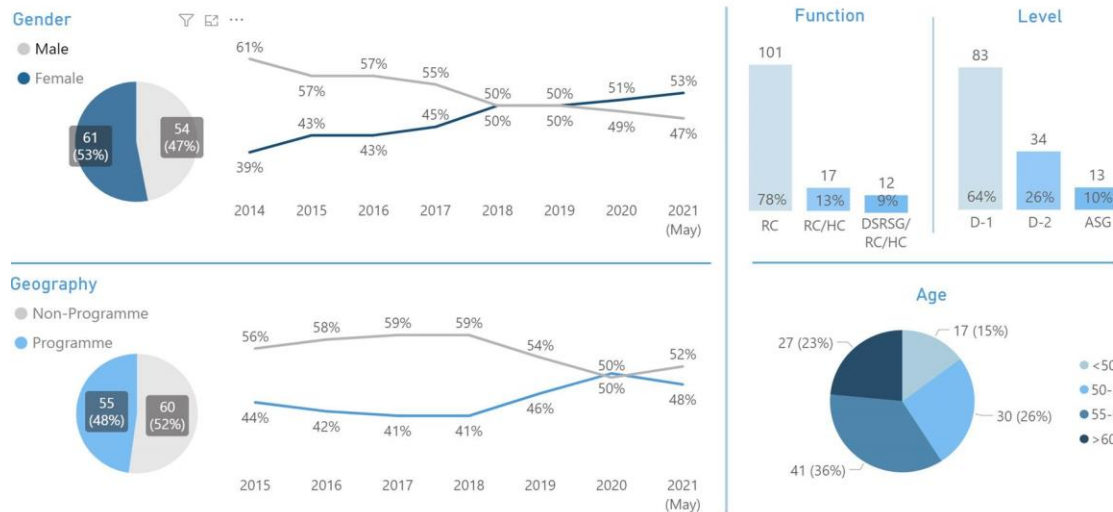
52. The location of the RC system within the Secretariat has institutionalized the UN's coordination function for development at the core of the United Nations. RCs are connected more directly to the Secretary-General, finally giving real effect to the longstanding practice that RCs are my senior-most representatives for sustainable development at the country level. It brings the RCs closer to the priorities identified in intergovernmental frameworks such as the SAMOA Pathway, the Vienna and Istanbul Programmes of Action, and the Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation. It also facilitates stronger connections to the humanitarian, political and peacebuilding work of the organization, with a strong focus on prevention. It also helps ensure that RCs benefit from the wider Secretariat policy ecosystem. Based on the management reform, the Secretariat has moved towards more decentralized, nimble, and effective operations. Delegation of authority has empowered heads of entities, including the RCs to make operational decisions closer more flexibly to the point of mandate delivery. Bringing RCs into the Secretariat further enabled the organization to build on its operational economies of scale and provide reliable, consolidated, and efficient administrative services to RCs. It also supports action on system-wide efforts to uphold UN values in our operations, including as it relates to countering racial discrimination, tackling sexual exploitation and abuse and advancing disability inclusion, gender parity and environmental sustainability.

53. A new generation of RCs is emerging – professionals with proven sustainable development expertise and the full set of skills and experience required to help countries achieve the 2030 Agenda. The redrafted RC job description clearly redefines *what* RCs are expected to do, and the new RC leadership profile articulates *who* RCs should be and *how* they should behave and do their job – building on the UN System Leadership Framework. The new RC/HC Talent Pipeline launched in 2021 aims to build a diverse pool of high caliber candidates with potential for RCs and/or RC/Humanitarian Coordinator (HC) functions. The RC Assessment Centre was fully redesigned to recruit the best talent, with strong development credentials. The RC system selection process is being fully overhauled to focus exclusively on the imperative on deploying the best profiles to the right places. The RC deployment process has also been systematized, including through early consultation by DCO with the concerned missions in New York.

54. Ensuring diversity within the RC cohort has been a top priority. As of May 2021, more than one-third of RCs were appointed following the shift of the RC system to the Secretariat in 2019, providing a first opportunity to diversify and bring new talent to the RC ranks. Considerable focus was placed on consolidating gender equality among RCs, improving geographic balance and diversifying the nationalities represented. As a result, we have shifted from a reality in which RCs were primarily male from non-programme countries, to one with much greater geographic diversity where gender parity has been achieved and even surpassed. As of May 2021, 53% of RCs

were female (compared to 50% in 2019) and 48% from programme countries (46% in 2019), and they represented 58 nationalities (54 in 2019) (see figure 1).

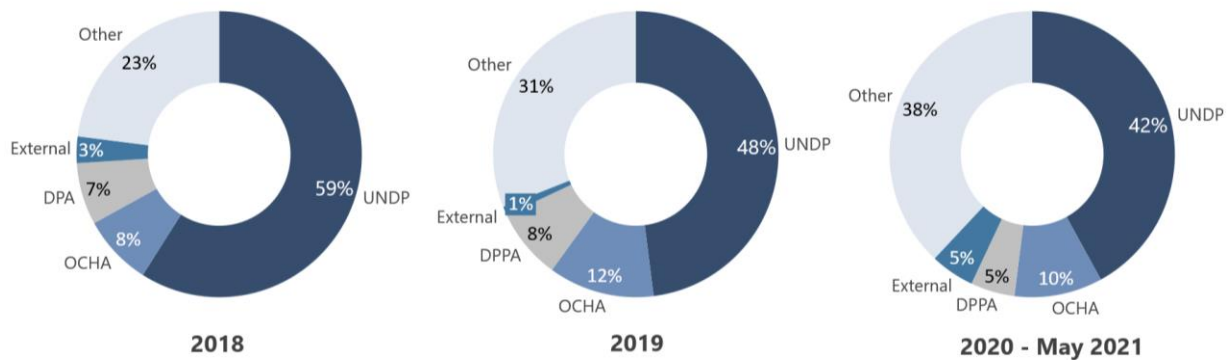
Figure 1: RCs by gender, geography, function, level, and age



Source: DCO

55. In addition, we have diversified the experience and background of RCs in terms of entity of origin, and it is essential that we continue to progress towards an RC system that is increasingly attracting and deploying the very best talent from a variety of UN entities and from outside the system. (see figure 2).

Figure 2: Resident Coordinators by agency of origin



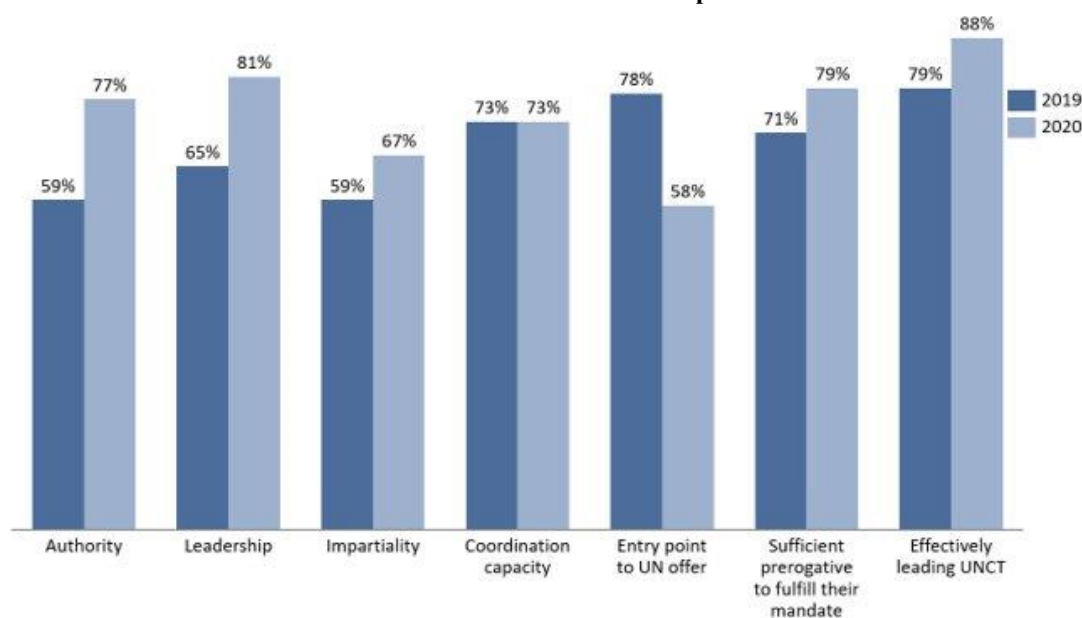
Source: DCO

56. RCs are given the full suite of support they need to succeed. First-time and rotating RCs are offered comprehensive country-specific in-briefings with senior colleagues across DCO, the UN Secretariat (including OCHA and DPPA) and UNSDG entities. RCs receive tailored support through mentors and coaches to help accelerate the learning curve of first-time RCs and help sitting RCs handle the challenges they are facing in real time. Some 47 RCs, including 30 first-time RCs, have benefited from this support so far. A new learning package – the SDG Primer – was developed with UNDP and made mandatory for RCs to ensure a stronger and shared knowledge base on the 2030 Agenda and clarity of understanding of the paradigm shift they are expected to facilitate. This is complemented by leadership dialogues for RCs on systems thinking, collaborative leadership and the application of foresight in the new Cooperation Framework process. DCO has also launched SDG Leadership Labs to strengthen the capabilities of RCs, UNCTs and RCO staff to innovate and lead transformational change. DCO is also supporting an RC-led process to understand the experience of women serving in an RC role and identify areas where tailored support is required.

57. Governments have reinforced the new role of the RC. Governments have provided a legal basis for the new RC system on the ground with minimal transaction costs – by replicating, mutatis mutandis and wherever possible, an existing UN agreement – most frequently the previous UNDP standard basic agreement. Today, agreements are in place in a vast majority of countries, though in 76 countries the longer-term legal basis is still under discussion. I count on all concerned Governments to help close this gap. In addition, a number of countries, national authorities have upgraded the RCs’ diplomatic rank, for example, formally recognizing them as the highest-ranking United Nations development system representatives in the country, and allowing increased access to top Government officials, including Heads of State and Government.
58. **We have ample evidence that, in part due to the above changes, we are already seeing improved RC leadership, authority and impartiality.** As highlighted in my 2021 QCPR Report and in figure 3 below, programme country governments have indicated that since 1 January 2019 when the new RC system was put in place, they are seeing RCs with strengthened leadership (81%), impartiality (67%), coordination capacity (73%). Furthermore, 78% of respondents see the RC as an effective entry point to access the UN system at country level, 88% of programme country Governments consider the RC to be effective in leading the UNCT and 79% consider RCs to have sufficient prerogatives to effectively fulfill their mandate. This reflects a substantial increase since 2019. The performance of RCs and UNCTs during the COVID-19 pandemic, detailed in Chapter IV, has reinforced these impressions, with 92% of Governments indicating that RCs ensured a coherent UN response.

Figure 3:

**Government feedback on Resident Coordinators’ skills and capacities**



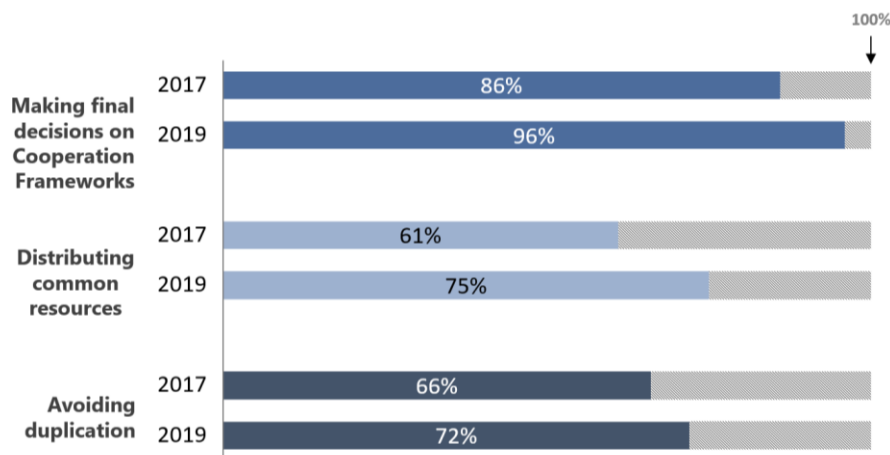
Source: DESA survey of programme country Governments, 2020

59. RCs own perceptions are along similar lines. More RCs report that they can make final decisions on the United Nations Sustainable Development Cooperation Framework/United Nations Development Assistance Framework and to distribute common resources. An increase is also registered regarding their influence in decision-making and avoiding duplication (from 66% in 2017 to 72% in 2019). A large majority of RCs report clearer understanding of their new leadership role and responsibilities, based on the revised RC job description and leadership profile.

Figure 4:

**Resident Coordinators’ progress on leadership and prerogatives**





Source: DESA survey of RCs, 2019

60. Importantly, these trends surface also in surveys of and by UN agencies on RC leadership, authority, and impartiality. About three quarters of UNSDG entities recognize reporting obligations to the RC for planning and programme implementation<sup>3</sup> Almost half of the respondents to a 2021 UNICEF survey of its country representatives reported an improvement in their strategic engagement with the RCs and an increase in RC ability to facilitate dialogue between the UNCT and the national Government.<sup>4</sup> UNFPA country offices have reported that their ability to mobilize resources, partner with stakeholders, implement programmes and engage on normative issues have all improved since 2019, in line with increases in the ability of RCs and RCOs to facilitate inter-agency work.<sup>5</sup> A similar survey by UN Women in 2020 revealed that a significant majority of its country offices noted an increased ability by RC/RCO to facilitate inter-agency work (67%) and increased support to their entity’s work and mandate (62%).<sup>6</sup> UNDP and UNICEF have also affirmed that they see the value and need for RCs to have a stronger coordination and convening role in the UN’s work on leaving no one behind, gender equality and human rights.<sup>7</sup> FAO country representatives consider RC’s neutral broker role essential to overcome inter-agency competition and overlap for joint resource mobilization.<sup>8</sup>
61. Finally, external studies validate these trends. Provisional findings from a forthcoming 2021 study by the Multilateral Organization Performance Assessment Network (MOPAN),<sup>9</sup> for example, notes that the transition to a reinvigorated RC system is one of the transformation areas of UN development system reform that has seen most progress to date and that has led to transformative changes, with demonstrated benefits by the COVID-19 response. It also found that the position of RCs vis-à-vis national governments is increasingly recognized and is a valuable and appreciated tool by government stakeholders for simplifying engagement with the UN. It noted also that development partners broadly recognize the increasingly independent and empowered RC and see it as bringing positive outcomes in terms of greater inclusion of UN entities (particularly those with no physical presence), more effective collaboration and advocacy, a coherent UN voice, and promoting strategic partnerships.
62. The new leadership and impartiality of RCs is reflected in their ability to secure greater engagement of UN entities that lack physical presence in country. This goes to the very core of the UN development system reforms and to our ability to provide the transformative policy support demanded by the SDGs External and internal reviews

<sup>3</sup> DESA survey of HQs of agencies, funds and programmes, 2020.

<sup>4</sup> Preliminary finding from a UNICEF survey of country representative, forthcoming 2021. For 2020 results see [here](#).

<sup>5</sup> UNFPA [Information Note](#) on the implementation of General Assembly resolution 72/279, 2020

<sup>6</sup> UN-Women [Information Note](#) on the Implementation of General Assembly Resolution 72/279, 2021

<sup>7</sup> Joint written answers by UNDP and UNICEF to the Operational Activities Segment

<sup>8</sup> Informal internal survey on the UNDS reforms, 2021

<sup>9</sup> UN development system reform: progress, challenges and opportunities, MOPAN, forthcoming

such as the study by MOPAN and the advisory work by OIOS that document the ability of RCs to create an important pathway for the inclusion of smaller and specialized UN entities into UNCTs, and that RCs are better advocating and enabling mandates across the system. Example of such action are set out in box 1 below.

These are among the most promising signs that the new RC system is delivering: not just supporting better coordination but facilitating a higher quality contribution from the full diversity of UN entities in the UN development system to the advancement of the 2030 Agenda.

#### Box 1

##### RC system in action: facilitating the engagement and mandates of UN entities

**Regional Economic and Social Commissions** are now members of 49 UN country teams, up from 40 in 2019 and 32 in 2017. In addition, 35 are signatory to the Cooperation Framework or the UNDAF of 33 countries. **DESA**, historically less connected to UN support at country level, has engaged in a total of 9 CCAs and 13 COVID-19 socio-economic impact assessments, including multi-country assessments covering 48 countries and territories, and is now engaged in global experts networks such as for economists and data professionals.

In Tunisia, the joint **UNICEF-WHO** work with the COVAX Facility benefited from the RC leadership to prepare and implement a COVID-19 response plan and a national vaccination strategy. RCs facilitated agencies' and development partners' engagement, fundraising and advocacy as "one voice" for the UN. 760,000 vaccines were provided in the first semester of 2021 alone. Overall, the UNCT was able to scale-up its work including in the areas of health, immunization, education, and social protection, strengthening resilience and national systems.

In the case of **IOM**, RCs have played a vital role in strengthening the UN's system-wide response to migration. More than 50 UN Networks on Migration have been established and launched at country-level, embedded within the UN Country Teams (UNCTs), with RCs taking on both Chair and Co-Chair roles alongside the International Organization for Migration (IOM) and using their leadership to mobilize the respective parts of the UN system.

In the area of gender equality, 60% of **UN Women** country representatives report increased ability to engage on normative issues and women's rights agendas with the RC. In turn, **UNFPA** report significant increases in RCs support for normative issues and for UNFPA's mandate since 2019. Recently, RCs played a key role in supporting UNFPA's engagement within UNCTs and with governments to advance the implementation of the Programme of Action of the International Conference on Population and Development, ahead of the Nairobi Summit to commemorate the 25-year anniversary (ICPD25).

The unique role of **UNDP** within the UN Country Team has been evident in its contribution as technical lead of the socio-economic pillar of the UN response to the COVID-19 pandemic. In Uzbekistan, in close coordination with the RC, UNDP steered the preparation of a consolidated COVID-19 Socio-Economic Response and Recovery plan (SERP), together with a range of partners – including UNFPA, WHO, the Asian Development Bank, and the World Bank. The SERP is specifically tailored to complement the National Strategic Preparedness and Response Plan, based on a common understanding of the priority issues and a costed recovery response plan widely supported by UN agencies and IFIs in the country.

The reinvigorated RC system has helped UNCTs assist Governments better, in their efforts to respect and fulfil their human rights obligations and commitments. In Mongolia, the RC obtained technical support from **OHCHR** in drafting a law to protect human rights defenders in the country, a key recommendation they had received in their most recent UPR. In countries like Albania, Bangladesh, and Sierra Leone, UNCTs have worked hand-in-hand with governments to review the status of implementation of their UPR recommendations and develop national processes to follow-up to these, often as part of countries new Cooperation Frameworks.

The RC system has also worked closely with the Office of the Secretary-General’s Envoy on Youth on a UNCT information and policy support package to advance the **UN Youth Strategy** implementation. UNCTs in Bangladesh, Costa Rica, Ethiopia, Ghana, Jordan, Morocco, Niger, Sierra Leone, Uganda, and Uzbekistan, under the leadership of RCs, are piloting the roll-out of the strategy and will field-test and fine-tune its implementation.

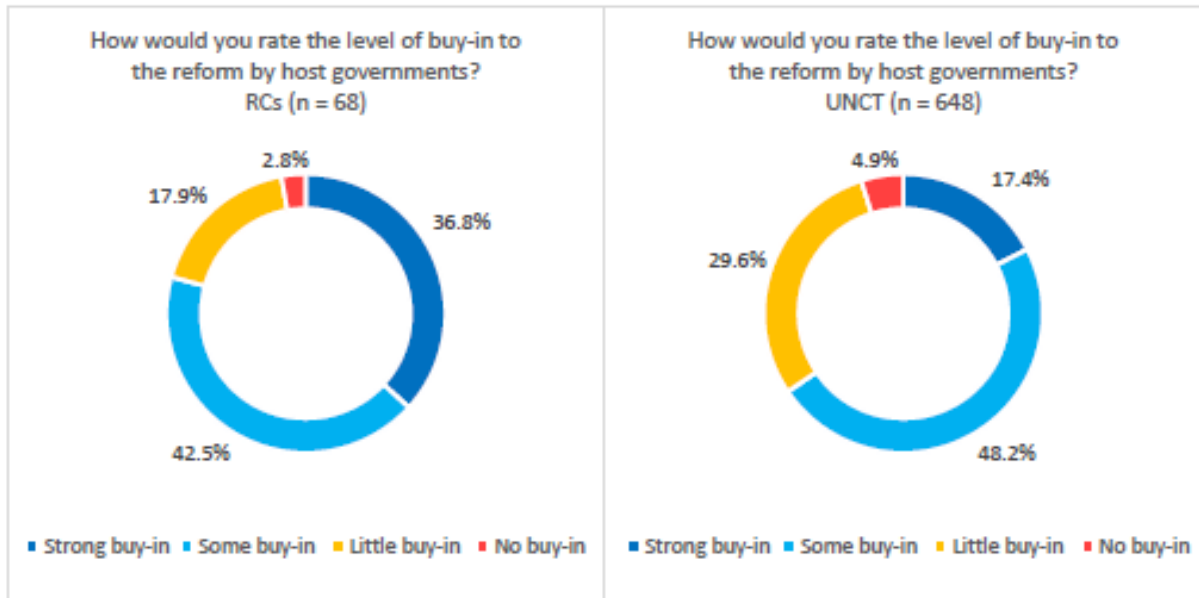
RC’s have facilitated **ITU’s** engagement with countries to roll out a service offering on digital transformation across all regions – from Latin America and the Caribbean, where ITU is also working with the MCO based in Trinidad and Tobago, to Asia Pacific. In Europe and Central Asia and Africa and with the guidance of the DCO regional director for Africa, ITU is now the co-convenor of the Opportunity/Issue-Based Coalition to leverage emerging technologies and drive digital transitions for inclusive growth in Africa. Entities like **UNEP** have reported that the RC system is leading to better connection between their research and normative work on critical cross-cutting issues and work by operational entities at country level.

Through the support of RCs to **UNIDO’s** Programme for Country Partnership in Cambodia, Egypt and Zambia, UN entities, governments, IFIs and donors are now working together to increase industrialization and socioeconomic interventions and opportunities, including in support of Cambodia’s and Zambia’s efforts to graduate from LDC status.

Closing the gaps

- 63. The new RC role has been established successfully and is widely seen as legitimate and adding value. At the same time, it is also the case that the leadership, authority, and impartiality of RCs can be further enhanced.
- 64. The fact that close to a quarter of programme country Governments that responded to the DESA survey believe it is too soon to make a definitive determination of strengthened RC leadership, impartiality and independence is, however, a reminder that the process is still unfolding. An OIOS survey of RCs and UNCTs confirmed that we still have some way to go in securing Governments’ buy-in. Continued attention by Member States is required to ensure success is consolidated and consistent across all countries and areas.

Figure 5  
**Host government buy-in to the reform**



Source : OIOS

65. It is also concerning that in 2019 some 43% of RCs indicated that they did not have sufficient prerogative to avoid duplication<sup>10</sup> and that in 2020 many continued to report that RC empowered leadership is not valued across the board and even seen by some as a threat.<sup>11</sup> In addition, RCs continue to report challenges across the board in ensuring their ability to steer processes in line with the spirit of the reform<sup>12</sup>. More than 50% of UNICEF country representatives reported that they do not see the reinvigorated RC function improving the collective UN support to national governments. Some of these shortcomings speak to the ongoing challenges relating to the dual accountability function and to the management of RC performance, which is addressed in detail in Chapter V.
66. We also need to further strengthen and diversify the RC pool. There remains underrepresentation within the RC pool of programme countries, in particular the Arab States, Asia and the Pacific, Latin America, and Small Island Developing States. I urge suitable candidates from these regions to apply to the RC/HC Pipeline and UN entities to encourage staff with the requisite profile to do the same I am also requesting DCO to expand its new pilot outreach programme to identify suitable candidates from programme countries.
67. New uncertainties regarding job security following the delinking reduces the appeal of the RC track and poses a considerable risk to its longer-term success. Addressing this issue is all the more important, as we are in the process of rejuvenating the RC cadre: younger RCs will have many years ahead of them after an RC posting, and will need some job security for themselves and, as may be the case, their families if they are to enter this track.
68. Since the RC system transferred to the Secretariat on 1 January 2019, 45% of the 71 RCs who completed their posting were appointed to another RC post and 55% left the RC track. Of the latter, sixteen retired (representing 23% of the total); ten returned to their entity of origin (14%); and four were appointed to DCO (6%). RCs should be able to move seamlessly in and out of the RC track and in and out of UNSDG entities, including the Secretariat. This will ensure that they have challenging and varied careers beyond the RC track should they so wish; that the RC track benefits from leaders with intimate knowledge and understanding of UNSDG entities; and that UN system leaders increasingly have a common, system-wide outlook.
69. Steps are being taken in this direction. DCO is engaging with UN agencies to make sure that RCs originating from these agencies are still considered internal candidates; are included in the agency's talent pools; have access to internal job openings; and have access to internal learning and development resources. In addition, I have requested DCO to dedicate more resources to individual career counselling and support to RCs and to examine how best to support RCs in-between assignments or those nearing retirement. In parallel, there is a need to advance towards the more ambitious objective of building an integrated career management system in the Secretariat and – ideally – the UN System at large. This will require exploring with UN system entities mutual recognition of senior leadership rosters and the establishment of UN system-wide talent pools for senior leaders. I intend to take this forward, in close collaboration with DCO, UN entities and the High-Level Committee on Management of the Chief Executives Board in the coming period. I also encourage DCO to facilitate periodic engagement between RCs and the principals of UN entities, to ensure a fuller sensitization of RCs to the mandates and diverse needs of different UN entities and any challenges they may face at the country level.
70. It is also important to look beyond leaders to leadership teams. Significant work is required to enable RCs and UNCTs to work effectively together. This could include harmonizing agencies' efforts to identify, select and train their country representatives, so as to ensure more uniform leadership capabilities within the UNCT; using the RC/HC Talent Pipeline as a source of talent for field leaders for the whole UNSDG, and not only for the RC track. Relevant provisions of the MAF, which allow for RCs to provide input to regional directors of UN entities on the skillsets and profile of leadership needed in a given country context ahead of selection – should be implemented more widely. Agencies could also pool the various career development resources allocated to their country representatives to ensure that all relevant UNCT members are trained at once on the same issues.

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<sup>10</sup> DESA survey of RCs, 2019.

<sup>11</sup> Third Secretary-General's global meeting with Resident Coordinators, 2020.

<sup>12</sup> Third Secretary-General's global meeting with Resident Coordinators, 2020.

## B. Enhanced backstopping capacities

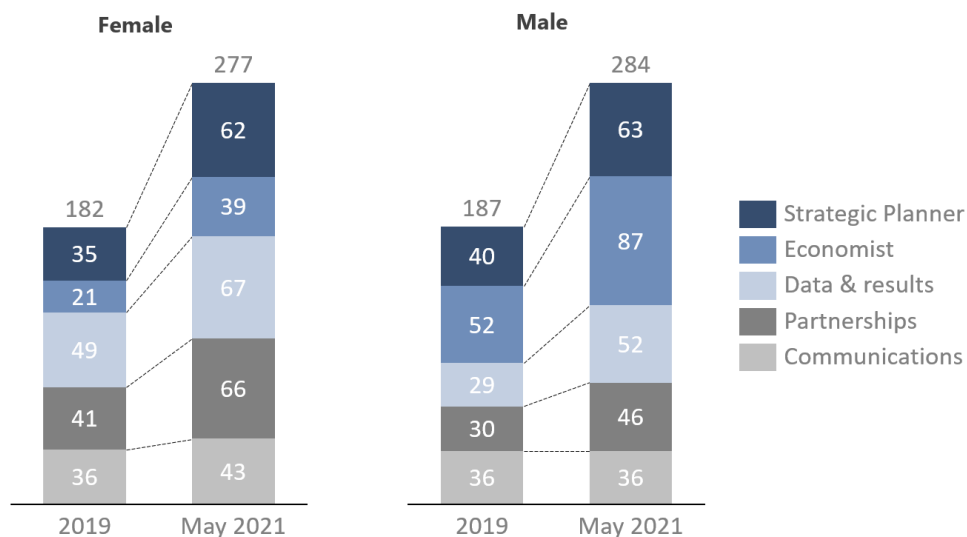
71. To enable independent, empowered, and impartial RCs to operate most effectively and fully leverage a new generation of UNCTs and the wider partnership eco-system, the reforms established standard core capacities for coordination in all RCOs, with back-stopping support through DCO.

### RCO support

72. **Dedicated support for RCs before the reforms was highly susceptible to the fluctuating interests of local development partners and dependent on the resource mobilizing talents of the individual RCs.** This led to ad-hoc and uneven RC support across countries. To address this, Member States supported the proposal for deployment of 5 core professional positions in each RCO, as well as two administrative assistants as the basic level of coordination support for all countries serviced by an RC, based on mapping and analysis of key functions. Each of these roles deliver specific expertise to support RCs to effectively lead and coordinate UNCTs and credibly engage with Governments and other partners: strategic planning, economic transformation, partnerships and SDG financing, SDG data and monitoring and evaluation, and communications.
73. As of May 2021, 571 recruitments have been completed in 132 RCOs, including 10 new coordination specialist positions in MCOs, as well as 196 international officers and 375 national officers – in line with the projected breakdown provided in 2018. Eighty-seven nationalities are represented across the international officers, 43% from programme countries. One hundred and nine RCOs are now staffed with at least four of the five core positions. Gender parity has been reached among the 571 RCO professional staff, and gender representation increased across RCO core functions. Those figures exclude the two general support positions in each RCO, which are currently at 90% occupancy. Steps are also being taken to facilitate the employment of suitably-qualified persons with disabilities in RCOs – in line with the UN Strategy on Disability Inclusion.

Figure 6:

### **Growth in staffing and gender balance across RCO core functions**



Source: DCO

74. Selective, additional, capacities continue to be deployed by the UN development system into RCOs in specific country contexts, in response to clear demands under the Cooperation Framework, with the approval of the host government. These additional capacities are not funded from the RCS Special Purpose Trust Fund for the RC system. For instance, the UNDP and DPPA joint programme deployed Peace and Development Advisors in more than 80 countries in 2020; OHCHR-managed Human Rights Advisors were deployed in 43 countries; and a collaboration with UN Women has seen Gender Advisors deployed in 13 RCOs. To enhance the provision of support by UN entities without physical presence in country, a further seven UN entities have deployed a

dedicated advisory capacity in at least 19 RCOs.<sup>13</sup> Not only is this an efficient way to deploy capacities without establishing separate entity country presence, but it enables additional relevant policy advisory capacity to be made available to support the work of the wider UNCT in areas that are not already covered by other members. These additional capacities now work as an integral part of a suite of coordination capacities, further facilitating the multi-dimensional approach critical to advance the 2030 Agenda in these contexts.

75. **The available data shows that the capacities deployed as part of the RC system – both in RCOs and in DCO – are performing to a high level.** Seventy-three per cent of programme country Governments have noted that RCs now have the capacity to coordinate UN activities in support to country development priorities. Over 90% of RCs agree that UNCTs view the RCO as a common resource for supportive analysis, policy, and programming.
76. Independent analysis, internal DCO reviews and feedback from agencies and other actors provide some additional insights. Stakeholders interviewed as part of an early evaluative study of the COVID-19 Response and Recovery Fund reported all five RCO positions as being important.<sup>14</sup> The OIOS advisory work notes that both RCs and UNCT members deemed the addition of an economist post to the RCO particularly important for enhancing overall UN analytical capabilities.<sup>15</sup> An internal DCO study of RCO functions found that RCs and staff perceive UNCTs to increasingly leverage the new capacities for better coordination around macroeconomic analysis, partnerships, and SDG data and statistics.<sup>16</sup> Overall, the respondents highlighted how increased capacities enabled more joint resource mobilization, joint communication and advocacy.
77. Examples of some of the contributions of each function are included in box 2 below.

**Box 2**  
**RC system in action: RCOs supporting more integrated UNCT action**

Strategic Planning Officers/Team Leaders support RCs and enhance the work of RCOs by coordinating and connecting teams across key priorities areas. RCO Strategic Planners/Team Leaders have been critical reference points for the roll-out of Common Country Analysis, Cooperation Framework and UN-Socioeconomic Response Plan processes. In several countries RCO Strategic Planners/Team Leaders, in close collaboration with the Partnerships and Development Finance Officers, have also positively contributed to the expansion of partnerships, including with the private sector, and the joint resource mobilization efforts of the UNCT.

RCO Economists are showing considerable potential not just as coordinators but also as strategic facilitators, thought leaders and broker of expertise within the UN system. In some UNCTs, RCO Economists have been instrumental in ensuring coordinated UN support to the Government on the preparation of the National Development Strategy (as in North Macedonia, Nigeria and Cabo Verde), on macroeconomic modelling (as for example in Mongolia and Jordan); and on responding to the economic dimensions to the COVID-19 pandemic (as in Malaysia, Egypt, Mongolia to mention a few). Others indicate that they are increasingly recognized as a key country-level contact on economic matters within the UN economist network while others play a central role in building networks in country: in Egypt, the RCO Economist led the establishment of the UN-IFI-Development Partners Economists Network and coordinates the regular network meetings to exchange views on the economy and share new analysis. Started as a UN-IFI initiative, it now includes economic officers from development partners and resulted in tangible collaborations between the UN and IFIs, including on inputs to IMF loan negotiations during Covid-19 response.

Partnerships and Development Finance Officers are deemed to have positively contributed to the expansion of partnerships (including the private sector), consolidating the efforts of UN entities and joint resource mobilization efforts of the UNCT. In many countries, including UAE, Mauritius, Sri Lanka, and Paraguay, Partnerships Officers have helped enhance UNCT cooperation with the Global Compact Networks. In Colombia, RCO Partnerships Officer engagement with private sector facilitated the emergence of WFP’s “share the meal” initiative to address the food shortage among the disadvantage families. Partnerships

<sup>13</sup> OCHA, UNDRR, UN-DSS, UNEP, UN Habitat, UNODC, UNV.

<sup>14</sup> Early lessons and evaluability of the UN COVID-19 response and recovery MPTF, April 2021.

<sup>15</sup> Early assessment of Resident Coordinator system reform, OIOS, November 2020.

<sup>16</sup> Internal functional review of Resident Coordinator Offices, DCO, March 2021.

Officers also played an important role in creating and managing various country-level pooled funds and in facilitating access to UN Trust funds such as the Peacebuilding Fund, and the UN Partnership for the Rights of Persons with Disabilities Fund.

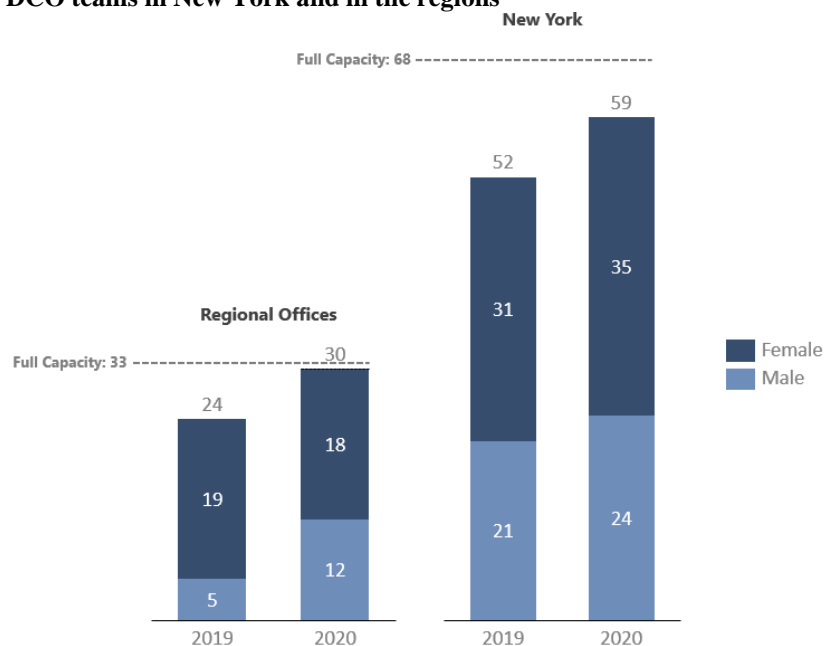
[Data management, monitoring and evaluation officers](#) are helping to strengthen a culture of results, learning and accountability. Data officers are critical in collecting, analyzing, and presenting data on several results reporting tools at both local and global levels, including UNCT annual reports and RC system data portals such as the COVID-19 Data Portal. In Moldova, the Data Officer was instrumental in bringing the COVID-19 assessment and plan together on an interactive online dashboard displaying the latest data on the local response from the UN. Data Officers are also providing a crucial new entry point for leveraging UNCT support for national statistics offices and the broader set of SDG data partners. In Costa Rica, for example, through the coordinated support on data by the RCO, the UNCT supported the Government in establishing a National Statistical SDG Commission. In Trinidad and Tobago, the RCO Data Officer supported the UNCT in forging partnerships for big data.

[RCO Communications Officers](#) are facilitating higher visibility of UN sustainable development work on the ground by developing joint communication strategies, supporting RCs in speaking with one voice for the entire UNCT, producing advocacy and communication material and reaching the public also in support of global initiatives, such as in the public mobilization effort around the 75<sup>th</sup> anniversary of the UN. In Sri Lanka, RCO Communications Officers brought greater coherence to the communications across UN agencies, including from entities with no physical presence. The merger of UNICs in RCOs has helped leverage existing resources, though experiences are mixed and require greater effort to ensure they are successful across the board.

### *DCO support*

78. **RCs, RCOs and UNCTs operating in 162 countries and territories rely heavily on a UN Development Coordination Office (DCO) that has been transformed to match the demands of the new system.**
79. As of May 2021, DCO in headquarters and at the regional level was almost fully staffed, with a total of 89 staff on board (60% female and 49% of the total from programme countries); a slight decrease in numbers from March 2021 due to staff turnover.

Figure 7: Staffing of DCO teams in New York and in the regions



Source: DCO

80. DCO – located in New York and with regional outposts – serves as the engine-room of the RC system. Its teams in New York are responsible for the professional effectiveness and personal well-being of RCs and RCO staff, as well as administrative needs of its five regional offices and 131 RCOs, including on the provision of surge capacity needs where they arise. It’s policy and programme staff help advance UN leadership and system-wide contributions to the SDGs through corporate policies and strategic guidance, common standards and quality control, communication, and information platforms. Of critical importance is the engagement at all levels, and with all parts of the UN system, to support countries in every step of delivering the next generation of transformative UNCT planning and programming instruments. A dedicated team also supports the UNSDG in advancing innovations in common business operations. DCO staff also enable improved system-wide data collection, information and knowledge management, as well transparent and high-quality progress reporting on behalf of the UNSDG. DCO is also responsible for resource mobilization for the RC system, engaging Member States and the ACABQ, and for ensuring full transparency of UNSDG results to the ECOSOC and partners as part of reporting and accountability requirements.
81. At the global level, DCO supports the UNSDG in ensuring improved policy and planning by facilitating the development of guidance and tools to guide RCs and their teams in developing Common Country Analyses and Cooperation Frameworks and other similar collective planning documents, while also performing quality control throughout the planning processes of 131 RCOs covering 162 countries and territories. Its leveraging of digital platforms for supporting RCs in tracking results and for better engagement with UN Principals has brought new levels of transparency and collaboration. Its support role has been in clear relief during the COVID-19 pandemic response. DCO co-led with UNDP at the early onset an inter-agency process to develop a UN framework for the immediate response to the pandemic and accompanying indicator framework, supporting the UN country teams develop UN Socio-economic Response Plans (UN-SERPS) at the country level. It has been facilitating frequent information sharing to support RCs and UNCTs, including through peer exchange; co-chairing a global taskforce to ensure strengthened medical and isolation capacity to UNCTs; and ensuring the activation of business continuity plans across RCOs. DCO is also now coordinating implementation of inter-agency efficiency measures to advance new Business Operations Strategies, common back-offices and common premises, and has played a key role in facilitating inter-agency collaboration and strengthening the collective engagement of UN principals with the RC system through its role as Secretariat of the UNSDG. The Office has also been central to the push to ensure the centrality of the development perspective in the work of a number of Secretariat committees, and translating system-wide strategies and intergovernmental outcomes such as those around youth, disability, data, climate change, development financing and food systems, among many others, into action on the ground.
82. Regional DCO teams, which essentially perform these HQ functions from within the time-zones of programme countries, have served as the first port of call for RCs in the region, contributing to step up analysis, assessments, programming, and partnership efforts at the regional and sub-regional levels. Despite varying experiences and maturity of regional DCO teams, for the most part they are recognized as having built close working relationships with the RCs/RCOs and with their regional partners within the UN regional architecture. They are seen to have provided high quality advice/support in their chairing of the Peer Support Group (PSG), in assisting in the roll out of the Common Country Assessments (CCA), Cooperation Frameworks (CF) and, recently, UN-SERP guidance in numerous countries, and in connecting RCs with UN agency expertise, supporting professional networks, as well as in facilitating and convening discussions on a regional and sub-regional basis around issues of common concern. In addition, together with regional economic and social commissions and UNDP, they now provide secretariat support to the new Regional Collaborative Platforms (RCP), supporting the RCP Vice-chairs in the new architecture, including on the new Issue-Based Coalitions that tackle priority regional concerns of countries in the region.
83. The evidence shows that DCO has done well in delivering these services. Ninety per cent of RCs/RCOs considered the support received from DCO New York in 2020 as “very appropriate” or “appropriate” The most positive ratings were for change management and information on UN development system repositioning, CCA and Cooperation Framework processes, as well as communications and advocacy. In addition, 94% of RCOs rated DCO regional support in 2020 as appropriate or very appropriate, particularly in facilitating knowledge sharing, building capacity, providing quality assurance and guiding the implementation of the reforms.<sup>17</sup> Feedback from a survey also commended the role of DCO as an effective secretariat of the UNSDG, with a 96% satisfaction

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<sup>17</sup> UNSDG Information Management System, 2020.



rate.<sup>18</sup> These findings were also validated by external studies: nearly all RCs surveyed by OIOS agreed that DCO guidance throughout the repositioning had been useful (97%), timely (90%), and comprehensive (89%).<sup>19</sup> The forthcoming MOPAN study has defined DCO support as ‘instrumental’ in both operational and strategic guidance and day-to-day management of RCs, with the majority of RCs reporting they had received adequate support on the MAF, the Cooperation Framework and Common Country Analysis, and the Business Operations Strategy.<sup>20</sup>

### Closing the gaps

84. **Though the early performance of the dedicated RCO and DCO capacities is impressive, internal, and external feedback shows that there is still room for improvement.**
85. At the country level, a DCO review brought to light several areas in need of refinement within RCOs. First, there is need for further clarity between the roles of Partnership and SDG financing Officers and Economists in the RCO. The OIOS advisory work also found that the Partnership and SDG Financing Officer position was often perceived at too low a grade to be able to deliver. As part of a broader review of the alignment of the titles of RCO positions with their core functions, DCO will adjust the TORs so that Partnerships Officers maintain a focus more squarely on the convening and leveraging dimension of the role, while the RCO Economists have a role that more naturally encompasses SDG financing.
86. Second, RCs and RCOs almost universally report that the administrative support for each RCO is not adequate to deal with the expanded convening role, execution of administrative tasks previously performed by UNDP, and support functions for which demand has clearly increased. In addition, they indicate a lack of dedicated capacity to effectively support the coordination of the Business Operation Strategy and efficiencies, including common back-office development, common premises, and other operational issues. In the UN Secretariat 2022 budget proposal to the General Assembly, it is proposed that one local level post be added in the RCOs. This addition reflects a substantial reduction in scope of operational support services provided by UNDP personnel at country level, and greater reliance on UN Secretariat systems for RC system operations. It will enable better achievement of the mandate, while also contributing to management reform goals. It will also be important to identify ways to pre-position surge capacities for rapid deployment to RCOs and UNCTs in the event of a significant development in a given country, as was the case during the recent transition in Sudan and the challenges being faced in Burkina Faso.
87. Third, a joint DCO-DGC review of the integration of UNICs into RCOs in 44 locations revealed that, while nearly three-quarters of RCs and a similar proportion of UNIC staff have expressed at least moderate satisfaction with the UNIC-RCO integration, especially where the UNIC and RCO were housed in the same physical location, the merger did not produce a significant change in communications. Several RCs noted that the profile of some UNICs did not match the strategic communications needs of a modern UNCT. In addition, many UNIC staff lacked the requisite seniority for leading effective interagency communications coordination. The Secretariat hiring freeze had been additionally detrimental to source needed talent. Dual reporting lines to RCs and DGC also seemed to pose constraints, amid a significant increase in workload with competing DGC and RC requests. DGC and DCO will now update job descriptions to clearly include required strategic communications skills. Reporting lines will also be streamlined and clarified. Training is being offered, recruitment will begin in line with Member States’ approval and a new strategic communications template aligned to the UN Global Communications Strategy and to country Cooperation Frameworks will be realized to establish agreed communications objectives and strategic planning.
88. At regional level, RCs and RCOs report variance in the quality of the management and support that they receive from regional DCO teams. UN entities also report the need to continue to elaborate the role of regional DCO teams vis-à-vis regional economic and social commissions, UNDP, and UN agencies. While a lot of progress has been made in recalibrating the architecture as part of the regional review, I encourage the Chair of the UNSDG to closely monitor implementation and make any necessary adjustments, in line with ECOSOC resolution 2020/23. I will also consider whether the current country coverage of DCO regional offices adequately serves all regions.

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<sup>18</sup> DESA survey of HQs of agencies, funds and programmes, 2020.

<sup>19</sup> Early assessment of Resident Coordinator system reform, OIOS, November 2020.

<sup>20</sup> UN development system reform: progress, challenges and opportunities, MOPAN, forthcoming April 2021.

I have requested DCO to consider all options in this regard, while noting the need to leverage other UN capacities at the sub-regional level wherever possible and that any proposed changes must remain within existing resources.

89. At global level, on the occasion of an RC stocktaking exercise on the reform at the end of 2020, RCs have reported insufficient cross-fertilization and support from HQ on partnerships, especially on private sector and IFIs. They have also called for concrete/guidance for Data Officers to apply in supporting countries to address SDG data gaps to inform the monitoring of SDG progress, SDG follow-up processes and better policy-making, building on efforts to enhance data interoperability under the UN Data Strategy. In addition, RCs reported that requests from headquarters in support of reporting requirements and UN processes continue to outstrip their Office capacities, limiting the time available to deliver on their country-level support functions. I expect DCO to continue to ensure opportunities for training, learning and growth to even out performance levels across RCOs, including by ensuring that RCO skillsets are calibrated according to country needs and priorities. Reporting demands on RCOs should also be streamlined.
90. As with strengthening the leadership of RCs, it is also important to consider the career path of RCO professionals and their connections with the rest of the UN development system. To ensure the RCO workforce remains agile and engaged, DCO and the UN System Staff College are partnering on an “RCO Learning Path,” an intensive training course to help RCO staff develop a common understanding of effective coordination engagement in support of the 2030 Agenda and the SDGs. DCO is also examining avenues for RCO workforce mobility across the common UN system, including UN Secretariat entities.

### **III. Towards a strengthened UNCT contribution on the ground**

91. It is clear that the fundamentals of the RC system are now in place and are largely functioning well. The ultimate test of the RC system, however, is whether it is facilitating an improved contribution from the UN development system on the ground – one that translates into better support for Governments to implement the SDGs.
92. This section considers the responsiveness of UN support to country context, needs and priorities. It analyses the performance of the UN development system in response to the COVID-19 pandemic, which dominated its first full year of operations. And it examines the degree to which RCs are facilitating a strengthened contribution of the UN development system in areas that are at the core of a paradigm shift in support for the SDGs: integrated policy and programming; SDG financing and partnerships.
93. Overall, I am pleased with the direction of travel. The COVID-19 response from the RC system and the UN development system at large showed what can be done and that the system is capable of doing development in emergency response. It has set the bar, but to meet expectations and needs around the 2030 Agenda a great deal remains to be done.

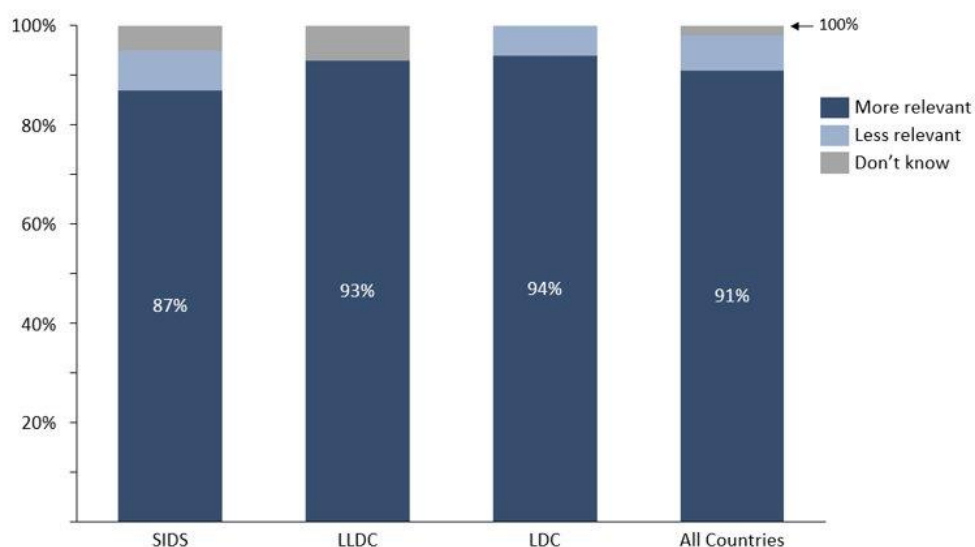
#### **A. Better alignment to national needs, priorities contexts**

94. **A key driver behind my initial proposals to reform the UN development system was the need for the system to better tailor its response to the diverse needs, priorities, and circumstances of programme countries.** This came from a recognition that for too long, international development assistance, including from the UN, had advanced a one-size fits all approach and failed to appreciate the diversity of programme countries – in terms of income levels, vulnerability, history, culture and more. It was also clear that UN presence in a given country had too often been determined more by patterns of donor funding than by development needs and that, in applicable countries, there was a need to ensure more effective collaboration on SDGs across UN operations, whether for development, humanitarian assistance or peace.
95. In my report on QCPR implementation to the ECOSOC Segment on Operational Activities for Development, I have outlined the extensive steps that have been taken to ensure the new RC system delivers better in these areas.
96. First, to improve alignment with national needs, priorities, and context, DCO has supported the overhaul of the **tools and processes for conducting Common Country Analysis and developing Cooperation Frameworks.** The new guidance emphasizes the shift to a new generation of UN support that is based on data-driven analysis of country needs, improved agility to adapt to changing needs, integrated and tailored support to country priorities, ensuring configuration of relevant UNCT capacities to deliver results, and a funding framework aimed at leveraging all funding sources and financing channels. All UN Sustainable Development Cooperation Frameworks are developed in consultation with national partners and are approved by national governments.
97. Second, we have undertaken extensive efforts to **tailor the RC system and the UN development system offers to the specific needs of countries in special situations.** The new arrangements emerging from the regional review seeks to ensure that UNCTs can more readily draw on UN development system capacities at the regional level in response to specific country needs. This is particularly the case for the Regional Collaborative Platforms and the related issue-based coalitions. Rapid progress is being made in boosting the UN's offer to Small Island Developing States through strengthened Multi-Country Offices including a new North Pacific MCO, the recruitment of coordination specialists in countries serviced by MCOs and stepped up contributions from individual UN entities. Issue-based coalitions of the Regional Collaborative platforms are especially useful to boost analytical and policy development capability on priority challenges at a regional and subregional level to complement efforts of UNCTs. Specific steps also have been taken to better connect the Office of the High Representative for Least, Landlocked and Small Island Developing States with RCs and to ensure coherence between global, regional and country-level action to follow up to the Samoa Pathway and the Istanbul and Vienna Programmes of Action. Similarly, we have taken steps to boost the AU-UN partnership on Agenda 2063 and the 2030 Agenda to maximize all opportunities for collaboration across the continent, supported by a joint monitoring framework.

98. Third, to strengthen **collaboration across our development, peace and humanitarian operations**, the Joint Steering Committee to advance Humanitarian and Development Collaboration (JSC) was established in 2018. With a joint DCO-OCHA-UNDP-PBSO secretariat, the JSC is engaging both UN and external partners and is placing a particular focus on eight priority countries – Burkina Faso, Cameroon, Chad, Niger, Nigeria, Ethiopia, Somalia, and Sudan. A considerable effort is also underway to ensure that guidance from headquarters helps to translate cross-pillar mandates into practice. Dedicated support is also being provided for RCs who are double- or triple-hatted as Deputy Special Representative of the Secretary-General (DSRSG) and/or Humanitarian Coordinators, to enable them to facilitate better coordination within the UNCT and strengthen the approach to holistic and resilient programming. The new Talent Pool for HC/RCs will also strengthen our capacities to deliver in this area.
99. **Available data shows that these steps are beginning to have effect on better tailoring of UN development system support to country context, needs and priorities – as elaborated below in the context of diverse situations including the Sahel and Central America.** Ninety-one per cent of programme country Governments report improved alignment to their national needs over the past three years. This is particularly the case for 94% of LDCs and LLDCs countries and 72% of SIDS (see figure 8). External studies confirm that joint work has grown over the last 2.5 years, enabled by the reforms,<sup>21</sup> and that the RC system reform has reportedly reinforced or introduced effective planning processes with host governments that have resulted in closer alignment with government priorities<sup>22</sup>. In addition, 87% of programme county Governments agree that UN presence is adequately tailored to meet the specific challenges of their country (up from 76% in 2019).

Figure 8:

**Change in the United Nations' alignment with national needs over the past three years**



Source: DESA survey of programme country governments

100. In terms of improving coherence across UN pillars, according to the DESA survey, 76% of programme country Governments agreed that in 2020 RCs contributed to building stronger improved synergies across development, humanitarian, and/or peacebuilding interventions. Furthermore, 77% of Governments responded that the UN system currently works together more collaboratively than before the repositioning exercise began, compared to 70% the previous year. UN entities indicate some similarly positive trends, with 81% of UN entities reporting to have been involved in identifying collective outcomes across development, humanitarian, and peacebuilding interventions in 2020 as opposed to 75% in 2019. Box 3 provides some concrete examples that highlight the variety of ways in which we are seeing improved collaboration across UN operations, with a view to advancing the 2030 Agenda.

<sup>21</sup> UN development system reform: progress, challenges and opportunities, MOPAN, April 2021.

<sup>22</sup> Early assessment of Resident Coordinator system reform, OIOS, November 2020.

### Box 3

#### RC system in action: Addressing fragility and strengthening collaboration for sustainable development

*Unifying all actors to bring hope in a time of crisis:* The catastrophic Beirut port explosions of July 2020 compounded longstanding and deep structural development challenges in Lebanon. Immediately thereafter, under the convening power of the RC, the UN development system conducted a Rapid Damage and Needs Assessment together with the World Bank and the EU. This informed the development of a Reform, Recovery and Reconstruction Framework (3RF) through an inclusive and participatory process that brought together the priorities of the government and line ministries, civil society, the private sector, the academia, as well as the development and diplomatic community. This whole-of-system approach under the RC's leadership has set the tone for addressing the humanitarian-development nexus as the next hurdle.

*Facilitating transitions and more effective collaboration between UN operations:* In **Sudan**, while still work in progress, robust collaboration has been established between the UNCT and the new UN Integrated Transition Assistance Mission under the renewed RC system leadership in support of the political transition, the implementation of peace processes, the path on peace- and governance building, and the mobilization of economic and development assistance. Under the leadership of the RC, the UN in Sudan will also develop a CCA in 2021. In **Haiti**, DCO – as a dedicated coordination function for development – has worked closely with DPPA/DPO, OCHA and OHCHR, to improve joint planning and programming at all phases of the One UN plan, particularly for social protection, food systems and disaster risk reduction as the country transitions towards a path to sustainable development.. In **the Democratic Republic of Congo**, the RC is anticipating a future MONUSCO downsizing and shift towards a more development-oriented transition process. In all these instances, the RC also serves as Deputy Special Representative of the Secretary-General and Humanitarian Coordinator.

*Supporting the socio-economic inclusion of refugees:* In Peru, the RC has played a key leading role— together with IOM, UNHCR, and WFP – in advocating for adjustments to national public policies regarding over 1 million refugees and migrants from Venezuela. Among the recent policy changes to which the UN System has contributed are: the Migrant Regularization Program that was approved in October 2020; simplifying documentation requirements for asylum seekers to obtain Humanitarian Residence status; including refugees and migrants in the national Comprehensive Health Insurance program; and helping to establish key policy instruments such as a migratory governance platform and the specialized survey on living conditions of the Venezuelan population residing in Peru.

*Leveraging the 2030 Agenda and a coherent UN response to prevent violence:* In advance of the 2020 elections, the risk of a major escalation of violence was extremely high in Bolivia. To prevent this from occurring, the RC engaged closely with the Personal Representative of the SG and the entire UNCT, including DPPA, UNDP, OHCHR and UN Women, to facilitate coordinated outreach to all sections of society as well as the international community. On top of this, the PBF invested quickly in a programme for dialogue and mediation across the country. Here, the 2030 Agenda provided an acceptable platform for all stakeholders to engage in a dialogue and the UNCT was able to organize local dialogues quickly, building on the contacts and trust built over the years with subnational partners. Thanks to these and other efforts, the election occurred peacefully, and power was handed over almost instantly after the results were published.

*Identifying opportunities for sub-regional development:* In response to a request from the concerned governments, ECLAC has led a process with RCs and UN entities at the regional level to develop a **Comprehensive Development Plan** for El Salvador, Guatemala, Honduras, and South-Southeast of Mexico. The plan was finalized in March 2021 and seeks to mobilize investment for large-scale programmes that will spur sustainable development across the region, thereby tackling six structural causes of migration: unemployment, poverty and inequality, violence, natural disasters, food insecurity and family reunification and displacement and supporting safe, regular and orderly migration. In **the Sahel**, the Secretary-General appointed a first-ever Special Coordinator for Development in 2020 to lead the collective efforts of the RCs and UNCTs and the UN system to implement the United Nations Integrated Strategy for the Sahel (UNISS) and its Support Plan for a scaled up United Nations development response for the Sahel, drawing on all the United Nations assets in the region, engaging and supporting the efforts of the G-5 Sahel, the Sahel Alliance,

the Ministerial Coordination Platform, ECOWAS, the African Union, the European Union, the World Bank and the African Development Bank.

### Closing the gaps

101. Overall, I am greatly encouraged by the contribution the new RC system has made to aligning UN development system support to national priorities, needs and contexts and to supporting better transparency and accountability for results. But more can be done.
102. First, we must continue to sharpen the UN development system offer in Least Developed Countries. RC engagement in support of the upcoming Fifth United Nations Conference on the Least Developed Countries, scheduled for January 2022, will be key. The RCs and UNCTs in the five LDCs that were recommended for graduation by the UN Committee for Development Policy in February 2021<sup>23</sup> will need to engage proactively with the Inter-Agency Taskforce on LDCs to support the transition. In relation to LLDCs, I have urged the UN system to ensure a dedicated focus on LLDCs at the second UN Global Conference on Sustainable Transport, particularly as countries seek to stimulate an employment intensive, inclusive and sustainable recovery from the COVID-19 crisis. In SIDS, we must continue to push forward with the changes being advanced through the MCO review. Together with our efforts to develop a Vulnerability Index and address debt and liquidity concerns in the context of the COVID-19 crisis, we must ensure that these changes translate into tangible improvements on the ground.
103. Second, in terms of improving collaboration across development, peace and humanitarian operations, UN development system entities report challenges regarding the definition of ‘collective outcomes’ and how they should be featured in current planning tools, such as the Cooperation Framework, the Humanitarian Response Plan, and the Integrated Strategic Framework. This will need to be addressed going forward. It is also essential to ensure adequate financing and address donors’ siloed approach to funding channels for humanitarian, development and peace actions. There is also the need to improve common understanding and acceptance of humanitarian-development-peace nexus within the United Nations and among development partners and address behavioral barriers and non-complementary budgetary and staffing practices within the Organization. Recent examples, in Myanmar and Ethiopia, also demonstrate the challenges of operating in some of the most politically complex environments. Such concerns have been highlighted also by Member States over the course of the consultations for this report.
104. As we advance work in response to the 2020 QCPR, I will continue to encourage United Nations entities to work collectively to strengthen cross-pillar integration and broaden our partnerships in fragile settings, which are critical to the achievement of the 2030 Agenda. This will require careful analysis, planning, and prioritization, complemented by resources for a strategic division of labour that leverages different entry points towards a common approach not just within the United Nations, but also through partnerships with external actors, including civil society, cities, IFIs, technical experts, and the private sector. Efforts to address issues around collective outcomes and joint programming, and increase understanding of the different principles, tools, and approaches, including talent management policies and behavioral solutions. While double-hatted RCs represent just 13% of RCs and triple hatted RCs less than 9%, it is absolutely critical that these RC have the appropriate profile and skillset and experience to fulfil their duties and support the Organization to deliver for the people we serve in line with international law. The new Talent Pool for HC/RCs will strengthen our capacities to deliver in this area, particularly noting the critical role of DSRSG/RC/HCs in integrated mission contexts. I also urge Member States to facilitate progress in this area through greater flexibility in funding channels. The integration efforts of the Organization, complemented by support of the Member States, will enhance the ability of United Nations actors systemwide to strategically align mandates, tools, and instruments towards more effective action. This will include cross-cutting considerations such as a human rights, protection and an age-gender-diversity lens to ensure that no one is left behind.

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<sup>23</sup> Bangladesh, Kiribati, Lao People’s Democratic Republic, Nepal, and Tuvalu.

## B. An effective response to the impacts of the COVID-19 pandemic

105. The COVID-19 pandemic is causing immense hardship and disruption across the world. It is also providing an early test of the capacity of the new RC system to effectively coordinate UNCTs and to mobilize an effective response by the UN development system to largescale socio-economic needs, in line with country priorities.
106. After I issued my call for Shared Responsibility and Global Solidarity in the face of the pandemic in March 2020, the UNSDG quickly developed a UN Global Framework for the Immediate Socio-Economic Response to guide the development of UN Socio-Economic Response Plans in country. RCs coordinated the development of 121 UN-SERPs, with UNDP as technical lead, covering 139 countries and territories. The plans support the provision of essential services, strengthen social protection services, protect jobs and vulnerable workers, and maintain social cohesion, while setting the foundations for a better recovery. Over the course of 2020, \$3 billion was repurposed by 126 United Nations country teams and an additional \$2 billion in new resources was mobilized.
107. As set out in greater detail in the report of the Chair of the UNSDG, these efforts have translated into concrete measurable results that have a direct impact on people's lives:



### Tackling the social and economic impacts of COVID-19



108. These results speak to the enormous efforts of UN entities across the development system and a unity of spirit and purpose that speaks to the core values of the United Nations. Feedback from programme country Governments and findings from independent studies also point to the pivotal role played by the RC system in bringing about those results with some 91% of the Governments agree that RCs have ensured that there has been a coherent United Nations response to the pandemic. Similarly, the OIOS advisory work noted that reforms had facilitated the speed of the response and the clear coordination and leadership of the RC vis-a-vis host governments had been appreciated by national officials. In all countries where OIOS undertook case studies, UNCT members noted that RCs had continued to engage them on all aspects of the response, and as a result they felt they understood what each other was doing. In addition, in some instances, working through the RCO, agencies were able to launch more coordinated funding appeals, while RCs supported a coordinated approach with the immediate health response, led by WHO, and humanitarian response, led by OCHA.
109. The early evaluability review of the COVID-19 response pointed to some specific factors that have enabled this effective and coherent response. First, it noted the existence of the global framework that brought together UN entities at national, regional, and global level – providing light touch parameters to guide UNCTs while preserving the space for each UNCT to respond directly to country priorities and context. The development of an accompanying monitoring framework, with a set of 18 indicators – disaggregated by type of programme, territory (rural/urban), sex, age group and at-risk populations, and complemented by health, humanitarian and human rights

indicators – facilitated the tracking of system-wide results through the DCO-managed UN Info platform. It also spurred the development of a public-facing online portal that provided unprecedented transparency and real-time information as to the UN development system response. Second, a shared understanding among the UNSDG as to the lead role of UNDP on the socio-economic pillar of the response has allowed the UN’s largest development agency to make a significant contribution alongside the coordination role of RCs and in a manner that also leveraged the capacities of other UN entities. Third, the COVID-19 Response and Recovery Fund has been an important driver of an integrated, coherent UNCT response.

110. The contribution of the UN development system to the pandemic response, leveraging the coordination, convening and leadership value of RCs, is hugely encouraging. It shows what can be done and has served to accelerate certain components of the reforms, including in terms of joint planning, resource mobilization, monitoring and accountability. It has set the bar high for the future for an improved contribution from UNCTs to recovery efforts and during the Decade of Action.
111. At the same time, the pandemic still rages in many parts of the world, particularly in light of unacceptable levels of vaccine inequity. It is essential that RCs continue, under the technical lead of UNICEF and WHO, to do everything possible to ensure effective vaccine planning and rollout. They must also provide the necessary coordination to ensure care and support for UN staff and ensure business continuity, as has been achieved recently through UNDP support for the participation of developing country representatives on the UNFCCC negotiations platform. It is also crucial to continue to support RC efforts to mobilize resources for pooled funds to enable an effective SDG response from UNCTs.

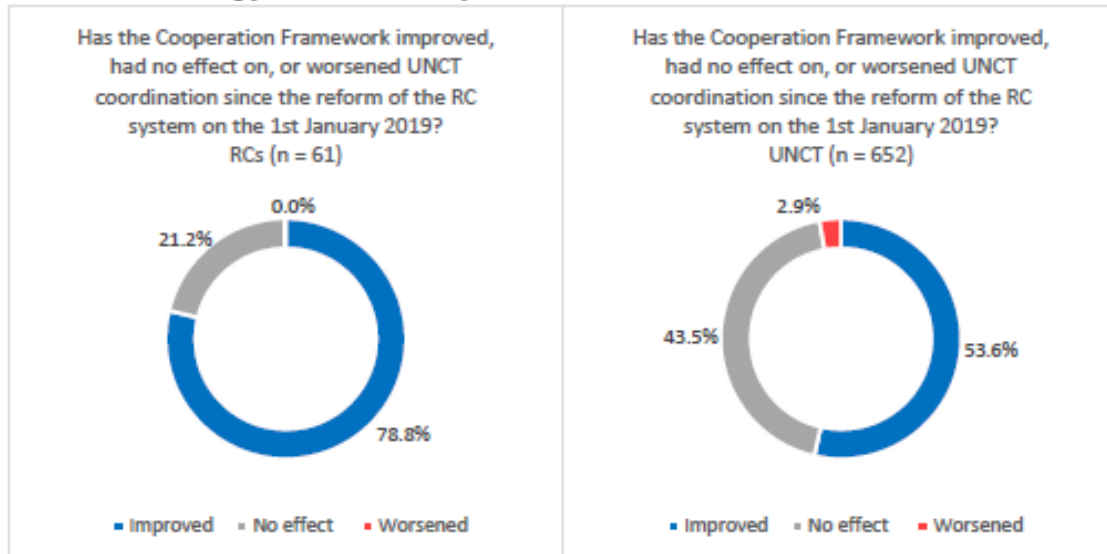
### **C. A shift in the nature and quality of SDG support**

112. The initial review that I commissioned at the outset of the reforms pinpointed how the UN development system needed to change to maximize its contribution to the SDGs. Central to this was a shift from a heavily project-based, fragmented approach that focused largely on the areas covered by the MDGs to an approach that facilitates the provision of integrated support, spanning policies, programming, partnerships, financing and data, in response to country priorities for advancing the SDGs.
113. The primary vehicle for operationalizing this change is the new Cooperation Framework. It represents the single most important instrument for the UNCT’s offer of SDG support to countries, against which configuration is to be refined; entity country programme documents are to be developed; joint resource mobilization is to be advanced; and UNCT performance and results are to be measured. By the end of 2021, more than half of UNCTs will have replaced previous UN Development Assistance Frameworks with next generation Cooperation Frameworks and almost all UN-SERPs will also have been subsumed under the Cooperation Framework.
114. Initial feedback from programme country Governments suggest that this focus on transformative, joined-up programming is beginning to have the desired effect. For instance, 92% of programme country Governments, agreed that the Cooperation Frameworks have enabled them to ensure that UN operational activities effectively address and respond to national priorities, up from 89% in 2019, and 78% of Governments see improved focus on common results compared to 74% in 2019. This has been validated by external studies as well. MOPAN underscores the progress around developing the new CCAs and Cooperation Framework under the leadership of RCs as the main area of progress for UNCTs, in addition to the response to the COVID-19 pandemic. OIOS also noted that most RCs and a majority of UNCT members reported improved coordination resulting from introduction of the Cooperation Framework and Common Country Analysis.

Figure 9:

**Impact of the Coordination Framework on UNCT coordination**

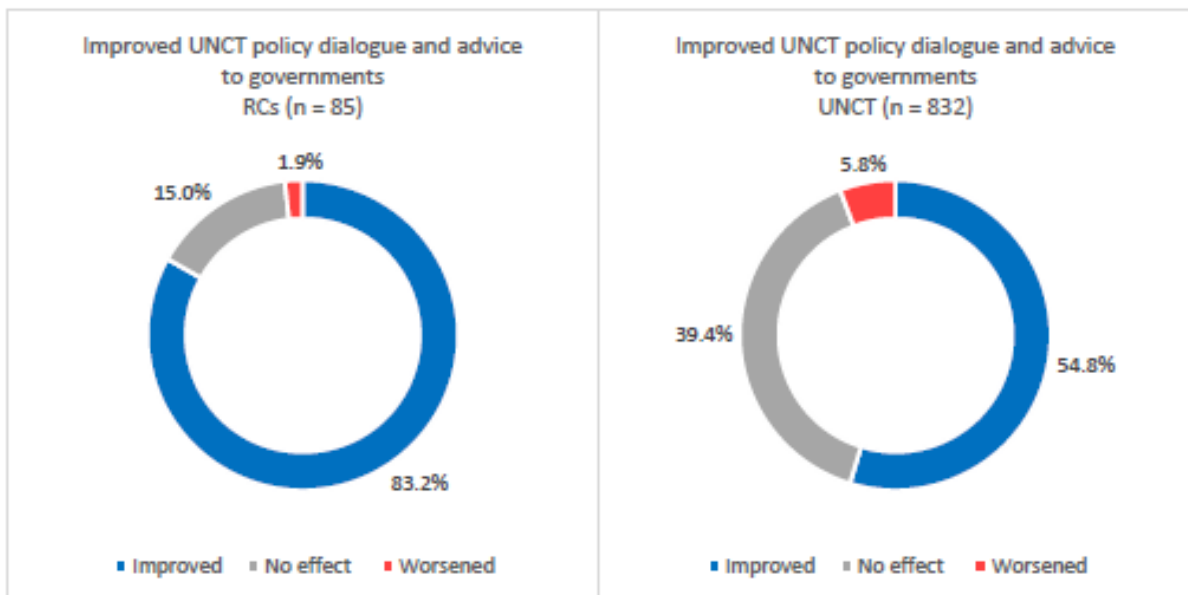




Source: OIOS

115. RCs and UNCT entity heads report that the Common Country Analysis and the Cooperation Framework process had significantly improved their ability to work together on policy advice. While there are differences in opinion between RCs and UNCTs (see figure 10), 89% of programme Governments reported in 2020 that the UN adequately provides evidence-based policy support and 88% indicated the UN adequately provides integrated policy advice (up from 77%). This was also confirmed by the OIOS advisory work, which noted that the most significant contributing factors underpinning progress on policy support, included impartial and skillful RC leadership on policy and host government receptivity and capacity.

Figure 10:  
Improving policy support to Governments



Source: OIOS

116. RC system reform has had more mixed results on implementation of joint programmes. Again, RCs are more likely than UNCT members to give a positive assessment of the impact of reform on delivering more coordinated

and integrated support implementation. Nevertheless, studies carried out by OIOS, UNCTs and RCOs reported that the new rules for working together have created a space for joint programming that did not exist previously.

117. Some may ask whether the new generation of UNCTs that is clearly emerging is due to the new leadership, convening and coordinating role of the RC or improvements in the approach taken by UNCT members. In my view, this is a distraction, creating division within the UNCT when we know that we will only maximize impact through a joint and integrated approach. It also reflects an old way of doing business that fails to recognize the symbiotic relationship between UNCT members and RCs. Both a strong coordination and policy and programming function are needed. Ultimately, effective RCs will enable a more joined-up, coherent and impactful contribution by the UNCT. And as UNCT entities bring greater expertise, capacities and tools, their collective contribution to national needs and priorities will increase under RC leadership of the entire system.
118. Box 4 presents examples that illustrate this contribution in practice, and points to the kind of transformative action that is possible UNCTs across all 162 countries and territories over the course of the Decade of Action.

#### Box 4

##### RC system in action: RCs and UNCTs driving SDG transformation

**Tackling poverty and leaving no one behind:** The COVID-19 pandemic has illuminated the massive gaps in social protection coverage worldwide. In Timor Leste, however, the UN leveraged its full capacities to facilitate the introduction by the Government of the first ever nationwide cash transfer of USD \$200 per household which reached 98% of all eligible households in the country – 20% of which were female headed. The leadership, coordination and convening role of the RC, the technical capacities of ILO and support from UN entities including UN Women, and the availability of resources through the UN COVID-19 Response and Recovery Fund combined to make this programme possible. In particular, the RC engaged directly with the Prime Minister’s Office and government Ministers to channel the UN’s USD 1 million support via the Government’s COVID-19 Fund. As a result of the UN committing this support (to add to the Government’s almost USD 80m committed funding), other donors came on board and in the programme was implemented in record time.

**Supporting a green transition:** The RC system is also demonstrating value in innovative climate finance, with RCs bringing together the UNCT with domestic financial institutions, development banks and private sector. For example, in Uruguay, the RC led UN entities (UNDP, UNICEF, WHO, UN Women and IOM) to collaborate with government and the private sector to develop the needed capacities, legal and regulatory frameworks and new financial instruments to decarbonize the economy. In Serbia, the RC seized the opportunity offered by a public push for environmental action, identified a number of areas for joint or coordinated UNCT actions, and led advocacy and partnership efforts resulting in a close working relationship with the government to fast track decarbonization while strengthening the economy through new skills, new jobs and new markets opportunities. The RC and RCO are also engaging extensively with the IFIs and the private sector through the local chapter of the Global Compact, the Chambers of Commerce, and selected donors, to support SMEs into the green transition.

**Mobilizing partners to connect, skill and empower youth:** In line with the UN Youth Strategy, Generation Unlimited (GenU) – a Public-Private-Youth Partnership involving a range of UN entities and initiated- a Public-Private-Youth Partnership involving a range of UN entities and initiated by UNICEF - is currently active in over 47 countries, bringing together the public and private sectors with youth, to scale up impactful initiatives, with an aim to reach young people in over 100 countries by 2025. RCs are uniquely positioned to drive impact through Gen U. In Kenya, for example, the GenU Steering Committee is now housed in the Office of the President and under the leadership of the RC, the entire UN system is providing technical support to the Government to operationalize GenU Kenya. Connectivity is one of GenU Kenya’s priorities, and partners are working with ITU to mobilize private and public funding to connect schools to the internet under GIGA initiative. Other key programmes include offering mentorship and community service-learning via the new digitized secondary level Competency Based Curriculum and Youth Agency Market Place (YOMA) digital platform which is currently linked to the SDG Partnership Platform, SDG Accelerator Lab and Ajira Centers (housed at the Ministry of ICT, Innovation and Youth Affairs).

**Tackling violence against women and girls in the midst of a global pandemic:** The past year has seen an alarming increase in the levels of violence against women and girls in every region, regressing on a key target of the Sustainable Development Goals. Despite the challenges, however, UNCTs have supported national governments and worked with civil society, as a central partner, to deliver significant results across 23 country programme. They did so by drawing on the Spotlight Initiative, a 500m euro partnership of the UN and EU and a flagship programme of the UN development system reforms that engages 11 UN entities. Under the leadership of RCs and drawing on the comparative advantage and functional leadership of entities in an integrated manner, UNCTs leveraged resources which resulted in the strengthening of 84 laws and policies, access for over 650,000 women and girls to gender-based violence services, and a 22% increase in prosecution of perpetrators of violence.

**Mobilizing and leveraging finance to support national priorities on the SDGs:** The catalytic investment component ([SDG Invest](#)) of the Joint SDG Fund has already generated 28 climate related proposals featuring both adaptation and mitigation measures, with an estimated leverage potential of 6 billion USD. The role of the RCs was critical in bringing together the UNCTs with domestic financial institutions, development banks and private sector. In Gabon, the RC has been supporting the country's sustainability plan "Green Gabon" by bringing together UN entities, public and private financial institutions and investors to contributing under the lead of UNDP to "deeply green" integrated national financing framework (INFF) that aligns public and private financing towards the green transition with a gender-sensitive budget. Overall, convening to support governments finance their own SDG plans and strategies is an area where RCs can play a much more proactive role and add considerable value going forward.

**Rethinking vulnerability and improving aid eligibility for SIDS:** For the first time a Multidimensional Vulnerability Index for SIDS (MVI) is being developed and will be presented to the 76<sup>th</sup> session of the General Assembly. Initiated and enabled through the leadership of the RCs in Barbados and Samoa, it has drawn on the engagement of 13 RCs/RCOs in SIDS plus the expertise of the system. UNDP, FAO and UNESCO are also shaping the work on the MVI. The Sustainable Development Solutions Network is supporting this effort by to ensure an independent output that meets the quality standard required for a composite index to be accepted by the IFIs, the OECD Development Assistance Committee and the broader development cooperation community. The initiative is a model of engagement both across and beyond the UN both internally and with external partners.

### Closing the gaps

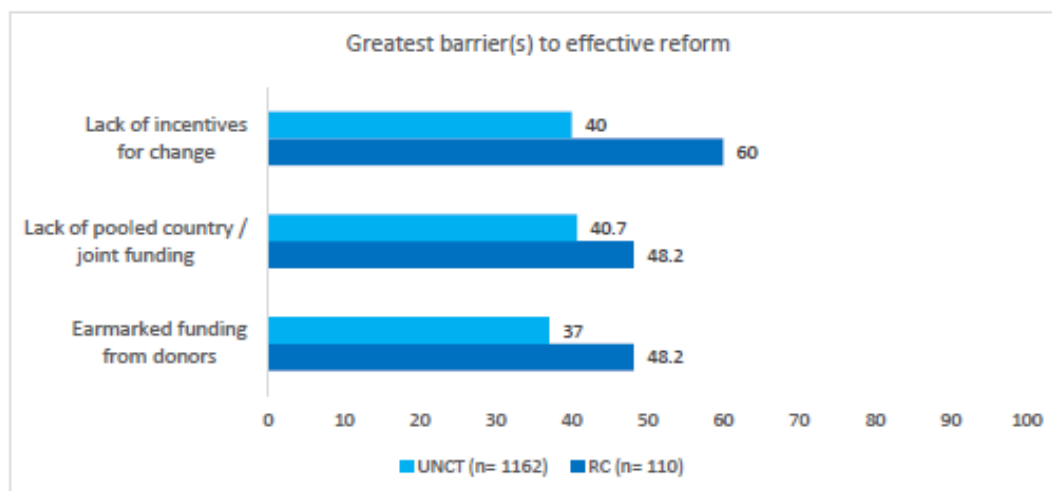
119. Notwithstanding such progress, we know that we still have a considerable way to travel before we see the full shift in the nature and quality of our support in all countries.
120. First, while the new programming instruments have enabled UNCTs to deliver joint planning and programming support, key elements facilitating joint work are still lacking. Entities point to persisting inter-agency competition and overlap of mandates.<sup>24</sup> This was confirmed by OIOS, which found that mixed progress on addressing gaps and overlaps, with only small majorities of RCs (54%) and a minority of UNCT members (27%) surveyed, reporting improvement. According to external studies, key to progress in this domain are incentives to change and availability of joint or pooled funding<sup>25</sup> that are addressed in the next chapter. Lack of streamlined administrative procedures among agencies also continue to slow down the pace for change.<sup>26</sup>

Figure 11:  
**Greatest barriers to effective reform**

<sup>24</sup> FAO global survey of country representatives on UNDS repositioning country-level implementation, 2019; UNFPA survey of country representatives on UN reform comparative analysis, 2019-2021.

<sup>25</sup> UN development system reform: progress, challenges and opportunities, MOPAN, April 2021.

<sup>26</sup> Early assessment of Resident Coordinator system reform, OIOS, November 2020.



Source: OIOS

121. Second, progress relating to optimizing the configuration of country-team capacities is mixed. I highlighted in Chapter III how RCs have facilitated expanded access by Governments to the capacities of entities without physical presence in country. In addition, programme Governments themselves report satisfaction with the current make-up of the UNCT in country<sup>27</sup> and several UNCTs report that structured country team configuration dialogues have helped tap into a broader range of relevant capacities to deliver the Cooperation Framework.<sup>28</sup> Internal data, however, shows that there is still considerable room for progress, particularly with 31 countries expected to initiate and complete configuration exercises over the course of 2021. As indicated in my 2021 QCPR Report, I have requested the UNSDG to develop a clearer, more transparent pathway in this respect over the course of 2021 and 2022, including with host governments. Only then will UNCTs be fit for purpose to deliver Cooperation Framework results. In tandem, DCO will monitor supply and demand from UN development system entities that have a light footprint at country level to inform UNSDG members' individual and collective action. Host governments can also play an important role on this priority.

122. For RCs and UNCTs to benefit from appropriate capacities and skillsets to deliver results tailored to different country settings, additional improvements will accrue as the benefits from the MCO review and the review at the regional level come on stream. Many UN entities, including UNDP, UNHCR, UNFPA and UN Women, have been undertaking their own internal repositioning considering the UN development system reforms and other drivers. Further work may be required, however, within all UN entities and across the UN development system to refresh and reorient skillsets across the system – with a focus on shifting from project management and programme specialists to policy capacities that can support inclusive economic growth and the green, social or digital transitions highlighted in the 2020 QCPR. I believe there is a particular need to strengthen UN development system capacities on SDG integration, financing, data, technology and partnerships and I encourage the UNSDG to prioritize collective actions on these fronts. I also encourage UN entities to consider additional internal incentives to facilitate collaborative actions in these areas, including by supporting staff mobility across agencies to strengthen a system-wide outlook and spirit.

123. Third, I am pleased that, 85% of programme countries agree that the RC has advanced partnerships in support of national efforts to advance the 2030 Agenda and that the reform has clearly improved International Financial Institution participation in UNCTs and UN collective programming. As seen in figure 11, a majority (58%) agree that collaboration between IFIs and the UN in their country has improved over the past four years.<sup>29</sup> At present, 44 out of 130 UNCTs report having joint initiatives with IFIs to promote sustainable financial systems at country

<sup>27</sup> DESA survey of programme country Governments, 2020.

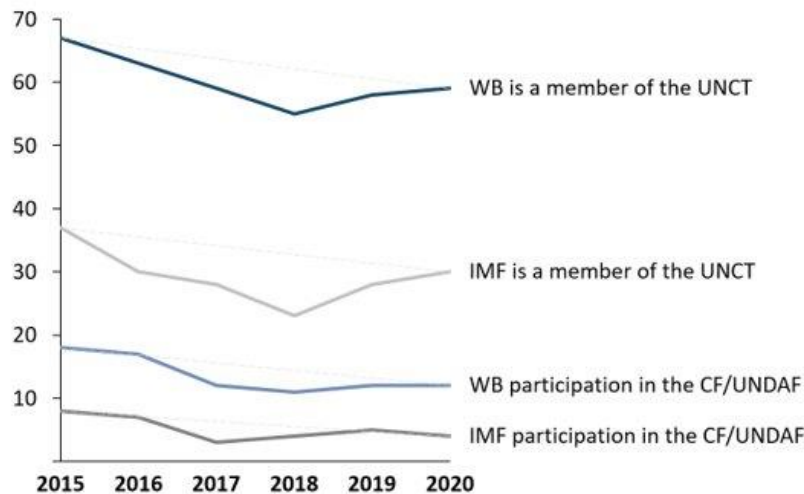
<sup>28</sup> DCO internal monitoring of UNCTs that have conducted configuration exercises.

<sup>29</sup> DESA survey of programme country Governments, 2020.

level, mostly with the World Bank, the African Development Bank, the International Monetary Fund and the Asian Development Bank. Strengthening these partnerships is central to the support of countries in setting out integrated national financing frameworks as well as for mobilizing the resources countries require to drive energy, transport, agriculture, digital and other transitions. At the same time, there is considerable scope for progress. Unchanged from 2019, a little over half of programme country Governments agree that the collaboration between the Bretton Woods institutions and the UN in their countries has improved over past four years.

Figure 12:

**World Bank and IMF participation in UNCTs and Cooperation Frameworks/UNDAF**



Source: UNSDG Information Management System, 2020

124. This is an area of critical importance for maximizing the contribution of the UNCT to national priorities. I encourage the UNSDG to identify ways to significantly boost our collaboration in-country with the IFIs and other critical partners – such as leading development agencies. In tandem, I will address this matter as a matter of priority in my ongoing dialogues with the leadership of IFIs.

125. Finally, the COVID-19 pandemic response has demonstrated the value of a global framework to guide RCs and UNCTs, ensure alignment of purpose between UN entities at national, regional, and global levels and monitor for collective impact. As countries emerge from this crisis, it is essential that the UNSDG and RCs adjust all relevant instruments to support recovery efforts that can accelerate SDG implementation.

**D. More efficient operations**

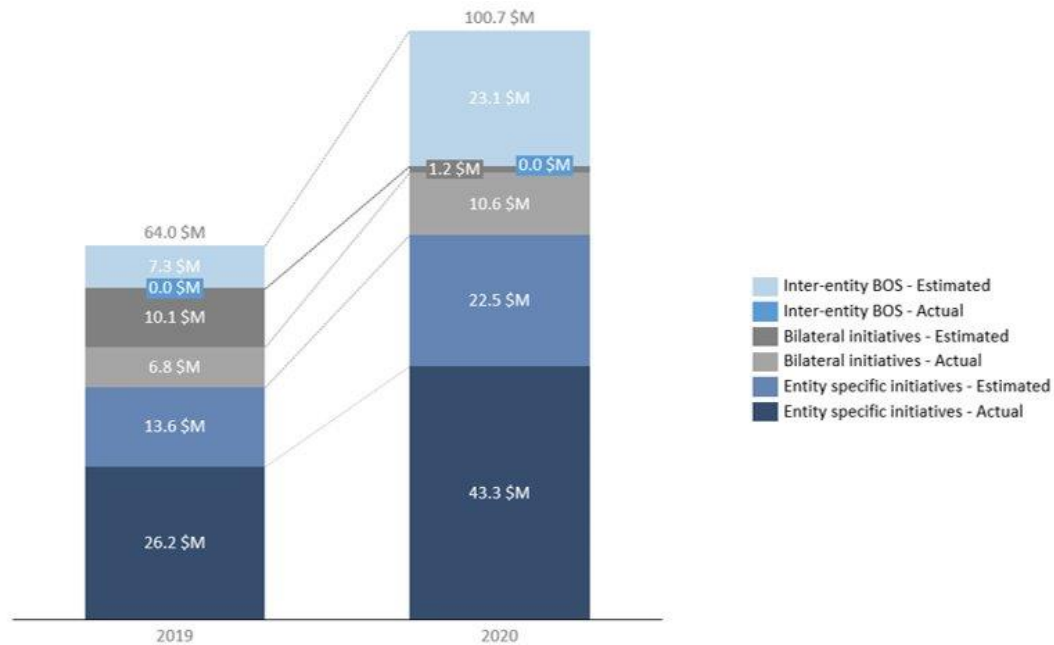
126. It is encouraging to see that new levels of collaboration across the system are also **generating efficiency gains**. This is in large part due to the impetus provided by the reforms and the extensive efforts by individual UN entities and UNCTs, bolstered by the coordination provided by the RC system.

127. In my report on the QCPR, I detailed those efforts as it relates to rolling out business operations strategies; providing services through common back offices and global and regional shared service centers; establishing common premises; and ensuring enhanced reporting on results and efficiency gains.<sup>30</sup> Efficiency gains are estimated at over \$64 million for 2019, the first year of repositioning, and \$100 million for 2020, including both quantified time savings and cost-avoidance estimate – a 57% increase between 2019 and 2020 and an encouraging sign when considered against the originally estimated \$310 million potential gains by 2022. The actual figure

<sup>30</sup> Secretary-General’s Report on the implementation of GA resolution 75/233 on the QCPR, April 2021 (A/76/75–E/2021/57).

may be significantly higher, as only one third of entities currently have policies or mechanisms for measuring efficiency gains.

Figure 13:  
**Efficiencies achieved – cost avoidance and time savings (in \$M)**



Source: DCO

128. These gains are an aggregation of efficiencies across different United Nations entities, countries and processes and translate into much-needed resources for programming, faster responses, and more effective delivery of support to countries for achieving the 2030 Agenda. The largest share of efficiency gains has come from United Nations entity-specific actions (66%). With the new RC system in place, gains from United Nations country team business operations strategies increased by 300% (from \$7.3 million to \$23.1 million) between 2018 and 2020. Bilateral initiatives and global shared service centers produced further gains. I commend the UN development system for this unprecedented collective effort, and outline below some of the future steps that can be taken for further progress.

Closing the gaps

129. I am encouraged by the considerable progress over the past three years and see four areas for attention moving forward. First, it is essential to accelerate the development of global shared service centers, – an area with significant potential for impact – using the existing infrastructures systemwide as the base to do so. Second, I urge programme countries, UNCTs and UN entities to make the necessary changes to allow for a shift to common premises, as well as to ensure the implementation and realization of the initiatives outlined in the Business Operations Strategies (BOS) and Common Back Offices (CBO). Third, as several Member States noted in our consultations, the changes emerging from the regional review implementation may present opportunities for more efficient operations at the regional level. I urge the UNSDG and governing bodies of UN entities to continue to place attention on this issue. Fourth, acknowledging another of your concerns, it is essential that we see a significant increase in reporting by UN entities to their governing bodies on efficiency gains, from the current low base of 40%.

## V. Moving to the next level –accountabilities and incentives

130. I have taken you through the progress the RC system has made and the work that remains to be done to ensure an effective and coherent UN development system contribution in every country in which it operates. I have already outlined some of the steps that can be taken to make this happen, ranging from improving the RC pool to improving the support provided by RCOs and DCO; from strengthening the substantive offer of the UN development system and to sharpening skillsets, planning tools and partnerships.

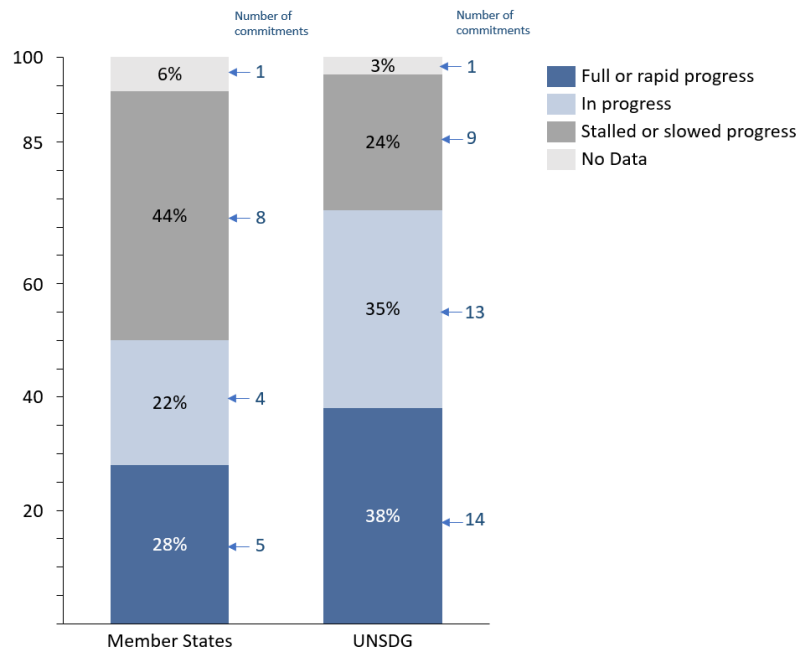
131. In this chapter, I focus in on two additional areas that I cannot emphasize enough as being critical determinants of whether we can take the functioning of the RC system and the repositioning of the UN development system to the next level: the incentive for change provided by improved funding practices and the implementation of the accountabilities set out in 72/279. In this chapter, I examine both of these issues. Some progress has been made but, in both cases, the big shift in behavior has yet to occur. Decisive action is now needed.

### A. **Incentivizing change through improved funding practices**

132. General Assembly resolution 72/279 enshrined the importance of a shift in funding practices to incentivize the repositioning of the UN development system, under a reinvigorated RC system. The Funding Compact set concrete targets in this regard and provided a significant boost in confidence for UN agencies wishing to make the leap from single-entity action to a more collaborative and transformative support in response to country needs and priorities.

133. As documented in greater detail in my 2021 QCPR report, important progress is being made in some areas of the Funding Compact, by both Member States and the UN development system. In total, Member states have met or are making progress across 50% of the 18 commitments in the Funding Compact.<sup>31</sup>

Figure 14:  
**Progress on Funding Compact commitments**



Source: DCO

<sup>31</sup>[Funding Compact Indicators – Annex to the Secretary-General’s report on the QCPR](#)

134. It is encouraging to see that progress is being made, for instance, towards increasing the core share of assessed funding for development-related activities and that contributions to key pooled funds and single agency thematic funding has almost doubled in three years. I also commend those Member States who have facilitated the operationalization of the 1% levy and made contributions to the Special Purpose Trust Fund for funding the RC system – addressed in the next chapter. It is, however, disappointing to see that the core share of voluntary funding to UN entities remains almost unchanged in three years and is some 11% short of the Funding Compact target. It is equally concerning that capitalization targets for the Joint SDG Fund and the Peacebuilding Fund are very far from being met. Similarly, there has been little or no progress on securing multi-year commitments to UN development system entities and we have seen only marginal improvements in broadening the UN development system funding base.
135. I am keenly aware that the progress made so far by Member States has not come about easily and I appreciate also that the required changes in funding patterns challenge an approach that is deeply rooted in some institutions. For others, the required changes raise concerns relating to visibility, influence, or oversight – concerns that can make it challenging to secure executive, parliamentary or even public support, especially at a time when pressures are growing on domestic budgets. At the same time, if these changes are not made, we cannot expect the agreed reforms to deliver to the maximum effect.
136. The case for predictable funding of the core activities of the UN development system and for investment in joint funds, such as the Joint SDG Fund, is a strong and convincing one. The scale of the sustainable development challenges that programme countries are facing is unparalleled and the risks associated with inaction are well-established. And today, more than ever before, the value proposition of a better coordinated, more coherent, more transparent, and accountable UN development system is clear. The multifaceted challenges the world faces today and the ask of the SDGs makes the system's offer especially unique with its ever-improving diversity of skillsets, normative foundation, convening power and long-established relationships in countries across the world.
137. The next steps that Member States take vis-à-vis their commitments under the Funding Compact are of enormous import. Without significant progress, we risk having the UN development system reforms we have nurtured together over the past three years run out of momentum. In this regard, I strongly encourage a doubling down on Funding Compact commitments. As an addition measure and building on the consultations recently launched by the President of the General Assembly, I encourage Member States to reimagine the Pledging Conference for Development Activities to serve as a platform for announcing pledges for core and unearmarked voluntary funding and capitalization of Joint Funds such as the Joint SDG Fund. Held back to back with the ECOOSC Operational Activities Segment, it would provide a platform to showcase the best of joint UN development system action on the ground under the coordination of RCs and to publicly recognize those partners that are stepping up to help the system to deliver on its promise.

## **B. Strengthened oversight and accountability**

138. While funding patterns can provide an important incentive for a repositioned UN development system, strengthened oversight and accountability of results and compliance with General Assembly resolution 72/279 and the QCPR is another important driver of change and is key to ensuring the proper functioning of the RC system.
139. A series of measures were agreed as part of the reforms to strengthen oversight and accountability – including on transparency, reporting, evaluation, the dual accountability function, and oversight by governing bodies and the ECOSOC Operational Activities Segment. As outlined in more detail in my 2021 report on the QCPR, we have seen some very significant advances over the past three years.
140. First, in the area of **transparency and reporting**, by end of May 2021, RCs had coordinated the development of over 100 annual UNCT reports to governments on 2020 system-wide results. Encouragingly, the quality of reporting has also improved.<sup>32</sup> At the same time, it is concerning that some 25% of programme country governments indicated in 2021, that they did not receive an annual UNCT results report in the previous annual cycle, and a further 30% of respondents were unaware if they had. This is not good enough. New guidelines have now been issued for UNCTs requesting that reports be produced within the first quarter of the year that follows

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<sup>32</sup> DESA Survey of programme country Governments, 2020.



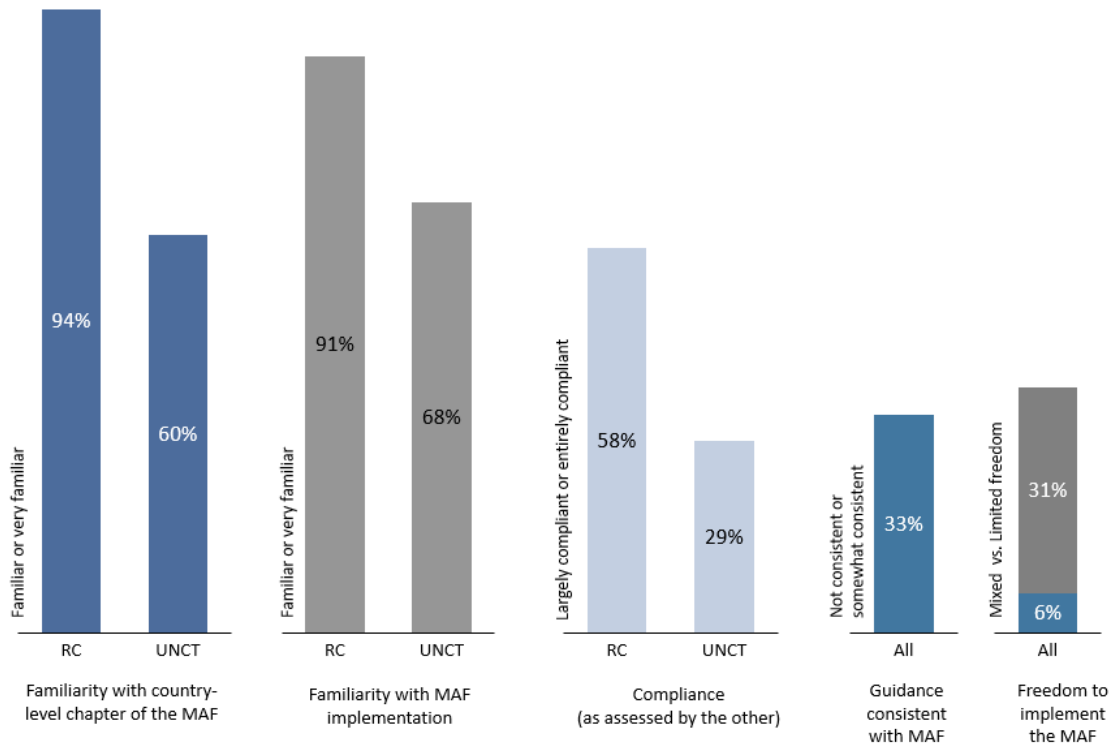
the annual reporting cycle. Moving forward, it is essential that all RCs and UNCTs produce, submit, and discuss their annual reports with programme countries. At the regional level, it is encouraging to see the first annual regional United Nations development system results reports by the regional collaborative platforms in each of the five regions. At the global level, the 2021 report of the Chair of the UNSDG on the Development Coordination Office provided, for the first time, an overview of the contribution of the UN development system to SDG progress, based on the COVID-19 socio-economic response indicator framework. This is proof of the possible. If we are to be able to report on the full breadth of the UN development system contribution to the SDGs, it is also critical that UN entities invest in and fully utilize the common UN-INFO reporting platform to support analysis of system-wide results.

141. Second, we have also seen important progress in securing more **joint and system-wide evaluation**. More than 70 joint evaluations were conducted by United Nations development system entities in 2020. New guidance has been issued on Cooperation Framework evaluation. And an early evaluability study of the COVID-19 response has been undertaken. I have also moved forward plans to establish the United Nations Sustainable Development Group System-wide Evaluation Office. The office will provide a clear institutional function and leadership for evaluations of the Cooperation Frameworks. I will ensure that Member States are kept fully informed as we move to ensure it is fully operational by the end of the year.
142. Third, we have seen significant efforts by the UNSDG to **operationalize the dual accountability function** set out in resolution 72/279, which ensures that United Nations development system country representatives remain fully accountable to their respective entities on individual mandates, while periodically reporting to the RC on their individual activities and respective contributions to the system-wide efforts of United Nations country teams towards the implementation of the 2030 Agenda. This has been done through the agreement of the country-level component of the Management and Accountability Framework, subsequent changes by UN entities to job-descriptions and the sequencing of Country Programme Documents. In keeping with General Assembly resolution 72/279 and the ECOSOC decision 2020/23, the regional and global chapters are currently being finalized, setting out accountabilities and working relationships at the regional and global level in line with the principle of dual accountability across the three levels. The full MAF when finalized will provide, for the first time, a comprehensive accountability framework for the UN development system.
143. Fourth, as outlined in greater detail in my 2021 QCPR report, we have seen significant improvements in **Member State oversight of the UN development system**. Member states have rejuvenated the ECOSOC Operational Activities for Segment as the premier forum for UN development system accountability to Member States for their collective results. Changes have been made to its programme, and the two primary reports to inform deliberations have been strengthened. There is now also a much greater level of engagement between Member States and the Principals of the system and RCs. The governing bodies of UN entities have also stepped up their roles in ensuring implementation of the approved reforms by individual entities – ranging from action to support the cost-sharing mechanism for the RC system funding to annual strategic funding dialogues; from aligning planning cycles with the QCPR cycle to ensuring that country programme documents are derived from Cooperation Frameworks.

### *Closing the gaps*

144. These are all important and significant steps forward that demonstrate the commitment of all parties to advancing the reforms. However, there remain several areas where further change is urgently needed – particularly as it relates to the dual accountability function.
145. Data available from the DESA surveys and a DCO-led survey paint a mixed picture two years after the agreement of the new arrangements to operationalize the dual accountability function. Perhaps unsurprisingly, feedback from the country level shows a significant gap between the approach taken by RCs and members of UNCTs, particularly those without physical presence in country. According to respondents to a survey on MAF implementation at country level, RCs are 34% more familiar with the MAF and 23% more familiar with its implementation than UNCT members. They are deemed largely or entirely compliant with the new arrangements at twice the rate by UNCTs than UNCTs are by RCs. Furthermore, 33% of UNCT members indicated that the guidance from Headquarters was either inconsistent or not entirely consistent with the MAF. In addition, some 6% of UNCT members reported having limited freedom to implement the MAF; a further 31% reported mixed freedoms to implement.

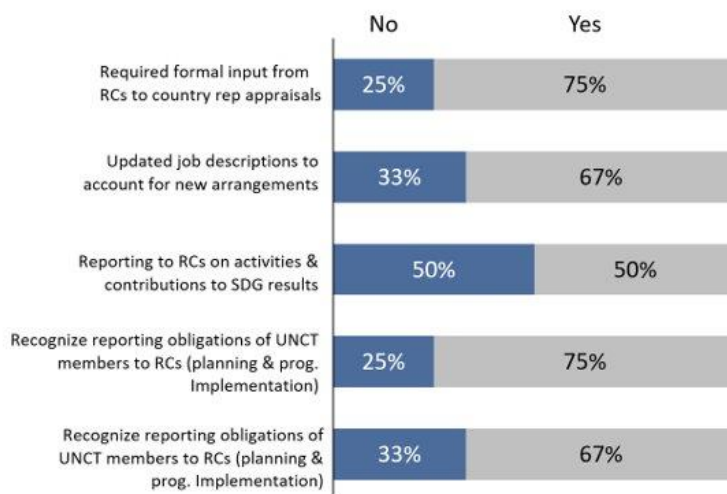
Figure 15:  
**RC and UNCT implementation of the Management and Accountability Framework**



Source: MAF implementation survey, DCO, 2021.

146. Feedback from UN development system entities' headquarters is consistent with the feedback from the country level, with 1 in 4 UN entities reporting not having updated job descriptions of their representatives in country to account for the new accountabilities arrangements; 1 in 3 not requiring formal input from RCs to country representative appraisals; and 1 in 2 not reporting to RCs on their individual activities and contributions to collective SDG results. Similar trends are evident on recognizing reporting obligations of UNCT members to RCs, with 1 in 4 failing to do so on planning and programme implementation and 1 in 3 failing to do so showing on resource mobilization.

Figure 16:  
**UN entities' compliance with key elements of the Management and Accountability Framework**



Source: MAF implementation survey, DCO, 2021.

147. The general sentiment of these findings – that MAF implementation is mixed – is reinforced by findings from external reviews.<sup>33</sup> The MAF survey provides insights as to some of the reasons behind the mixed progress. First a lack of incentives or “enforcements” mechanisms. Second on performance appraisal, many RCs felt that RC input on UNCT member performance needed to be strengthened, while UNCT members pointed to a lack of systematic opportunity for them to provide feedback on RC performance. Third, ambiguities relating to the ‘integrator’ role of UNDP were flagged, with many noting the need for a shared understanding among RCs and other UNCT members and to clearly distinguish UNDP’s programmatic role from the RC’s coordination role. Fourth, the area deemed least clear related to responsibilities and accountabilities on resource mobilization. There were requests for more clarity on mobilizing Cooperation Framework resources, and interagency pooled funds; on RC roles on joint programmes; and on the consistent sharing of results and budgetary information. Fifth, the issues of sequencing and aligning Cooperation Framework and CPD processes, including in Executive Boards, to ensure CPDs are derived from the Cooperation Framework was highlighted frequently.
148. It is important to consider this data and the feedback from RCs and UNCTs in its proper context. It is reasonable that changes of this nature will take time to fully mature and it is possible that the COVID-19 crisis may have slowed progress temporarily. In addition, I have also witnessed first-hand the commitment of UNSDG principals to operationalizing the reforms and believe in most instances, staff and leaders are doing their utmost to make the new arrangements work.
149. At the same time, the challenges set out above are of significant concern. They go to the core of the leadership, impartiality and independence of the RC function and the functioning of a new generation of UNCTs. They highlight ongoing tensions at the core of the new accountability arrangements. They point to the fact that many RCs still struggle to secure the necessary engagement by representatives of some entities on the ground and that some UN entities feel that the space they need to conduct their work on the ground is not always available.
150. While formally changing processes and terms of references is important, the reforms also require a change of mindsets and behaviors – from UNCT, UN entities and RCs alike. Since the outset of this reform process, I have also addressed the fact that these reforms are not merely about coordination, they are about leveraging coordination to maximize the contribution of the UN development system to respond to the challenge of the 2030 Agenda. This in turn demands a shift in the business models of UN entities - here too, change has been too slow.
151. Having considered all the data and feedback from Member States during consultations on this report, I believe decisive action is now needed. We cannot afford to allow ambiguity or perceived ambiguity to slow down the pace of reform implementation.
152. **First, I believe there is a need for the General Assembly to reinforce the critical importance of adherence to the dual reporting function – both the letter and the spirit.** This would send an important signal that the new arrangements are here to stay and must be fully implemented.
153. **Second, to facilitate the important oversight role of governing boards,** I am requesting the Chair of the UNSDG to prepare a UN development system reform checklist, building on the results matrixes prepared for boards by some entities. I also encourage the UNSDG to develop a self-reporting scorecard on implementation of the dual accountability function, to annual findings of which should be shared with all boards in advance of their annual sessions.
154. **Third, I call on the Chair of the UNSDG to ensure that the challenges outlined above – regarding the role of the RC vis-à-vis UN entities, are decisively addressed** through regular reviews of the Management and Accountability Framework.
155. The contribution of the UN’s largest development agency as technical lead of the socioeconomic pillar of the COVID-19 response demonstrates the potential of its integrator function. Now, that function must be taken to the next level as UNCTs transition over the coming twelve months from Socio-Economic Response plans to

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<sup>33</sup> Early assessment of Resident Coordinator system reform, OIOS, November 2020; Early lessons and evaluability of the UN COVID-19 response and recovery MPTF, April 2021; UN development system reform: progress, challenges and opportunities, MOPAN, April 2021.

Cooperation Frameworks, aimed at supporting national recovery efforts that also accelerate SDG implementation. This is the collective responsibility of the entire UN development system – UNDP, RCs and all UNCT members.

156. **Fourth**, the effective functioning of UNCTs places a premium on the performance of both RCs and UNCT members. It is critical that the current system for managing the performance of RCs be both fully implemented and reinforced, including through continuous guidance and feedback by DCO and yearly appraisals of RCs informed by the inputs of UN entities at the regional level. In tandem, the collective accountability of UNCTs must also be strengthened. I therefore request each RC to lead an inclusive review of the collective contribution of the UNCT to annual results achieved under the Cooperation Framework.

157. With these changes, I believe we will remove ambiguities that are currently undermining implementation of the dual accountability function and we will further strengthen the ability of the RC system to leverage the maximum contribution by UNCTs to support national priorities for SDG acceleration.

## **VI. Sustainability by predictably funding the RC system**

158. This report has shown that the RC system is functioning well, is already facilitating an improved contribution from the UN development system and stands to move to an altogether higher level of performance if a number of important changes are made, including as it relates to funding and accountability. Yet, even the most basic functions of the RC system cannot be guaranteed unless the system is funded adequately, predictably, and sustainably.

### **A. The funding trajectory of the RC system**

159. The importance of a well-resourced coordination function for sustainable development cannot be overstated. It was clear from the outset of these reforms that our common drive to empower and strengthen the RC system could not rely exclusively on its delinking from UNDP or reinforced authority. An effective coordination function requires dedicated and consistent capacity and predictable resources, to ensure RCs are equipped with the appropriate skillsets to support the 2030 Agenda and serve as a center of gravity for convening partnerships required for success. Step by step, through the work of the five core professionals in RCOs, we are making strides in this direction as outlined in Chapters III and IV.

160. In proposing the staffing structure and budget to reinvigorate the RC system, I exercised caution, by optimizing current arrangements to the extent possible and minimizing additional costs. The system we have put in place is strongly anchored in the assets and resources of the entire UN development system, including the extensive operational and policy expertise of the Secretariat, and the operational contributions and global reach of UNDP and other UN entities. In doing so, we managed to significantly scale up the capacities of the RC system without a major increase to the system's actual costs.

161. Before the reforms, the basic cost of the RC system was calculated at \$175 million per annum. This amount included: (i) the cost of RCs for 129 countries at the time; (ii) a driver and an assistant to the RC in those countries; (iii) RCO highly variable RCO sizes, ranging from 1 or 2 staff to large offices of 50 or more when local resource mobilization successful – there was no consistency in coordination support to national governments, UNCTs and development partners alike; (iv) 12 coordination officers to support UNSDG regional teams; (v) an estimated 50 percent time of six UNDP Assistant Secretaries-General, in their role as Regional UNDG Chairs; (vi) the cost of the former “Development Operations Coordination Office”; (vii) services and facilities costs; and (viii) travel costs for the UN RCs. Historically, this cost had been carried predominantly by the UNDP budget. It also included contributions from UNSDG members, amounting to approximately \$37 million - or half of the current cost-sharing levels, as well as ad hoc contributions from Member States, which were not captured in a clear or systematic way.

162. Today, a fully staffed and capacitated reinvigorated RC system costs \$281 million per annum. This represents an increase of \$106 million over the previous, underfunded and inconsistently capacitated RC system. This increase reflects a minimum carrying capacity of 5 staff members, with reprofiled competencies to cover key functions required to drive more effective UNCT responses across any setting. Effectively, the reform also significantly improved the post to non-post budget ratio. The increased weight of staff costs in post-reform RC's Offices brings more accountability to the results the UN development system is delivering with its dedicated expertise and skills. This strengthened role and enhanced coordination offer also called for a corresponding increase in the support capacities of the Development Coordination Office (DCO) – including through new regional teams. The budget also includes \$35 million in flexible funding to catalyze in-country UNCT planning, programming, and monitoring, including through the development of cooperation frameworks and related evaluations. As in the pre-reform case, such small discretionary funds are critical to enable the RC to facilitate collaboration among UN entities and convene partners on issues of key importance.

163. In my proposals to the General Assembly in 2017, I had strongly recommended funding the RC system – as a core function on the UN's development arm – through the regular budget of the United Nations. At the time, my belief – after reviewing different funding options – was that only assessed contributions could help ensure our core capacities for coordination were not dependent on the vicissitudes of voluntary funding or interagency cost-

sharing arrangements that require support from a multiplicity of governing bodies and which, up until the reforms, was not working optimally. Assessed contributions would also provide – we posited at the time – a greater level of ownership by Member States and credibility for our coordination function.

164. Even though the majority of the membership voiced support for an assessed-funded RC system, no consensus could be found. Member States, in turn, engaged in a deep reflection and extensive negotiations on possible alternatives to fund the RC system, under the lead of the co-facilitators appointed by the PGA to coordinate negotiations on the UN development system repositioning. I remain deeply grateful to Member States for showing leadership and commitment to find a solution. This has shown immense ownership of these reforms and has helped garner support across the membership for the hybrid model, which is described in detail in the technical note circulated by the co-facilitators to the membership in mid-2018.<sup>34</sup>

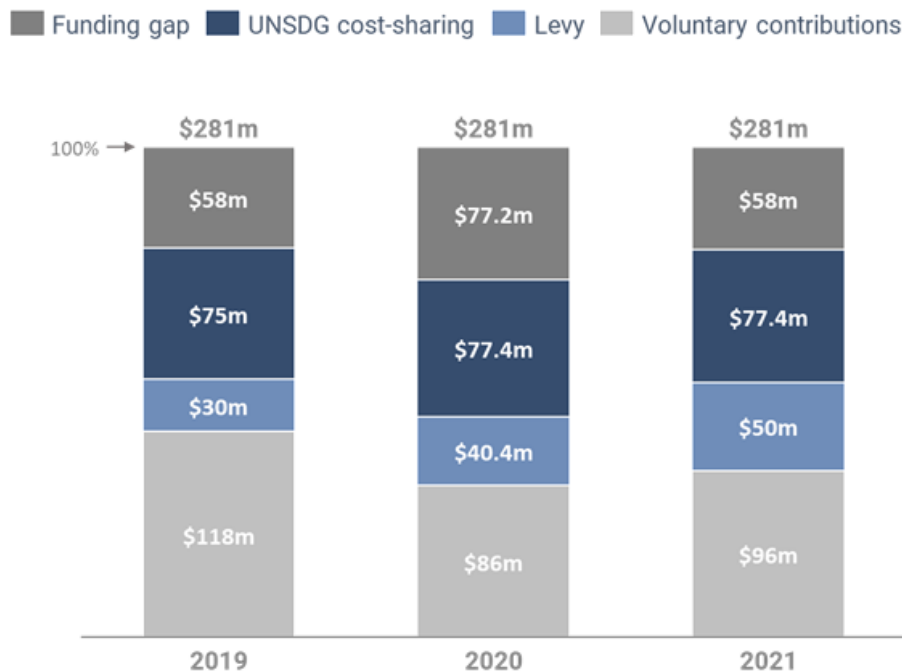
## B. The hybrid model and its performance

165. Since the General Assembly agreed on this compromise model, I have spared no effort to ensure that we mobilize sufficient funding, leveraging the three related funding streams that flow into one single Special Purpose Trust Fund: voluntary contributions by Member States, the UN entity cost-sharing contributions and the 1% coordination levy on tightly-earmarked donor contributions to projects of entities of the UN development system. We have made strides and the hybrid model has allowed us to transition to a new RC system in record time, progressively reaching the required capacities.

166. The total income of the RC system has remained consistently above \$200M, with \$223M in 2019, \$204M in 2020 and a projected income of \$223M in 2021. However, the total required budget of \$281M has not been reached to date with funding gaps remaining at \$58M in 2019, \$77M in 2020 and a projected gap of \$58M in 2021. Over the past three years, we have learned valuable lessons on the hybrid model and each of its components.

Figure 17:

**RC system funding received and funding gap 2019-2021**



Source: DCO

<sup>34</sup> [Technical Note: Funding the reinvigorated RC System](#), April 2018

167. First, the UN entity **cost-sharing arrangement** has been implemented swiftly and across all UN entities and mobilized \$77 million or 27 % of the RC budget in 2021, exactly in line with initial projections and accounting for 34% of the total income received in 2019 and 38% of the total income received in 2020.

168. I was greatly encouraged to see Member States acting cohesively across all Boards to endorse the doubling of the cost-sharing as requested by the General Assembly in 2018. Even in ILO's unique governing model, tripartite actors rallied around the reforms to support the cost-sharing contribution. For the first time in history, the Fifth Committee approved a regular budget appropriation request in the amount of \$13,571,800 in 2019, representing the UN Secretariat share of the UN entity cost-sharing arrangement for 2019. It has been disbursing the same amount annually since. These actions give me confidence that we can count on sustained contributions over the time from this funding stream. We have also gained appreciation for the ownership the cost-sharing arrangement helps generate across the system. Finally, as we anticipated, while in some cases the doubling of the cost-sharing contribution has required an effort in some entities – typically smaller outfits already facing an adverse funding situation – in most cases the amount was accommodated without affecting programmatic resources in any notable way.

169. In 2020, all contributing UNSDG entities paid their share of the cost-sharing arrangement, with WMO and ITC provided their contributions for the first time, and UNIDO fulfilling its promise to contribute its full share in 2020. As of March 2021, almost every UNSDG entity had also already provided its 2021 contribution — the remaining contributions are expected by June. In preparing for the review, the UNSDG has also proceeded to revise the formula underpinning the current arrangements.<sup>35</sup> While some data updates were made to reflect changes in variables (staffing, activities in country, overall budget of each entity), the formula remains largely unaltered and the bottom-line contribution to the RC system remain consistent.

170. Second, the new **1% coordination levy** on tightly earmarked non-core contributions to UN development-related activities has generated a greater contribution year on year. The level revenue in 2021, is projected to amount to \$50million or 22 % of the total projected 2021 income.

171. Initially, the annual levy revenue was projected at approximately \$80 million. The projection was based on data from 2016 which showed total tightly earmarked amounts of approximately \$8 billion. In late 2018, however, the projection was adjusted to a threshold of \$50 million in 2021, given the process of establishing levy-collection practices across donors and entities, the existence of legacy agreements for which the levy did not apply, and the time-delay between revenue reported and cash contributions arriving in the Special Purpose Trust Fund.

172. Following an open and intensive consultations with Member States and the UN development system, a guidance note was shared in March 2019 with methodological clarifications on the levy's operationalization.<sup>36</sup> Member States and other funding partners have to a large part confirmed their preferred modalities for collection and transfer of the corresponding amounts into the Special Purpose Trust Fund for the RC system.<sup>37</sup> A few key member state contributors to the UN development system – as well as a number of private sector partners - are not systematically implementing the levy on eligible contributions.

173. While GA resolution 72/279 indicates that the levy is to be paid at source, only two of 30 Member States (Sweden and Iceland) and the European Union currently administer the levy directly. The remainder of the levy collection is administered by UNSDG entities on behalf of donors. The agency-administered option of the levy has implied heavy administrative costs during the past two years, ranging from between 5% and 27% of funding mobilized and transferred to DCO, depending on the entity.<sup>38</sup> By contrast, the donor-administered option has generated approximately \$36 million since 2019 with no transaction costs for UN entities and significantly less for donors. Use of the donor-administered option is therefore greatly preferred to the agency-administered option, as it significantly streamlines the process leading to efficiencies and decreased transaction costs for both UNSDG entities and donors.

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<sup>35</sup> See Annex 1 for a breakdown of cost-sharing contributions by entity.

<sup>36</sup> [Coordination levy: operational guidance, UNSDG, March 2019](#)

<sup>37</sup> See Annex 2: Contributing countries through the 1% levy since 2018.

<sup>38</sup> UNSDG Fiduciary Management Oversight Group data.

174. Furthermore, while the levy was conceived as an add-on to donors' contributions, donors have – in most cases – applied the levy from within their contribution instead, in practice making less resources available for programmatic activities. In such cases, these levy payments can be considered “foregone contributions”, reducing the budgets which would otherwise be available to entities. This is avoided in cases of the donor-administered option, where payments come separate to, and on top of, contributions to entities.
175. It is also important to recall that the levy was envisaged as a means to disincentivize tightly earmarked voluntary contributions to the UN development system. As outlined in the previous chapter, it appears that this has not occurred, given that tightly earmarked voluntary contributions to the UN development system have not decreased since 2018. It is however still seen as a tool, in the spirit of the Funding Compact, to disincentivize tight earmarking.
176. Third, **voluntary contributions** from Member States have amounted to \$86 million in 2020 and are projected to reach \$96 million in 2021. In 2019, a total of \$118 million in voluntary contributions were made allowing for a smooth transition to the new system. At that point, 4 donors generously decided to frontload contributions for multiple years: Denmark, Ireland, Luxembourg, and Switzerland. Ten donors have signed multi-annual agreements: Canada, Denmark, Switzerland, New Zealand, Netherlands, Luxembourg (each coming to an end in 2021), Ireland and Qatar (came to an end in 2020), Timor-Leste (until 2023) and the UAE (until 2030). I am also heartened to see a continuous increase in the number of developing countries contributing to the RC system budget. Today, 44 Member States have made voluntary contributions, including 15 from the Group of 77 and China. I would like to deeply appreciate all Member States who have found ways to contribute to the SPTF within very tight timelines.<sup>39</sup>
177. At the same time, the current voluntary funding levels are falling some \$28million short of the \$124 million portion envisaged would come from voluntary contributions in the original 2018 hybrid funding scenario. Voluntary contributions are needless to say, not bridging the gap in the levy shortfall, leaving the RC system highly vulnerable. In addition, while the donor base has grown, only 16 countries have made contributions in line or above what would have been their equivalent assessed contributions and some 97% of 2020 voluntary contributions came from members of the OECD.
178. While the current funding model has served the RC system well in its inception phase, I do not believe that its continued underfunding and the associated uncertainty is sustainable.

### **C. The right size of the RC system – overview of DCO and RCO capacities**

179. The story of the RC system funding so far is one of relative success. Together, we have proved that the cost-sharing contribution – at current levels – is both viable and predictable. We gave life to an ambitious – yet uncharted – idea by Member States to introduce a 1% coordination levy on strictly earmarked resources. And sufficient Member States came together with voluntary contributions to provide the resources needed for a successful start-up and proof of concept.
180. Yet, this success story is rapidly approaching an impasse. Despite significant efforts over recent years, 2020 saw a gap in funding of approximately \$77million and a gap of \$ 58 million is projected for 2021 – a 27% and 20% funding gap respectively. So far, this gap has not triggered an alarm as the build-up of staff in the RC system has been staggered and initially DCO was able to maintain some legacy-funded staff from the previous DOCO. In addition, savings accruing from reduced travel due and other operational expenses to the COVID-19 pandemic helped to defray the yawning gap in funding. The current situation, however, creates a significant cash flow dilemma and causes uncertainty that will ultimately affect our operations on the ground. Entering 2022, under current trends, there will be insufficient resources available to maintain current capacities. In time, this will inevitably mean cuts in the core staffing capacity of the RC system and other critical tools providing a foundation to the new RC system. It could also send waves of uncertainty across the UN development system, precisely at a time where behavioural change is in motion and confidence in the reforms is high.

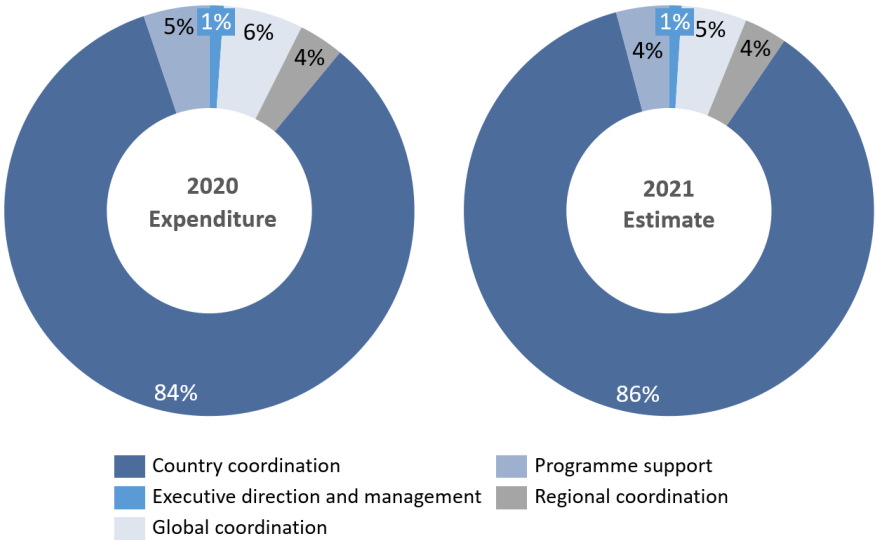
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<sup>39</sup> See Annex 3: list of countries that have made voluntary contributions since 2019



181. There is no way around this. The RC system budget is essentially composed of a lean HQ capacity to provide backstopping to country operations. In 2020, 84% of RC system expenditures were dedicated to country-level coordination; approximately 5% supported programmatic support for RCOs and the remaining 11% supported DCO global and regional coordination. Under a fully funded budget in 2021, the share of spending at the country level would increase by a further 2%. While evidently performing at high levels, DCO capacities in HQs and regional teams are strikingly lower than typical HQ to field ratios in other operational entities across the system.

Figure 18:  
**RC system 2020 expenditure and 2021 budget estimate**



Source: Report of the UNSDG Chair on DCO/RC system, 2021

182. Reducing these capacities would have an immediate impact on our ability to support UN country teams, be responsive to Member States at the global and regional levels – including in enhancing transparency and reporting, and to ensure robust oversight of country and regional operations.

183. At the country level, given the impressive performance of the RC system to date, I am convinced that the five core capacities of RCOs have been well calibrated and remain essential within any country context. In the scenarios we have designed, removing any of these five critical capacities would have serious consequences for our capacity to deliver – coordination and strategic planning officers, economists, monitoring and evaluation specialists, communications officers, and strategic partnership advisors. In fact, I do not believe we would have passed the litmus test of our response to the huge socio-economic challenges brought on by the pandemic without these capacities, particularly that of RCO economists. I believe these five are essential to enable a more effective and transparent UN development system on the ground, in any country context. We need to level the playing field and ensure every country – large and small – has a right to this minimum coordination infrastructure.

184. In fact several RCs (36% according to the OIOS advisory work) and other partners have noted the need for additional capacities in certain cases, but I remain of the view that such capacities need to be identified and resourced separately – preferably drawing on existing capacities in the system that can be channelled in support of UN country teams, building on the model of Peace and Development advisors, Human Rights advisors and, more recently, gender advisors provided by UN Women. Where we have triple-hatted RCs, for example, additional capacities linked to the Mission mandate are covered through the mission budget – with clear complementarity and not duplication in the functions. Since the advent of the new RC system, we also see the emergence of some short-term secondments of specialized staff to RCOs, for example by UN-DRR in Turkmenistan and Kazakhstan, that help deliver specific, time-bound support to the UNCT in an impactful and cost-effective manner. This is a path we should continue to encourage, while preserving the lean, 5-core capacity RCO structure, together with the coordination officers to support MCOs, that is starting to yield clear benefits.

Advisory capacity to UNCTs, hosted in RCOs, should in no circumstances encourage RCO's to take on an operational or implementation role; we are monitoring this principle very closely indeed.

185. Over time, as we adjusted to the new support ecosystem offered by the Secretariat, some efficiencies could be made, as outlined in my previous reports to ECOSOC and to the fifth committee. This included, for example, efficiencies generated in the merger of RCOs and UN information centres in countries. This merger allowed DCO to reprogramme funds initially allocated for communications to help fund the new coordination capacities mandated by Member States as part of the Multi-Country Office review. Costs were also reduced in transitioning select administrative and payroll functions for RCOs to the Secretariat, through services managed by UNON and other Secretariat entities.

186. At this stage, I do not see any further scope for efficiencies or space for reductions to the overall budget of the RC system, without undermining its performance and the broader reforms of the UN development system. The full information of DCO and all RCO posts and budgets are available in my annual report to the fifth committee and I encourage Member States to also review this information. **I therefore propose to maintain the overall capacity and budget levels of the RC system as initially envisioned and approved by Member States.**<sup>40</sup>

## **D. The way forward**

187. I remain convinced that fully funding the RC system through the regular budget would be the ideal way forward, precisely because this is a core development function that needs certainty and predictability and that belongs to the entire UN membership. If the General Assembly is unable to reach consensus on this, then I believe it is essential that the current funding model be significantly improved.

188. I have been heartened by the consistent disbursement of cost-sharing contributions by all entities of the UN development system and the above-expectation performance of the 1% coordination levy. In terms of voluntary funding, it is abundantly clear that, three years into the new system, voluntary contributions are not generating the amount expected, nor are they capable of filling the likely gap created by reliance on the 1% coordination levy on tightly earmarked funding to the UN development system. Voluntary funding is also not delivering sufficient predictability – considering the shortfall of \$58M expected in 2021 and given that multi-year commitments remain the exception. After a promising start, the amount of voluntary contributions has largely stagnated and, based on engagement with current and prospective donors, I do not see this gap being bridged in the near horizon, potentially undermining existing capacities and derailing overall efforts to transform the UN development system.

189. Should fully funding the RC system through the regular budget prove impossible, I propose that Member States consider a new hybrid model – a ‘hybrid 2.0’ – that retains the best components of the current model, while addressing its shortcomings.

- a. This new model would, firstly, maintain the **cost-sharing contributions** by entities of the UN development system in the region of \$77million.
- b. It would also retain the **1% coordination levy** on tightly earmarked contributions, but it would reinforce the need for those contributions to be paid at source – using the donor-administered option - as initially envisaged in resolution 72/279. It would also recognize that the levy is unlikely to generate funding in excess of \$50million per annum, not least because the amount generated through the levy is intended to actually reduce over time if we were to see a shift towards unearmarked voluntary contributions to the UN development system.
- c. To provide a much more solid footing for the RC system's finances, the new model would replace the voluntary component of the hybrid model with **assessed contributions** through the regular budget.

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<sup>40</sup> See Annex 3: DCO Resident Coordinator system budget

190. Concretely, we would be seeking approximately \$154 million additionally from the regular budget of the United Nations annually, combined with the current cost-sharing arrangement (\$77 million) and projected amount to be collected from the levy (\$50 million).
191. This would offer a pragmatic way forward and resolve, once and for all, concerns, and doubts over the long-term viability of our coordination function. It would offer to land the funding model for the RC system in a place of predictability and sustainability, in the spirit of resolution 72/279. It would also send a definitive signal to the world at large that development coordination is a core function of the organization and, more than ever, critical to a future of peace, dignity, and prosperity. An added advantage of moving to a “hybrid 2.0” model is that it would allow current donors to the RC system Special Purpose Trust Fund to redeploy, should they wish to do so, voluntary contributions currently provided to the RC system to other key programmatic pooled funds that give the “muscle” for joined up support by UN country teams to the 2030 Agenda.
192. I count on Member States to consider my recommendation with the same sense of ambition that has marked these reforms so well. There is no mystery – if we are making progress in transforming the UN development system, it is precisely because we have invested in robust capacities. If we want to see through this process and witness first-hand what a deeply transformed UN development system can achieve, then it is only logical that we continue to invest in our engine for change – the RC system.
193. We have a unique opportunity to define a model that can finally provide adequate, sustainable, predictable, and long-term funding to this critical function at a relatively small amount. To give a sense of perspective: the full budget for the RC system amounts to less than 1.5% of overall development-related resources entrusted to the UN development system every year; yet it has a decisive impact on the remaining 98.5%, including in enhancing its effectiveness, transparency and accountability for results. The amount being requested, specifically, in the form of assessed funding would amount to about 1.5% of the total budget of the United Nations, including peacekeeping operations; yet, we all agree that sustainable and inclusive development is the long-term solution to most of the acute challenges facing the world. I have stated time and time again that this is good value for money for all stakeholders and - by all standards - a good investment for the United Nations and for humanity.
194. Over the years, the funding and value for money of the RC system has been debated at length. With only 10 years to achieve the 2030 Agenda for Sustainable Development, I believe the time has come to put that issue to rest, with pragmatism and ambition. I am requesting your support for a redesigned hybrid funding model for the RC system, including cost-sharing and the 1% levy within current parameters, and an additional contribution from the regular budget of the United Nations of approximately \$154 million annually.
195. Should the General Assembly agree with full regular budget funding or this proposed redesign of the hybrid model, we will proceed with the submission of a revised estimates report for 2022 to the main part of the 76th session of the General Assembly as per the established budgetary procedure. I very much count on Member States’ support and leadership.

## **VII. Looking ahead: Towards a multilateral response through the UN development system that delivers for people and planet**

196. The world has changed dramatically in the seventy-six years since the United Nations came into being. But the values of the United Nations Charter, based on the three pillars of peace and security, human rights, and the economic and social advancement of all people, remain not just central but essential. The COVID-19 pandemic, and its devastating social and economic impacts, are a tragic demonstration of the enduring need for multilateral solutions.
197. None of today's challenges – the climate crisis; biodiversity loss; pollution; unsustainable levels of inequality; crippling debt burdens – can be solved by any one country acting alone. All require global unity and solidarity. But in an era of growing nationalism and division, multilateral institutions are under greater pressure than ever to deliver for those we serve.
198. The UN development system represents multilateralism on the ground, tackling the roots of poverty, hunger and conflict and their impact on people's daily lives. Reforming this system is therefore about much more than improving its effectiveness and efficiency. It is about the relevance, value, and purpose of multilateralism itself, centered around our support to national governments to deliver the 2030 Agenda for Sustainable Development. These reforms are aimed at bringing the immense capacities of the UN development system to bear on the challenges faced by governments and people across the world, so that we can implement the SDGs and create more sustainable, peaceful, resilient communities and societies.
199. Today's multilateralism must be networked, based on collaboration across the UN system and with other key organizations and institutions. One role of the reformed UN development system is therefore to mobilize all parts of the UN family, and other stakeholders, towards common goals. And today's multilateralism must be inclusive, valuing new perspectives and welcoming new voices. The reformed UN development system must be ready to listen, particularly to the marginalized and those left behind. The reformed UN development system must demonstrate that uniting behind a common purpose, and investing in the changes needed to achieve it, delivers concrete results that improve people's lives while tackling our shared challenges.
200. The review of the Resident Coordinator system shows that over the past three years, we have made significant progress towards these goals, in the face of seemingly insurmountable challenges. In a considered and consultative manner, we have moved from analysis to solutions, and from agreement to implementation. This report sets out the results of those efforts. This is an immensely positive story that demonstrates the capacity of the entire United Nations family – both Member States and the UN development system – to recalibrate itself in response to the changing world around us. We should be proud of the results we have achieved, and resolve to build on them for the future, including through ongoing efforts to realize Our Common Agenda.
201. This report also shows that we have more to do to if we are to improve the UN development system's support of national priorities to deliver the 2030 Agenda. This is essential as countries work to end the pandemic and launch a recovery that will accelerate SDG implementation.
202. The United Nations development system is ready to take further steps. We need to make sure we have the right skillsets and profiles within all our United Nations entities, including RCs, RCOs, UNCTs and DCO. We are determined to improve our response to national needs, priorities, and contexts. We must also revisit and revitalize the incentives and accountabilities put in place as part of the reforms, including adherence to both the letter and spirit of the dual accountability function. And while the funding model of the RC system has served us well during the inception period, it is no longer fit for purpose.
203. I extend my sincere gratitude to all who have made this journey possible. I thank Member States for co-creating and driving the changes that are now coming to fruition, through their efforts in the General Assembly, in the Economic and Social Council, in governing bodies, and in capitals. I thank the principals and staff of UN entities who have embraced the change that is underway.

204. **We have made a great deal of progress. Now we must stay the course and move to the next level. This is our collective responsibility.**
205. **As outlined in this report, the Chair of the UNSDG, and the UNSDG as a whole, will take action on several fronts.** Outstanding challenges and concerns regarding the dual accountability function call for regular reviews of the implementation of the internal Management and Accountability Framework. Further enhancements are also needed to better monitor and manage RC and UNCT performance. It will also be important to facilitate the oversight role of governing boards, by ensuring that they are provided with the necessary information and tools to monitor UNDS alignment – from country to global levels – with the reforms. The integrator function of UNDP will also need clarification and must now manifest itself more clearly as UNCTs integrate COVID-19 Socio-economic response plans into Cooperation Frameworks to drive an inclusive and sustainable recovery. The UNSDG will also need to strengthen reporting on the UN’s commitments to gender equality, youth action and disability inclusion and to live up to UN values, including through a zero-tolerance policy for sexual exploitation and abuse. In terms of leveraging the most relevant capacities at country level, attention must be maintained on the contributions of new capacities in Multi-Country Offices and a clearer and transparent pathway will be developed to ensure that UNCTs are appropriately configured, in response to country needs and priorities defined in the Cooperation Framework. In turn, the implementation of the new regional arrangements over the course of 2021 and 2022 requires close attention alongside support to maximize the impact of DCO regional directors. In addition, continued efforts are needed to further strengthen partnerships between UNCTs, IFIs and other key development partners on the ground.
206. **The Principals and staff of individual UNDS entities also have an important role to play in ensuring the RC system – a shared UNSDG resource – operates at the highest possible level.** UN Principals can lead by example, working collaboratively across the system, ensuring a supportive outlook vis-à-vis the RC system, and embracing the culture change that the reforms demand. To further strengthen a system-wide outlook among UN staff, UN entities can facilitate greater staff mobility across agencies and duty-stations, including RCOs, and by offering the best candidates for RC positions. Through joint initiatives, staff capacities can be strengthened in priority areas such as SDG policy integration, gender equality and women’s empowerment, youth action, financing, data, technology, and partnerships. The full implementation of relevant Funding Compact commitments is another area for action that can also build confidence in the UNDS as a whole. Lastly, UN entities can work collectively and through the Joint Steering Committee to strengthen cross-pillar collaboration and broaden our partnerships in fragile settings, which are critical to reaching those furthest behind and achieving of the 2030 Agenda.
207. **As the engine room of the RC system, the Development Coordination Office can take a number of steps to continue to improve its own performance.** Concrete action – supported by UN entities – is now needed to build an integrated RC career management system and to strengthen the RC career path, including by dedicating more resources to individual career counselling and by examining how best to support RCs in-between assignments or those nearing retirement. There is also a need to ensure RCs have the most suitable profiles and skillsets for the different contexts in which they operate, including by strengthening the RC pool overall with a younger cohort and providing dedicated training and mentoring, and by leveraging the RC/HC Talent Pool. This can also be supported by facilitating regular engagements between RCs and Principals of UN entities to help build a common understanding of the challenges that different entities or RCs face under the new arrangements and what is needed to deliver both as a collective and individually. Action is also needed to ensure the alignment of the five RCO capacities with their core functions, to clarify reporting lines of Communications Officers, to ensure adequate administrative support for RCOs and to examine opportunities for RCO staff mobility.
208. **Governing bodies have played a crucial role in making the reforms a reality. Their continued engagement is now needed to take the RC system and UN development system to the next level. Critical in this regard, is continued oversight of entity adherence to the dual accountability model and the evolution of business models, mindsets, and skillsets to ensure UN entities are fit for purpose to help countries achieve the 2030 Agenda.** Governing bodies can also ensure that UN entities invest in and fully utilize the common UN-INFO reporting platform to support analysis of system-wide results in supporting national efforts to achieve the SDGs. They can also ensure UN entities make the necessary changes to allow for a shift to common premises,

implementation and realize the initiatives outlined in the Business Operations Strategies (BOS) and Common Back Offices (CBO), and secure more efficient operations at all levels.

209. **In their individual capacities, Member States can take a range of measures to further support the reforms. This includes** ensuring clear programme countries arrangements – both legal and procedural – to take full account of the leadership role of RCs; giving due regard to the preeminent position of the Cooperation Framework; and facilitating more efficient business operations and supporting the emergence of a new generation of country teams through country team configuration exercises. Development partners can also ensure that their representatives on the ground reinforce the new arrangements as agreed by the General Assembly. Delivering on commitments under the Funding Compact and supporting better quality funding of the UNDS will also be critical.

210. **Lastly, as the UN’s most inclusive and deliberative decision-making body, the General Assembly has provided both the impetus for the UNDS reforms and accompanied them on the path from resolution to repositioning for results. As we take the reforms to the next level, action from our global townhall is required again.**

211. **In this regard, in the forthcoming intergovernmental consultations, I call on the General Assembly to:**

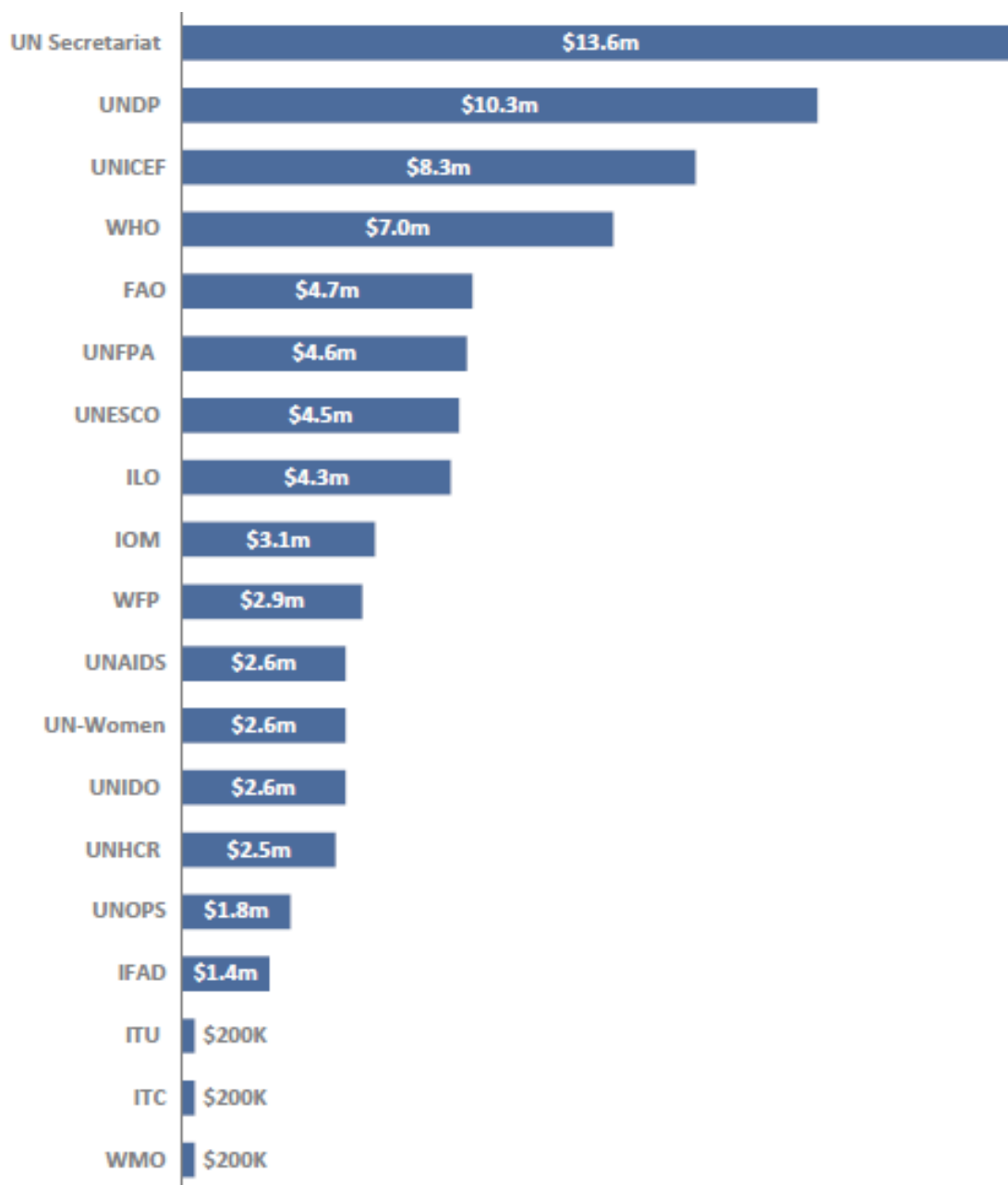
- a. **Decide to fund the Resident Coordinator system through the regular budget or, as an alternative, to update the current hybrid funding model to ensure it generates predictable, sustainable, and adequate funding, by:**
  - **maintaining the present cost-sharing arrangements**
  - **maintaining the 1% levy on tightly earmarked voluntary funding, to be paid at source**
  - **ensuring that the remainder of the RC system budget is allocated from the regular budget of the United Nations.**
- b. **Reinforce the arrangements set out in resolution 72/279, particularly as it relates to the dual accountability model to strengthen the contribution of the UN development system for advancement of the SDGs, and encourage all UN entities and their governing bodies to take further action to ensure greater adherence moving forward.**
- c. **Urge full implementation by Member States and UN entities of commitments made in the Funding Compact, including the reduction of highly earmarked voluntary funding contributions to UN entities, and increasing the level of contributions to joint funds, including the Joint SDG Fund.**
- d. **Consider repurposing and recalibrating the Pledging Conference for Development Activities to serve as a platform for mobilizing higher quality funding of the UNDS in line with the Funding Compact, taking place alongside with the ECOSOC Operational Activities Segment.**
- e. **Encourage the UN development system to gradually transition its response to the socio-economic impacts of the COVID-19 crisis to advancing sustainable, inclusive and resilient recovery efforts that accelerate national priorities for SDG implementation, in line with General Assembly resolution 75/233, leveraging in particular the integrator function of the UN development programme for the provision by UN Country Teams of integrated policy and programming support to implement the Cooperation Framework.**

212. I have always believed that sustainable development belongs at the core of the United Nations for it remains the best tool we have for ending poverty, preventing crises, realizing human rights and delivering peace for all. I stand ready to support Member States to make this a reality.

213. Let us move forward together towards a multilateral response through the UN development system that delivers people and planet.

## Annex 1: UNSDG cost-sharing arrangement

Annual amounts per entity for 2019-2021 (allocations for 2022-2023 will change) <sup>41</sup>



Source: DCO

<sup>41</sup> The USD 13.5 million share of the UN Secretariat includes 15 UNSDG members: DESA, ECA, ECE, ECLAC, ESCAP, ESCWA, DPPA, PBSO, UNDRR, OCHA, OHCHR, UNODC, UNEP, UN-Habitat and UNCTAD.

## Annex 2: Countries contributing to the 1% levy since 2019

European Union	31,361,782
Germany	13,451,933
Non Member-State Contributors	9,982,311
Netherlands	4,917,130
Sweden	4,433,740
Japan	3,469,730
United Kingdom of Great Britain	3,093,244
Republic of Korea	2,947,260
Norway	2,320,832
Switzerland	1,868,146
Canada	1,603,988
United States of America	1,081,663
Denmark	714,515
Italy	667,616
Australia	572,757
France	569,393
New Zealand	331,304
Russian Federation	276,272
Finland	229,590
Luxembourg	223,387
Austria	181,440
Spain	169,623
Ireland	159,139
Iceland	99,682
Belgium	93,288
Monaco	15,708
Poland	14,578
Turkey	9,901
Czech Republic	7,982
Estonia	4,252
Slovak Republic	3,200
Mexico	2,475
Croatia	2,000
Romania	1,075

*Source: DCO*



## Annex 3: Overview of resources of the special purpose trust fund of the RC system

### Financial resources by component

(Thousands of United States dollars)

<i>Component</i>	<i>2020 expenditure</i>	<i>2021 estimate</i>	<i>Changes</i>		<i>2022 estimate</i>
			<i>Variance amount</i>	<i>Variance percentage</i>	
A. Executive direction and management	2 169.7	2 844.3	(35.1)	-	2 809.2
B. Programme of work					
1. Global coordination	12 077.4	14 453.8	2,252.7	0.8	16 706.5
2. Regional coordination	6 864.9	9 504.1	857.8	0.3	10 361.9
3. Country coordination	160 833.2	243 318.0	(3,323.1)	(1.2)	239 994.9
<b>Subtotal, B</b>	<b>179 775.5</b>	<b>267 275.9</b>	<b>(212.6)</b>	<b>(0.1)</b>	<b>267 063.3</b>
C. Programme support	9 951.0	11 706.2	247.7	0.1	11 953.9
<b>Total</b>	<b>191 896.2</b>	<b>281 826.4</b>	<b>-</b>	<b>-</b>	<b>281 826.4</b>