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Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all

Report of the Secretary-General

Summary

The 2030 Agenda, with its pledge to leave no one behind, is the international community's boldest agenda for humanity. It will require equally bold changes in the United Nations development system. The report offers the Secretary-General's vision on the repositioning of the development system to deliver on the 2030 Agenda, within the context of his overall reform agenda, with prevention as a cross-pillar priority. It also responds to the request, as set out in General Assembly resolution 71/243, for a system-wide outline of present functions to be prepared by June 2017. The report is the product of extensive and inclusive consultations with the United Nations development system and Member States, as well as an in-depth analysis of relevant studies and data on the system's present functions and capacities to support the 2030 Agenda.

The review of the system's functions and capacities, the first time that such an exercise has been undertaken at the system-wide level, was carried out in accordance with paragraph 19 of General Assembly resolution 71/243. Some limitations were encountered in the capacity of the system to produce complete and exhaustive data necessary, within the available time frame, to match the scope of the work. Nonetheless, the outline offers sufficiently robust evidence for identifying gaps and overlaps and for ascertaining the future direction for the system, so as to deliver on the promises of the 2030 Agenda.

In accordance with paragraph 45 of General Assembly resolution 71/243, the present report also offers options for improving the accountability and overall coordination of the entities of the United Nations development system and their

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oversight by Member States, and the relevant section of the report in informed by consultations with the Joint Inspection Unit. Accountability and transparency of the United Nations are top priorities of the Secretary-General and the report offers a number of proposals to enhance the tools and oversight by Member States in more effectively reporting on and accounting for system-wide results.

The present report is the first report of the Secretary-General on the repositioning of the United Nations development system, but it is only the beginning of a change process. The development system review will evolve over the remainder of 2017, culminating in a second report in December, which will further elaborate on this vision and deliver on the remaining mandates of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system.

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I. Introduction

1.   On 1 January, 2017, I assumed my role as Secretary-General of the United Nations, humbled by the trust placed in me and determined to lead the Organization to better meet today's complex and interlinked challenges. Despite significant socioeconomic growth in recent years, the rising tide of prosperity and empowerment has not lifted all boats. While the overall proportion of humanity living in poverty is lower than ever, more than 700 million people still live in extreme poverty. Over 200 million people remain jobless, with young people disproportionately affected. In many countries, inequality is rising and persistent discrimination is limiting the opportunities of women and girls. More than 65 million people have been forced from their homes. Anxiety is growing as societies face dire situations of famine, extreme climate events, inadequately managed urbanization, population growth, water scarcity, armed conflicts, gender-based violence, ethnic, religious or political discrimination and a rise in violent extremism.

2.   A set of landmark agreements reached in 2015 — the 2030 Agenda for Sustainable Development, the Paris Agreement under the United Nations Framework Convention on Climate Change and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development — offers a pathway to a better future. Those efforts have been complemented by the sustaining peace resolutions adopted by the General Assembly and Security Council (Assembly resolution 70/262 and Council resolution 2282 (2016)), as well as the new way of working in humanitarian settings, where protracted emergencies and deep-rooted development challenges coexist. Those comprehensive and interlinked agendas, cutting across the peace, development and human rights pillars of the United Nations, provide a clear road map for Member States and the United Nations system alike.

3.   The 2030 Agenda, in particular, raises the bar high. Universal in its coverage, it applies to all countries and commits the international community to leaving no one behind. Transformative and integrative in its design, it requires implementation on a dramatically different scale from its precursor framework, the Millennium Development Goals. It is the defining agenda of our time. Achieving the Sustainable Development Goals will provide a better life for all, prevent crises both natural and man-made, and build a firm foundation for human rights, stability, prosperity and peace in all societies.

4.   As countries build new capacities and transform ways of working to enable more whole-of-society responses, the United Nations, too, must change. This is a leitmotif of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, in which the General Assembly underlined the need to strengthen the United Nations development system with a view to enhancing its coherence and efficiency, as well as its capacity to address the full range of development challenges of our time, as set out in the 2030 Agenda.

5.   The resolution set out specific requests to ensure a United Nations development system that is fit for purpose for the 2030 Agenda. The review seeks to address gaps and overlaps in the functions and capacities of the system as it works more efficiently and collectively towards the implementation of the Sustainable Development Goals. It demands deeper accountability, more transparency and stronger oversight and it urges greater coherence at all levels, in particular through a reinvigorated resident coordinator system.

6.   The review of the development system is a fundamental component of a set of mutually reinforcing reform efforts that I have launched to ensure that the United Nations responds to changing global needs. Such efforts include a review of the peace and security architecture and of our internal management, as well as clear strategies and action plans to achieve gender parity, end sexual exploitation and abuse and strengthen counter-terrorism structures.

7.   Our aim is clear: entities must work better together, across the United Nations system, and with a greater emphasis on prevention to address the root causes of instability, vulnerability, exclusion and conflict. Critical to that vision is the repositioning of sustainable development at the heart of the United Nations, with the 2030 Agenda as the guiding framework. Sustainable and inclusive development is an end in itself. It is also our best tool for building resilience, preventing crises, ensuring human rights are a lived experience and sustaining peace.

8.   We must invest much more to eradicate poverty, reduce inequalities and end exclusion. We must help countries to strengthen institutions so they are able to efficiently deliver services to people. Our support to countries must contribute to creating decent jobs and entrepreneurship opportunities, in particular for young people, and increase women's participation in the workforce, thereby empowering people to have stewardship over their futures. And we must ensure that national development strategies are risk-informed, as prevention is always better than cure. By tackling the root causes of crises, we can prevent the fraying of the social fabric and consolidate the foundations for peace, prosperity and inclusive societies. Sustainable development builds resilience and sustains peace, and sustained peace enables sustainable development.

9.   Since my first day in office, I have acted to strengthen the focus on sustainable development. In addition to other tasks set out in General Assembly resolution 52/12 B, I have assigned comprehensive responsibilities regarding sustainable development to the Deputy Secretary-General, who is supported by a redesigned Sustainable Development Unit. I have also created an Executive Committee to promote integrated decision-making, with strategic inputs from throughout the United Nations family. Moving forward, I will continue to take all possible measures to make the United Nations system more integrated and coherent in its support to Member States.

A United Nations development system that is fit to serve all our partners

10.   The United Nations development system has a proud history of delivering results. Over the decades, it has generated ideas and solutions that have changed the world. In many countries, we have supported flagship national policies and the reinforcement of institutions, which have made a real difference in people's lives. Most recently, the system made significant contributions to supporting countries in their pursuit of the Millennium Development Goals, the most successful global anti-poverty effort undertaken to date. Those are impressive achievements, and success in the past serves as a firm foundation for future achievement. Implementing the 2030 Agenda and addressing the many new challenges facing the world, however, require a recalibrated United Nations development system, with a new generation of country teams supported by bold and accountable leadership.

11.   We have come a long way in strengthening United Nations system coordination, from the establishment of resident coordinators as leaders of country teams in the late 1970s, through the creation of the United Nations Development Group in 1997, to the piloting of the "Delivering as one" approach in a number countries in the 2000s and the recent development of standard operating procedures for country teams. Over the years, the United Nations Development Programme

(UNDP) has been the lead driver in strengthening coordination within the system. It has historically dedicated significant efforts, resources and political attention to such activities and to building a functional firewall between its programmatic and coordination functions. UNDP, today, continues to fund the bulk of the resident coordinator system.

12.   I am convinced, nonetheless, that the current model has reached its exhaustion point and is insufficient to match the ambition, effectiveness and cohesion required by the 2030 Agenda. Reforms have been implemented over the years, predominantly in the field, with a lack of commensurate progress in regional and global arrangements and within individual entities. There is, more than ever, an imperative to ensure we have a system firmly in place that emphasizes leadership, accountability, collaboration, efficiency and results. Governments and partners are counting us, with 114 Governments having already requested support as they localize and implement the Sustainable Development Goals.

13.   Our road map for change is designed to make the system stronger, while minimizing disruption at a time when continued and determined actions are needed by governments and stakeholders to deliver on the Goals. Guided by the 2030 Agenda as the raison d'être of the United Nations development system, the effort must be rooted in three guiding principles:

(a)   Reinforcing national ownership and leadership;

(b)   Ensuring country-contextual responses, rather than a "one size fits all" approach;

(c)   Making country-level delivery for all the litmus test for success.

14.   Moving forward, I see a United Nations that is a valued partner for all countries — of the global North and the global South alike — as they advance towards achieving the Goals. Our shared vision is of a United Nations that advocates on behalf of excluded and vulnerable groups of people and works with national partners in the advancement of all human rights: economic, social and cultural rights, as well as civil and political rights. We want an Organization that is a trusted impartial adviser to Governments, one that does not prescribe solutions, but helps to broaden the options available for our partners as they seek solutions to old and new problems alike.

15.   We want our United Nations to be a catalyst for action, an innovator, a convener and a champion of what works, using evidence and data to inform national planning and prioritization, as well as our own coordinated support to implementing the 2030 Agenda at the country level. We seek to be a twenty-first century thought leader that draws on its unparalleled universal reach to be at the forefront of policymaking and innovation, bringing national and regional perspectives to the global debate.

16.   At the same time, our Organization must be firm in upholding the universal values and norms agreed upon by our Member States, but flexible in adapting its presence, support and skill set to each country. Our shared objective is a United Nations that fully delivers on its mandates, with a focus on results and a culture of collaboration. Together, I know we can ensure that the world has the United Nations it needs, to deliver on the future it wants and deserves.

Responding to the quadrennial comprehensive policy review

17.   The present report offers my vision for change for the United Nations development system in the context of the 2030 Agenda. It also responds to the specific request, in General Assembly resolution 71/243, for the review to be

delivered by June 2017. My subsequent report, to be submitted in December 2017, will build upon the vision outlined herein and respond to the remaining mandates of that resolution. It will offer a full set of recommendations for consideration by the Economic and Social Council and, subsequently, the General Assembly.

18. In preparing the present report, we have led an open and inclusive consultation process with Member States, the United Nations development system and other key stakeholders. An internal working mechanism, co-chaired by representatives of the Department of Economic and Social Affairs and the United Nations Development Group, supported both the consultation process and the analytical work that underpin the report. In line with General Assembly resolution 71/243, we have also consulted with the Joint Inspection Unit on proposals to enhance the system's accountability and overall coordination, as well as the oversight thereof by Member States. A special effort was made to engage in direct dialogue with resident coordinators and country teams, so as to ensure the exercise remained anchored in reality at the country level.

19. The consultations confirmed wide support for ambitious changes that would make the United Nations development system fit to support the achievement of the Sustainable Development Goals and the other components of the 2030 Agenda. Member States were also clear in reaffirming their primary responsibility for implementing the 2030 Agenda, with the United Nations providing tailored, effective, efficient and coherent support as States identify their national priorities for action on the ground. There is, among Member States and United Nations partners alike, a strong sense that while it is important to build on what exists, we must also ensure that the system response corresponds to the level, scale and ambition of the 2030 Agenda.

20. In order to further strengthen the review of the system and its ability to help countries deliver on the Goals, an evidence-based, in-depth technical review was carried out, drawing on previous studies and bodies of work. External independent expertise was engaged to help gather and analyse the extensive data underpinning the system-wide outline of functions and capacities mandated by the General Assembly in resolution 71/243. A reference group of individuals with recognized experience in development practice and policy has been established to serve as an informal sounding board as the work moves forward.

21. The present report should therefore be seen as the first milestone in reporting to Member States on the direction that we will be taking as we move towards a comprehensive set of recommendations, to be submitted by December. I am determined to ensure that the process continues to remain inclusive and transparent as we move forward.

II. The 2030 Agenda and its pledge to leave no one behind: the boldest agenda for humanity

22. The 2030 Agenda represents a paradigm shift, with multiple implications for international cooperation for sustainable development. It aims to complete the unfinished business of the Millennium Development Goals and transform economies and consumption and production patterns, while protecting the environment and the dignity and rights of everyone, everywhere. It reaffirms the importance of effective institutions, adequate financing and partnerships to achieve sustainable development. The 2030 Agenda, with the transformation it seeks, has substantial implications for governments, the United Nations and the full range of actors in sustainable development.

23. The Sustainable Development Goals are comprehensive, universal and interlinked, and cut across all dimensions of sustainable development. They will therefore be pursued differently in each country, according to national priorities, needs, institutional set-ups and the financing mix available for their implementation. Previous sector-focused policymaking, or a goal-by-goal approach, will not achieve the 2030 Agenda for Sustainable Development or its Goals. Stronger integrated planning, strategic thinking and policy integration will be crucial for governments to define the best implementation approach for the Goals at the local level.

24. Conceptually, the ambition of the Goals calls for a "whole-of-government" approach. The current development landscape features an inspiring array of new actors. Powerful domestic forces, spanning all levels of governments, civil society, academia, the scientific community and the private sector, from microenterprises to multinationals, have coalesced to fight poverty. This reflects the underlying vision of the global partnership found in the 2030 Agenda — where governments, the private sector, civil society and the United Nations work together to mobilize all available resources, which can be a potential asset. But to deliver on the promise of a prosperous and peaceful future, development actors will have to find new ways of working together and leveraging genuine partnerships that make the most of expertise, technology and resources for sustainable and inclusive growth. The rapid evolution of alternative forms of development cooperation, including the scaling up of South-South cooperation, is beginning to suggest bold, innovative means for strengthening cooperation to deliver the Goals.

25. Financing the 2030 Agenda will require trillions of dollars annually. There is need for action on an unprecedented scale to redirect available public and private sources of finance in addition to official development assistance (ODA) to ensure global, inclusive growth and shared prosperity. Making effective use of diverse financing sources will entail an alignment of private financial flows with the 2030 Agenda, which in turn will require governments and markets to join in new partnerships that build awareness and trust, align regulations and enable the use of innovative instruments to foster risk-sharing and accountability. At the same time, it remains vital for Member States to honour their commitments to meet the target of 0.7 per cent of gross national income as their contribution to official development assistance, and to leverage the catalytic potential of ODA to enable the wider financing relating to the Goals. For the world's most vulnerable countries, ODA still remains a lifeline and demonstrates a commitment to the values of multilateralism.

26. In promising to leave no one behind, the 2030 Agenda challenges policymakers, development practitioners and multilateral bodies to look far more deeply at data and the people behind the aggregated statistics. It calls for a universal approach that recognizes that the pursuit of the Goals affects, albeit in different ways and to different degrees, every person around the globe. Fulfilling the commitment to leave no one behind will imply interrogating national averages and country typologies based on national income through reliable, disaggregated data and a stronger focus on ending exclusion. It will require calibrating the necessary support for each country through multidimensional approaches, regardless of a country's income status. Almost three quarters of the world's poor live in middle-income countries, and that figure is a stark reminder of the challenges that those countries continue to face.

27. Leaving no one behind is also about preserving a special focus and international commitment to supporting the most vulnerable countries in our human community — the least developed countries, small island developing States and landlocked least developed countries. Comprising 91 Member States, with a combined population of 1 billion people, those countries face severe constraints in implementing the 2030 Agenda, owing to limited institutional capacity, high risk

perception, dependence on ODA and high vulnerability to shocks and climate change. One big test of our common humanity will be bringing the Goals fully to life in those 91 countries.

III. Functions and capacities needed to deliver on the 2030 Agenda

A. Review of current functions and existing capacities of the United Nations development system

28. In line with the request in paragraph 19 of General Assembly resolution 71/243, the United Nations development system, with the assistance of an independent team of experts, reviewed its existing functions and capacities in an effort to respond to the challenges and opportunities of the 2030 Agenda.

29. More than 30 entities worked openly and within tight time frames in the largest review of its kind. Participants worked to overcome methodological difficulties stemming from different reporting and data-gathering systems, which limited the ability to reflect interconnectedness across Goals and targets. The review has illustrated the need to conduct a deeper analysis of the preliminary findings, in order to inform the December report. While data collection remains incomplete, with some entities yet to make a full contribution, the process helped provide a first-time overview of the system's collective ability to support the implementation of the Sustainable Development Goals. The study drew on the functions outlined in paragraph 21 of the resolution and capacities were defined as entailing expenditure, human resources and knowledge products. Financial data were based on 2016 data estimates, which are yet to be audited but sound enough for a rigorous aggregated analysis.

30. The preliminary results of the outline indicate that the United Nations development system has yet to complete its transition from the work to support the Millennium Development Goals to the efforts required to support the 2030 Agenda for Sustainable Development. For example, over 50 per cent of the system's budget is still concentrated in areas of work concerning Sustainable Development Goals 1 to 6, which reflects a continuing focus on interventions of the type used for the Millennium Development Goals and highlights the need to embrace, conceptually and substantively, the full sustainable development agenda captured in the 17 Sustainable Development Goals.

31. There is also a visible gap in the delivery of important functions required for the 2030 Agenda. The data revealed insufficient capacities for data management and the provision of integrated policy advice. Providing integrated policy services is one of the main reasons why the United Nations development system has to do business differently. Yet, according to system entities' preliminary estimates, 16 per cent of total funds, or a similar share of total staff, were dedicated to policy advice, normative support and data collection and analysis in 2016. Interviews with senior officials from several entities also pointed to risks that competition within the United Nations system could be an unfortunate factor helping to sustain silos within our partner institutions.

32. Regarding the data gap, while there are undeniably strong data generation capacities within the system, the assets are scattered across entities and do not have sufficient impact. In addition, the system is unable to showcase common results, owing to the lack of consistent data collection on a system-wide basis. The review provided a stark reminder that current systems and processes for managing

programmes, expenditure and personnel across the United Nations system vary significantly and are not fully set up to align with the framework of the Sustainable Development Goals. Such matters need to be addressed at all levels, as a matter of urgency.

33. The study also confirmed the need to recalibrate and enhance other critical United Nations skill sets to match the needs of the 2030 Agenda. Aligning the system to that framework requires revamped capacities in the following areas: partnerships and financing; statistics, innovative and integrated analysis, planning, foresight and risk management; advocacy and messaging on sustainable development; and technical expertise on emerging, frontier issues.

34. High levels of earmarked funding further weaken coordination and system-wide accountability. The allocation of 91 per cent of all non-core flows to single entity projects is another serious hindrance to the system's capacities to further integrate its approach to support the Goals. The 2030 Agenda was deliberately designed to be comprehensive and integrated. Together with the complexity of the challenges at the country level, it demands that United Nations development system entities work closely together and pool expertise. It also requires a new and more integrated approach to the capacity-building of national institutions, both private and public, especially for planning, monitoring, evaluation and implementation relating to the Goals. However, the system still lacks a common methodology or standards for capacity development.

35. The study has, nonetheless, revealed strong foundations on which to build the system's transition to support for the implementation of the Goals. Entities selected an average of 65 targets of focus, a sign that the cross-sectoral nature of the Goals was well understood. Close to 80 per cent of the system's financial and human resources are allocated at the country level. The system's focus on the country level remains one of its core strengths.

36. The United Nations development system has launched a number of innovative tools for joint support in the implementation of the Goals, including support for the mainstreaming, acceleration and policy support methodology, in relation to the Goals. Nevertheless, such joined-up initiatives remain a small share of the overall delivery of the system. Only about 6 per cent of total non-core funding is channelled through inter-agency pooled funds. This incentive gap illustrates the potential progress that could be made through using multi-partner pooled funding mechanisms to enhance integrated programme outcomes for implementing the Goals.

B. Addressing capacity gaps to support policy integration, data management, partnerships and financing

37. Skill set gaps as they relate to supporting governments in leveraging partnerships, financing, data and policy integration are of particular concern. Strengthening such skill sets is essential to better enable the United Nations development system to support the universal localization of the 2030 Agenda, mobilize expertise and resources to take the implementation of the Goals to scale, adapt to country contexts and strengthen the coherence of its support to help countries accelerate the implementation of their national priorities.

38. Given the integrated nature of the 2030 Agenda and the complexity of the sustainable development challenges countries face, the system needs more sophisticated policy integration skills. Governments will have to assess trade-offs

and synergies to prioritize accelerators, in order to take action in the sequence that yields maximum results.

39. With the disaggregation of data being integral to leaving no one behind, the United Nations development system must improve in its ability to manage collected data and turn such data into insights, thus better informing accountability to its partners for the system's results in implementation at the country level.

40. Strengthening the system's capacity for policy advice will also be critical as governments increasingly request support in how best to integrate the Goals into their national plans and governance structures, to make the necessary trade-offs and to prioritize their actions in the most effective sequence. The present report will outline ways to strengthen the policy backbone of the United Nations by leveraging its unique combination of normative legitimacy and operational reach.

41. Revamped capacities to support partnership building will be crucial to success. As reflected in Goal 17, the sustainable development agenda can only be realized with a strong commitment to partnerships at all levels between governments, the private sector, civil society and others. We will need to mobilize both existing and additional finance, technology, knowledge and expertise, which countries can then apply to accelerate progress. In recognition of that need, we must harness the convening power of the United Nations through platforms where stakeholders can meaningfully engage, build trust, exchange know-how and technologies, strengthen relationships and foster synergy and coherence to achieve results.

42. We will also need to integrate multi-stakeholder partnerships into the core business model of the United Nations development system, pooling system-wide expertise across the partnership spectrum. We must also reinforce capacities to support and leverage South-South cooperation, as a complement to traditional development assistance. Cooperation among developing countries is a unique asset for knowledge exchange and the transfer of both appropriate technologies and tested development solutions, all of which are as valuable to developing countries as financial resources.

43. As partnerships play an increasingly larger role in planning processes from global to country levels, the United Nations development system must be ready to support national demands for inclusive alliances and participatory planning processes that take into account the needs of the most vulnerable and excluded. As citizens and others helped shape the 2030 Agenda, so too should they shape its implementation. Any failure to be inclusive in shaping our common future will only heighten anxieties, create tensions and cloud the possibilities for high-impact collaborative action and results.

44. The financing needs for the implementation of the Goals call for a comprehensive overhaul in the United Nations system's approach to financing. In accordance with the Addis Ababa Action Agenda, in order to unlock the trillions of dollars needed to achieve the Goals, governments will need more support to attract, leverage and mobilize investments of all kinds — public and private, national and global. Continued financing through ODA will be critical to leaving no one behind and catalysing other financing streams, but insufficient for the achievement of the Goals. In spite of an increasingly conducive environment, investments for achieving the Goals continue to lack scale. Cross-sectoral partnerships and a blending of capital are also proving complex for many governments. To date, the lack of bankable projects has been a major impediment to greater investment relating to the Goals.

45. The United Nations development system, in particular the country teams, will need to develop adequate skill sets to help countries design and leverage

investments for projects. The expertise that is currently scattered across the system needs to be pooled and supported by a stronger policy backbone, so as to enable new thought leadership in the global economic and financial policy space. In order to fulfil its role as a thought leader, the system needs to acquire additional knowledge and expertise to be at the vanguard of new developments, thus becoming a facilitator for meeting country needs. Building those capacities will also provide the ability to engage more effectively with public and private financing partners, including the World Bank and other international financial institutions, regional and national development banks, foundations, donors, national governments and institutional investors to source capital as well as credit enhancement and risk mitigation solutions. The aim is to assist Member States in developing project financing propositions for their priority initiatives in the framework of the Goals, forming the core of their capital raising plan and identifying the opportunities, resources and financial partners required to make the projects happen.

46. **In addressing the critical gaps in skill sets and capacities, we will:**

(a) **Strengthen the talent pool and training, as well as knowledge and performance management, bringing in new expertise and building on the know-how across the various United Nations training institutes and entities of the development system, all of which will be done in close collaboration with the management reform track;**

(b) **Strengthen the system's capacity for data literacy, technology, collection and analysis with the required level of disaggregation, in alignment with the Goals, as well as ensure the harmonization of data and reporting systems across entities so as to facilitate system-wide reporting, accountability and the visibility of collective results;**

(c) **Launch the following partnership-focused work-streams: (i) a process to be developed among the United Nations Global Compact, the Department of Economic and Social Affairs and the United Nations Development Group aimed at adopting a system-wide approach to partnerships; (ii) a review of the role of the Global Compact and its application in the context of country teams, to enhance engagement with entrepreneurs, the private sector, financial institutions and others to more effectively support national priorities in the framework of the Goals; and (iii) an analysis of ways to strengthen the United Nations development system's capacities to foster and support South-South and triangular cooperation, building on the United Nations Office for South-South Cooperation and the Organization's country presence;**

(d) **Build on the existing collaboration among several United Nations entities to devise a refreshed system-wide compact with the World Bank and other international financial institutions, so as to sharpen partnerships around high-impact actions in support of the Goals; in this regard, obvious synergies between the assets and expertise of international financial institutions and the United Nations system need to be better leveraged for the achievement of the Goals;**

(e) **Work with the Department of Economic and Social Affairs, the regional commissions and the United Nations Development Group to determine a clearer division of roles in support of financing for development, recognizing that there is a critical role for the United Nations Development Programme as the spearhead of a new generation of country teams and, under the leadership of empowered resident coordinators, it will be critical that the system can continue to rely on the Programme's institutional, operational and strategic capability for multisectoral, whole-of-government responses, mobilizing other**

entity-specific expertise as required; in this respect, the integrator mandate of UNDP is a valuable asset for the entire system as it transitions to an interlinked agenda and it must become a primary focus of the Programme's future strategic plans; in addition, a strengthened Department of Economic and Social Affairs will work in collaboration with the regional commissions to provide the policy guidance and backing needed at the country level for this crucial work.

C. Early insights in addressing gaps and overlaps in support of the Sustainable Development Goals

47.   The study confirmed significant overlaps in United Nations development system support to the achievement of the Sustainable Development Goals and targets. Such findings are not surprising, considering the integrated nature of the 2030 Agenda, which requires multiple kinds of expertise and investments at scale. Nor are they necessarily negative. In many ways, the diversity of expertise and mandates within the development system is a source of strength. In the absence of more robust coordination and accountability systems, however, there is a high risk of overlaps and duplication.

48.   Key findings of the review include the following: funding and staff remain highly concentrated in programmes that address a limited number of the Goals, with approximately 50 per cent of funding allocated to three Goals (Goals 2, 3 and 16); there is a lack of clear delineation of roles for capacity development and the implementation of environment-related support; several entities are overlapping on enterprise development and on trade and investment; the regional commissions and regional structures of other United Nations development system entities are engaging in very similar analytical work; and the overwhelming majority of knowledge products are currently being developed by single entities, though they often address similar topics. The risk of inefficiencies arising from such overlaps is amplified by the fact that a number of entities seem to be delivering relatively minor resources in addressing common targets in the framework of the Goals. For example, 24 entities have reported expenditures on Goal 1, yet among those, three entities accounted for approximately 75 per cent of total spending, with four entities having delivered less than $4 million each on that Goal.

49.   We will continue to analyse the data collected and seek solutions over the coming months, as we prepare recommendations for my report to be submitted in December. In doing so, we intend to reinforce system-wide leadership and accountability around common results, with more responsive and coherent country teams. Our goal is clear: to better equip the system so as to limit overlaps through the adequate division of labour and collaborative approaches that generate synergies.

50.   Redundant and/or inefficient business processes also need to be addressed and will be a core focus of both the present development review and internal management reform. Every United Nations entity, regardless of size or mandate, currently has some level of administrative support services structure at the country level. Yet, integrated service centres exist only in four countries. We have common premises, hosting two or more entities, in the majority of countries. We can consolidate further, reduce the number of representational offices and generate significant cost savings, to increase programmatic investments. The global operational platform and service capacity of UNDP, including in humanitarian and crisis settings, are valuable assets that must be built upon and leveraged. Only 22 per cent of country teams have undertaken a strategic review of their business operations. Rationalizing business operations and back-office functions, especially

at the country level, would be a clear step forward in ensuring more effectiveness and cost efficiencies.

51.   The data also showed significant gaps in thematic coverage of the Goals, in terms of expenditure and personnel. The gaps were particularly evident in looking at the Goals relating to economic and environmental dimensions of sustainable development, including water and sanitation (Goal 6), energy (Goal 7), the environment (Goals 13-15), sustainable consumption and production (Goal 12), and industry and infrastructure (Goal 9) (often referred to as new Goals). Goals 9 and 12 are the only Goals where less than 40 per cent of expenditure is at the country level (39 per cent and 24 per cent, respectively). As the outline has shown, our investment in gender equality and women's empowerment is also far too low and demands much more concerted attention by the United Nations development system.

52.   In dealing with the gaps in coverage of the Goals by the United Nations development system, it is important to adopt a humble approach and recognize that the United Nations cannot and should not be doing everything, everywhere. Others may be better placed to take some parts of the agenda forward. The United Nations should, however, be well-positioned to advise and provide or broker technical support to Governments across all areas of sustainable development. Where the United Nations is not a primary actor, it must help in bringing together the key partners around each Goal, so as to hold partners to international commitments.

53.   Revamped inter-agency planning, coordination and accountability mechanisms should allow the system to identify areas in which it could cover gaps by pooling expertise and assets across its entities, or cases where the United Nations may be better positioned to support Governments in mobilizing financing and expertise from other partners. In order to be in a position to do so, United Nations convening capacities and new skill sets need to be strengthened, as a matter of priority. Moving forward, we will also consider the strategic use of multi-partner trust funds to help catalyse support to those new Goals that are especially transversal in nature, which the system is currently covering in a fragmented and piecemeal way.

54.   **In addressing identified gaps and overlaps in coverage of the Goals, we will:**

(a)   **Further analyse the data and findings emerging from the outline of system-wide functions and capacities, as we work on related recommendations and the system-wide strategic document;**

(b)   **Build on the results of other ongoing reform processes, including the independent assessment to enhance the effectiveness of the United Nations Human Settlements Programme (UN-Habitat) and the independent review of the capacities of United Nations agencies, funds and programmes to sustain peace.**

IV.   Delivering coherently through strengthened and accountable leadership

A.   At the country level: towards a new generation of country teams

55.   The inter-agency approach to translating the aspirations of the 2030 Agenda into shared results on the ground will need to move beyond coordination towards the new narrative for sustainable development. It will require stronger, bold leadership that inspires and incentivizes collective action for one agenda, delivering in support of countries.

56. A United Nations development system that has the capacity to deliver coherently on the 2030 Agenda is rooted in a new generation of country teams. The 2030 Agenda requires that we adopt a modular approach to country presence, where the configuration of the country teams — their composition, skill sets, functions and focus — is driven by national governments and other national stakeholders on the basis of their nationally-defined plans and priorities in the framework of the Sustainable Development Goals. Each country team's configuration should reflect the context and realities of the country in question. Achieving the Goals in every country will consolidate the foundation for peace, prosperity and human rights.

57. Two key actions will be required to operationalize the principle of the modular approach. The first of those actions will be to establish objective criteria to rationalize physical presence on a country-by-country basis. In some cases, this may reduce representational presences, while ensuring continued access by Governments to the expertise of relevant entities through co-location, virtual presence or any other mechanism that provides support in an efficient and relevant manner. In other cases, additional skill sets and/or entities may be required to support country capacities as determined by their needs.

58. United Nations Development Assistance Frameworks would be repositioned and strengthened as the single most important United Nations planning tool in all countries, with tangible implications for guiding system support and presence and progressively taking precedence over individual entity country programmes and plans. Rather than presenting a picture of all country team activities in a given country, the Frameworks must become a system-wide response to national priorities; and this compact around results must be underpinned by a clear budgetary framework. Where adjustments in United Nations country presence are required, they will be made. Co-location among entities or secondments to resident coordinators' offices would be maximized where the criteria for representational presence are not met, or where full representational presence may not be required. Such adjustments will make more resources available for programmes on the ground, while strengthening and incentivizing country teams' integrated policy capacities and reducing transaction costs for partners. The reviews would rely on strong oversight from the regional and/or headquarters level so as to ensure the necessary standards and accountability are met, with recommendations made binding, subject to agreement of the host government.

59. The second action would be for the use of common operational services/back-office functions to become the default option for country teams, aimed at achieving economies of scale and the harmonization of business procedures. Entities with large operations, which may need to preserve operational autonomy for a variety of reasons, could maintain their separate services, provided that a clear business case is presented. Such action should build on the ongoing United Nations development system efforts to consolidate service provision through integrated service centres at the country level (horizontal centres) or global and/or regional service offices (vertical centres), and be consistent with ongoing management reform efforts. Only in exceptional cases would the United Nations run multiple back offices in a given country. Such measures could potentially save hundreds of millions of dollars, which could then be reinvested into delivering results to directly improve people's lives.

60. The new generation of country teams should allow us to move away from a standardized universal presence, with an average of 18 entities per country team, to country teams that are more cohesive, flexible, leaner, efficient and focused in their substantive scope, with robust integrated policy capacities and greater responsiveness to national priorities and demands. Traditional governance of United Nations development system cooperation has been based almost exclusively on

consensus, with weak accountability and an emphasis on individual entity autonomy. Over time, diversity without sufficient accountability has become a liability, rather than a strength. That approach has not led, and will not lead, to transformative change to improve people's lives.

61. **In moving towards the modular approach to the new generation of country teams, we will:**

(a) **Consult with Member States and United Nations partners to ensure a more responsive and tailored country team configuration;**

(b) **Develop proposals, together with the United Nations Development Programme and key United Nations system entities, along two main pillars, namely, criteria to rationalize the physical presence of individual entities, and a strategy to reposition and ensure common operational services/back-office functions as the standard model for country teams.**

Reasserting the authority and impartiality of resident coordinators

62. Ensuring a step change in the resident coordinator system is critical to the emergence of a new generation of country teams. We will resolve the ambiguity in the role of resident coordinators. At present, resident coordinators are expected to steer country team support at the national level, but with limited tools and no formal authority with respect to other locally posted heads of United Nations entities.

63. In order to effectively support the 2030 Agenda, resident coordinators must possess the requisite development profile, including strong collaborative competencies, according to the needs of the country where they are posted. They must have clarity in their role and functions to draw directly on the expertise of relevant entities, interact with partners on behalf of the system and the Secretary-General and help prioritize United Nations support, as necessary, according to national priorities and needs.

64. A primus inter pares arrangement, dependent on the goodwill and understanding of the heads of United Nations agencies, funds and programmes at the country level, will no longer suffice. While country team members are accountable to their respective entity heads on individual mandates, the pursuit of enhanced efficiency and impact will require that they also report and remain accountable to the resident coordinator on system-wide activities. Compacts between the resident coordinators and members of country teams will be required, thereby ensuring greater accountability to one another for performance and for a shared contribution to country priorities.

65. Resident coordinator profiles will be reviewed, given the heightened demands of the 2030 Agenda. Resident coordinators must be, first and foremost, strong sustainable development advocates and professionals, with a deep understanding of national planning processes, all dimensions of the Sustainable Development Goals and of varying contexts and the political economy of development. Moving forward, resident coordinators should become policy integrators, capable of steering and overseeing the system's substantive contribution to the 2030 Agenda, in line with national priorities and international norms and standards. They will need strong knowledge of data and statistics, innovation, partnership development and effective communication for sustainable development. The specific skill sets of individual resident coordinators will need to be adapted to the specific needs of the countries in which they are posted.

66. Resident coordinators must be able to lead country teams on integrated analysis, planning and foresight processes, with a clear view of emerging, frontier issues that have significant implications for achieving the Goals. With the 2030

Agenda as their main objective, resident coordinators must champion and support governments and people in their efforts to promote a prevention approach, focused on building the resilience of national institutions to anticipate disruptions and shocks that could make the Goals unattainable or undermine the progress achieved. They must be able to work with national governments and other national stakeholders to apply and uphold United Nations values and norms in a manner that is sensitive to national contexts and prerogatives.

67. Empowering the resident coordinator system will not flow from authority alone. It also requires capacity and resources. Moving forward, it will be critical to ensure that resident coordinators and their offices are well resourced and equipped with the appropriate skill sets to advise national governments and support the 2030 Agenda. Currently, the functions of resident coordinator offices focus primarily on leadership in the development of the United Nations Development Assistance Framework, together with government and other national development counterparts, along with coordination and oversight over the Framework and joint programmes. In future, their offices must also be the country-level hub for strategic analysis and planning, including for prevention, policy integration, system-wide partnership building and financing for the achievement of the Goals.

68. Resident coordinators need to be supported by policy and technical advisers of high quality who can provide specialized, integrated policy expertise and support the coordination of system-wide contributions at the country level for implementing the Goals. The resident coordinator must be able to leverage the capacities of individual United Nations entities in order to achieve agreed system-wide results at the country level.

69. It is critical, in support of all the aspects outlined above, that entities of the United Nations development system accelerate efforts to achieve gender balance and equitable geographic representation in all appointments, including of resident coordinators. We have made great strides, with women currently holding 45 per cent of all resident coordinator posts, and good practices in this regard are informing my broader gender parity strategy.

70. Strengthened leadership must be matched by greater accountability and impartiality. On the basis of the consultations and analysis completed thus far, we are set on a path that would delink the functions of resident coordinators from those of resident representatives of UNDP. The current firewall between those two roles is insufficient to guarantee the level of impartiality that would generate confidence, within and outside of the system, which would ensure that resident coordinators can lead effectively.

71. Building on UNDP leadership, institutional memory and operational support will be critical to a revamped resident coordinator system. However, there should be no conflict in the roles and responsibilities of resident coordinators and UNDP as an individual entity and member of country teams, and serving as the integrator platform for the United Nations development system. Success in implementing the 2030 Agenda requires that the resident coordinator function remains anchored in the operational system for development, firmly connected to the country level, with UNDP as its key instrumentality.

72. The relevant legal, operational, budgetary and strategic considerations are currently under review to ensure that the transition to an improved resident coordinator system is smooth and well sequenced, avoiding disruption to implementation at the country level. In line with General Assembly resolution 71/243, I will present more detailed proposals on improving the resident coordinator system by December 2017.

73. **In strengthening the leadership of resident coordinators, we will continue consultations with Member States, the presidents of United Nations entities' governing bodies and key system entities in order to:**

(a) **Establish clear accountability lines between all country team members and resident coordinators, and between resident coordinators and the Secretary-General;**

(b) **Identify the best operational model to ensure full impartiality of the resident coordinator function, through a delinking of the functions of United Nations resident coordinator and UNDP resident representatives on the ground, which would be mirrored by adequate regional and global coordination and accountability mechanisms;**

(c) **Identify funding and staffing requirements for resident coordinators' offices, maximizing secondments of technical and policy expertise from entities and the provision of advisory services from entities that are not represented in a given country.**

74. **In ensuring that resident coordinators and their teams have the necessary skill sets, as required by the 2030 Agenda, we will:**

(a) **Review the knowledge and learning function across the United Nations to make sure our training and knowledge is updated, optimized and made available in the best possible way to country teams and Member States;**

(b) **Assess the work programmes and results of the various research and training institutes of the United Nations for relevance and impact;**

(c) **Strengthen the interface between resident coordinators and normative entities of the United Nations, including the Department of Economic and Social Affairs and regional commissions, to ensure that country teams receive the substantive support to deliver on their complex mandate;**

(d) **Review the recruitment method and career incentives to build the pipeline of new resident coordinators and ensure that mobility is adequately rewarded;**

(e) **Prioritize moving from 45 per cent of resident coordinator posts being held by women to full gender parity, as soon as possible.**

Operationalizing the humanitarian-development nexus at the country level

75. Crises are increasingly protracted, with populations displaced for 17 years, on average, and humanitarian needs at levels not seen since the end of the Second World War. With the scale, complexity and human cost of the challenges we face today, ending need by reducing risk and vulnerability is everyone's responsibility.

76. For those whose livelihoods and lives are at risk on the ground, the distinction between humanitarian assistance, development support and building peace is meaningless. Those challenges affect people's lives in a unified and simultaneous manner — our response will never be adequate if fragmented.

77. We must implement the new way of working across development and humanitarian activities, with a focus on collective outcomes at the country level. As recognized by the General Assembly in its resolution 71/243, "a comprehensive whole-of-system response, including greater cooperation and complementarity among development, disaster risk reduction, humanitarian action and sustaining peace, is fundamental to most efficiently and effectively addressing needs and attaining the Sustainable Development Goals".

78.   A strengthened focus on the humanitarian-development nexus, or its linkages to peace and security, must not lead to a diversion of funds or shift in focus from development to other objectives. If that were to happen, we would have failed in our primary objective of making the world more peaceful and prosperous. Nor should the new way of working undermine, in any way, the principles of humanitarian action, especially in situations of armed conflict. The new way of working is about offering a concrete path to removing unnecessary barriers between humanitarian and development actors as they jointly work towards strengthened investments in sustainable development, people and institutions, and doing so as early as possible. It is also about protecting sustainable development gains where possible, and preventing the loss of peace dividends whenever a crisis or shock hits.

79.   Operationalizing the new way of working will require strengthening the role of the United Nations development system within the overall system architecture, with the right skill sets and tools to anticipate risks and draw on all the assets of the Organization as it supports the 2030 Agenda. In order to enable more coherence on the ground, a change in conceptual thinking, organizational culture and working methods across agencies, funds and programmes and within Secretariat departments and entities will be required. It will be necessary to establish a clear institutional anchoring for such work at the global level, to ensure that country efforts are adequately guided and supported, and that regional approaches are adopted as we confront an increasing number of cross-border crises.

80.   In addition to implementing the new way of working, we are determined to strengthen the interlinkages between the 2030 Agenda and sustaining peace, with a focus on the development of effective and accountable institutions and the tackling of the root causes of conflict. The peace-development linkage will be particularly important in conflict or post-conflict contexts, where United Nations peace operations and country teams often coexist. Increasing investments in prevention, universally and across all pillars, is also vital. A United Nations development system that is more cohesive and accountable for results on the ground should be better positioned to collaborate with the peace pillar in a way that addresses divisions and contradictions that hinder optimal results for vulnerable populations. Progress in this regard will be critical to sustaining peace and development gains, mindful of the distinct operational realities in each area of work.

81.   **In advancing the new way of working and its contribution to the 2030 Agenda:**

(a)   **The Deputy Secretary-General will work with the Office for the Coordination of Humanitarian Affairs and the United Nations Development Group to (i) streamline policies and operational guidelines at Headquarters so as to incentivize and facilitate coherence in the field; (ii) improve cross-pillar analysis, planning and programming; (iii) review the double-hatting or triple-hatting of senior United Nations leadership on the ground; and (iv) identify flexible financing modalities in support of resilience-building and joint humanitarian-development objectives in protracted crises, also recognizing their contributions to sustaining peace;**

(b)   **A Steering Committee of Principals will be established to foster synergies in humanitarian and development action. The Steering Committee will be chaired by the Deputy Secretary-General, with operational leadership from the Office for the Coordination of Humanitarian Affairs and the Emergency Response Coordinator, as well as UNDP. The Committee will include the largest United Nations operational entities working in both humanitarian and development settings. It will guide collective action required from both the United Nations Development Group and the Inter-Agency**

Standing Committee, focused on enabling the new way of working on the ground, adopting regional approaches and strategies when required, and mobilizing global action and support in major crises. The Steering Committee is an effective and cost-effective way to ensure a locus for the nexus within Headquarters, in line with existing mandates.

82. **In improving the interlinkages between sustainable development and sustaining peace, we will:**

(a) **Expand the investments of the Peacebuilding Fund to support integrated action for prevention and measures preventing escalation in the midst of violent conflict;**

(b) **Build interlinkages with the simultaneous review of the peace and security architecture to ensure better coherence with and support for the development pillar and the implementation of the Goals.**

B. At the regional level: a cohesive policy voice

83. Stepping up the United Nations policy voice at the regional level is critical to meet the demands of the 2030 Agenda. Regional commissions, in turn, are an essential component of the United Nations development system policy backbone. They provide the connective tissue between the global and local levels and offer regional perspectives on global issues. Regional commissions have a primary role as policy think tanks, providing data and analytical services and policy advice to address regional issues, and supporting the development of a wide range of regional norms, standards and conventions. They serve as platforms for engagement with regional intergovernmental institutions, for intra- and interregional exchanges, extending and expanding new forms of development cooperation and regional partnerships.

84. Other United Nations entities also have a regional presence or regional workstream, individually or as members of the regional United Nations Development Group teams. The core functions of the regional teams are to provide leadership, strategic guidance and services to country teams; oversee the quality assurance and monitoring of United Nations Development Assistance Frameworks and joint initiatives; ensure performance management of resident coordinators and country teams; and troubleshooting in difficult country situations and in dispute resolution.

85. Regional offices of different United Nations entities, however, are scattered in different locations, and the definitions of regions can differ from one entity to another. Coordination at the regional level is suboptimal, with two direct consequences: (a) an unclear division of labour at the regional level, with potential overlaps, especially as regional commissions engage with national governments on capacity-building or when regional United Nations Development Group teams engage in the production of studies and knowledge products on region-wide or subregional issues; and (b) a suboptimal use of the Organization's policy capacities on regional priorities, including on issues critical to the success of the 2030 Agenda, such as financing for development and statistical capacity-building.

86. Moving forward, and in line with our focus on strengthening leadership, regional commissions should be empowered as the lead voice of the United Nations development system on policymaking, research and the production of knowledge projects at the regional level that nurture integration and balanced progress on sustainable development. Country teams, in turn, should preserve the primary role in supporting national governments in implementing, monitoring and reporting on

the Sustainable Development Goals. In this regard, it is important to build on the statement of collaboration between the regional commissions and the United Nations Development Group, with related accountabilities to ensure a clear division of labour.

87. As part of those efforts, we intend to work closely with the regional commissions in ensuring that they progressively focus on three key functions: (a) fulfilling their role as think tanks of the United Nations system at the regional level, providing world-class analysis and knowledge on region-wide priorities, innovation, financing for development and transboundary issues, and in doing so, the commissions need to strengthen their interface with the Department of Economic and Social Affairs on the one hand, and with country teams on the other; (b) providing regional platforms for the exchange of best practices, follow-up and review of regional progress on the 2030 Agenda, as well as analysis of existing and emerging challenges, by engaging the broader United Nations development system; and (c) supporting and strengthening the normative and policy capabilities of country teams, which would ideally rely more systematically on the expertise of the commissions, rather than on external actors. The regional commissions' capacity for upstream policy advocacy, which is sought, in particular, by middle-income countries and countries with special needs, should be further utilized by resident coordinators and country teams. In addition to being cost-effective, such an approach would promote consistency in United Nations diagnostics and advice.

88. While the specifics of the arrangement are to be outlined in further detail, there would be obvious synergies and significant cost efficiencies in rationalizing and strengthening the coherence of the physical presence at the regional level. The new approach should not only yield cost savings but, more importantly, generate high-quality expertise that only the United Nations can provide through its unique combination of normative legitimacy and operational reach. In considering the proposals, we will work with United Nations development system entities to ensure that country-focused operational work currently performed by members of regional United Nations Development Group teams is preserved, where appropriate. The focus will be on strengthening cohesion and leadership around policy and data issues and reinforcing the synergies between action at the country and regional levels.

89. **In improving coherence and fostering a unified policy voice at the regional level, I will conduct, before the end of 2017, a review of the regional functions, policy and data management capacities of the United Nations development system, in order to:**

(a) **Clarify the division of labour between the regional commissions, the Department of Economic and Social Affairs and the operational entities of the United Nations system;**

(b) **Explore the possibility of co-location or pooling of system-wide policy capacities at the regional level, under the overall coordination of the regional commissions, to ensure the system presents a unified policy voice that has greater impact;**

(c) **Review existing United Nations regional coordination structures and the linkages to the regional coordination mechanisms established by the Economic and Social Council.**

C. At the global level: repositioning development at the highest levels of the Organization to support and enable results at the country level

Global mechanisms that support and enable changes in the field

90.   While the focus remains on improved delivery on the ground, strengthened coherence and thought leadership will greatly depend on our actions at the global level. The impact of previous reform efforts have frequently been limited by the lack of commensurate efforts or progress at the Headquarters level. In interviews with country team members and resident coordinators, greater coordination, coherence and harmonization at the global level were repeatedly underscored as critical conditions for improvements to the functioning of country teams. There is a sense that some significant advances in working better together and reducing silos at the field level have not been consistently matched at Headquarters.

91.   In addressing this long-standing issue, I intend to assume to the fullest my responsibilities as Chief Executive of the United Nations and reassert a leadership role in the sustainable development efforts of the Organization, in support of Member States and our staff on the ground. We have begun a review of the United Nations System Chief Executives Board for Coordination (CEB), to ensure it is well positioned to provide the forward-looking leadership and accountability that the system requires and that it is an effective tool to support action and mandate implementation across the system in support of Member States.

92.   The Deputy Secretary-General will act as the facilitator of integration and system-wide coherence and a convener of global-level initiatives for sustainable development, as well as a neutral broker in inter-agency processes. I count on the Deputy Secretary-General to enhance the accountability of the United Nations development system and the impartiality, coherence and effectiveness of the Organization's sustainable development activities, with full respect for the operational capacities and mandates of individual entities. The Deputy Secretary-General will also continue to support me in driving the repositioning of the development system. All of the above is in accordance with General Assembly resolution 52/12 B, by which the General Assembly created the position of the Deputy Secretary-General to elevate "the profile and leadership of the United Nations in the economic and social spheres".

93.   **In reinforcing global leadership and accountability on the coordination of the United Nations development system, I will:**

(a)   **Task the Deputy Secretary-General with (i) assuming the role of Chair of the United Nations Development Group, with UNDP serving as vice-chair; and (ii) working with the development system in reviewing the composition and working methods of the United Nations Development Group;**

(b)   **Reposition the Chief Executives Board to enhance the coordination, coherence and accountability of United Nations system leadership.**

United Nations thought leadership on sustainable development

94.   In strengthening United Nations thought leadership at the global level, we want to bolster the United Nations development system's policy backbone, building on the unique comparative advantage of the United Nations: its capacity to bring perspectives from the field into the global debate and offer best practices and policy options to governments.

95. The Department of Economic and Social Affairs has a critical role to play in leveraging the role of the regional commissions and bottom-up analysis from country teams. Like many of our partners, I look forward to a Department of Economic and Social Affairs that is at the forefront of financing for development and sustainable development policy, including in new, frontier areas emerging through advances in science and technology.

96. In moving towards that objective, we intend to build on General Assembly resolution 70/299, in which Member States requested me to enhance the effectiveness, efficiency, accountability and internal coordination of the Department of Economic and Social Affairs, considering the need to avoid overlap in its work and ensuring that the work of the Department is organized in an integrated, cohesive, coordinated and collaborative manner.

97. The mandate contained in General Assembly resolution 70/299 is in parallel with and related to the mandates contained in Assembly resolution 71/243. The Department of Economic and Social Affairs, as a Headquarters-based Secretariat department funded through the regular budget, with normative, analytical and capacity-building functions, has a unique role within the United Nations development system. Reform of the Department must be consistent with the development system review envisioned in resolution 71/243. In addition, the important ongoing intergovernmental discussions on the alignment of the agendas of the General Assembly and of the Economic and Social Council and its subsidiary bodies, also affect how the Department provides integrated support to those processes.

98. **In enhancing the effectiveness, efficiency, accountability and internal coordination of the Department of Economic and Social Affairs, I will:**

(a) **Task the Deputy Secretary-General with overseeing the ongoing review process of the Department of Economic and Social Affairs, with three key objectives to (i) improve the Department's support to intergovernmental processes related to sustainable development; (ii) step up the Department's capacities for policy analysis and knowledge production; and (iii) reassert the Department's position at the forefront of sustainable development policy at the global level, including as the "docking station" for financing for development at the global level, working closely with international financial institutions and the World Bank;**

(b) **Call upon the Assistant Secretary-General for Economic Development to serve as Chief Economist of the United Nations and be responsible for spearheading cutting-edge analysis and policy innovation, thereby informing strategic integrated planning within the United Nations development system to support Member States, and serving as a strong technical interlocutor with international financial and economic institutions; moreover, the Chief Economist would work closely with regional commissions and with the United Nations development system to draw on the unique field-based knowledge of the system to generate contributions and shape the global debate.**

V. Strengthening accountability to guide the United Nations development system's support for implementing the 2030 Agenda

99. Strengthening the accountability of the United Nations development system is essential as we make the transition to greater system-wide coherence and for

ensuring greater mutual support and coherence across work pillars. It is also critical to the repositioning of the system in support of the 2030 Agenda. While oversight has to be exercised, first and foremost, by countries at the national level, a reinvigorated governance mechanism at the global level is vital for preserving the multilateral nature of the United Nations and increasing incentives for inter-agency collaboration.

100. In accordance with General Assembly resolution 71/243, have consulted closely with the Joint Inspection Unit to explore ways to improve the accountability and overall coordination of the entities of the United Nations development system and the oversight thereof by Member States. In line with its statute, the Unit has provided independent advice on principles and parameters to help guide our analysis. We are grateful to the Chair of the Unit and all inspectors for their engagement in this regard. We have also thoroughly reviewed previous studies and Member State deliberations on the issues at hand.

101. We share with the Joint Inspection Unit the view that, while concerns about fragmentation of the United Nations governance and accountability mechanisms have been a recurrent issue over many years, the 2030 Agenda provides a renewed momentum and policy framework for addressing such challenges head-on. The Sustainable Development Goals offer a framework to guide United Nations entities across the development system and the opportunity to lead a paradigm shift from accountability between providers and recipients towards collective accountability for development outcomes.

102. Current governance structures at the global level are insufficiently robust to foster coherence and a whole-of-system approach to the extent required by the 2030 Agenda. In our interaction, the Joint Inspection Unit emphasized the need to drive any changes according to specific, well defined purposes, with particular attention to defining functions that require and are amenable to system-wide governance. As framed by the Unit, "with the requirement for horizontal cooperation and integrated approaches never more urgent, the question is how best to enable this while maintaining the dynamism stemming from the varied composition of the United Nations development system". In response, we will focus on three core dimensions of accountability: improving Member State oversight over United Nations development system support to the 2030 Agenda; increasing transparency on system-wide results; and strengthening internal accountability to ensure that the system delivers on the mandates entrusted to it.

A. Improving governance and oversight by Member States

103. Intergovernmental oversight mechanisms must provide strategic direction, hold the system accountable for results and embrace transparency. They must also create an enabling environment and incentives for joint action and innovation across the United Nations development system, which are needed to achieve the Sustainable Development Goals. The governance architecture of the development system, in its current form, is unlikely to provide the level of oversight required to ensure more cohesive development system support for the implementation of the 2030 Agenda. Not only is governance fragmented across individual governing bodies, with limited interaction among those bodies and with the Economic and Social Council, but it is also increasingly challenged by a growing share of non-core resources being allocated to a myriad of small-scale projects, which are negotiated outside the scope of governing bodies.

104. Accountability to Member States will require, inter alia, addressing such challenges, to ensure consistency between the guidance from governing bodies to

the system with that emerging from the Economic and Social Council, as well as better oversight of system-level results. I commend the ongoing work by Member States towards the strategic alignment of the work of the Council and the General Assembly with the 2030 Agenda, and the efforts to revitalize the work of the Assembly and its Main Committees. That streamlining would help enhance strategic guidance and oversight of the operational activities for development of the United Nations system at the headquarters, regional and country levels.

105. Additional actors and mechanisms that cross the multiple layers and lines are also central to ensuring oversight, transparency and accountability of the system, as well as system-wide coherence:

(a) At the political level, the high-level political forum on sustainable development provides political leadership, guidance and recommendations on the implementation of and follow-up to the 2030 Agenda;

(b) The operational activities segment of the Economic and Social Council provides overall coordination and guidance for system-wide operational efforts; at the country level, the United Nations development system's support is coordinated, aligned to country priorities and made transparent to all actors through the United Nations Development Assistance Framework;

(c) At Headquarters, oversight, transparency and accountability are among the responsibilities of the Chief Executives Board, the United Nations Development Group, the High-level Committee on Management and the High-level Committee on Programmes.

106. Entity by entity reporting to respective governing bodies continues, nonetheless, to be the norm. Principal organs have limited ability to hold individual entities accountable for implementation of system-wide mandates. In recent years, as the coherence agenda advanced on the ground, system-wide issues tended to become primarily the domain of inter-agency mechanisms, such as CEB and the United Nations Development Group, operating on the basis of consensus and not formally accountable to governing bodies. Subsequent changes in the coordination function have not altered the voluntary, consensus-based nature of the arrangement. There is an evident accountability gap in the United Nations development system's interface with Member States on issues that do not belong to any individual governing body, including a review of system-wide results. The 2030 Agenda provides an opportunity to bridge that accountability gap.

107. **In order to strengthen system-wide governance and oversight of United Nations development system support to the 2030 Agenda, we propose the following options for consideration by Member States:**

(a) **Redesigning the operational activities segment, through the convening of sharply focused meetings of the segment, twice a year.** Its key functions would include: (i) providing system-wide policy guidance and serving as an accountability platform regarding collective support for efforts to achieve the Sustainable Development Goals, undertaking a review that would be based on light annual reporting, focused on system-wide results in the framework of the Goals, and should form part of existing reporting requirements and draw on entities' individual processes, so as to avoid burdensome or duplicative efforts, which would be complemented by independent assessments and evaluations of system-wide results and performance; (ii) serving as a platform for coordination of the work of the Executive Boards, replacing the joint meetings of the Boards, which have no legal standing; and (iii) strengthening the linkage of normative and operational functions, including translating global norms originating from different parts of the system into system-wide operational guidance.

(b) **Progressively merging the governing boards of New York-based funds and programmes, building on the current practice of joint Board meetings of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women.** The impact of this merger could be significant, as those entities deliver a substantial share of operational activities on the ground and account for close to half of the total staff of the United Nations development system. Other entities, including specialized agencies, could maintain their individual bodies, but with a stronger linkage with the Economic and Social Council. The merger would place focus on the horizontal governance of the system, with increased strategic guidance and oversight by Member States and emphasis on joint strategy, planning and results to better deliver on one agenda. The joint Board would, however, continue to offer dedicated space for the issues of individual entities, to ensure that vertical accountability on entity-specific results remains robust. The merger would entail reviewing the current functioning of the Boards with a view to improving coherence, efficiency, quality of engagement, transparency and strategic oversight, more systematic follow-up and adherence to clear rules, as mandated by the General Assembly in resolution 71/243.

(c) **Strengthening the interface with Member States on system-wide issues.** I want to engage more directly with the Economic and Social Council on system-wide support for efforts to achieve the Goals and on activities falling under the responsibility of CEB and the members of the United Nations Development Group. While these are to remain internal management mechanisms at the disposal of the Secretary-General, increasing transparency regarding those activities and engaging in an interactive dialogue with Member States to ensure that their work is aligned to multilateral guidance and expectations is a win-win proposition. We will be discussing the modalities of such interaction with the President of the Council and Member States.

B. Increasing transparency on system-wide results

108. **In strengthening internal accountability to deliver on collective mandates, we will work with the United Nations development system to accomplish the following initiatives:**

(a) **Annual reporting on system-wide results at all levels.** In each country, one joint, annual report will be prepared for host governments, regarding collective support for the Goals, as reflected in the national development plans. Many country teams already produce a single report on results for their host governments. We would like to see that practice universalized and standardized to allow for comparability and aggregation at the global level. Accountability and transparency to host governments and other national stakeholders begins with a stronger resident coordinator system and better ways to report on results achieved, so that governments and citizens alike can understand the role, value and delivery of the United Nations development system. At the regional level, annual reporting on the Organization's contribution to regional policy issues and knowledge production will be coordinated by the regional commissions. At the global level, the development system will continue to harmonize its data management and reporting systems to produce regular reporting to the Economic and Social Council on its collective contributions to efforts to achieve the Goals, building on the methodology developed for the outline of system-wide functions and capacities mandated by the General Assembly in resolution 71/243.

(b)   **Reinforced transparency on entity-specific expenditures and results through system-wide enrolment into the International Aid Transparency Initiative, so as to ensure that States and citizens have real-time visibility into our expenditures.** Entities will also build upon significant progress in results reporting systems to make the Organization's contribution to sustainable development more visible and concrete.

(c)   **Creating capacities for independent evaluation of system-wide activities.** The United Nations development system requires dedicated capacities to undertake more frequent and consistent system-wide evaluations of performance and results. We envision the establishment of a small independent office is envisioned, which could be anchored in the Executive Office of the Secretary-General or other internal coordination mechanisms providing support to a revamped resident coordinators system. The office would have a light footprint and focus on ensuring coherence in the work of the various independent evaluation offices of individual entities, while also performing select evaluations of development system performance in support of the Goals, globally or at the country level.

C.   Strengthening internal accountability to deliver on collective mandates

109. **In increasing transparency on system-wide results, we will work with the United Nations development system to complement the current focus on entity-specific mandates and compliance. This will include the following initiatives:**

(a)   **A series of measures to increase accountability within internal management and coordination mechanisms, such as the Chief Executives Board and the United Nations Development Group.** Just as we ask countries to nationalize the international conventions they ratify, it is essential that inter-agency agreements and standards be respected, tracked and reported on by every member of the United Nations development system, to their Boards, through my reports, in direct interaction with the Economic and Social Council and in the public domain. They must become a part of individual entity strategic plans, budgets and results.

(b)   **In instilling a stronger sense of internal discipline, we will continue to improve upon performance management, including through the simplification and rationalization of tools and mechanisms to ensure that compacts between senior leaders and the Secretary-General are results-based and enforced.** The new United Nations system leadership framework, endorsed in April 2017 by CEB (see CEB/2017/1, annex), provides a basis on which to build. It will be complementary to other proposed reforms to strengthen the accountability of resident coordinators and country team members.

VI.   Addressing funding trends to deliver one agenda together: towards a funding compact

110. Adequate funding is essential for a United Nations development system that can work as one and effectively support the implementation of the 2030 Agenda. The fundamental question of the system's funding patterns in the light of the 2030 Agenda will be further elaborated upon by the end of 2017, as mandated by the General Assembly in paragraph 20 of its resolution 71/243.

111. In order to ensure a more coherent, efficient and effective United Nations, Member States must provide the core funding that fosters national ownership and enables a more flexible and strategic system. High levels of earmarked funding

constrain the system's ability to deliver in a coherent fashion and to effectively support policy integration, data management, institution-building, partnership and financing approaches, all of which are functions that will be increasingly important moving forward. Such funding also undermines accountability for system-wide results.

112. The evidence from the review of United Nations development system functions and capacities makes the challenges associated with earmarked funding patently clear. At present, only about 20 per cent of the system is core-funded, a percentage that has declined over the past 10 years and continues to decrease. At the same time, approximately 90 per cent of all non-core flows are being directed to single donor-single entity projects. Fragmentation and volatility are the norm. An effective repositioning of the development system will depend, to a significant extent, on simultaneous changes to current funding practices.

113. Funding to the United Nations development system must be more predictable, sustainable, flexible, timely and on a multi-year basis. Operationally, the provision of resources must be structured in a way that maximizes collective results at the country level and the impact of the United Nations in situations where it can make a difference. Fragmented funding divides the system, providing incentive for competition, rather than for the collaboration needed to produce integrated responses. Together, we must explore ways to provide better and more direct funding for joint activities and programmes, as well as funding approaches that encourage integration and coherence. A development system that is fit for the 2030 Agenda also requires funding leadership and coordination, with the right capacity and policy mix to achieve the intended outcome. It also requires funding spaces that allow for testing and innovation, including addressing the issues of tomorrow so that countries can bear, share and manage risks more effectively and be more resilient to shocks.

114. The United Nations development system must also earn the trust required to mobilize more predictable and less earmarked funding. In part, we will do so through our commitment to providing all Member States with the transparency and accountability they owe their citizens. We have offered a number of proposals above to improve our efficiency, further open ourselves to scrutiny and embrace the value of transparency.

115. We are also confident that the progressive shift to system-wide results will provide a much more robust results story for our partners to fund collective results and coordination functions.

116. **In addressing the funding fragmentation:**

(a) **Over the coming months, in preparing proposals to be submitted in December, we will work on proposals for a funding compact with Member States, to explore reasonable options that could help improve the quality and predictability of resources allocated to the United Nations development system, in return for greater effectiveness, transparency and accountability on system-wide results;**

(b) **At the centre of our efforts will be the need to rebuild confidence in, and support for the core budgets of, United Nations development entities, while identifying mechanisms — pooled funds or other innovative funding sources — that could help ensure that the non-core component is less tightly earmarked and contributes to country-led results in the framework of the Sustainable Development Goals.**

VII. The way forward

117. The United Nations development system must effectively respond to the demands of the new development landscape and the new development agenda. Expectations are high for the development system to align effectively with the 2030 Agenda and meet the demands Member States have expressed in the framework of the quadrennial comprehensive policy review process.

118. The analysis conducted for the present report indicates that the system is both willing and ready, but is not fully equipped nor designed at the present time to live up to the ambition of the 2030 Agenda.

119. There is an urgent need for the United Nations development system to move beyond coherence and coordination towards greater leadership, integration and accountability for results on the ground.

120. The present report is a first step in identifying areas that require further work, measures to build mutual trust and ways to renew our partnership to achieve the 2030 Agenda and ensure that the United Nations development system can play the role that Member States require of it. A further report will be issued in December, in accordance with the request of the General Assembly in its resolution 71/243. That document will provide further clarity on the measures and ideas mentioned in the present report, in particular regarding proposals for the improvement of the resident coordinator system. It will also respond to the call for a system-wide strategic document and will provide recommendations on how funding efforts can better align with the work required from the United Nations in response to the 2030 Agenda.

121. The present report is only the beginning of a process that will unfold until the end of 2017. Member States have asked me to be ambitious in proposals for ensuring the United Nations is fit for supporting countries to deliver on the 2030 Agenda. We therefore count on the continued confidence and engagement of Member States.

122. Just as our Organization's founders looked far into the future when they shaped and adopted the Charter of the United Nations, so do we have a collective responsibility to invest in the United Nations of tomorrow and the world we want to see in 2030 and beyond.

123. People around the world are looking to us. I count on your support as we move forward. Together, we can deliver a strengthened United Nations development system that supports countries to achieve concrete results for the people and the planet.