

Implementing Agenda 2030: Fresh impetus for reforming the UN Development System

SUMMARY

There is consensus that the United Nations Development System (UNDS) needs to function in a more integrated and coherent manner. Indeed, despite its universal legitimacy, and its recognition by the EU as the core of effective multilateralism, this network of more than 30 entities is hampered by fragmentation. Intra-system competition is aggravated by the increased use of earmarked funding which is transforming multilateral development actors into simple channels of bilateral aid.

Since 2015, long overdue structural reform has gained new momentum with the adoption of the 2030 Agenda for sustainable development. The main options for reform include reinforcing system-wide governance and leadership, seriously revamping the UN's funding architecture and scaling up ongoing incremental changes to ensure greater coordination of UN activities at the country level. Recognised as key to implementing 'the comprehensive and interrelated Sustainable Development Goals (SDGs) under Agenda 2030', the reform has been placed at the centre of the UN Economic and Social Council (ECOSOC) dialogue on the longer-term positioning of the UNDS in the framework of the 2017-2020 quadrennial comprehensive policy review. However, institutional inertia within UNDS entities, coupled with divergence between member states on the direction and degree of the reform, may jeopardise the role of the UNDS.



In this briefing:

- Agenda 2030: the implementation challenge facing the UN
- UNDS patchwork
- Outcome of past reforms
- Current proposal for improvement
- Prospects for success?
- European Parliament position
- Main references
- Annex: Composition of the UNDS

Agenda 2030: the implementation challenge facing the United Nations

Since the adoption of the United Nations' post-2015 development agenda, recurrent calls for reform of the UN Development System (UNDS) have intensified. The [2030 Agenda for sustainable development](#), adopted by the UN General Assembly on 25 September 2015, created a highly ambitious vision for international development cooperation. Universal in scope, and applicable to both developing and developed countries, the agenda includes a comprehensive set of 17 interconnected and indivisible Sustainable Development Goals (SDGs). Going far beyond the traditional recipient-donor approach, the agenda proposes a common path of development for all of humanity. Fulfilling it requires the presence, at UN level, of system-wide strategic planning, implementation and reporting, which the current UNDS – a heterogeneous network of agencies and funds beset by a host of problems– may have difficulty providing.

To address this issue, the UN Economic and Social Council (ECOSOC) [dialogue](#) on the longer-term positioning of the UNDS in the context of the 2030 Agenda was launched in December 2014. In this framework, in February 2016 the ECOSOC Bureau announced the establishment of an Independent Team of Advisers ([ITA](#)) to prepare, in collaboration with all stakeholders, proposals and options for strengthening the UNDS in response to the requirements of the 2030 Agenda. The outcome of this process will form the basis of inter-governmental negotiations and will be a key input into the 2017-2020 [quadrennial comprehensive policy review \(QCPR\)](#), the mechanism employed by the UN General Assembly for assessing the UN's operational activities for development.

The High-level Political Forum (HLPF) on Sustainable Development, under the auspices of the Economic and Social Council (ECOSOC), is the central UN platform for the follow-up and review of the 2030 Agenda. Its implementation being the primary responsibility of the member states, it will be monitored in particular with the help of national voluntary reviews (NVR). Some [22 countries](#) participated in the first NVR round in 2016. The first global [report on the SDGs](#), presented in July 2016, assessed the starting point for all 17 SDGs.

The UNDS patchwork

The UNDS, one of [three main UN pillars](#) (the other two being peace and security, and human rights), accounts for more than 60 % of the UN's annual spending and employs more than 50 000 staff.¹ It comprises 31 specialised agencies, funds and programmes – see the annex for a full list – as well as [members](#) of the [UN Development Group \(UNDG\)](#), itself one of the three pillars of the [Chief Executives' Board \(CEB\)](#), the main UN coordination body. The UNDS is supported by several commissions, research and training organisations. The World Bank Group, which has a specific governance model and an autonomous financing arrangement, holds special status with regard to the UNDS. Contrary to the above funds and programmes, the 15 specialised agencies comprising it are independent international organisations with their own governance structures and membership fees, and the UN General Assembly has no direct control over them.

The UNDG, the only global coordination body of the UNDS, plays a key role as a forum for information exchange, and initiates some common action on the ground. However, as stressed in the 2016 ITA [report](#), its role is insufficient, as it has no formal authority or real mechanism to monitor and enforce commitments.

The continual proliferation of UNDS entities over the years has brought about the system's institutional fragmentation, as attested by the [presence](#) of more than

1 432 UNDS offices in 180 countries. Not only is this arrangement in contradiction to the strong integration needed for implementing Agenda 2030, but it also undermines the system's ability to provide cohesive support to member states. Furthermore, this complex network suffers from a 'silo approach' to development, where interrelated development goals are addressed separately. Coupled with institutional inertia and competition for scarce resources, this does not bode well for SDG implementation. Indeed, the three biggest UNDS bodies – the UN Development Programme (UNDP), the UN Children's Fund (Unicef) and the World Health Organization (WHO) – account for two thirds of the UNDS budget, leaving around 9 % for all remaining bodies.² Financing is insufficient, but more seriously, it is lacking in reliability and flexibility, which is seen as one of the main reasons for the UNDS' problems regarding coherence, efficiency and effectiveness. UNDS funding comes predominantly from earmarked, voluntary contributions (in which the donor specifies the region, country, issue, and/or activity on which the money should be spent), which exacerbates competition for funding within the system. In 2013, 75 % of funding for UNDS operational activities for development came from targeted resources, compared to [56 %](#) in 1998.

The presence, in early January 2017, of a UN acting resident coordinator in Aleppo, [Syria](#), to assess the necessary humanitarian aid and long-term involvement of UN agencies, sends a positive signal amidst [accusations](#) by a group of aid NGOs that the UN system is hampering relief efforts in Syria due to lack of coordination.

In decline since 1980s, the [core funding](#) that agencies can allocate freely according to their agreed priorities decreased by another 5 % in 2014 and currently constitutes only [24 %](#) of total funding – the lowest share in the history of the UNDS.

This tendency thwarts the UNDS entities' capacity to implement any UN-wide strategies, turning the global organisation into a mere delivery channel for the member states' bilateral development policy. It is seen as contributing to further fragmentation and providing a disincentive for pursuing UN system-wide focus and coherence.

In spite of the above centrifugal trends troubling the UNDS, observers argue that a number of specificities work to its advantage compared to others active in the development field:

- Thanks to its universal membership and broad spectrum of mandates, the UNDS enjoys strong legitimacy.
- The fact that developing countries are extensively represented in it, coupled with its reputation for neutrality, makes the UNDS their preferred partner.
- The UNDS' diverse roles, including that of a norms- and standards-setter, a global deliberation forum and an operational player, make it a key development actor.

However, the rise of new actors, both private and public, has pushed the UNDS to reconfirm its position. Indeed, UN-channelled aid, both multilateral (from core funding) and bilateral (from earmarked non-core resources), was equivalent to some [17 %](#) of the total official development assistance flows reported by the Organisation for Economic Co-operation and Development's Development Assistance Committee (DAC) in 2013.

Outcome of past reforms

The changing economic, social and environmental perspectives, the emergence of new development actors and the UNDS' internal problems have led, since its inception, to quasi-uninterrupted discussions on possible reforms. As a result, some substantial

changes have been implemented, albeit with limited success, in order to increase the effectiveness and coherence of UNDS actions.

Country-level coherence

The most beneficial changes introduced so far have focused on better management and coordination of UN entities at the country level. The main innovations include the **UN Resident Coordinator System (UNRCS)** and the **Delivery as One (DaO) initiative**. Launched in 1981 and reinforced in 1997, the UNRCS is comprised of the UN Development Team, the UN Resident Coordinators (RCs) and the UN Resident Coordinator Office, and encompasses, at the country level, all UN organisations dealing with operational activities for development. RCs are currently present in more than [130 countries](#), where they lead the UN country team, help manage all UN operational activities for development at this level and act as the representatives of the UN Secretary-General for development operations. As RCs have relatively limited formal prerogatives, their coordinating role is largely based on their personal skills.³ Some argue that there is an urgent need to enhance their formal prerogatives and fully implement other agreed measures.

The 'Delivering as One' (DaO) reform initiative – the most successful so far – started in 2007, as a key recommendation of the [high-level panel on system-wide coherence](#). Based on the implementation of four 'ones' – one programming, budget, leader and office – at the country level, the initiative is aimed at streamlining business practices, helping achieve greater alignment to national planning and ownership, and at improving effectiveness and efficiency. After having first been piloted in eight countries, by 2016, when it became a formal arrangement, the initiative was already covering [52 countries](#) on a voluntary basis. It is seen as meaningful and useful, as it has improved national ownership, in particular thanks to widespread use of the UN Development Assistance Framework (UNDAF) that links the collective response of the UN system to national development priorities. That said, the overall implementation of the DaO initiative is considered too slow and patchy,⁴ and an [independent evaluation](#) has shown that it has had limited impact on reducing fragmentation and duplication. Compared to individual organisations' activities, joint activities at the country level remain relatively marginal, and entity-specific management and reporting requirements have not been replaced with uniform ones.

Harmonisation of agency-specific rules and procedures is perceived as one of the key contributions of the DaO initiative at the country level.⁵

Integration of bodies performing overlapping functions

Integration of UN entities performing overlapping functions is meant to create a critical mass in terms of funds and to improve performance. The **establishment of UN Women** in 2010 is considered the most spectacular structural reform the UNDS has implemented at the headquarters level thus far. After years of difficult negotiations, four UN institutions dedicated to women's issues merged into a new organisation with the aim of countering institutional fragmentation and thereby increasing system-wide coherence.⁶ The creation of the Joint United Nations Programme on HIV/AIDS (**UNAIDS**) in 1996 was an intermediate solution: the six co-sponsoring agencies continued to exist, while submitting to the guidance of the newly created entity on HIV/AIDS-related activities. The process that led to its establishment was characterised by strong reluctance on the part of the UN agencies to accept external coordination, and continuous disagreements among them regarding the size and structure of the new programmes. These problematic

issues were overcome through the insistence of donors, who saw the lack of collaboration between the agencies as a major obstacle to success.⁷

Global Task Forces

Setting up ad hoc task forces has been widely used as a way to increase the coherence of the UNDS' response to some specific issues. These are usually made up of relevant-area UN entities' staff, but are open to other international organisations as well. Among the most well-known are the severe acute respiratory syndrome (SARS) task forces or those related to the global [food crisis](#). Avoiding slow and heavy structural reform, the lighter task-force approach brings about quick, operational mutual accommodation and common action.

Current proposals for improvement

In the [conclusions](#) to the working paper presented by the Independent Team of Advisers (ITA) in June 2016, there was consensus among its members that, in its current shape, the UNDS will be unable to act as an efficient catalyst for sustainable development. According to the ITA, a marginal change is not an option: to benefit from the diversity of competences present in the UNDS, there is an urgent need to increase system-wide governance and leadership at the headquarters level, while scaling up existing innovations at the country level.

Among the key proposals put forward, are:

- reinforcement of the ECOSOC role, including with a new full-time elected ECOSOC president, to provide system-wide strategic policy guidance and conduct an SDG evaluation;
- creation of four or five functional groups of UNDS entities established around the 2030 Agenda themes, to better coordinate their action towards SDG achievement;
- a system-wide leadership position for the Deputy Secretary-General for Sustainable Development in charge of the UN Resident Coordinators system and leading the Strategic Executive Team (SET) comprised of heads of functional groups within the UNDS;
- a comprehensive, external and independent review of UNDS entities' mandates with the aim of streamlining their functions, funding and organisational structure to better implement the SDG and leading, if necessary, to the merger or dissolution of some entities;
- creation of a Sustainable Development Board (SDB) to gradually replace the existing governing boards of funds and programmes;
- consolidating the UNDS budget to allow a better overview and planning of UN development cooperation; increased use of pooled resources and establishment of a central pledging conference to reverse the rise of earmarked funds and provide more predictable and flexible [financing](#);

The creation of a [multi-partner funding initiative](#) is one of the proposals put forward to provide a more integrated pooled funding mechanism for the implementation of the 2030 Agenda. The new instrument would provide developing countries with resources to help them implement their national SDG strategies ('window 1'). Additionally, it would mobilise funding for UN-wide operational plans in support of those national strategies. To avoid the high transaction costs associated with joint projects, each project would have a leading UN organisation responsible for its management with a reinforced role for the UNRC.

The steering committee of this new instrument should include both DAC and non-DAC donors, civil society, private sector and UNDS organisations. The funds would be pooled and there would only be a thematic earmarking option based on five Agenda 2030 development domains.

- further developing the DaO initiative and the UNRCS, consolidating the UNDS' presence in the field, and working under one UN logo.

While recognising the above proposals as 'bold ideas for a way forward', in his [report](#) on the quadrennial comprehensive policy review, the then UN Secretary-General made recommendations that were much more cautious. Most of his recommendations were focused primarily on ensuring that the adjustment (DaO, RC) at the country level goes on, in addition to calling for rationalising the UN's country presence. The most extensive part of the Secretary-General's report dealt with the issue of reforming the UNDS' funding architecture in order to enhance its core resources, develop the pooled funding mechanism and explore innovative funding approaches. As regards leadership and governance, the report mentioned making better use of existing mechanisms and platforms and revitalising the UNDS entities' governing bodies through new ways of working, including in the form of multi-stakeholder participation.

According to researcher [Max-Otto Baumann](#), guided by the principle of 'self-coordination without authority', the Secretary General's report prescribes 'dental floss where a root treatment would be required'. On the contrary, [others](#) consider the ITA working paper as more focused on redrawing organisational charts than on finding solutions to the concrete problems addressed by the SDGs. They also advise to focus on the UNDS' function rather than on its form, so that instead of getting centralised, the UNDS web of networks can serve as a platform which is capable of leveraging solutions to global challenges.

Prospects for success?

Most analysts prefer to see the UNDS undergo fundamental structural reform, involving steps for centralising and enforcing coordination as well as for rationalising the number and mandates of UNDS entities. However, the option favoured thus far has been to incrementally build a unified country presence, without this having sizeable implications for the headquarters.

Among the main lessons learnt from previous reforms are that it is difficult to initiate system-wide structural changes and that, because of the often incomplete implementation of country-level measures, these should instead be treated as a package to bring all expected results.

The success of the ongoing push for UNDS reform will depend on technocratic internal constraints, political willingness on behalf of member states and other external factors. The crisis in the domain of development cooperation, in particular as concerns its efficiency and funding, is ongoing, and this, coupled with the unprecedented ambitiousness of Agenda 2030, may provide political momentum for more far-reaching UNDS reform. According to a [paper](#) by Stephen Brown and Thomas G. Weiss from 2013, 'inertia is not a viable organisational strategy for the future UNDS', and even less so for the SDGs, the attainment of which is crucial in a world increasingly torn by crises and inequalities.

The traditional North–South divide remains one of the many obstacles on the way to reform. Developing countries are opting for a strong cross-sector coordination role for the UN and a substantial scaling-up of funding. Western donors are generally in favour of a UNDS that is more focused on niche issues (fragile countries, humanitarian aid) and of consolidating its institutional structure to eliminate overlaps and improve efficiency.

However, developing countries oppose both of these options, seeing them as an attempt to further marginalise the UN in the field of economic governance.

According to a [briefing paper](#) by Silke Weinlich, bridging this divide can be achieved by forging a new 'multilateralist reform coalition' with the purpose of reinforcing the international system on the basis of the rule of law. This coalition could become a forum for reaching balanced compromises that would make it possible to move beyond the incremental change approach and the 'smallest common denominator' model of agreements. The EU, as a major development aid actor and a recognised soft power, may play a key role in fostering such a coalition, while leading by example. It could, for instance, stop earmarking its funding so as not to fragment the system further. It is possible to shake off the institutional lethargy that makes adapting the UNDS to new realities and challenges so difficult, provided political actors adopt the holistic and integrated Agenda 2030 approach not only through declarations, but also through actions. Indeed, because its activities are so universal and comprehensive in scope, the UNDS is a natural supporter of the new agenda's goal to overcome the narrow aid paradigm and bridge the donors–beneficiaries divide.

European Parliament position

In its [resolution](#) of 24 November 2015, the Parliament expressed its support for a comprehensive reform of the UN system to strengthen its legitimacy and regional representation, but also to increase its transparency, accountability and effectiveness. Parliament also called upon the EU and its Member States to extend their influence within the system. It welcomed the establishment of the High-level Political Forum (HLPF) on Sustainable Development and asked EU institutions and Member States to consider the possibility of strengthening ECOSOC's role by developing it into a sustainable development council. Support for the HLPF as a main decision-making body competent for ensuring the follow-up and review of the implementation of the SDGs was reiterated in the Parliament's [recommendation to the Council](#) of 7 July 2016 on the 71st session of the United Nations General Assembly.

In its [resolution](#) of 12 May 2016 on the follow-up to and review of the 2030 Agenda, the Parliament acknowledged the need for system-wide strategic planning, implementation and reporting as a prerequisite for ensuring coherent and integrated support for the implementation of the new agenda by the UNDS. The Parliament also called upon UN agencies and bodies to reinforce the policy coherence for development within the UN working structure.

Council position

In its July 2016 [conclusions](#) on the EU's priorities at the United Nations and the 71st United Nations General Assembly (September 2016 – September 2017), the Council confirmed the EU's support for comprehensive UN reform, stressing its importance for effective multilateralism and the implementation of Agenda 2030. In this respect, the Council highlighted that the UNDS needs to deliver integrated and coordinated policy support, coupled with reinforced inter-agency work, joint policy-team action, joint programming and implementation. The Council favoured deep reform to be sought through the 2017–2020 quadrennial comprehensive policy review.

Main references

Hendra J., Fitzgerald I., [Who Wants \(To\) Change? A 'Theory of Change' for the UN Development System to function as a system for Relevance, Strategic Positioning and Results](#), United Nations University Centre for Policy Research, August 2016.

Weinlich S., [Reforming development cooperation at the United Nations – An analysis of policy position and actions of key states on reform options](#), German Development Institute / Deutsches Institut für Entwicklungspolitik (D.I.E.), Bonn 2011.

Hybsier C., [Fit for the Purpose? UN development reform in the post-2015 context](#), GiZ, BMZ, March 2015.

Endnotes

¹ Brown S. and Weiss. G.T., [Is the UN Development System Becoming Irrelevant?](#) Development dialogue paper No 4, December 2013, p.2.

² Weinlich S., [Reforming Development Cooperation at the United Nations – An analysis of policy position and actions of key states on reform options](#), German Development Institute / Deutsches Institut für Entwicklungspolitik (D.I.E.), Bonn, 2011, pp.25-27.

³ Lindores D., [Enhancing the functioning of the UN Resident Coordinator system](#), A report prepared for the United Nations Department of Economic and Social Affairs, May 2012.

⁴ Brown S. and Weiss. G.T., [Is the UN Development System Becoming Irrelevant?](#) Development dialogue paper No 4, December 2013, p.3.

⁵ [Implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system](#), report of the Secretary-General, 21 July 2015.

⁶ Charlesworth H. and Chinkin Ch., [The creation of UN Women](#), No 2013/7, Centre for International Governance and Justice, 2013.

⁷ Knight L., [UNAIDS – The First 10 Years](#), UNAIDS, 2008, pp.26-27.

Disclaimer and Copyright

The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2017.

Photo credits: © bennian_1 / Fotolia.

eprs@ep.europa.eu

<http://www.eprs.ep.parl.union.eu> (intranet)

<http://www.europarl.europa.eu/thinktank> (internet)

<http://epthinktank.eu> (blog)



Annex: Composition of the UNDS (based on UNDG membership)

Specialised agencies (international organisations)		
FAO – Food and Agriculture Organization of the United Nations	UNESCO – United Nations Educational, Scientific and Cultural Organization	WMO – World Meteorological Organization
ILO – International Labour Organization	IFAD – International Fund for Agricultural Development	UNIDO – United Nations Industrial Development Organization
ITU – International Telecommunications Union	UNWTO – United Nations World Tourism Organization	WHO – World Health Organization
Funds, programmes and other entities		
UNDP – United Nations Development Programme	WFP – World Food Programme	UN Women – United Nations Entity for Gender Equality and the Empowerment of Women
UNICEF – United Nations Children's Fund	UNFPA – United Nations Population Fund	UN Habitat – United Nations Human Settlements Programme
UNHCR – United Nations High Commissioner for Refugees	UNODC – United Nations Office on Drugs and Crime	OHCHR – Office of the High Commissioner for Human Rights
OHRLS – Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States	OSAA – Office of the Special Adviser on Africa	OSRSG-CAC – Office of the Special Representative of the Secretary-General for Children and Armed Conflict
UNAIDS – Joint United Nations Programme on HIV/AIDS	UNCTAD – United Nations Conference on Trade and Development	UNDESA – United Nations Department of Economic and Social Affairs
UNEP – United Nations Environment Programme	UNOPS – United Nations Office for Project Services	UNECA – United Nations Economic Commission for Africa
UNECE – United Nations Economic Commission for Europe	UNECLAC – United Nations Economic Commission for Latin America and the Caribbean	UNESCAP – United Nations Economic and Social Commission for Asia and the Pacific
UNESCWA – United Nations Economic and Social Commission for Western Asia		