General Assembly
Economic and Social Council

Distr.: General
31 December 2015

Original: English

General Assembly
Seventy-first session
Item 24 (a) of the preliminary list**
Operational activities for development: operational
activities for development of the United Nations system

Economic and Social Council
2016 session
24 July 2015-27 July 2016
Agenda item 7 (a)
Operational activities of the United Nations
for international development cooperation:
follow-up to policy recommendations of the
General Assembly and the Council

Implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system

Report of the Secretary-General***

Summary

> The present report, submitted in response to the request of the General Assembly in its resolution 67/226, presents an overview of the progress achieved and challenges encountered in the implementation of the resolution. It also responds to the request contained in Economic and Social Council resolution 2014/14 to reflect the discussions of the dialogue of the Council on the longer-term positioning of the United Nations development system.

> The report was prepared in consultation with the entities of the United Nations development system, based on their strategic plans, annual reports and other documentation. It also benefited substantially from four surveys administered by the Department of Economic and Social Affairs and the new information management system of the United Nations Development Group. With the support of the Development Group and the Development Operations Coordination Office, the surveys carried out by the Department of Economic and Social Affairs achieved a record-high response rate, providing a comprehensive source of information. Financial data was sourced from the databases and the reporting system managed by the United Nations System Chief Executives Board for Coordination (CEB). The report also benefitted from the findings of field missions of the Department of Economic and Social Affairs to Colombia, Fiji, Rwanda and Samoa.

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The Secretary-General's recommendations will be provided in an update to the present report, to be issued following discussions during the operational activities segment of the Economic and Social Council and the completion of the Council's dialogue on the longer-term positioning of the United Nations development system.

I. Introduction

1.   Seventy years ago, in response to the events of the Second World War, the global community adopted the Charter of the United Nations and founded the Organization. Our world today is not only dramatically different from the world of that era, but also very much changed from that of the past 15 years, during which Member States and the United Nations worked to achieve the Millennium Development Goals.

2.   Many factors are at the heart of this new development landscape, including: changes in the geographical centres of economic growth; market volatility; the deepening influence of new technologies in society and the economy; the changing profile of poverty and the rise in inequality; the growing number of middle income countries; and the continuing challenges faced by the least developed countries and by the many fragile and conflict-affected States. Other factors coming into play are the increased pressure on natural resources, the rethinking of the crucial role of official development assistance (ODA) and the increasingly significant role of civil society, the private sector and other non-traditional players in the development arena. Today's development landscape is also marked by growing global challenges that require collective action, in particular climate change, pandemics and migration. At the same time, many impediments to development remain rooted in a mix of exclusion and oppression of people, mismanagement of natural resources, corruption, governance failures in both the private and public sectors and the frustration and alienation that accompany unemployment and the lack of decent jobs and opportunities.

3.   Based on a vision and promise that no one should be left behind and a common understanding that, in an increasingly interconnected world, the challenges faced by some confront all, the General Assembly responded, in September 2015, with the adoption of the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1). The 2030 Agenda presents a truly transformative, integrated and universal development path for the next 15 years, through which the United Nations aims to achieve 17 ambitious Sustainable Development Goals.

4.   To provide the means to implement the 2030 Agenda, Member States also adopted, through the Addis Ababa Action Agenda (General Assembly resolution 69/313, annex), a financial and technological framework that aligns all financing flows and policies with economic, social and environmental priorities. Also in 2015, in response to the threat of climate change, a global climate change outcome agreement was adopted at the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. In addition, Heads of State and Government agreed in June 2015 on the Sendai Framework on Disaster Risk Reduction 2015-2030 (General Assembly resolution 69/283, annex II), in which they reiterated their commitment to address disaster risk reduction and the building of resilience to disasters with a new sense of urgency.

5.   Together, these outcomes signal a new and ambitious vision of change, shaping how we must design, finance, implement and monitor the well-being of the world population and of the planet in the years ahead.

6.   The changed development landscape requires a rethinking of the functioning of the United Nations development system to ensure that it can best support the efforts of Member States to realize the 2030 Development Agenda.

7. As discussed at the first phase of the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system in the context of the post-2015 development agenda, the rethinking process must start with a more precise agreement on the functions that the United Nations development system is best qualified to carry out in different groupings of countries, focusing, in particular, on the Organization's normative, leveraging and convening role. Problems and the solutions cannot be reduced to universal development templates, but rather need distinctive diagnoses and solutions. The growing capacities and differentiated needs of programme countries call for individual "tailor-made" approaches by the United Nations development system in order to reflect the specific circumstances of every country, in line with obligations under international law. The challenges of the increasing number of middle-income countries, with their large youth populations, where most of the world's poor live today, call for targeted action to address the paradox between high economic growth and rising pockets of poverty, increasing inequality and gaps in human capital and technology and in decent and productive employment. Adequate ODA is essential to realize the potential of these countries, while taking into account the use of variables that go beyond per capita income criteria.[1]

8. In this context, the United Nations development system needs to build on its potential, pooling its strengths and leveraging its limited resources to support the 2030 Agenda. The Sustainable Development Goals were informed by the experience of the Organization with the process of the implementation of the Millennium Development Goals, which demonstrated how the United Nations system could spur global action by Governments, international agencies and many non-traditional actors, from non-governmental organizations (NGOs) to corporations. That it achieved so much in spite of the 2008 financial crisis and the military and political crises that have marked the opening years of the twenty-first century is a credit to the fundamental principles behind the Goals themselves.

9. Linking United Nations development and humanitarian efforts more closely with its peace, security and human rights work remains a challenge. As recent reviews and consultations in the peacekeeping, peacebuilding and humanitarian fields have emphasized, the root causes of poverty are often also the drivers behind conflicts, disaster risks, humanitarian crises and complex emergencies. Development activities must be an integral part of efforts to build resilience against disasters and violent conflicts, and must support peacekeeping, peacebuilding and humanitarian interventions. In this regard, a heightened focus on prevention is essential; violations of human rights are often our best early warning signs of trouble. Prevention cannot be turned on and off; it needs to be an integral part of the activities of the United Nations in all contexts where the entities of the development system work together using their particular expertise and capacities.

10. The nature of the funding of the United Nations development system affects the scope and type of work it can provide — and the expectations of Member States with regard to what the system can do. The growing imbalance between core and non-core funding, and the lack of flexible, pooled, non-core funding, have led to a situation in which the vast majority of resources received are tightly earmarked for specific projects and trust funds. This challenges efforts to effect a United Nations system-wide response as it encourages siloed functioning, increases fragmentation

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[1] General Assembly resolution 68/222, para. 5.

and transaction costs and fosters competition and overlap in the activities of the entities of the development system. As a result, the functioning of the development system is increasingly dictated by the nature of the funding it receives.

11. The United Nations development system, which is still loosely integrated, faces a number of difficulties posed by the new highly integrated development agenda, outlined in paragraphs 4 and 5 above. In the light of this challenge, the system may need to rethink how it can reposition itself, including the possibility of making some fundamental changes in the way it operates. It has been made very clear by the Member States that "business as usual" is not an option. Effectively addressing the changing dynamics requires a common United Nations approach, common planning, programming, implementation, monitoring and reporting, mirrored by changes in the policies and funding practices of the donors to the system.

12. Efforts to date have primarily focused on increasing coherence and coordination. While coordination entails a logical sequencing of interventions primarily targeting efficiencies and minimizing costs, it does not necessarily entail an examination of the contents of the interventions themselves — be they strategies, plans, policies or other actions. In the same vein, the objective of coherence is generally aimed at increasing the effectiveness of the entities of the development system, for example by ensuring that an intervention in one area or sector does not undermine or duplicate interventions in other areas.

13. Such integration entails a shared understanding of goals, their interlinkages and the normative frameworks that underpin them, with interventions that are based on a shared vision, strategy and plans to create synergies and address trade-offs, in order to ensure a whole that is bigger than the sum of its parts — that is, an organizational response that mirrors the all-encompassing vision of the 2030 Agenda, in which the separate components act in unison towards the achievement of its shared goals.

14. It is difficult to characterize the activities of the entities of the United Nations development system solely as "operational" in the word's strict connotation since they carry out a number of development activities that are anchored in normative mandates. Similarly, the designation of the "United Nations development system", which rests on a rather loose definition derived from the funding of operational activities for development, is not at present fully organized in line with its promise to deliver a universal and integrated development agenda. At this juncture, it may be timely to consider: (a) whether the current terminology adequately reflects the expectations of Member States; and (b) how to define a system charged with the delivery of the new integrated agenda.

15. The Economic and Social Council has acknowledged the need for a serious review of the building blocks of the United Nations development system, including its functions, funding practices, governance structures, organizational arrangements, capacity, impact and partnership approaches, with a view to examining their applicability to the newly adopted innovative development agenda. Only by addressing these vital areas through fundamental adjustments can the development system rise to the challenge of the new development landscape. The quadrennial comprehensive policy review cycle provides an opportunity to better position the system, offer the strategic guidance it needs as a whole and define results beyond the achievements of the individual entities of the system.

16.   The architect of the Economic and Social Council Chamber at Headquarters famously left its ceiling unfinished because "the work of development is never completed". The present report provides a reminder that the organizational architecture of the United Nations development system is also a work that is always in progress. But while the architect of the Council Chamber designed it as a physical space, the development system has never been the product of a coherent blueprint. It has grown over 70 years, along with its different components, responding to disparate needs, both developmental and political. Despite those origins, the development system has not stopped adapting to new realities since its inception. It is evident that it is ready and willing to continue to do so.

II.   Funding of United Nations operational activities for development

17.   United Nations operational activities for development are activities that entities of the Organization carry out with the primary objective of promoting the development and welfare of developing countries. The United Nations development system is composed of 34 entities, including funds and programmes, specialized agencies and other entities that receive contributions for operational activities for development.[2] The online database on the quadrennial comprehensive policy review, available on its website, provides additional information and references related to funding definitions and comparisons.
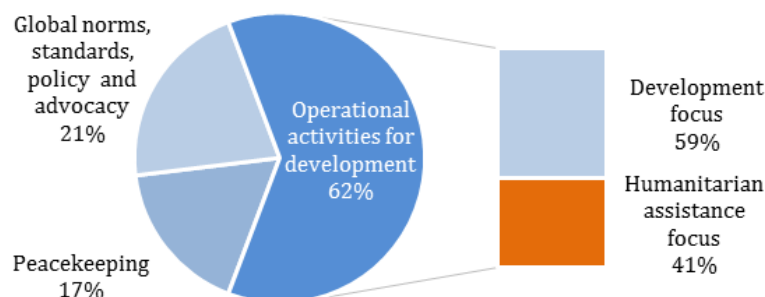
18.   United Nations operational activities for development cover activities with longer-term development objectives and activities with a shorter-term humanitarian assistance focus. As reflected in figure I below, funding in 2014 accounted for 62 per cent ($28.4 billion) of the total revenue for United Nations system-wide activities ($46.2 billion).

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[2] Twelve funds and programmes (United Nations Development Programme (UNDP), United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), Office of the United Nations High Commissioner for Refugees (UNHCR), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UNEP), United Nations Programme for Human Settlements (UN-Habitat), United Nations Office on Drugs and Crime (UNODC), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), World Food Programme (WFP); 13 specialized agencies (Food and Agriculture Organization of the United Nations (FAO), International Atomic Energy Agency (IAEA), United Nations Educational, Scientific and Cultural Organization (UNESCO), International Civil Aviation Organization (ICAO), International Labour Organization (ILO), International Maritime Organization (IMO), International Telecommunication Union (ITU), United Nations Industrial Development Organization (UNIDO), Universal Postal Union (UNU), World Intellectual Property Organization (WIPO), World Health Organization (WHO), World Meteorological Organization (WMO) and World Trade Organization (UNWTO)); and 9 other entities (Economic Commission for Africa, Economic Commission for Europe, Economic Commission for Latin America and the Caribbean, Economic and Social Commission for Asia and the Pacific, Economic and Social Commission for Western Asia, Office for the Coordination of Humanitarian Affairs, Department of Economic and Social Affairs, International Fund for Agricultural Development and the Office of the United Nations High Commissioner for Human Rights). If the United Nations Volunteers, the United Nations Capital Development Fund and the International Trade Centre were to be counted separately, the total would come to 37 entities.

Figure I
Financing of United Nations system-wide activities: 2014

Total funding for United Nations system-wide activities:
$46.2 billion

Global norms, standards, policy and advocacy 21%

Operational activities for development 62%

Peacekeeping 17%

Development focus 59%

Humanitarian assistance focus 41%

19.   With regard to the distinction between development-related and humanitarian assistance-related activities, no harmonized system-wide classification exists. For purposes of the present report, and pending the introduction of a harmonized classification system, all activities of UNHCR, UNRWA,[3] the Office for the Coordination of Humanitarian Assistance, the emergency operations of UNICEF (some 32 per cent of all UNICEF activities) and the humanitarian operations of WFP (some 93 per cent of all WFP activities) are considered to be humanitarian assistance-related. All other operational activities will be treated as being development-related. Many of the more detailed analyses contained in this report deal, in particular, with development-related activities.

Core and non-core resources

20.   United Nations operational activities for development are funded by a combination of so-called core and non-core resources.[4] Core resources are not earmarked and are co-mingled without restrictions. Their allocation and use are directly linked to the multilateral mandates and strategic plan priorities of entities as legislated by their governing bodies through an established intergovernmental process.

21.   In contrast, and as determined by the contributors, non-core resources are earmarked and are thus restricted with regard to their allocation and application. There is therefore not necessarily a direct link between activities financed by non-core resources and the multilateral mandates and strategic plan priorities legislated by governing bodies. In some instances, governing bodies formally approve the use of core resources while only "taking note" of the use of non-core resources. Some 6 per cent of non-core resources are in the form of so-called local resources, which are resources that programme countries and local partners contribute to entities for programming in their own countries.[5] Whenever so

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[3] The mandate of UNRWA encompasses both humanitarian assistance and human development services in education, health, social protection and human rights for refugees.

[4] Except for the United Nations Office of Project Services, which is 100 per cent self-financed.

[5] Sometimes referred to as "self-supporting contributions".

indicated and deemed appropriate, this component is excluded in some of the analyses presented in this chapter.

22.   While non-core resources represent an essential component of the United Nations development system, restricted aid earmarked for specific projects is seen as contributing to fragmentation, competition and overlap among entities, providing a disincentive for pursuing United Nations system-wide focus, strategic positioning and coherence. Given the integrated nature of the 2030 Agenda, it is imperative that contributions give the entities of the development system the flexibility to carry out horizontal activities cutting across multiple target areas. Furthermore, it will be important to ensure that non-core funding becomes more flexible/less earmarked, that it is supported by a healthy core funding base and that core resources are not used to help finance non-programme costs associated with non-core activities. This would help to ensure that funding supports the functions of the United Nations development system rather than have the functions steered by the nature of the funding.

## A.   Overview

1.   Funding in 2014 and current trends

23.   Total contributions for operational activities for development amounted to $28.4 billion in 2014, representing an increase of 6.9 per cent in real terms compared to the previous year. The increase was entirely due to an increase in non-core funding to humanitarian assistance activities. Core contributions actually declined by 0.5 per cent, in real terms, and constituted only 24 per cent of the overall funding in 2014. Accordingly, over three-quarters of the funding for operational activities for development were in the form of non-core resources. Funding to humanitarian assistance activities accounted for 41 per cent of the total volume of funding to UN-OAD in 2014. By comparison, in 2012, the share was 33 per cent.

24.   Looking at the longer-term trends (see figure II), it is clear that real-term growth of funding for operational activities for development has generally been positive over the past 15 years, both for development and humanitarian assistance-related activities. Growth in core resources has, however, been minimal compared to growth in non-core resources for both development-related activities and humanitarian assistance activities. As such, the core share of total funding for operational activities for development dropped from 44 per cent to 24 per cent and the core share of funding for development-related activities in particular dropped from 51 per cent to 30 per cent during this 15-year period.

Figure II
Real change over time in the funding for operational activities for development: 1999-2014

(Percentage change relative to 1999)
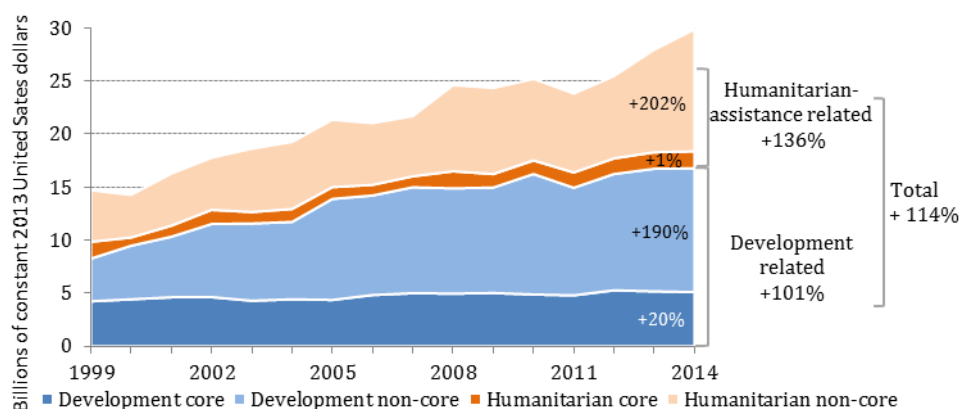
25. While it should be recognized that the rapid growth in non-core funding has allowed United Nations entities to expand their activities beyond what would have been possible through core resources alone, this development has also had significant implications for the United Nations development system. For example, a substantial increase in non-core financed projects will require a larger core funding base if the programme support cost rate does not cover all the non-programme costs (which include administration and management costs) associated with non-core funded projects. The growing imbalance between core and tightly earmarked non-core resources has also led to a series of structured financing dialogues within several United Nations entities, as requested by the General Assembly in its resolution 67/226 on the quadrennial comprehensive policy review, to attract more predictable, flexible and adequate funding.

2. United Nations operational activities for development and official development assistance

26. In 2014, when core and non-core flows were combined, funding for operational activities for development accounted for 18 per cent of total official development assistance (ODA).[6] Figure III shows that after the adoption of the Millennium Development Goals in 2010, the growth in funding for operational activities for development followed a similar trend to the growth in ODA until 2011, after which funding increased more rapidly, largely due to an increase in humanitarian assistance activities.

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[6] Local resources channelled through the United Nations development system are also excluded as they do not fall within the definition of ODA.

Figure III
**Growth in official development assistance and funding for operational activities
for development of the United Nations system: 1999-2014**

Growth in real terms (1999 = 100%)
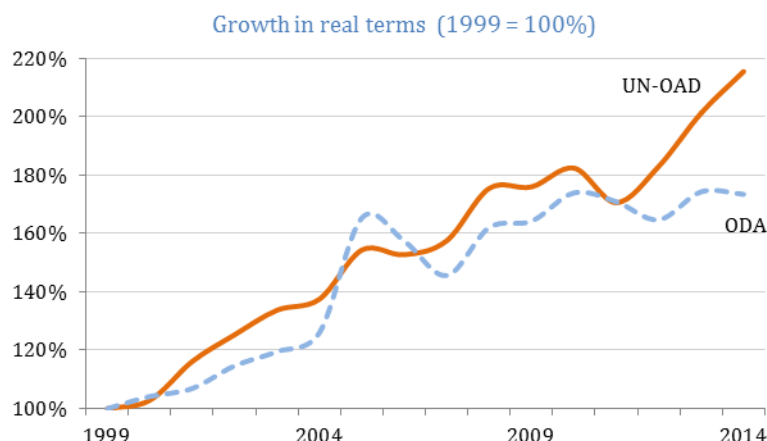
27.   Between 2007 and 2013, overall use of the multilateral system (core plus
non-core) rose from a 36 per cent share of total global ODA to a 41 per cent share,
mainly due to increases in non-core funding. The United Nations development
system accounts for some 31 per cent of multilateral ODA, as reported by the
Development Assistance Committee of the Organization for Economic Cooperation
for Development (OECD) (see figure IV).[7]

Figure IV
Channels of multilateral aid: 2013[8]

Total use of multilateral system: $59.2 billion

Source: OECD.Stat
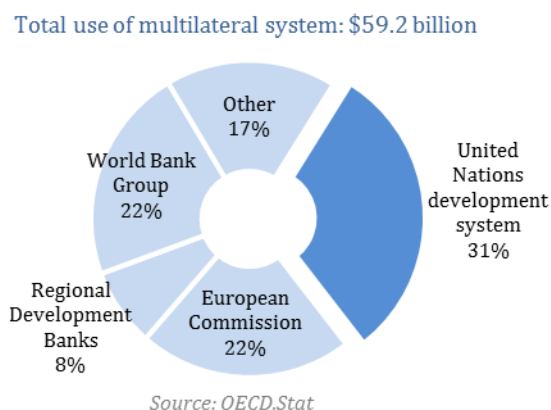
28.   Figure V presents a comparative analysis of total operational activities for
development expenditures and total ODA disbursements at the country level. The
figure shows that operational activities for development expenditures accounted for

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[7] To avoid double-counting, ODA flows between any two multilateral organizations are excluded.
[8] The data is for 2013 as the DAC Statistics report for 2014 only comes out in late December 2015
(see http://www.oecd.org/dac/stats/final2014oda.htm).

less than 10 per cent of total ODA in 60 programme countries. These 60 countries combined accounted for some 16 per cent of total country-level operational activities for development expenditures. It should be noted that the information provided represents the combined financial flows of the entire United Nations development system. On average there are 9 United Nations entities present in each of the 60 programme countries where operational activities for development expenditures account for less than 10 per cent of total ODA. The majority of expenditures, or 55 per cent, were in programme countries where such expenditures accounted for between 10 per cent to 30 per cent of total ODA.

Figure V
Country-level operational activities for development expenditures as a share of official development assistance: 2013
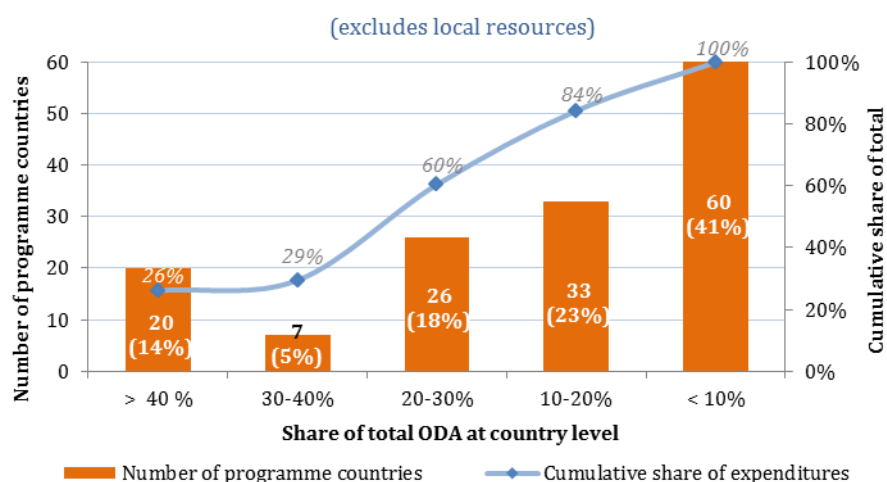
29. The above analysis can be seen, from a funding perspective, as indicative of the importance of the United Nations system in overall development cooperation at the country level. According to the World Bank list of countries in fragile situations, United Nations expenditures account for over 20 per cent of ODA in nearly half, or 23, least developed countries and in 57 per cent of fragile, post-conflict countries. As such, the United Nations development system tends to have a higher financial relevance in the least developed countries and/or post-conflict countries than in programme countries in general.

30. Despite the growth in both funding for operational activities for development and global ODA since 2000, these totals represent only a small share of total international resources flows to developing countries, which is currently estimated at some $2 trillion annually.[9] ODA and, accordingly, funding for operational activities for development have fallen as a share of total international resource flows to developing countries, accounting for about 7 per cent and 1.3 per cent, respectively. However, in terms of directing aid to the poorest and most vulnerable people, ODA and funding for operational activities for development have had a significant impact as these flows are generally more targeted towards development

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[9] *Investments to End Poverty*, Development Initiatives, Bristol, United Kingdom, 2013.

objectives, including the internationally agreed development goals. [10] Furthermore, such flows may potentially play an important catalytic and leveraging role in attracting and mobilizing the additional resources, in particular domestic resources, required in the post-2015 era, and may thereby have a multiplier effect. Fulfilling this potential will be vital for the United Nations development system if it is to remain highly relevant in the context of the 2030 Agenda for Sustainable Development. One challenge in this regard will be demonstrating this multiplier effect in order to properly reflect the true impact of the development system from a financial perspective.

3. United Nations entities

31.   Funding is concentrated in a relatively small number of United Nations entities, with the top 10 (WFP, UNICEF, UNDP, UNHCR, WHO, UNRWA, FAO, UNFPA, UNESCO and ILO) accounting for 89 per cent of all contributions in 2014. [11] For the five largest entities, the non-core component exceeded the core component by a significant margin (see figure VI). A full list of contributions since 2005, by entity and type of funding, is provided in table A-2 of the online statistical annex available on the website of the quadrennial comprehensive policy review.

Figure VI
Contributions received by United Nations entities: 2014

(Size of circles are proportional to total contributions)

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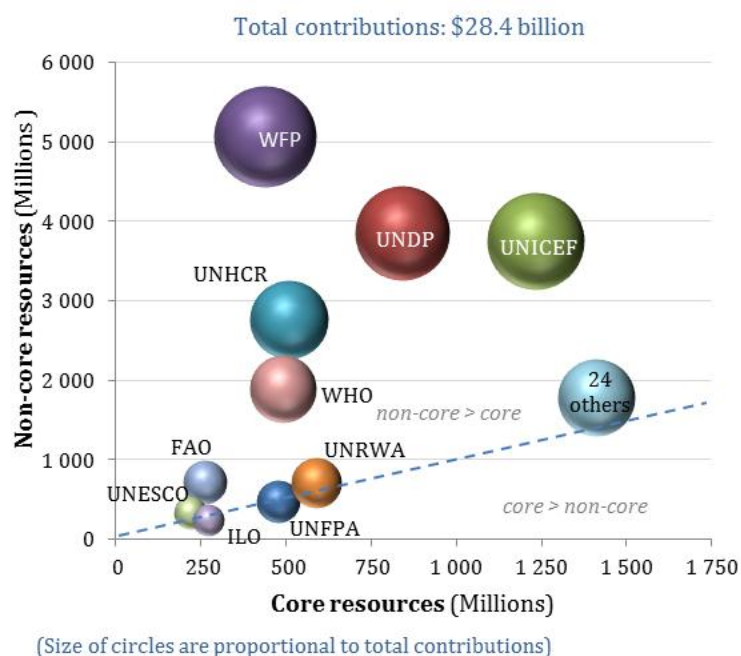
[10] "Improving ODA allocation for a post-2015 world", independent study commissioned by the Department of Economic and Social Affairs for the 2016 Development Cooperation Forum (http://www.un.org/en/ecosoc/newfunct/pdf15/un_improving_oda_allocation_for_post-2015_world.pdf).

[11] For the purpose of the present report, the $439 million received by WFP in flexible, unearmarked funding in 2014 is considered to be equivalent to core resources and is reflected as such in figure VI.

32. For the second successive year, contributions to WFP, UNHCR, UNRWA and the humanitarian assistance-related activities of UNICEF increased significantly. Overall, contributions for humanitarian assistance activities increased by an estimated 48 per cent in real terms since 2012 compared to a slight 2 per cent increase in funding for development-related activities over the same period. This trend corresponds to a dramatic increase in the demand for humanitarian aid due to a number of factors, ranging from protracted conflicts to the impacts of climate change. To meet this rise in demand for humanitarian aid, the Secretary-General has established a High-level Panel on Humanitarian Financing to examine humanitarian financing challenges and to work on generating solutions for the issues of more timely and predictable funding. The Panel will propose recommendations that will help inform the discussion at the World Humanitarian Summit in May 2016.

4. Sources of funding

33. The sources of funding for United Nations operational activities for development can generally be grouped into three broad categories: government contributions, contributions from other multilateral institutions (including the European Commission), and non-State contributions. Some 77 per cent of total contributions in 2014 were received directly from Governments (see figure VII). This includes contributions made by Governments to the United Nations multi-donor trust funds. The remaining 23 per cent is accounted for by: (a) the European Commission, other multilateral institutions and global funds which themselves are mostly financed by Governments and by (b) non-governmental and private sources.

Figure VII
Main groups of funding sources: 2014

Total contributions: $28.4 billion
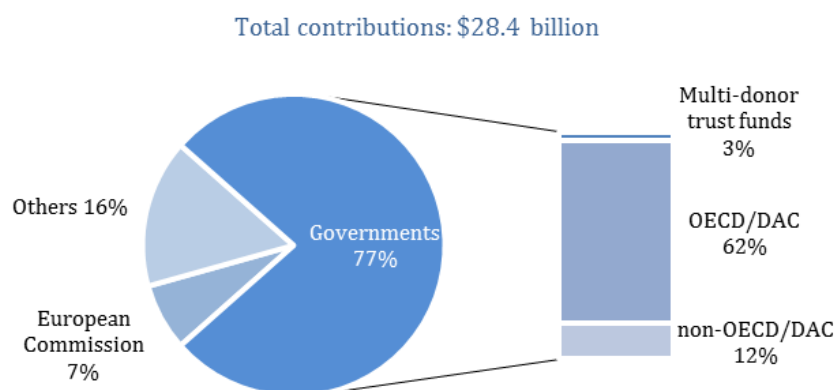
34. Figure VIII shows information for the group of main contributors that, together, account for 87 per cent of total funding for operational activities for development. Information on individual donors excludes their "indirect" contributions, which flow through multi-donor trust funds, the European Commission and other multilateral institutions (including global funds). These are combined into groups and shown separately. A complete list of contributions by donor, type of activity and type of funding is provided in table A-3 of the online statistical annex available on the website of the quadrennial comprehensive policy review.

Figure VIII
Main contributors: 2014

Total contributions: $28.4 billion

(Size of bubbles are proportional to total contributions)
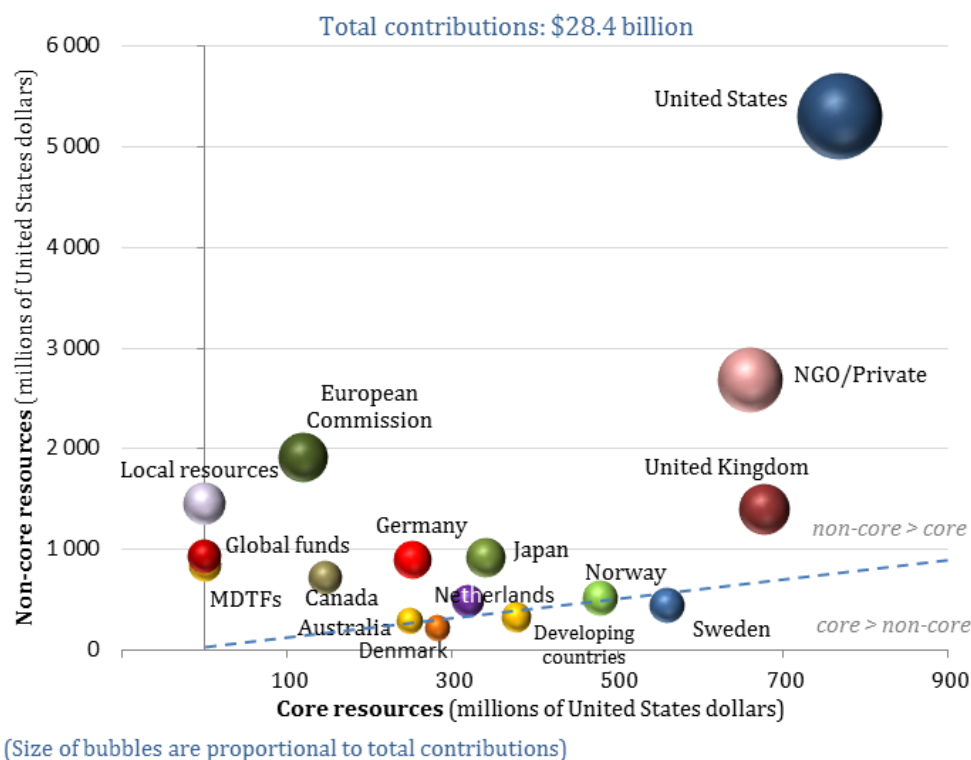
5. **General distribution and degree of concentration/fragmentation**

35.   In 2014, some 71 per cent of the $28.4 billion in expenditures for operational activities for development (including local resources) were used for programme activities at the country level (see figure IX), of which $8.9 billion was used for development activities in countries in Africa. Notably, the share for operational activities in Western Asia has recently increased, rising from 8 per cent in 2011 to 17 per cent in 2014, largely due to the humanitarian crises in the Syrian Arab Republic and Iraq.

Figure IX
Expenditures by region: 2014

$28.4 billion
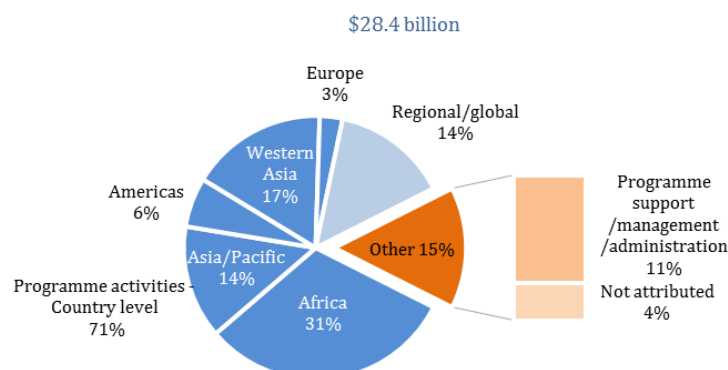
36.   Accordingly, 29 per cent of total expenditures related to: (a) programme activities at the regional and global levels; (b) programme support and management/ administration; and (c) activities that could not be attributed to any of the above categories. Programme support, development effectiveness and management costs are those that, in discussions on cost recovery related to the quadrennial comprehensive policy review, have been referred to as non-programme costs.

37.   As far as the distribution and degree of concentration of total 2014 country-level programme expenditures is concerned, the top 50 programme countries accounted for 82 per cent of the total, with the top 10[12] alone accounting for some 38 per cent (see figure X). Programme expenditures in Afghanistan, 63 per cent of which were owing to the activities of UNDP, were the highest ($1.3 billion).

Figure X
Expenditures in the top 50 programme countries: 2014
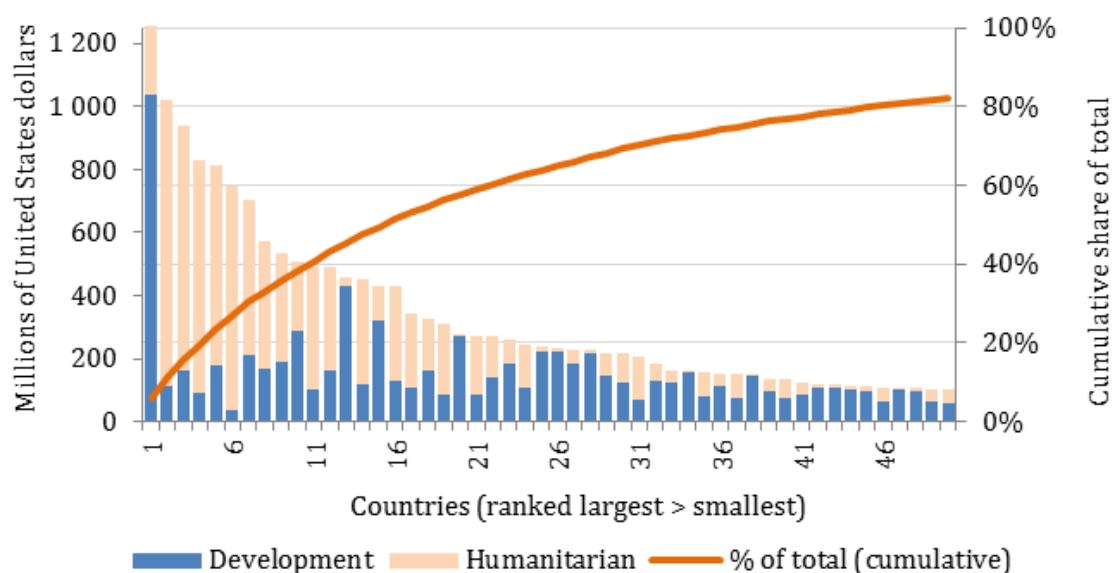
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[12] Afghanistan, the Democratic Republic of the Congo, Ethiopia, Iraq, Jordan, Lebanon, Somalia, South Sudan and the Syrian Arab Republic, as well as the Occupied Palestinian Territory.

38.   Except in the case of Afghanistan, humanitarian assistance dominated the activities in countries with the highest total programme expenditures. According to the World Bank, of the 10 countries with the highest programme expenditures, seven are considered to be in fragile situations. A full list of programme expenditures by programme country, type of activity and type of funding is provided in table B-2 of the online statistical annex (http://www.un.org/en/development/desa/oesc/qcpr).

39.   Figure XI provides an overview, from information provided by the World Bank, of how country-level development-related programme expenditures were distributed among different country groupings and income levels in 2014. Low-income countries accounted for 45 per cent of total expenditure at country level. Expenditures in least developed countries totalled $5.2 billion in 2014, which represents some 53 per cent of total country-level expenditure. Countries with a low human development index rating accounted for 59 per cent of expenditures, over three quarters of which were dispersed in least developed countries.

Figure XI
Development-related expenditures by major country grouping: 2014
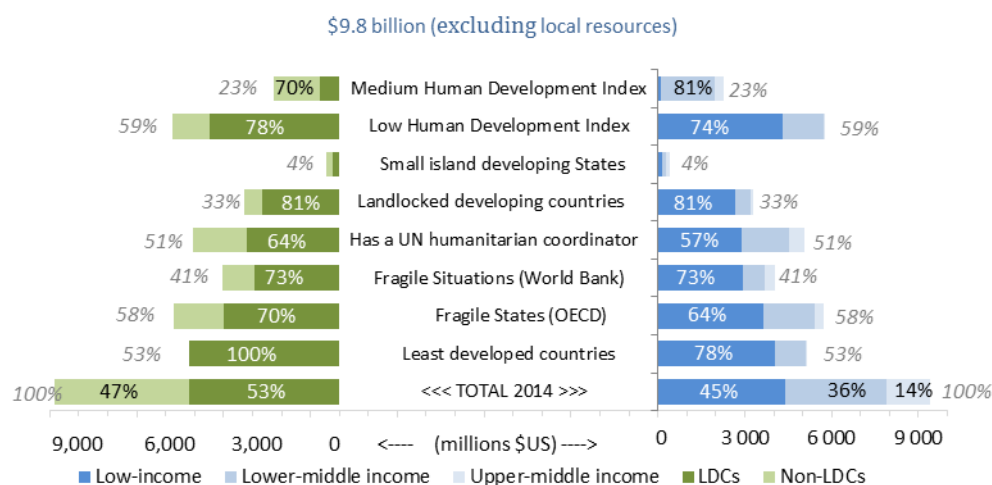
40.   Figure XII provides an overview, for 2014, of the general distribution and the degree of concentration of development-related programme expenditures (excluding local resources) by country and by type of funding (core and non-core), ranked according to decreasing core resources expenditures. For presentation purposes, expenditures in excess of $300 million are not shown. The top 10 programme countries together accounted for close to 30 per cent of total development-related expenditures in 2014.

Figure XII
Development-related expenditures: top 120 countries ranked according to core resources: 2014
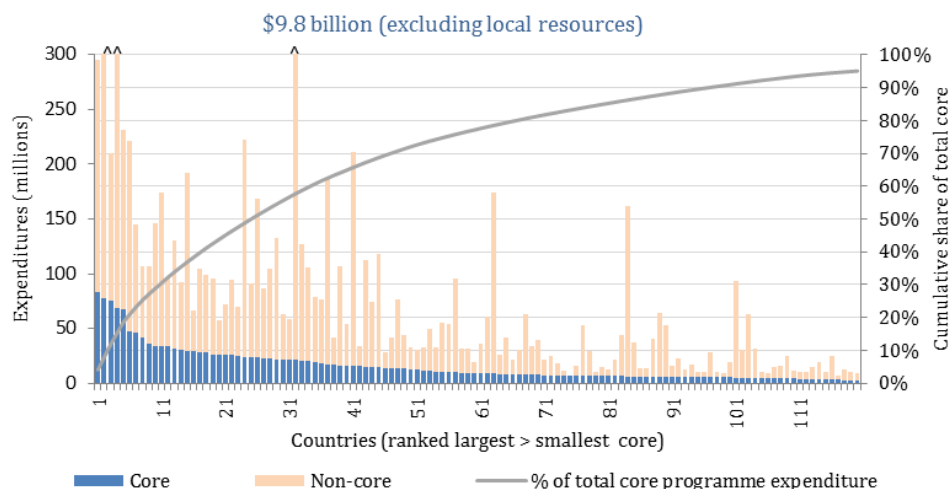
41. In this connection, it is worthwhile to review the results of a recent OECD survey of donors to its Development Assistance Committee,[13] which reveal that donor decision-making on earmarked funding is largely scattered — either split across various ministries and departments, different units within a single department and/or decentralized in the field. As such, most donors do not have a comprehensive view of the totality of the support that they provide to the major multilateral organizations, and many turn to the funded organization itself to obtain such information. One conclusion is that in reactive or response-driven contexts, donors do not necessarily have an overarching strategy in place on the allocation of their resources to any particular multilateral agency, or between core and non-core resources, with the result that distribution, as reflected in figure XII, is, to a significant degree, the result of an aggregation of many single-point decision-making processes. This adds importance to discussions about: (a) the actual alignment of activities financed by non-core resources with multilateral mandates and strategic plan priorities of entities as legislated by governing bodies, related to the actual alignment; (b) the extent to which programme support and management/ administration costs (non-programme costs) are appropriately attributed to such non-core funding sources; and (c) good multilateral donorship and the ability to explicitly track the balance between core multilateral and bilateral aid allocations for horizontal policy integration.

B. Enhancing overall funding, in particular core resources

1. Broadening the base of contributors

42. In order to enhance funding, it will be important for the entities of the United Nations development system to diversify their funding base, thereby reducing reliance on a few top donors. This issue was also stressed in the dialogue of the

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[13] A survey on multilateral aid allocations was carried out in the last quarter of 2013; 22 members of the Development Assistance Committee responded to it.

Economic and Social Council on the longer-term positioning of the development system.

43.   Figure XIII shows changes between the main groups of contributors for operational activities for development over time. It shows that, by 2005, four distinct groups had emerged. The group classified as "Others" in the figure consists of funding from other multilateral organizations (excluding the European Commission, which is shown separately), global funds and non-governmental and private sources. Growth in contributions from this group was the most significant funding trend until 2005. Since 2005, however, the respective shares of overall funding for operational activities for development from these four groups of contributors have remained relatively stable.

Figure XIII
Main sources of funding, 2000-2014
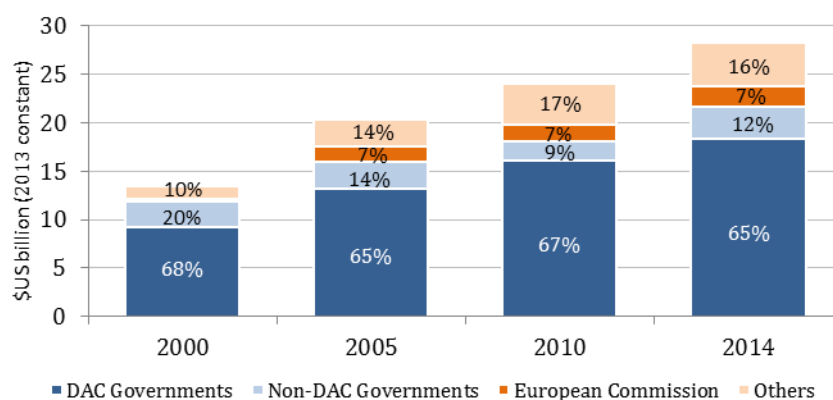
44.   The engagement of non-State actors in development cooperation is likely to grow in the years following 2015, presenting an important opportunity for the entities of the United Nations development system to grow and to broaden their contributor and partnership base. At the same time, this will require the identification of new forms of accountability, taking into account the shared responsibility of multiple State and non-State actors, including high-quality, transparent reporting on the funding that United Nations entities receive from non-State actors. Currently, many entities lack a methodology for the systematic reporting of funds received from the private sector and other non-State donors, although, through recent structured financing dialogues, there are ongoing efforts to strengthen reporting in this area.

45.   With regard to Government contributions, in 2014, developing countries[14] contributed some $703 million to operational activities for development, excluding local resources, representing an increase of 26 per cent in real terms compared to 2011. In addition, another $1.32 billion in local resources was provided by developing countries for their own domestic programmes. While this reflects a positive trend, the top three State donors provided 45 per cent of the total funding received from Governments in 2014, and the top 10 together accounted for 73 per

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[14] For the purpose of the present report, developing countries are defined as middle- and low-income countries according to the World Bank classification.

cent of the total funding from Governments. In 2009, these shares were 40 per cent and 74 per cent, respectively, indicating that there has been no improvement over the past five years in terms of reducing the reliance of the United Nations development system on a limited number of Government contributors.

46.   In a 2015 survey of the entities of the United Nations development system, 23 out of the 25 responding agencies indicated that they report annually on concrete measures to broaden their donor base as part of their regular reporting. Nevertheless, broadening the donor base remains a challenge. A well-resourced development system can support the implementation of the 2030 Agenda — and it is therefore crucial that all Member States recognize their responsibility to contribute both core and high quality non-core resources, as urged by the General Assembly in its resolution 67/226. Central to this is a clear understanding of the specific role that the development system should play in facilitating the implementation of the 2030 Agenda and ensuring that it is well equipped to deliver on that role. The commitment of Member States — both developing and developed — and other non-State contributors to provide contributions is an indication of their confidence in the development system.

47.   Achieving a broader base of contributors will require the proactive engagement of the entities of the United Nations development system in building trust with all Member States and other prospective partners in the most transparent manner, in order to make the case for adequate and predictable levels of core funding and complementary non-core funding. The entities must pay special attention to Member States that have the means to contribute — but so far have not — as well as to those that have the potential to contribute more.

2.   Structured dialogues on financing and critical mass of core resources

48.   As the funding architecture for United Nations operational activities has radically changed in the past two decades, most individual entities have responded by undertaking a review of their funding practices as part of a series of structured dialogues with Member States to monitor and follow up on the predictability, flexibility and alignment of resources provided for the implementation of their strategic plans. In the 2015 survey of entities of the United Nations development system, 17 out of 25 responding entities indicated that they had scheduled a structured financing dialogue in 2014. These financing dialogues continued in 2015, encompassing discussions on the concept of critical mass of core resources. While major United Nations funds and programmes developed a set of common principles for the concept of critical mass of core resources in 2014,[15] progress has been limited in 2015 with regard to defining a specific level of critical mass for each entity, as suggested by the General Assembly in its resolution 67/226 on the quadrennial comprehensive policy review. As part of their response, all major funds and programmes and several specialized agencies have developed a resource mobilization strategy and/or strategic brief for consideration in 2015.

49.   While strides have been made within individual United Nations entities in terms of efforts to strengthen resource mobilization strategies, the potential for the United Nations development system to mobilize resources as a system remains largely unexploited, in particular for development-related activities (for example,

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[15] See A/70/62-E/2015/4, paras. 43-50.

there is no development-related equivalent of the Central Emergency Response Fund). Efforts have been made in this respect, for example through the creation of the "One United Nations" funds as well as the expanded "Delivering as one" funding window for the achievement of the Millennium Development Goals. However, attracting resources to such funding windows over a sustained period has proven to be difficult and the success of the funds was therefore moderate. This may partly explain the proliferation of global thematic and vertical funds, many of which could be viewed as an alternative to the established multilateral system, thereby serving to redirect resources away from the United Nations development system.

50. The longer-term positioning of the United Nations development system in the context of the 2030 Agenda will require it, as a unified system, to capitalize on its potential to mobilize significant resources, in addition to the resources being mobilized by the individual entities. This is particularly important because of the cross-cutting nature of the Goals and targets of the 2030 Agenda. A stronger drive for resource mobilization at the system level will also allow funding to be used as an instrument for policy integration and coherence. Defining a clear United Nations system-wide role in the post-2015 context would be a first step in setting up a mechanism with the potential to mobilize resources in this regard. Options will need to be explored in terms of the management arrangements for such a mechanism.

3. Review of core funding modalities

51. Funding from a broader donor base will be vital. In this connection, it should be noted that the Addis Ababa Action Agenda underscored "the important role and comparative advantage of an adequately resourced, relevant, coherent, efficient and effective United Nations system" in supporting the achievement of the Sustainable Development Goals. The Action Agenda further elaborated on the need to strengthen national ownership and leadership over the operational activities for development of the United Nations system in programme countries, and United Nations coherence, relevance, effectiveness and efficiency, to improve coordination and results, including through achieving further progress on the Delivering as one voluntary approach, among other operational modalities and approaches, and to improve United Nations collaboration with relevant stakeholders and partners.

52. Core resources finance significantly more than the basic foundation of the entities of the United Nations, they also cover the Organization's convening and coordination activities, its normative, standard setting, and global policy coherence activities, entailing technical and substantive functions (referred to by some entities as development effectiveness or programme support), and its related programme activities. Furthermore, core funding is required to leverage non-core resources to ensure full implementation of the strategic plans of the entities.

53. Since 1999, assessed contributions to the specialized agencies, in real terms, have decreased by 6 per cent.[16] Although the General Assembly resolution on the quadrennial comprehensive policy review only called on funds and programmes to engage in a discussion on the concept of critical mass of core resources, the lack of flexible/unearmarked resources is also an issue for the specialized agencies. To that end, WHO, UNIDO and ILO have established accounts for voluntary contributions to support their core/assessed budget. In the case of WHO, contributions to the

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[16] Over the same time period, gross domestic product (GDP) worldwide has increased by 53 per cent in real terms.

supplementary voluntary account, which contains fully and highly flexible funds earmarked only at the level of a strategic objective in the programme budget, reached $116.3 million in 2014, adding 24 per cent of flexible funding on top of WHO assessed contributions.

54. UNEP relies on contributions to its Environment Fund as the main source of flexible funding to implement its programme of work. The Fund is financed through a voluntary indicative scale of contributions, within which all States Members of the United Nations are encouraged to make financial contributions to UNEP at least to the level of their United Nations assessed scale or their historical level of contributions, whichever is higher. Through this mechanism, contributions to the Environment Fund increased by 6 per cent in 2014 compared to 2013, with 89 Governments providing contributions to the Fund in 2014, indicating a strong participation rate.

55. Beyond the quantity of core funding, increased predictability can facilitate integrated planning on the part of the entities of the United Nations system, thereby potentially using core resources to fill funding gaps in non-core financed programming. IFAD, for example, mobilizes core resources through a replenishment consultation process, which aims to ensure availability of the required amount of resources needed for its programme of work for the following three years, thus ensuring enhanced predictability. These consultations also provide a forum for strategic dialogue between Member States and the management of IFAD on past results and the future orientation of the work of the organization.

56. WHO began an extensive reform with the aim to improve the alignment, flexibility, predictability and transparency of its financing. An important part of this reform was a financing dialogue held in 2013 with Member States and non-State contributors. In the preparations for the 2016-2017 budget, another financing dialogue was held in November 2015. The WHO structured dialogue process is one that other United Nations entities could adopt, that is, by adjusting their current practices in order to improve the level and predictability of core funding. Learning from the structured dialogues of WHO, for the 2014-2016 period, the Executive Boards of UNDP, UNICEF and UN-Women adopted decisions to hold annual structured funding dialogues. Such dialogues could also provide an opportunity to make a stronger case for funding for those areas of work that are essential to the mandates of the entities but for which adequate levels of funding are difficult to achieve.

57. During the first phase of the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system, Member States were disposed to explore other options to enhance core funding, including negotiated core pledges and a voluntary indicative scale of contributions.

4. Ensuring full cost-recovery

58. The exponential growth in non-core funded activities over the past 15 years has made the issue of adequate attribution and recovery of institutional costs associated with the substantive and operational support for those activities an issue of growing concern.

59. The principle of full cost recovery, as envisaged by the General Assembly in its resolution 67/226, is predicated on the idea that all activities, regardless of the

source of financing and level of earmarking, benefit equally, either directly or indirectly, from the totality of substantive and operational capacities of entities, and that thus their costs should be attributed proportionally. This logic is reinforced by the fact that a number of entities are now reporting that they operate on the basis of fully integrated strategic plans and results and resources frameworks to finance agreed upon development results by core and non-core resources in an integrated and complementary manner.

60. In line with commonly accepted and generally harmonized definitions, programme costs can be traced to specific components or projects, which contribute directly to the delivery of development results contained in country/regional/global programme documents or other programming arrangements.[17] However, programme support and management activities are generally of an institutional nature, and their non-programme costs cannot be directly traced in a similar manner to specific development programme components or projects. Programme support activities are typically of a more general policy/advisory, technical and implementation nature, relating to the overall focus areas of the organizations. They include what some entities refer to as development effectiveness. In this regard, the primary function of management is the promotion of the identity and direction of the organization, including executive direction, representation, external relations and partnerships, corporate communications, legal issues, oversight, auditing, corporate evaluation, information technology, finance, administration, security and human resources.

61. The 2013 report of the Secretary-General on the analysis of funding of operational activities for development of the United Nations system for 2011[18] provides a full background on this issue, as reviewed over time. That analysis of expenditures on United Nations development-related activities revealed that while total non-programme costs accounted for some 13.7 per cent of total expenditures in 2011, they accounted for 29.3 per cent of core resources as against 6.3 per cent of non-core resources. The same analysis for 2014, presented in table 1 below,[19] reveals some change since 2011, with the proportion of non-core resources spent on non-programme costs increasing from 6.3 per cent to 6.8 per cent and the proportion of core resources spent on non-programme costs decreasing from 29.3 per cent to 27.6 per cent. Overall, non-programme costs accounted for about 12.0 per cent of total development-related expenditures.

62. If an equal proportion of core and non-core resources were used to finance non-programme costs (i.e. 12.0 per cent), it would release an estimated $569 million in core resources for programme activities, or the equivalent of some 24 per cent of the current level of core programme expenditures shown in table 1. This illustrates how the achievement of full cost recovery would have a two-pronged effect, namely by releasing additional core resources for programme activities and likely encouraging contributors to provide additional core resources.

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[17] Based on the harmonized cost classification used by UNDP, UNICEF, UNFPA and UN-Women.

[18] A/68/97-E/2013/87.

[19] Survey of 17 United Nations entities at Headquarters, representing 86 per cent of total development-related expenditures in 2014, carried out by the Department of Economic and Social Affairs.

Table 1
High-level breakdown of development-related expenditures, 2014
(Millions of United States dollars)

	Programme activities	Programme support and management activities	Other[a]	Total
Core resources	2 324	1 008	319	3 651
Percentage	63.6	27.6	8.7	100.0
Non-core resources	9 959	734	120	10 813
Percentage	92.1	6.8	1.1	100.0
Total resources	12 282	1 742	439	14 464
Percentage	84.9	12.0	3.0	100.0

[a] "Other" covers activities and costs that cannot easily be classified under the other main categories.

63.   The Economic and Social Council, in its resolution 2015/15 on progress in the implementation of General Assembly resolution 67/226, once again stressed the need to avoid the use of core/regular resources to subsidize non-core/extrabudgetary financed activities and reaffirmed that the guiding principle governing the financing of all non-programme costs should be based on full cost recovery, proportionally, from core and non-core funding sources. The Council noted the timelines agreed upon by the Executive Boards of UNDP, UNICEF, UNFPA and UN-Women for an independent, external assessment in 2016 of the consistency and alignment of their new cost recovery methodology with the quadrennial comprehensive policy review. The jointly approved new harmonized methodology for determining cost recovery rates among the four entities was implemented for the first time in 2014, with a new cost recovery rate of 8 per cent. However, this methodology does not provide for all non-programme costs to be subject to a proportional cost recovery. For example, the costs of cross-cutting management functions were excluded from the methodology to derive the new 8 per cent cost recovery rate. The proposed external assessment will provide a comprehensive view of adherence to Assembly resolution 67/226.

64.   WFP pursues full cost recovery of its equivalent of non-programme costs since it finances its entire programme support and administrative budget by charging the same cost recovery rate to its equivalent of non-earmarked core resources ("multilateral contributions") and earmarked non-core contributions ("directed multilateral contributions"). It thus follows the principle of full cost recovery as envisaged in General Assembly resolution 67/226. WFP, in dialogue with its governing body, extensively reviewed its method for determining its indirect support cost rate and concluded that it be maintained at 7 per cent in 2016.

65.   Looking forward, the anticipated growth of contributions from non-State actors will put added pressure on the goal of achieving full cost recovery, particularly if these contributors continue to provide almost exclusively non-core resources. In addition, the growing number of actors engaged in delivering activities in the new development era provide more options for both State and non-State contributors to partner with the entities of the United Nations development system, which, in turn, creates a growing incentive to keep cost recovery rates of non-core resources at a minimum. An obstacle to achieving full cost recovery appears to be the existence of an inherent conflict between the desire to avoid cross-subsidization

to meet Member States requirements and the need to remain competitive with donors to attract voluntary funding.

## C. Improving the predictability and quality of resources

1. Volatility in contributions to finance operational activities for development

66. In previous reports,[20] predictability, reliability and stability of funding were reviewed for a number of United Nations entities by examining actual fluctuations in contributions and their impact on the availability of total resources over time. These analyses examined contribution trends for UNDP, UNICEF, UNFPA, FAO, ILO, UNESCO and WHO, which, together, account for more than 80 per cent of total development-related activities. In general, there was a relatively smooth and stable movement in total core and non-core resources to these entities.

67. However, a more detailed review showed that the volatility in contributions from top donors is much more pronounced than the changes in total core and non-core contributions would suggest. Figure XIV shows that contributions from individual sources can fluctuate considerably from one year to the other, especially in the case of non-core resources. For instance, in 2014, 64 per cent of the non-core contributions from the top donors to United Nations funds and programmes had fluctuated by more than 20 per cent compared to the previous year. Combined with the declining core funding ratio, the result is a reduction in the predictability and flexibility of resources, which, in turn, has implications for planning and delivering assistance.

Figure XIV
Annual changes in contributions by top donors, core and non-core: 2008-2014[a]
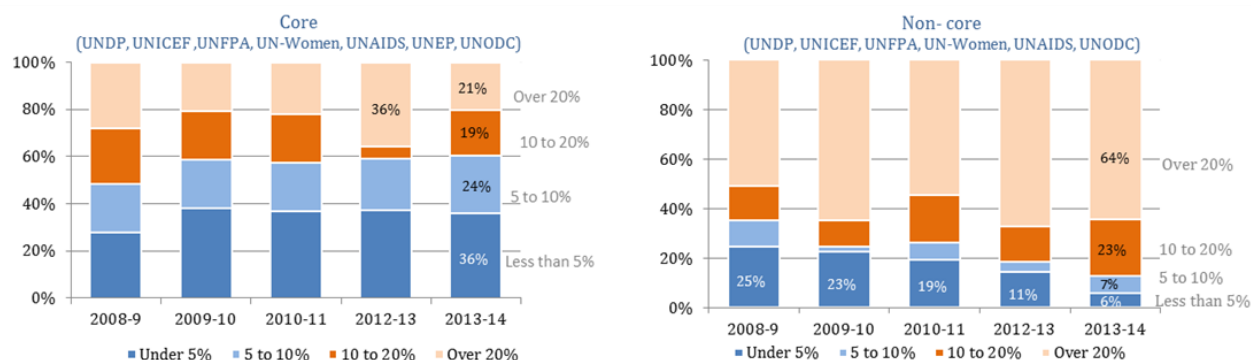
[a] The change in accounting standards in 2012 from the United Nations System Accounting Standards to the International Public Sector Accounting Standards (IPSAS) by some entities does not allow for meaningful comparisons for the years 2011 and 2012.

68. Foreign exchange rates movements can also lead to fluctuations. Since the United States dollar is the general unit of accounting and reporting in the United Nations development system, exchange fluctuations affect the United States dollar equivalent of contributions made by donors in their own currency. This factor did not have a large effect on reported contributions received in 2014 because of a relatively stable exchange rate between the dollar and the currencies of most other

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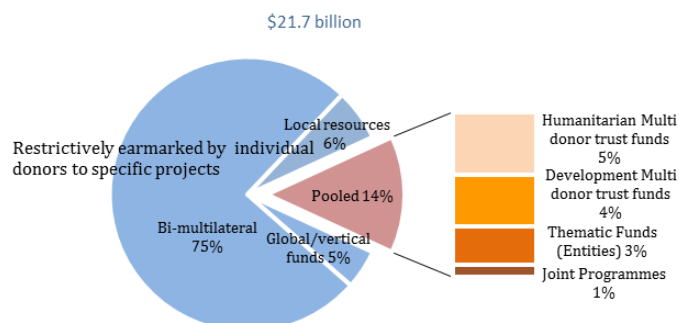[20] A/67/94-E/2012/80 and A/68/97-E/2013/87.

contributors throughout 2013 and the first half of 2014. However, exchange rate movements will have a more significant (negative) impact on 2015 contributions because of the strengthening of the United States dollar relative to the currencies of many top donors between 2014 and 2015.

2. Review of non-core funding modalities

69.   Figure XV shows the different forms of non-core resources received by the United Nations development system in 2014 and the relative volume of each type, both in terms of non-core funding for operational activities for development and non-core funding for United Nations development-related activities alone. Most non-core funding is restrictively earmarked by individual donors for specific projects. This is especially the case of non-core funding for development-related activities. This category includes vertical global funds and local resources. On the humanitarian side there are two relatively large pooled funds administered by the Secretariat, namely, the Central Emergency Response Fund, an open-ended, standing fund, receiving some $480 million in deposits in 2014, and the Saudi Humanitarian Fund for Iraq, a time-bound fund, with a one-off $500 million contribution in 2014. There are no comparable funds on the development side in size and scope. Contributions to more loosely earmarked funding arrangements, such as thematic funds, joint programmes and multi-donor trust funds accounted for 13.7 per cent of overall non-core resource flows, and 11.4 per cent of non-core funding for development-related activities (see figure XV.B).

Figure XV

A.   Non-core funding modalities for operational activities for development: 2014

$21.7 billion

Restrictively earmarked by individual donors to specific projects

Local resources 6%
Pooled 14%
Bi-multilateral 75%
Global/vertical funds 5%

Humanitarian Multi donor trust funds 5%
Development Multi donor trust funds 4%
Thematic Funds (Entities) 3%
Joint Programmes 1%

B.   Non-core funding modalities for United Nations development-related activities: 2014

$11.7 billion

Restrictively earmarked by individual donors to specific projects

Local resources 11%
Pooled 11%
Bi-multilateral 69%
Global/vertical funds 9%

"One" United Nations" funds <1%
Multi Partner Trust Funds (UN) 4%
Thematic Funds (Entities) 5%
Joint Programmes 2%
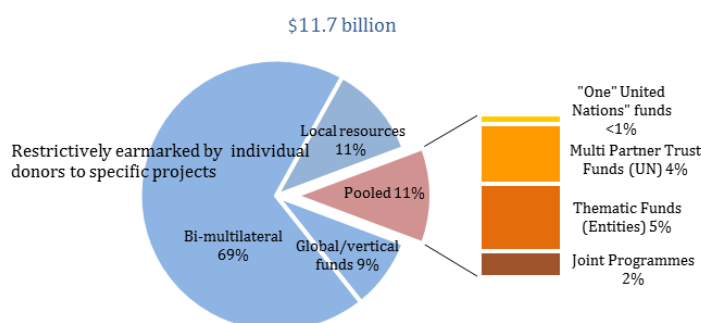
70. The lack of flexible, pooled non-core funding combined with the growing imbalance between core and non-core funding has introduced a higher degree of "bilateralization" in the funding of the United Nations development system, as donors can bypass purely multilateral governance and thereby increase their influence over specific priorities, thus leading to a supply-driven funding system. This lack of flexibility makes it increasingly difficult to prevent having the nature of the activities of the development system from being steered by the origin of its funding. Furthermore, having the vast majority of non-core funding parcelled out among projects that are each tied to a single donor militates against United Nations system-wide coherence by incentivizing fragmentation, raising transaction costs and encouraging competition and overlap of the Organization's activities.

71. Most programme country Governments perceive competition between United Nations entities for donor funds to a greater or lesser extent (see figure XVI): 64 per cent of survey respondents felt that competition between United Nations entities creates confusion for Governments; and 70 per cent agreed that competition increases the workload of Government officials.

Figure XVI
Competition among United Nations agencies for donor funds
(Percentage)

In response to the question:
As far as you know, to what extent do United Nations agencies in your country compete with each other for donor funding?
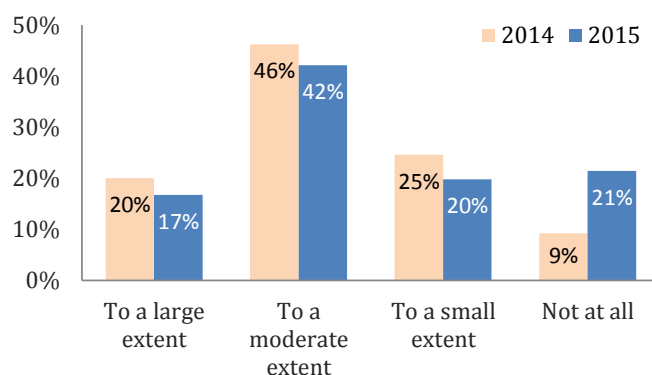
Source: 2014 and 2015 Survey of Programme Country Governments

72. To improve the predictability and quality of resources, several funding modalities have been developed over time so that non-core funding from different sources is pooled at the level of individual entities and/or among entities. These modalities are a result of efforts by the international community to promote coherence, alignment and aid effectiveness, counterbalancing high fragmentation resulting from the predominantly single-donor and single-programme and project-specific nature of non-core resource flows. While overall the use of pooled funding mechanisms remains limited, there was a notable increase in their use in 2014.

Multi-donor trust funds

73.   Multi-donor trust funds are a multi-entity funding mechanism designed to support a clearly defined broad programmatic scope and results framework through contributions that are co-mingled, not earmarked for a specific United Nations entity and held by a United Nations fund administrator.[21] In these United Nations inter-agency funds the Organization also takes the lead in making fund allocation decisions as well as fund implementation, and thus these types of funds are a more flexible and higher quality form of non-core contributions. They include the One United Nations funds that were established to address underfunded areas of a programme country's One United Nations country programme through un-earmarked or loosely earmarked contributions.

74.   Contributions to United Nations-administered multi-donor trust funds, including One United Nations funds, totalled $2.3 billion in 2014, a significant increase over the $1.4 billion in contributions in 2013 (see figure XVII). More than half of this increase is because of the Saudi Humanitarian Fund for Iraq and for the Ebola response. Commitments to One United Nations funds also increased by 35 per cent, surpassing $87 million in 2014. Contributing to this increase was the launch of the "Delivering Results Together" fund, which channelled more than $13 million to One United Nations country funds.[22]

Figure XVII
Deposits made to multi-donor trust funds administered by the United Nations, by fund category: 2009-2014
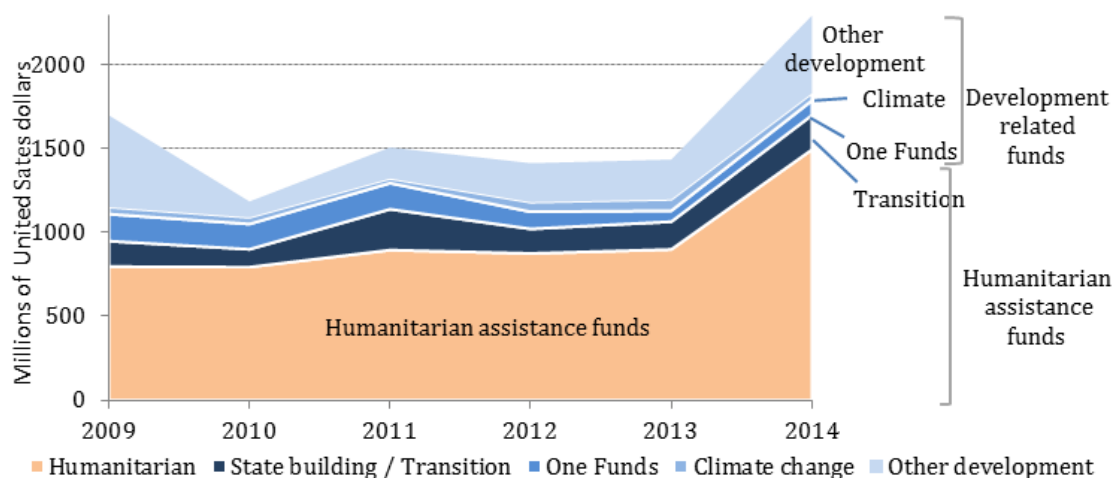
75.   During the first phase of the Economic and Social Council dialogue, it was suggested that development-related multi-donor trust funds were not being used to their full potential to support United Nations coherence and to reduce

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[21] In September 2015, three entities reported administering multi-donor trust funds: the UNDP Multi-Partner Trust Fund Office, UNFPA and the United Nations Office for Project Services.
[22] The "Delivering Results Together" fund, managed by the United Nations Development Group, is a global pooled funding facility for Delivering as one countries, with funding flowing through operational One United Nations funds.

fragmentation, and that one option to make them more attractive to donors could be to have fewer funds with broader scope.

Entity-specific thematic funds

76. Another mechanism of pooled funding used by the United Nations development system is the agency-specific thematic fund that is softly earmarked to outcome levels of an entity's strategic plan. This type of funding mechanism offers long-term planning and flexibility, and it is an effective way to attract large-scale non-core resources through internally pooled donor funds, which, in turn, saves on transaction costs.

77. This type of pooled funding is most widely used at UNICEF and UNFPA, although other United Nations entities are beginning to follow suit in order to increase the level of minimally-earmarked funding.

Joint programmes

78. Joint programmes can be regarded as a way of combining resources by United Nations entities to make the operational activities for development of the United Nations system more coherent, effective and efficient. A joint programme supports a strategic vision, outlined in a joint programme document with a well-defined results framework, workplan and related budget. Based on a partnership, a joint programme normally involves two to five United Nations organizations, their (sub-) national governmental partners and other stakeholders. Total funding for joint programmes in 2014 was some $214 million, about $20 million more than in 2013 and it accounted for some 2 per cent of total non-core funding for development-related activities.

79. In 2014, the United Nations Development Group "Guidance Note on Joint Programmes"[23] was revised for the first time since 2003 in order to provide more relevant and practical guidance, including when to use the guidelines and how to implement them. The note draws on lessons learned from experience with joint programmes over the past decade and new developments, for example, updated guidance on the United Nations Development Assistance Framework (UNDAF) and linkages with multi-donor trust funds, including One United Nations funds.

Global thematic and vertical funds

80. Included in the single-donor and programme and project-specific funds are resources received through global funds. Global funds, sometimes referred to as vertical funds, have become a significant resource channel for the United Nations development system over the last decade. These funds focus on specific issues or themes, just like global multi-donor trust funds, but they are not directly administered by a United Nations entity and do not require the United Nations to play a leading role in the fund allocation process. They usually have their own trustee, funding, governance, policy and programming arrangements. Thus, while global funds are a form of pooled funding, from the perspective of the Organization, the funds are often tightly earmarked for particular projects, with the United Nations playing the role of the implementing organization. Examples are the Global Environment Facility, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the

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[23] https://undg.org/wp-content/uploads/2015/02/Guidance-Note-on-Joint-Programmes.pdf.

Multilateral Fund for the Implementation of the Montreal Protocol and the Global Alliance for Vaccines and Immunization. In 2014, an estimated $1.0 billion, or some 8.6 per cent, of all non-core contributions for development-related activities of the United Nations system came from global funds, a 41 per cent increase in volume since 2011.

81. Despite many resources being channelled from global funds through the United Nations development system, there is concern that the establishment of these funds is an alternative to the established multilateral system, diverting resources away from the development system. Given that the Sustainable Development Goals are much more cross-cutting than the Millennium Development Goals, it will be important to consider how to avoid the silo effect and to ensure much greater inter-linkages across vertical funds, United Nations agency-specific thematic funds and United Nations global multi-donor trust funds in the post-2015 era.[24]

3. Local resources

82. In 2014, contributions to entities of the United Nations development system in the form of local resources for programming in the contributors' own countries amounted to $1.32 billion, or some 6 per cent of total non-core resources to the development system. This modality is most commonly used in the Latin American and Caribbean region where the four largest such contributors, Argentina, Brazil, Colombia and Peru, are located.

83. Local resources represent a substantial source of funding for many United Nations entities working in these countries, including FAO, UNDP, the United Nations Office on Drugs and Crime, UN-Habitat, UNFPA and WFP. Such resources can also be viewed as a step towards self-reliance when host Governments provide their own resources to complement funding from other sources.

D. Principles in the context of the 2030 Agenda for Sustainable Development

1. Building trust: transparency of data on funding flows

84. Enhancing transparency on funding flows is an essential ingredient for an effective resource mobilization environment. It helps build trust between the entities of the United Nations development system, Member States and other partners and strengthens system-wide resource planning.

Common budgetary framework

85. At the country level, the common budgetary framework is the consolidated financial framework for development-related operational activities, reflecting the agreed, costed results of the UNDAF process/One United Nations country programme. The framework was developed as an instrument for comprehensive and results-based planning, budgeting and management and for the identification of funding requirements and gaps for the entire UNDAF programming period. According to the survey of resident coordinators carried out by the Department of

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[24] See *World Economic and Social Survey 2012: In Search of New Development Finance*, Department of Economic and Social Affairs, United Nations, New York, 2012.

Economic and Social Affairs, 34 per cent of programme countries have developed a common budgetary framework covering the current programming period. This compares to 25 per cent in 2013, thus indicating that, thus far, there has been only limited movement in this direction. On the more positive side, 63 per cent of Delivering as one countries have an existing common budgetary framework, which is an integral part of the "one budget" pillar of the Delivering as one approach.

86.   A current and publicly accessible common budgetary framework provides programme countries, development cooperation partners and other stakeholders with a single, simplified reference document that covers the United Nations funding situation at any point in time during the programming cycle. An up-to-date budgetary framework is a useful tool to support financial management while also enhancing transparency and accountability.

Integrated budgets

87.   At the corporate level, some United Nations entities have recently stepped up efforts to consolidate all projected resources within an integrated budgetary framework based on priorities determined in the respective strategic plan. This integrated budget is presented to the respective governing body for approval — even though all resources have not yet been committed — also implying that the respective governing body has endorsed its contents and that entities must remain within its parameters. The General Assembly, in its resolution 67/226, provided the policy basis for the development of integrated budgets. In 2015, 21 of the 25 United Nations entities that responded to the survey indicated that they had consolidated available and projected core and non-core resources within an integrated budgetary framework, and four entities replied that they had no plans to do so.

88.   By presenting the integrated budgets in conjunction with the strategic plan of organizations, linkages between resources and results are identified, thereby increasing transparency and bolstering trust with Member States and other partners.

89.   United Nations entities, including UNAIDS, UNDP, UNESCO, UNFPA, UNICEF, UN-Women, WFP and WHO, are increasingly making information on resource allocation and expenditure more readily available publically through open data platforms.

90.   United Nations entities have improved their accountability and oversight by having independent audit, investigation and evaluation functions, by implementing the International Public Sector Accounting Standards (IPSAS), and by presenting timely, comprehensive and forward-looking information based on the agreed International Aid Transparency Initiative open standard. Currently nine members of the United Nations Development Group and two observers publish data according to the International Aid Transparency Standards, including UNDP, which was ranked in an evaluation carried out by the International Aid Transparency Initiative as the most transparent aid organization of 68 entities worldwide.

System-wide level

91.   While progress is evident in terms of enhancing the visibility of resource flows within individual entities, thus far there has been little consideration of an aggregated overview of resourcing for the United Nations development system as a whole. Currently, the main actor in terms of collecting system-wide financial flows

is the secretariat of the High-level Committee on Management, which assembles high-level aggregate information provided by individual United Nations entities, and much of the analysis in this section of the report is based on data collected by the secretariat. This financial database contains historical data on funding flows from contributors to United Nations entities as well as total expenditures by programme country and by entity. However, the data does not go down to the outcome, sector or goal level and it contains purely historical information. Obtaining more detailed system-wide information is a continuing challenge. The limited progress in the common budgetary framework process highlighted above relates to the difficulties in collecting aggregating financial data due to differences in the manner that entities report. For instance, there is still no commonly applied sector classification system to replace the old sector classification employed by the Administrative Committee on Coordination.

92. The 2013 survey of donor countries to the OECD Development Assistance Committee[25] revealed that the main reason most contributors prefer to provide non-core resources is that they associate earmarked funding with ad hoc arrangements that allow for increased transparency, with closer links between funding and results. Similarly, the qualitative answers to the survey tended to show that donors want prominence given to particular thematic and geographical areas. In essence, contributors consider earmarked funds to be worth more than un-earmarked funds because of greater influence on planned results, enhanced visibility and focused oversight.

93. The results of the above survey, when combined with the increasing complexity of the international aid architecture, would appear to reaffirm the importance of transparency and accountability as highlighted by the General Assembly in its resolution 67/226. This view was echoed during the first phase of the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system, during which there was a call to make funding data more transparent, including better mapping of the funding situation at the country level so that resources could be more focused. Currently the development system tends to be over-reliant on entity-specific planning processes.

94. Providing an aggregated, system-wide overview of financial flows will enable contributors to gain a better understanding of where the funding needs are and how contributions can fit in the context of all activities of a coherent and coordinated United Nations development system and towards the targets of the 2030 Agenda. It will also provide developing countries with the up-to-date information they need to plan and manage resources effectively.

95. Building such a system-wide framework on funding would still need to be analysed and evaluated for feasibility. Some of the building blocks already exist, such as the UNDAF process, common budgetary frameworks at the country level and integrated results and resources frameworks at the entity level, albeit at varying levels of quality. Other building blocks are needed in support of the development of a system-wide funding framework, such as a harmonized, system-wide classification system for United Nations expenditures by a commonly agreed results or sector framework.

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[25] Twenty-two members of the OECD Development Assistance Committee responded to the survey.

96. In analysing the feasibility of such a framework, it is important to reflect on lessons learned with the consolidated budgetary framework as well as with the aggregated financial frameworks that have been built by organizations outside the United Nations development system. For instance, one possible way forward could be to encourage more United Nations entities to report to the secretariat of the CEB High-level Committee on Management in a common statistical reporting standard such as that employed by the Development Assistance Committee and/or the International Aid Transparency Initiative in order to increase the availability of current and forward-looking information that is outcome-specific for more detailed analysis and to support future planning. A United Nations system-wide strategic framework, against which funding requirements are mapped in a timely manner, would not only enhance transparency and accountability, but would also build trust and bolster resource mobilization efforts.

97. The comprehensiveness of the Sustainable Development Goals, compared to the Millennium Development Goals, could facilitate the development of such a framework at the Goal level that would capture, monitor and account for system-wide results and serve as a transparent, real-time resource mobilization instrument, including formal finance dialogues, similar to those taking place at the level of individual entities. An example is the recent positive experience of IFAD with a structured and credible negotiation process that reviewed and discussed strategic plans, priorities and funding requirements in a much more integrated manner.

98. Providing full and accurate financial information on all activities demonstrates accountability and stewardship, reinforces credibility and provides clear and comprehensive information on the consequences of all decisions taken when using entrusted resources. Ultimately, in the medium to longer term, such a transparent mechanism would also help in increasing coherence by channelling resources to underfunded priority results areas and overcoming the current fragmentation and related competition for funding between United Nations entities.

2. Innovative funding modalities

99. Although there is no agreed definition for innovative development finance, the Leading Group on Innovative Financing for Development[26] includes all mechanisms that raise funds for development that are complementary to ODA and predictable and stable in nature. Innovative financing can be grouped into three main categories: innovative sourcing of the public sector used for international development, for example developing new forms of taxes and levies to provide a steady resource flow to supplement ODA; innovative mechanisms that can make existing financing more effective, such as debt swaps or advanced market commitments, or that can leverage private flows for development objectives; and innovative spending, for example through global funds, including the Global Fund to Fight AIDS, Tuberculosis and Malaria. All of the above categories focus on the role of international public finance. There are also a host of private sector innovations, including impact investment and thematic bonds, financial products and social entrepreneurship, although these are not generally included in the categories discussed above, as set out by the Leading Group on Innovative Financing for Development.

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[26] Sixty-three countries working in conjunction with international organizations and civil society.

100. Thus far, although innovative sources of financing flows have raised a limited amount of resources and have been, for the most part, narrowly targeted towards specific global challenges within the health and climate sectors, they have potential to grow considerably. A recent report of the Department of Economic and Social Affairs[24] estimates that such financing mechanisms could grow to hundreds of billions of dollars per annum. This could include a tax on greenhouse gas emissions, which, by itself, has the potential to mobilize more resources than the current level of global ODA. To help ensure a secure and predictable funding base, it is important to ensure that such innovative financing mechanisms complement rather than replace traditional funding mechanisms.

101. In the Addis Ababa Action Agenda, the General Assembly noted that "an important use of international public finance, including ODA, is to catalyse additional resource mobilization from other sources, public and private", including through blended or pooled financing and risk mitigation. However, risk management strategies are needed to ensure that all such funding modalities are favourable in the short, medium and long term. Furthermore, utilizing these new mechanisms will require significant capacity-building in many countries. The United Nations development system could target its limited public resources to support developing countries that do not currently have the capacity to access innovative forms of financing. This would entail building financial literacy and skills among the staff of the entities of the development system to enable them to support programme countries that do not currently have the capacity to leverage such forms of financing.

102. Finally, and while recognizing that the role of the United Nations development system will necessarily vary from partnership to partnership, it will have to identify its role in new multi-partner, issues-based coalitions and global partnerships established in support of the Sustainable Development Goals. In this context, it is important to study the lessons from other organizations that are currently more engaged in fundraising strategies that target the private sector.

103. Increased engagement with the private sector will require upgraded standards and guidelines in a number of areas, as well as a system-wide intergovernmental framework for partnership accountability to ensure that the United Nations preserves its multilateral values, integrity, legitimacy and independence, and that intergovernmental standards and principles govern such partnerships.

3. Integrated financing: building resilience

104. One of the functions identified by Member States in the first phase of the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system was the need to support Member States with models of consolidated, mutually reinforcing and coherent frameworks against which to plan, implement and report in the post-2015 world.

105. A core characteristic of the 2030 Agenda is the interlinkages between the Sustainable Development Goals and targets, since the likelihood of the achievement of many of the Goals will be made more possible if they are pursued in combination rather than individually. The broad consensus is that addressing the development, peacebuilding, humanitarian and climate change challenges in vulnerable countries requires integrated approaches that are both more effective and more efficient,

including through integrated, outcome-driven multi-year planning, in order to manage the risks of humanitarian crises, mitigate vulnerability and build resilience.

106. This will mean that the development cooperation actors that pursued the individual Millennium Development Goals separately must change their strategies in situations where integrated development approaches are deemed appropriate and cost-efficient over the long term. At present, humanitarian financing is about 10 per cent of total ODA and a significantly larger share, or 41 per cent, of overall funding for operational activities for development of the United Nations system. In addition, much of humanitarian, development and climate financing tends to be concentrated in the same geographical areas. This overlap presents opportunities for a more integrated, resilience-based approach. Some good examples exist at the field level, where United Nations humanitarian and development entities have joined forces in an integrated and coherent manner, such as in Colombia and in the Sahel, but there is still a long way to go before the integrated type of planning, budgeting and implementation required for the implementation of the Sustainable Development Goals is achieved. From a United Nations perspective, one challenge relates to the nature of the funding the Organization receives. Siloed, tightly earmarked and unstable funding for development and humanitarian action at the country level has undermined the ability of the United Nations development system to more effectively promote resilience and ensure greater continuity and synergies between humanitarian response, peace and security and mid- to longer-term development initiatives to strengthen recovery and resilience.

107. Pooled funding mechanisms can be useful instruments to channel funding that can bridge these separate silos, thereby increasing the efficiency and effectiveness of the Organization, and such mechanisms hold promise as effective methods for building resilience. Scaling up these mechanisms can help to increase the coherence of development and humanitarian finance and ensure more timely, appropriate and cost-effective approaches to the management of crises, disasters and other shocks. In situations of chronic vulnerability and protracted displacement, donors also tend to allocate a greater proportion of funding to pooled funding mechanisms, which strengthen local, national and regional capacity to manage risks, increase resilience and respond to crises.

III. Contribution of United Nations operational activities to national capacity development and development effectiveness

A. Capacity-building and development

108. Capacity-building and development is and will remain a core function of the United Nations development system for development planning, disaggregated data collection and analysis, implementation, reporting and monitoring and evaluation, as well ensuring sustainability through use of national systems and national capacities to the fullest extent possible.

109. United Nations entities have taken steps to enhance the development of national capacities, including: revising their capacity development strategies and approaches; introducing new or revised guidance and tools on capacity development; and internal reorganization in headquarters and regional centres to better support country offices in developing national capacities. These measures

cover technical and sectoral capacities, as well as the functional capacities of individuals and organizations, and provide an enabling environment, including some form of capacity assessment, which is usually conducted as part of country programming and the UNDAF process.

110. Governments of surveyed programme countries identified the United Nations development system as their preferred provider for institutional capacity development (see table 3), but they were moderate in their endorsement of the ability of the development system to develop national capacities. In their view, the development system could improve its effectiveness in this area by, among other things: making greater use of existing national capacities and systems; creating closer collaboration between United Nations entities and government ministries to ensure that initiatives are demand-driven and based on national development priorities; ensuring greater coordination and harmonization among United Nations entities at the country level; simplifying United Nations procedures; adopting a results-based approach to capacity development; and providing better access to knowledge and information resources, including good practices from other countries.

Figure XVIII
Effectiveness of the United Nations development system in developing national capacities

"All things considered, the UN has been effective in developing national capacities"
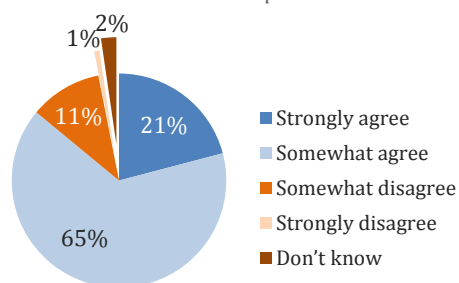
Source: 2015 Survey of Programme Country Governments

111. There are obstacles to the effectiveness of the United Nations system in the area of capacity development. Although all United Nations entities subscribe to the comprehensive approach set out in the position paper of capacity development issued by the United Nations Development Group, at the field level, United Nations staff and partners in Government often have a narrow conception of capacity development as meaning training. The emphasis on training is further reinforced by the lack of sufficient funds to support more comprehensive and longer-term capacity development initiatives. Several United Nations entities have budgetary constraints and do not have the necessary internal human resources capacity to respond to requests, and a review of their strategic plans revealed that while capacity development is deeply embedded in their core functions and strategic intent, few of the plans include the formulation of a systematic approach for the use of national institutions and systems as part of efforts to develop national capacities. Moreover, United Nations entities do not utilize national institutions and systems by default.

112. National data and statistical systems capacities pose a challenge. The availability and quality of data in many programme countries is often not adequate, including for monitoring progress and measuring development results. Figure XIX shows that the majority of resident coordinators have found national data disaggregated by income, gender and age to be generally adequate, while data on people with disabilities and minority groups are too often inadequate. In a survey of 132 United Nations country teams, 116 reported that they provided support to national statistical capacities through capacity development.[27]

Figure XIX
Disaggregated data

"Please rate the adequacy of the data the UNCT had access to for each of the following types of demographic information"

	Very adequate data	Somewhat adequate data	Somewhat inadequate data	Very inadequate data	Not applicable in this country
Income level	32%	44%	19%	4%	1%
Sex	25%	51%	19%	5%	
Age	36%	49%	11%	4%	
Disability	9%	40%	27%	23%	1%
Minorities	12%	32%	28%	19%	9%
Indigenous peoples	6%	20%	14%	14%	46%
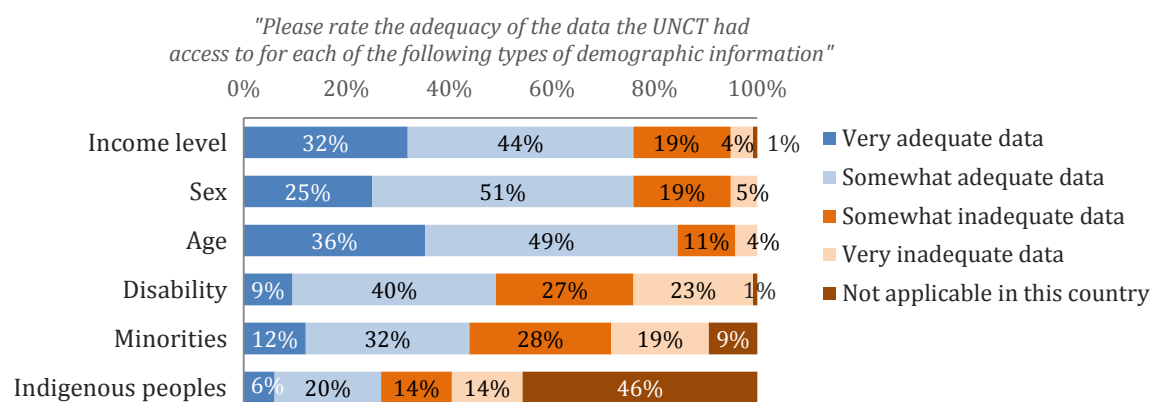
Source: 2015 Survey of Resident Coordinators

113. Resident coordinators and programme countries agreed (although the latter to a lesser extent) that the United Nations development system was using national experts and institutions as much as possible in the design and implementation of programmes, and their views have remained relatively constant over the past three years.[28]

114. While there has been some improvement since 2013, according to the most recent survey carried out by the Economic and Social Council, programme countries view the United Nations use of national procurement systems, financial systems, monitoring and reporting systems and national evaluation capacities less favourably (see figure XX). According to the United Nations System Chief Executives Board for Coordination (CEB), with an estimated $16 billion in annual procurement expenditures, a large part of the annual delivery of the United Nations development system relates to procurement activities. According to a survey of operations management teams carried out by the Department of Economic and Social Affairs, the United Nations system still carries out most of the procurement financed by the Organization at the country level. In more than 64 per cent of all programme

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[27] United Nations Development Group, Information Management System.
[28] In reference to the design of programmes and projects, in 2012/2013, 96 per cent of resident coordinators and 80 per cent of programme countries (strongly and somewhat) agreed that the United Nations development system was using national experts as much as possible, compared with 97 per cent and 79 per cent, respectively, in 2015; on the use of national institutions, 96 per cent of resident coordinators and 84 per cent of programme countries (strongly and somewhat) agreed in 2012, compared to 95 per cent and 85 per cent, respectively, in 2015.

countries, the United Nations system carries out at least 90 per cent of the procurement activities.

Figure XX
Extent to which resident coordinators and the Governments of programme countries agree that national institutions are used as much as possible
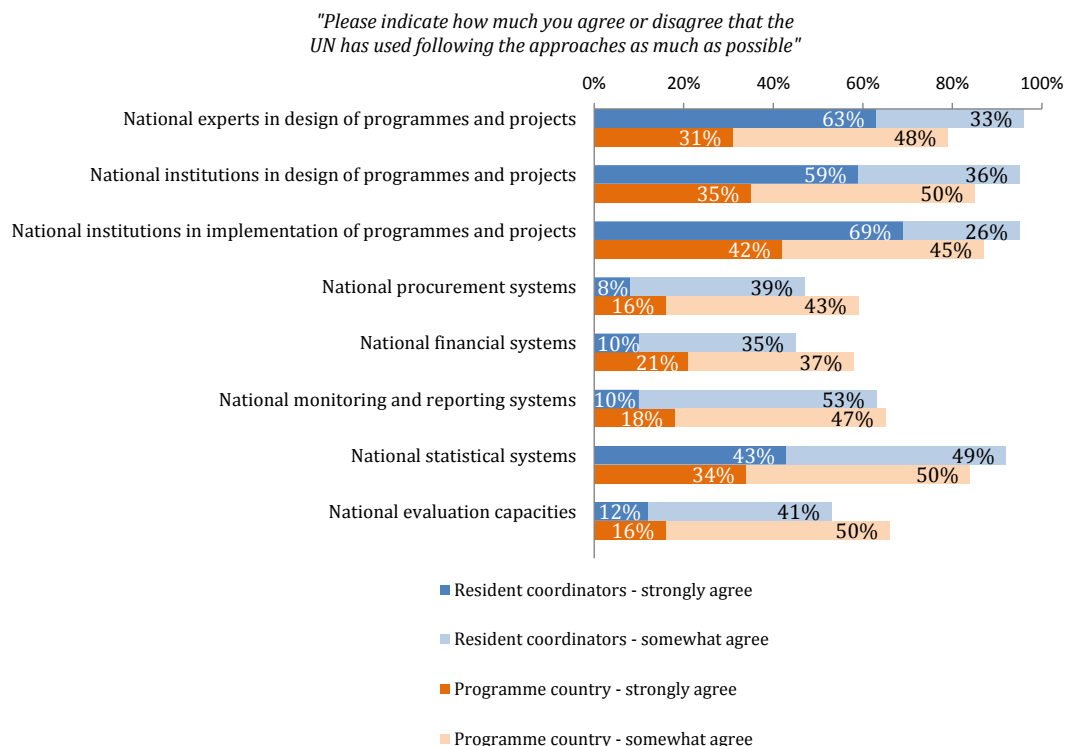
"Please indicate how much you agree or disagree that the UN has used following the approaches as much as possible"

Source: 2015 Survey of Programme Country Governments and 2015 Survey of Resident Coordinators

115. As reported in the above-mentioned survey of operations management teams, since the adoption of General Assembly resolution 67/226 in 2012, there has been no visible trend towards a greater use of national procurement systems. United Nations entities have presented several reasons for not making use of national systems and capacities. A frequently cited reason is that national systems and capacities are not sufficiently sophisticated for the use of the United Nations entities, especially in the case of national procurement and financial systems.

116. The limited use of national procurement systems could correlate with a perception of existing capacity gaps: according to the survey of operations management teams, 61 per cent of all responding teams either "strongly disagreed" or "somewhat disagreed" that their national Governments have the capacity to assume more responsibility for procurement for United Nations-funded programmes and projects. At the same time, only 20 per cent of all United Nations country teams have established a strategy to strengthen Government procurement capacities, a downward trend compared to the results of the surveys of operations management teams from 2012 and 2013. While concerns about the strength of national financial

and procurement capacities may be legitimate, they should be accompanied by strategies to enhance weak national capacities.

117. Other inhibiting factors included: political instability in conflict and post-conflict settings; high turnover of human resources in partner institutions — posing a challenge to the development of sustainable capacity; and the unwillingness of donor countries to accept any inherent risk in using national systems and capacities.

118. Progress has been made in the implementation of the harmonized approach to cash transfers framework. The framework is intended to introduce risk-based financial controls, reduce transaction costs and strengthen national capacities in financial and programme management, with a view to gradually shifting such responsibilities to national systems.[29] The implementation of the framework is accompanied by assurance activities the levels of which are based on the periodic assessment of implementing partners. According to the 2014 results report on the framework issued by the United Nations Development Group, 72 per cent of all programme countries are at various stages of implementation of the framework. The framework presents a systematic, harmonized and measurable approach to effectively increasing the use of national systems and therefore presents an integrative approach for the use of national systems, with the aim of developing capacity and promoting national ownership.[30] There is currently a window of opportunity to discuss and enable the wider use of the framework within the United Nations development system, including the alignment of the rules and regulations of United Nations entities that might currently present barriers to its implementation.

119. The United Nations development system faces a number of challenges that need to be addressed in order to meet the expectations of the Member States with regard to its role on capacity development. Since capacity development is a core function of the development system, it is essential that it measure the results of its capacity development programmes. More needs to be done in the way of developing meaningful indicators of capacity development at the level of outcomes. For agencies that have mainstreamed capacity development, it is a challenge to disaggregate capacity development from other results, while for other agencies the absence of a distinction between capacity development and capacity augmentation presents a challenge for measuring the former.[31]

120. The United Nations Development Group has established a working group to develop a common approach to measuring progress in capacity development. The working group has identified three main deliverables, namely: preparing an inventory of capacity development measurement approaches and tools that currently exist in the United Nations development system; preparing a White Paper with

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[29] United Nations Development Group, "Global Assessment of the Harmonized Approach to Cash Transfers", 2011; Proposed Revisions to the Harmonized Approach to Cash Transfer Framework, 2013; and Harmonized Approach to Cash Transfers Framework, 2014.

[30] The Harmonized Approach to Cash Transfers framework underscores that United Nations agencies do not necessarily have the mandate or the capacity to respond effectively to the capacity requirements of implementing partners. Therefore, agency guidelines would have to be used to determine the level of capacity development activities undertaken by each United Nations country team. See United Nations Development Group, Harmonized Approach to Cash Transfers Framework, 2014.

[31] In 2010, UNDP published the most substantive information on measuring capacity development in the United Nations development system. The ILO updated country office guidance, issued in 2012, includes guidance on measuring capacity development.

capacity development measurement principles; and designing the piloting of the principles in 2016.

121. Several important lessons should inform the approach of the United Nations development system to capacity development. Capacity development is more likely to be effective if it is driven by programme countries and based on an acknowledgement that there are existing capacities that can be strengthened. Country contexts differ and there should be room for flexibility and innovation in supporting the capacity development efforts of programme countries. It is also essential to invest in the ongoing development of capacities of staff in country offices so as to support the development of national capacities. It is important for United Nations entities and national partners to have a common understanding of capacity development.

122. The 2030 Agenda calls for the development of both technical and functional capacities.[32] Greater focus is needed on the development of functional capacities, especially in planning and programming for the implementation of the Sustainable Development Goals and the development of robust results-based frameworks for monitoring, evaluation and reporting. Developing countries will increasingly be expected to increase domestic resource mobilization and to draw on resources from non-State actors, including the business sector and philanthropic foundations. Corresponding functional capacities will need to be developed for domestic resource mobilization and for the development and management of a diverse array of partnerships, including accountability frameworks. This will also require that the staff of the entities of the United Nations development system in regional and country offices have the necessary functional capacities in these areas so that they can effectively support their national counterparts.

123. In order to achieve results in this regard, greater attention to the development of national evaluation capacities will be required. The expectations of the programme countries for the support of the United Nations development system for genuine strengthening of their national evaluation capacities are not being met. This includes the development of national accountability frameworks and assurance mechanisms, such as budgetary processes, supreme audit institutions and the internal audit capacity of national institutions. There is need for more innovative and effective methods to establish and improve national evaluation policies, systems and programmes which can inspire country ownership and create the motivation to design and manage country-led evaluations, as well as for support from across the development system to enable countries to effectively use the results from such evaluations in their national decision-making.

124. There is demand from programme countries for the United Nations development system to assist in: accessing of knowledge and expertise from other developing countries; the identification of cooperation partners; and the provision of support for the management of South-South and triangular cooperation.[33] The development system has experienced challenges in responding to this demand, primarily due to the lack of dedicated resources and lack of capacity for South-

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[32] Technical capacities are required for working within a specific sector (for example, curriculum development in education), while functional capacities refer, inter alia, to those required for developing and managing policies, strategies and legislation.

[33] In the 2015 survey of resident coordinators, 78 per cent reported that they had received such requests.

South and triangular cooperation.[34] This demand can be expected to increase with the adoption of the Sustainable Development Goals, and the entities of the development system at the country level will need to programme support for South-South and triangular cooperation to a greater extent than has been the case to date.[35]

125. In that regard, a funding model that relies heavily on non-core resources, highly restrictive in their use, has negative implications for capacity development as a core function of the United Nations development system.[36] Fragmented funding sources, the short-term nature of funding and conditionalities that may be attached to non-core funding present a challenge for supporting systematic capacity development. While results and value-for-money are important for the constituents of partner countries, an overemphasis on these can inhibit innovative capacity development and undermine national ownership.

126. The scale of the Sustainable Development Goals will require a significant improvement in coordination and coherence amongst all actors, including the United Nations entities in supporting the development of national capacities in programme countries, including through more joint programmes. Importantly, it will require the entities of the development system to target capacity development efforts and work in areas where it has a clear comparative advantage and mandate to do so.

127. The capacities of the entities of the United Nations development system to deliver on the support required will need to be strengthened in a number of areas, as highlighted in different sections of the present report. The workforce of the development system is its strongest asset, and there is a need to modernize how that workforce is managed and compensated. The United Nations system needs a unified workforce that rewards mobility and facilitates exchanges across the system, and it needs to be able to attract, retain and deploy high performing staff across a multitude of geographic locations, programmatic mandates and business models. A transformative agenda in this area could start with the promotion of a common United Nations identity and sense of purpose through developing the international civil service as one global workforce, aligned across organizational boundaries and professional communities. Diverse, agile and adaptive, such a workforce will be at the pulse of the 2030 Agenda for Sustainable Development through increasingly permeable career paths between the entities of the United Nations system and their partners and stakeholders.

B. Poverty eradication

128. Between 1990 and 2011, the total percentage of people living in poverty declined from 43 per cent to 17 per cent.[37] While much of this progress can be attributed to the fact that poverty rates in middle income countries fell from 44 per

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[34] Ibid.: 61 per cent of resident coordinators identified the lack of financial and human resources as main challenges.

[35] Ibid.: 68 per cent of resident coordinators stated that current UNDAF programmed support for South-South cooperation to some extent, 16 per cent to a greater extent, and 16 per cent not at all.

[36] OECD, Development Assistance Committee, Report on Multilateral Aid, 2015.

[37] Calculations are based on the international poverty line of $1.25 per day based on 2005 Purchasing Power Parity. Unless otherwise noted, all poverty statistics in paragraph 135 are drawn from the World Bank interactive computation tool, PovcalNet (2014).

cent in 1990 to 14 per cent in 2011, over 70 per cent of the global poor currently live in middle-income countries.[38] In addition, poverty reduction has been uneven among regions. Between 1990 and 2011, the poverty rate in East Asia and the Pacific declined from 57 per cent to 8 per cent, with China accounting for about 60 per cent of progress in the region.[39] The poverty rate in South Asia declined from 54 per cent to 25 per cent in the same time period. In the same period, the poverty rate in Sub-Saharan Africa declined more modestly from 57 per cent to 47 per cent, and the region's share of the global poor increased from 15 per cent to 41 per cent, indicating slower progress than other regions in reducing poverty. The poverty rate in fragile and conflict-affected countries remains high.[40]

129. While extreme poverty was reduced by more than half in the years between 1990 and 2012, hunger decreased by only 17 per cent, and actually increased in Africa and the Arab States,[41] and income inequality has been on the rise. In particular, between the early 1990s and the late 2000s, several countries that experienced rapid economic growth also saw a greater increase in inequality, thus illustrating that economic growth alone is not a sufficient condition for poverty eradication. In this regard, gender, disability, age, location, ethnicity and indigenous identity are major factors that need to be taken into account. Placing the imperative of combating inequalities and discrimination at the heart of United Nations system-wide support will require addressing all forms of discrimination and other root causes of inequality.

130. The eradication of poverty is a multifaceted challenge, a fact that is recognized under Sustainable Development Goal 1, which establishes an intergovernmentally agreed framework for a set of targets and indicators and calls for the nations of the world to "End poverty in all its forms everywhere".

131. Progress has been made on numerous relevant issues, including decreasing the proportion of undernourished people in developing regions, increasing access to improved drinking water, sanitation and housing and achieving equal rates of primary school enrolment for girls and boys.[40] At the same time, since the 2008 global financial and economic crisis, the growth of employment opportunities has not kept pace with the expansion of the labour force, a trend that has had a particularly severe impact on youth and women.[42] Decent work is crucial to continued progress towards poverty eradication,[43] as recognized in Sustainable Development Goal 8, which calls for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

132. In the context of the United Nations development system, poverty eradication remains the overarching priority, and it is closely linked with most thematic areas of work. The system-wide plan of action for the implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017) provides the overall framework of the support to Member States on poverty eradication. The strategic

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[38] See A/70/227.
[39] Calculations for China are based on data from 1990 and 2010.
[40] *The Millennium Development Goals Report 2015*, United Nations, New York, 2015.
[41] FAO, IFAD and WFP, 2013, *The State of Food Insecurity in the World 2013: The multiple dimensions of food security*, Rome, 2013.
[42] ILO, *World Employment and Social Outlook — Trends 2015*, Washington, D.C., 2015.
[43] See A/70/281.

plans of most funds, programmes and specialized agencies identify poverty eradication and the economic, social and environmental dimensions of sustainable development as the foundation of their work. Throughout the United Nations system, efforts have focused on addressing the root causes of poverty through interlinked issues, including decent employment, child poverty, social protection, health, food security and nutrition,[44] women's economic empowerment[45] and climate change.[46]

Figure XXI
Resources for the poorest and most vulnerable

"The UN is effective in ensuring adequate attention and resources are given to the development needs of the poorest and most vulnerable segments of society."
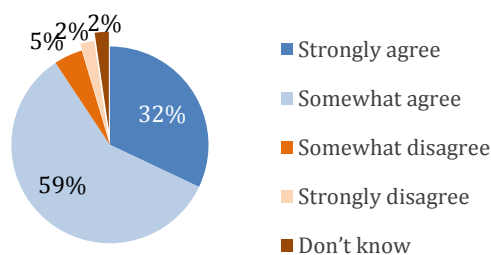
Source: 2015 Survey of Programme Country Governments

133. In terms of ensuring adequate attention and resources are given to the development needs of the poorest and most vulnerable segments of society, 32 per cent of programme countries "strongly agree" and 59 per cent "somewhat agree" that the United Nations is effective in that regard, as shown in figure XXI.

134. In surveys conducted in 2012, 2014 and 2015, around half of all programme countries selected poverty reduction as an area where the contribution of the United Nations has been especially significant. As reiterated by the General Assembly in its resolution 69/238 and by the Economic and Social Council in its resolution 2015/15, Governments consider poverty eradication to be a top priority for the United Nations development system. The results of the 2015 survey highlight that poverty reduction will remain an important priority for the United Nations in future country-level assistance to countries at varying stages of development.

135. The multidimensional aspects of poverty are addressed in all of the Sustainable Development Goals. The challenge for the United Nations development system will be to ensure that interventions are coordinated and integrated and that they are specifically targeted and tailored to country priority and needs, including by harnessing the strengths of all stakeholders.

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[44] WFP, *Annual Performance Report for 2014* (WFP/EB.A/2015/4).
[45] UN-Women, Annual Report 2014-2015 (annualreport.unwomen.org).
[46] UNDP, Annual Report 2013-2014: "New Partnerships for Development".

C. South-South cooperation

136. The pressure on the United Nations development system to engage in South-South and triangular cooperation is increasing with the rapid growth of such cooperation in size, importance and number of actors. The development system has increased its engagement and continued to develop system-wide policy guidance in this area. The framework of operational guidelines on United Nations support for such cooperation provides priority actions and performance indicators for United Nations agencies, funds and programmes in mainstreaming their support for South-South and triangular cooperation at the global, regional and national levels. System-wide guidance has been further supported by the increasing institutionalization of inter-agency coordination on policy development through the recently established United Nations Development Group's South-South and Triangular Cooperation Task Team.

137. Individual agencies have made substantial efforts to strengthen support for South-South and triangular cooperation. Twenty-three out of 25 agencies surveyed in 2015 integrated such cooperation into their strategic plans, and 20 out of 25 agencies reported on this subject in their annual reports. Thirteen agencies have staff fully or partly dedicated to cooperation in this area.

138. The United Nations development system has also strengthened policy analysis and convened policy dialogues focusing on South-South and triangular cooperation. These policy analyses have informed the intergovernmental processes in the lead-up to the adoption of the Addis Ababa Action Agenda and the 2030 Agenda, and discussions at global forums such as the Economic and Social Council, including the high-level political forum and the Development Cooperation Forum.

139. Sixty-three per cent of programme countries surveyed in 2015 confirmed that they provided development cooperation to other programme countries, especially to low income and lower middle income countries. They added, however, that their development cooperation is constrained by lack of funding, information, capacity and networks, and that they expect the United Nations system to address these gaps.

140. Given its global presence, the United Nations is usually expected to advise on the availability and relevance of specific knowledge and expertise from other developing countries, as well as to bridge communications among partners and facilitate partnership building. In addition, the Organization usually serves as a convener or a participant in bilateral or multilateral initiatives among the South, and produces relevant analyses and knowledge in the area of South-South and triangular cooperation.

141. The United Nations is sometimes called on to implement projects or programmes funded by a partner from the South, or a joint contribution (from a developed and a developing country). The Organization performs financial and programme management functions and, depending on specific cases, deploys in-house or external capacity to advise on or implement projects.

142. Much of the support expected from the United Nations requires additional capacity. Currently, strengthening the support for South-South and triangular cooperation entails the redeployment of resources from other mandated areas or the use of non-core resources. When core functions are not adequately supported by

core funding, United Nations entities often find it difficult to respond to surging requests.

143. In addition, some United Nations rules, regulations and procedures can inhibit the specific needs of South-South and triangular cooperation, which require more emphasis on low transaction costs and speed of delivery. Under current rules and regulations, accelerated delivery calls for exceptional treatment, including specific case-by-case consideration, which, in fact, often results in lengthier processes and ultimately higher transaction costs. While some United Nations entities have made exceptional provisions for South-South and triangular cooperation, for example with regard to cost-recovery rates, a longer-term solution would be for the United Nations to review its procedures on specific modalities for supporting activities in this area. In the area of procurement, in particular, the entities of the United Nations development system should take into consideration the services of the providers of expertise, knowledge and goods from the countries of the South so as to ensure that they have fair access to the United Nations procurement channels.

144. In recent years, an increasing number of global platforms and initiatives have been launched under the auspices of the United Nations, mostly focused on knowledge sharing and exchange, with the aim of supporting South-South and triangular cooperation. With limited resources, some degree of coordination and consolidation will be beneficial, and a review of existing platforms could be carried out in this regard. In addition, United Nations support for South-South and triangular cooperation is still predominantly based on the individual agency. The wide range of expertise within the United Nations system should be brought together and integrated into joint work wherever relevant. The United Nations Development Group South-South and Triangular Cooperation Task Team is currently conducting a mapping of good United Nations practices that could be made available to United Nations country teams to facilitate the mainstreaming of South-South and triangular cooperation into national development plans and actions for the implementation of the 2030 Development Agenda.

145. In conclusion, the challenges facing the United Nations with regard to its support for South-South and triangular cooperation do not necessarily arise from its specific characteristics, but rather from the funding and modus operandi of the United Nations system itself. Addressing the specific requirements of South-South and triangular cooperation through appropriate procedures would facilitate and enable its more systematic use.

D. Gender equality and women's empowerment

146. The United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women continued to promote greater coherence and better institutional performance for gender equality in the United Nations system. The percentage of United Nations entities meeting or exceeding the requirements of the Action Plan increased steadily, from 30 per cent in 2012 to 51 per cent in 2014, and the percentage of entities reporting that they have a gender policy grew from 31 per cent to 54 per cent in the same time period. Progress also continued in areas such as gender auditing, knowledge generation and communication and monitoring and evaluation. The dimensions of the Action Plan where several entities do not yet fully

meet the requirements include capacity assessment and development, as well as resource tracking and allocation.

147. In addition, only three United Nations entities have been able to report on, and none meet, the commitment, as part of the Secretary-General's seven-point action plan on gender-responsive peacebuilding, to allocate at least 15 per cent of United Nations managed funds in support of peacebuilding to projects whose principal objective is to address women's specific needs, advance gender equality or empower women.

148. In 2014, to accelerate progress on raising staff awareness, knowledge and expertise on gender equality, the "I Know Gender" online course was launched, with an enrollment exceeding 3,500 in its first year. Following the endorsement of the gender equality marker guidance note by the United Nations Development Group in September 2013, 15 United Nations entities are now tracking resources through a marker system, and the Budget and Finance Network under the High-level Committee on Management has organized training targeting more than 40 entities and related business units.

149. Currently, more than 60 per cent of UNDAFs feature specific results on gender equality, up from 45 per cent in the last reporting period. Of these, 91 per cent of new UNDAFs (or their equivalent) have specific results and resources for gender equality, compared to 80 per cent in 2014. Some 30 United Nations country teams involved in rolling out the frameworks received support from gender experts from the United Nations Development Group and the Group's resource book for mainstreaming gender in common programming at the country level was made available in French and Spanish.

150. The United Nations country team gender balance scorecard is designed to inform and support the work of the country teams in their strategic planning and prioritization of interventions. In June 2015, the United Nations Development Group's Task Team on Gender Equality completed a global review of the gender scorecards completed between 2012 and 2014: 19 country teams had implemented the use of the scorecard in the review period (for a total of 39 country teams since 2008), and about 10 country teams had adopted the use of the scorecard during 2015. Consistent with trends reported by individual entities through the System-wide Action Plan on Gender Equality and the Empowerment of Women, the review of the use of the scorecard shows improvement in dimensions such as planning, programming, partnerships and decision-making, but a lack of significant progress in other areas, including budgeting and team capacity. The Task Team is currently following up on the recommendations of the review by revising the scorecard and related methodology to bring it closer into line with the System-wide Action Plan.

151. In terms of inter-agency collaboration, according to the United Nations Development Group's information management system, gender equality is the second Sustainable Development Goal-related area of choice, with more than 90 joint programmes currently being implemented.

Figure XXII
Number of joint programmes that address areas related to the Sustainable Development Goals

"Do you have joint programmes? Choose all that apply"

Number of joint programmes

Area	Number
Peaceful and Inclusive Institutions and societies	110
Gender Equality	91
Health	89
Employment and Decent Work	58
Hunger, Food Security and Nutrition	46
Poverty	42
Education	38
Inequality	22
Water and Sanitation	21
Climate Change	19
Cities and Human Settlements	18
Ecosystems, Forests, Desertification and Land Degradation	15
Global Partnership for Sustainable Development	14
Sustainable Consumption and Production	13
Energy	8
Infrastructure	8
Oceans	2

Source: DOCO Information Management system

152. Since the Sustainable Development Goals reflect gender equality and the empowerment of all women and girls both as priorities and as cross-cutting issues, and an increasing number of UNDAFs feature gender-focused results, the United Nations development system needs to be ready to deliver on gender equality. To do so, it is essential that it continue to strengthen the linkage between the normative and the operational work on gender equality and maintain a strong focus on increased investments in gender capacity and expertise of United Nations staff, as well as equal gender representation, throughout the United Nations system.

E. Transition from relief to development and disaster risk reduction

153. The preamble of the 2030 Agenda highlights the interconnectedness between peace and development: "There can be no sustainable development without peace and no peace without sustainable development".

154. Today, approximately half of the global poor live in countries affected by conflict and violence. Global challenges such as climate change, disasters, the changing nature of conflict and the rise of violent extremism are making crises more intractable and protracted. Politics of exclusion and discrimination on ethnic, religious, tribal or other grounds, economic and social deprivation and historic marginalization, among other factors, can be additional drivers of conflict. [47] As a result, 60 million people have been forcibly displaced, half of them women, and, increasingly, most are seeking refuge in urban areas as opposed to camp settings. More than 75 per cent of this displaced population lives in a state of protracted displacement, with the majority remaining displaced, on average, for 17 years. Economic losses from disasters have reached an average of $250 billion to $300 billion a year, severely affecting stable economic growth in low and middle-income countries and eroding development gains in vulnerable communities. The

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[47] A/69/968-S/2015/490.

compounding effects of such challenges increases the risk profile, which further undermines and reverses peace and development achievements and creates additional humanitarian needs.

155. Given these challenges, there is a shared concern that not enough is being done to anticipate and prevent crises or to strengthen resilience in the complex nexus between multi-hazard shocks and stresses. There is also a shared acknowledgement that the root causes of vulnerability also threaten development, and are underlying disaster risk drivers. Precarious livelihoods, hunger, social economic deprivation, inequality, discrimination, chronic poverty, climate change, unplanned urbanization, disputes over land management, water scarcity, forced displacement and statelessness, demographic changes and weak institutions are cross-referenced throughout the ongoing work of the United Nations development system as either disaster risk drivers in the Sendai Framework for Disaster Risk Reduction 2015-2030,[48] conflict drivers in the report of the Advisory Group of Experts on the Review of the Peacebuilding Architecture[47] and the report of the High-level Independent Panel on Peace Operations,[49] drivers of humanitarian need or factors contributing to complex health crises.

156. The multidimensional nature of many of the challenges facing countries in crisis or post-crisis settings requires a re-thinking about how all parts of the United Nations system can collectively support Member States in addressing these issues and build resilience. The 2012 quadrennial comprehensive policy review resolution stresses the importance of strengthening cooperation and coordination among development, humanitarian assistance and peacebuilding efforts. It also recognized the "complex, non-linear" nature of prevention, preparedness, resilience and response. The report of the High-level Panel on Peace Operations, the report of the Advisory Group of Experts and the reports on the preparatory process for the World Humanitarian Summit have also echoed the call of Member States for the integration of peace, humanitarian and development efforts.

157. The time has come to move away from speaking of "humanitarian relief to development" and more accurately speak of "humanitarian relief and development", in recognition of the importance of risk-based analysis and planning, as well as political solutions, in contributing to development and preventing development setbacks. Changing business models in emergencies, protracted and recurrent crises and long-term displacement, and developing and implementing a common vision based on coherent development and humanitarian frameworks, while enhancing leadership capacity, have become important steps in the formulation of multidimensional responses to reducing and responding to vulnerabilities.

158. The 2030 Agenda and the Sustainable Development Goals, with their universal commitment to a people-centered approach that aims to leave no one behind, require a deeper collective understanding of the interconnections that run across the peace and security, development, human rights and humanitarian pillars. There is a clear call for the United Nations development system to focus more on prevention, peacebuilding and building resilience in crisis and post-crisis settings. Common risk analysis and context-specific approaches that build on the comparative advantages of the development system need to be leveraged, and need to be done in partnership with other United Nations and non-United Nations actors, including through joint

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[48] Resolution 69/283, annex I.
[49] A/70/95-S/2015/446.

planning, as appropriate. Institutional and sectorial fragmentation is a major hurdle for achieving transformational impact.[50]

159. The partnership between the United Nations and the World Bank to ensure coherence and promote an effective multilateral response in crisis and post-crisis situations has been further strengthened through the development of the strategic results framework on strategic and operational collaboration, which was recognized as a commitment under the International Development Association's financing framework (IDA17), which operates under the auspices of the World Bank. Collaboration has been strengthened in thematic areas such as security, justice, employment and core government functions, post-conflict and post-disaster needs assessments and planning efforts, as well as staff exchanges in the field and at Headquarters.

160. Where a multidimensional peacekeeping operation or field-based special political mission is deployed alongside a country team, efforts to ensure integrated assessment and planning processes continue, in line with the policy of the Secretary-General on integrated assessment and planning. In several cases, planning processes have been harmonized and planning frameworks combined into one framework. In several countries, the integrated strategic framework has been combined with the UNDAF process to serve as the country team's strategic planning tool and to highlight synergies with relevant components of peacekeeping or peacebuilding missions. There are also continuing efforts to encourage co-location and the use of common services between United Nations mission and country teams when settings permit more visible forms of integration.

161. Missions drawing down have also attempted to improve their exit strategies. When the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) closed in 2014, the Mission and the country team, together with the Government and development partners, followed the Policy on United Nations Transitions in the Context of Mission Drawdown or Withdrawal in order to ensure a smooth transfer of the residual tasks as well as continued support for peacebuilding efforts after the closure of the mission. There have also been discussions in Liberia, Côte d'Ivoire, the Democratic Republic of the Congo and Haiti on how to manage mission drawdowns and the transfer of responsibilities from missions to country teams.

162. Overall, countries in crisis/post-crisis transition[51] are at least as likely as others to have established a joint Government or national body/United Nations steering committee (or similar entity) on the UNDAF (or equivalent instrument). Moreover, countries in transition are more likely to affirm that participation in the steering committee had allowed them to exercise leadership over United Nations programmes. In addition, proportionally more resident coordinators in transition countries report the participation of non-governmental partners in results groups. This has contributed to the efforts of the Organization to strengthen national ownership, in line with the directive of the General Assembly in resolution 67/226.

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[50] United Nations Development Group, "Note on the peace-humanitarian-development nexus in key post-2015 reviews, processes and frameworks", October 2015.

[51] For the purpose of analysing the survey results, in the absence of a formal definition of countries in transition from relief to development, the presence of a United Nations humanitarian coordinator is used as a proxy.

163. With regard to the call of the General Assembly in resolution 67/226 for capacity-building at all levels, most transition countries "somewhat agree" and a small minority "strongly agree" that the United Nations has been effective in developing national capacities and using national systems and capacities as much as possible, particularly in the areas of procurement, finance, monitoring and reporting and evaluation. This is likely due to the increased institutional vulnerabilities during times of transition.

164. In its resolution 67/226 the General Assembly also called on Member States and relevant United Nations organizations to integrate disaster risk reduction into their respective activities, as well as for a more anticipatory approach to managing disaster risks and preventing a lapse or relapse into conflict. The United Nations development system has begun to take the Sendai Framework into account, including measuring how effectively disaster and climate risk are addressed within UNDAFs. As of September 2015, 13 United Nations organizations had included disaster risk reduction measures in their 2014-2017 strategic plans and results-based monitoring frameworks, representing an increase of 85 per cent in comparison with the previous work planning cycle. At the country level, some 79 per cent of UNDAFs include disaster risk reduction and 96 per cent of new UNDAFs make reference to it. In addition, resident coordinators are now accountable for the coordination of disaster risk reduction activities within the country teams.

165. At present, there is a time-bound mandate for the Senior Management Group of the High-level Committee on Programmes to revise, through inter-agency consultation, the United Nations Plan of Action on Disaster Risk Reduction for Resilience in order to take into account the new elements of the 2030 Agenda for Sustainable Development and the Sendai Framework. A final draft of the revised Plan of Action is expected to be submitted to the High-level Committee for consideration at its thirty-first session in March 2016.

166. Looking ahead, the upcoming resolution on the quadrennial comprehensive policy review to be adopted by the General Assembly at its seventy-first session will have a role in addressing issues relating to the systemic challenges that continue to hinder the realization of an integrated response. Strategic, financing and operational gaps continue to hamper the ability by the development, humanitarian, human rights and peacekeeping/political arms of the United Nations to come together as a whole. While avoiding the politicization of development and humanitarian assistance, there is a need for an overarching vision and principles that encompass the political, security, human rights, development and humanitarian dimensions.

167. At the country level, there is need for an integrated planning framework and strategies that enable prioritization, with clear drawdown plans or exit strategies, supported by flexible and dynamic funding instruments, along with leadership and implementation capacities. This is essential to put relief and peace efforts onto a path of sustainable development, with human rights at the centre. The peace negotiations on the resolution of the conflict in Colombia provide a good example of a collective outcome that is to be achieved over the medium and long-term, in which prevention, peacebuilding, preparedness and resilience building are prioritized, and where 47 targets of the Sustainable Development Goals coincide with targets of the peace agreement under discussion in Havana. Most importantly, this process proves how sustainable peace can be realized only by implementing a development agenda, translating the call of the 2030 Agenda into action.

IV. Improved functioning of the United Nations development system

168. In 2008, the General Assembly, in its resolution 63/232, called upon United Nations entities to align their strategic planning and budget cycles with the quadrennial comprehensive policy review. Since then, most entities have adjusted their cycles, as needed, to bring about full alignment. Table 2, based on the 2015 survey of agency headquarters, shows the status of the 23 entities that account for some 97 per cent of the operational activities for development of the United Nations. Departments of the Secretariat and the regional commissions are excluded from the table since they operate on a biennial cycle. As shown in table 2, 14 out of the 23 entities indicated that their cycles were already aligned, and four reported that alignment was "in progress" or that they had taken steps towards aligning their strategic planning/budget cycles with the policy review. Five entities remain unaligned.

169. In addition, seven funds and programmes and two "other" entities are consolidating their reporting for the quadrennial comprehensive policy review with their annual reporting on the implementation of their strategic plans, as are four out of seven of the specialized agencies, even though the latter are not required to do so.

Table 2
Alignment of strategic planning cycles with the quadrennial comprehensive policy review cycle

Entity	Strategic planning document	No. of years[a]	Planning cycle		Alignment with the policy review	Annual reporting on the policy review
			Present (and future where relevant)			
Funds and programmes						
UNCTAD	Biennial programme	2	2014-2015	2016-2017	Yes	No
ITC	Strategic plan	3	2015-2017[b]		In progress[c]	No
UNDP (including the United Nations Volunteers and United Nations Capital Development Fund)	Strategic plan	4	2014-2017		Yes	Yes
UNEP	Medium-term strategy	4	2014-2017		Yes	No
UNFPA	Strategic plan	4	2014-2017		Yes	Yes
UN-Habitat	Strategic plan	6	2014-2019		No	Yes (biennially)
UNHCR	Biennial programme	2	2014-2015	2016-2017	Yes	No[d]
UNICEF	Strategic plan	4	2014-2017		Yes	Yes
UNODC	Biennial programme[e]	2	2014-2015	2016-2017	Yes	No
UNRWA	Medium-term plan	6	2010-2015	2016-2021	In progress[f]	No
WFP	Strategic plan	4	2014-2017		Yes	Yes
UN-Women	Strategic plan	4	2014-2017		Yes	Yes

Entity	Strategic planning document	No. of years[a]	Planning cycle		Alignment with the policy review	Annual reporting on the policy review
			Present (and future where relevant)			
Specialized agencies						
FAO	Medium-term plan	4	2014-2017		Yes	Yes (biennially)
IFAD	Strategic framework	5	2011-2015	2016-2020	No	No
ILO	Strategic policy framework	6+2	2010-2015	2018-2021	Yes[g]	Yes
ITU	Strategic plan	4	2012-2015	2016-2019	No	No
UNESCO	Medium-term strategy	4	2014-2017		Yes[h]	No
UNIDO	Medium-term programme framework	4+2	2016-2019	2020-2021	In progress[i]	Yes
WHO	General programme of work	6	2014-2019		No	Yes
Other entities						
OHCHR	Management plan	4	2014-2017		Yes	No
UNAIDS	Strategic framework	6	2012-2015	2016-2021	In progress[j]	Yes
UNISDR	Strategic framework biennial work programme	2	2013-2015	2016-2017	No	Yes
UNOPS[k]	Strategic plan	4	2014-2017		Yes	Yes

[a] Years reflected are those of the current programming cycle or those stipulated in the most current decisions of governing bodies which will be reflected in the next programming cycle.

[b] The new ITC strategic plan is for the period 2015-2017, in part to accommodate the full biennium 2016-2017.

[c] ITC chose the period of 2015-2017 for its strategic plan in order to realign with the United Nations budget and planning cycle, however, no decision has yet been taken on the time frame of the next strategic plan.

[d] Reporting on actions taken or planned in regard to the quadrennial comprehensive policy review takes place within overall annual reporting, without specific reference to the policy review.

[e] UNODC adopts a strategy every four years, which guides its biennial strategic framework.

[f] UNRWA contributes biennial plans to the Secretary-General's strategic framework and plans to further align its planning cycle with that of the quadrennial comprehensive policy review upon the expiry of its medium-term plan in 2021.

[g] The ILO Governing Body adopted a transitional arrangement for 2016-2017 so as to move towards full alignment with the next quadrennial comprehensive policy review cycle.

[h] The UNESCO General Conference decided to extend the programming cycle of the medium-term strategy from six to eight years, with a four-year programme and budget framework, in order to align with the quadrennial comprehensive policy review cycle.

[i] The UNIDO medium-term policy framework 2016-2019 is not aligned with the quadrennial comprehensive policy review, however, as it is expected to be extended to 2021, the planning cycle will be brought into full alignment with the policy review.

[j] UNAIDS governing board endorsed updating and extending of the UNAIDS strategy and its unified budget, results and accountability framework through 2016-2021, to ensure alignment with the quadrennial comprehensive policy review cycle.

[k] UNOPS implements operational activities for development initiated by other entities.

A. United Nations Development Assistance Framework

170. The UNDAF process ensures that United Nations activities are more closely aligned with national development plans and strategies. The percentage of programme countries that strongly agree or somewhat agree that "UNDAF or another United Nations common planning framework has helped the Organization to achieve better results than if each United Nations agency had planned its country support separately" has remained stable, at 79 per cent, between the 2012 and 2015 programme country surveys. Also, in the period between 2012 and 2015, a stable 92 per cent of Governments agreed or somewhat agreed that the UNDAF or a similar United Nations common planning framework has enabled them to ensure that United Nations activities are closely aligned with their national plans and strategies. Both perceptions reflect very positive assessments of the value of the UNDAF process.

171. Progress has been made in simplifying and harmonizing agency-specific programming instruments and processes in alignment with UNDAF. However, as the results-based management section of the present report suggests, further alignment is required. Eighteen entities have engaged in such exercises. UN-Women has aligned the periodicity of its country strategic notes with the UNDAF process, and has aligned the development results frameworks from the strategic notes with UNDAF results. UNFPA has revised programming policies and guidance notes in reference to the latest guidance provided by the United Nations Development Group, including the standard operating procedures. UN-Habitat has revitalized its country programme documents in support of UNDAF; UNESCO has further developed and rolled out its country programme document, including in relation to UNDAF. UNDP presented its Executive Board with a revised format and procedures for country programme documents, including a one-step approval procedure.

172. The UNDAF process has been further aligned with Government planning cycles, with 66 per cent of resident coordinators responding to a recent survey reporting that the period of the UNDAF has been fully aligned, and 21 per cent reporting that they are planning to do so at the time of the agreement on the next UNDAF.

173. Reporting by the entities of the United Nations system to Governments has been further improved: 54 per cent of programme countries that have adopted a Delivering as one modality stated that they receive results reports from the resident coordinator, compared to 44 per cent in the case of countries that have not adopted the modality. Furthermore, 80 per cent of Governments "strongly" or "somewhat agreed" that they receive reports on United Nations results regularly enough to meet their needs, and about 90 per cent "strongly" or "somewhat agreed" that the reporting is structured around the outcomes of the UNDAF process.

Figure XXIII
Reporting on results: resident coordinator reporting

*"Does your Government receive a report from the UN Resident Coordinator
on the results being achieved by the UN system in your country?"*
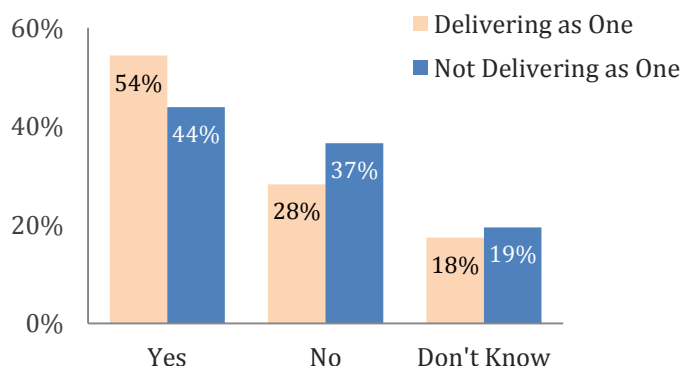
Source: 2015 Survey of Programme Country Governments

174. According to the survey of resident coordinators, those operating in Delivering as one countries were more likely to have provided a programme country with a report both within the last five years (86 per cent) and within the last year (72 per cent). While taking into account the fact that Delivering as one countries mandated to provide a report annually, while for countries that are not part of the modality the mandate is to report once per UNDAF programming cycle, reporting for the latter group was at 68 per cent within the last five years and at 36 per cent within the last year.

Figure XXIV
Reporting on results: United Nations country team reporting

*Did the UNCT provide the Government with
such a report in the last five years?*
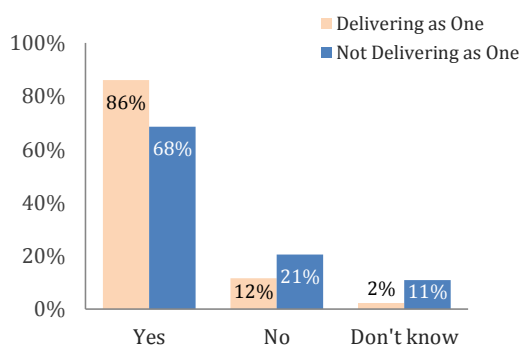
Source: 2015 Survey of Resident Coordinators

*Did the UNCT provide the Government
with such a report in the last year?*
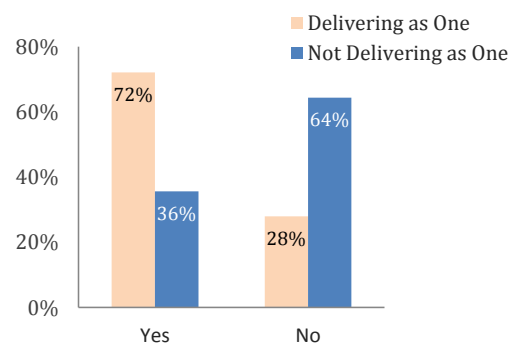
Source: 2015 Survey of Resident Coordinators

175. The 2010 UNDAF guidelines indicate that the United Nations country teams are responsible for reporting results to national authorities. In some cases, however, these have not been fully complied with. The United Nations Development Group

has developed the One United Nations country results report for a standardized format for reporting by the country teams on the results achieved under UNDAF for countries that apply the Delivering as one approach. The use of this tool will align annual results reporting more closely with the UNDAF outcomes and create a more formalized annual reporting of results to Governments.

176. A number of United Nations entities have taken further steps to improve the balance between reporting on national outcomes and agency-specific strategic plan outcomes, including UNAIDS, UNDP, UNICEF, UNFPA, UN-Women, ILO and WFP.

177. Increased collaboration between United Nations entities and greater coherence in Delivering as one countries have put the United Nations development system in a better position to align UNDAFs with national plans and strategies. This is evidenced by the 65 per cent of Delivering as one Governments, a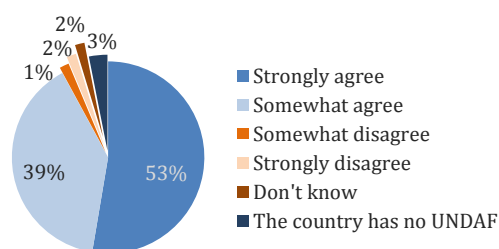s opposed to 46 per cent of non-Delivering as one countries, which "strongly agree" that UNDAF has enabled the Government to ensure that United Nations activities are closely aligned with their national plans and strategies.

Figure XXV
Degree to which Governments agree that United Nations Development Assistance Frameworks have improved alignment with national plans and strategies

All respondents: "The United Nations Development Assistance Framework (UNDAF), has enabled the Government to ensure that the UN's activities are closely aligned with your national plans and strategies"

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know
- The country has no UNDAF

Source: 2015 Survey of Programme Country Governments

Breakdown by DaO: "The United Nations Development Assistance Framework (UNDAF), has enabled the Government to ensure that the UN's activities are closely aligned with your national plans and strategies"

- Delivering as One
- Not Delivering as One
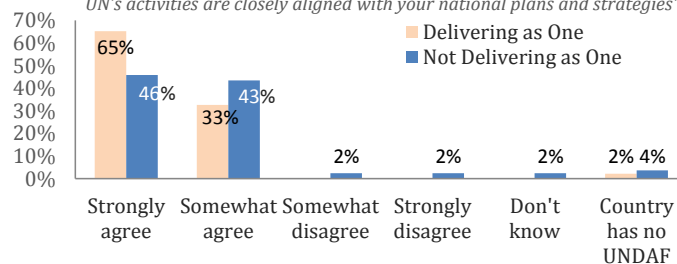
Source: 2015 Survey of Programme Country Governments

178. Following on the request of the General Assembly, in its resolution 67/226, for options for the review and approval of common country programme documents of the Delivering as one countries, in September 2014, at the joint informal consultation of their Executive Boards, UNDP, UNFPA, UNICEF and WFP reported on the general feedback from Member States. The agencies indicated that experiences with common country programme documents have been mixed thus far, and they raised the issue of their continued relevance. The four agencies have harmonized templates and approval processes for common country programme documents, and they have continued to actively promote the implementation of standard operating procedures and the use of thematic results groups over the course of 2015 to ensure programme coherence at the country level.

179. Looking ahead, at the country level, there is need for an integrated approach to support countries in developing a vision for 2030 to achieve the Sustainable Development Goals and to translate the vison of the 2030 Agenda into focused, practical and achievable actions. For this, it may be advisable to consider an analysis with a longer strategic horizon, up to 2030, with a holistic approach that

effectively balances sustainable development and the humanitarian, peacebuilding, human rights and disaster risk reduction imperatives, including the positioning of the United Nations 3- to 5-year planning processes and the UNDAF process within that context. Such a planning framework could be based on a thorough mapping of the normative, coordination and operational capacities of the United Nations country teams in relation to national priorities with regard to the Sustainable Development Goals, as well as the activities of other development partners, and identifying areas where the country teams can offer greatest expertise and value, including by leveraging regional and global capacities.

180. Since the country teams may adopt different forms of country presence and different programming arrangements as being more efficient and effective options on the ground, UNDAF, as a process and an instrument, may also require review in terms of its applicability in different situations, its form and its programming arrangements.

181. It is likely that in the years ahead different forms of country presence and programming arrangements, particularly with micro States, smaller countries and countries where resources are scarce, will be required. The Department of Economic and Social Affairs undertook a mission to the Pacific to look first-hand into the lessons learned from the two multi-country offices, in Fiji and Samoa. Notwithstanding the specificities of the Pacific Islands countries and territories, important findings and conclusions emerged.

182. At present, 14 Pacific Island countries and territories have a single multi-country UNDAF, with five extremely broad outcomes, and, in the majority of cases, individual country projects under each of the five outcomes. This approach needs to be reviewed in terms of its applicability for the optimal set-up of the multi-country offices as it was perceived to be less helpful both by programme countries as well as by United Nations entities. Furthermore, United Nations entities at both offices visited differ in their geographical coverage. While some agencies understand their presence as a part of a multi-country office, others operate as regional, subregional, or country offices, with various degrees of programme and project coverage throughout the Pacific Island countries and territories.

183. The benefits of a multi-country offices model lie in the possibility that they can provide an integrated vision, leadership, decision-making power and greater reach and access. Reach and access, in particular, refer not only to efficiencies, namely savings in terms of human and financial resources, but also access to regional and subregional institutions, networks, mechanisms and instruments, including at the intergovernmental level.

184. As an organizational model, since multi-country offices cover several countries from one common office, it is important not to equate "presence" with "physical" presence. There are a number of differentiated presence and programming arrangement models, and not all United Nations entities necessarily have a comparative advantage in each country setting. In addition, multi-country offices present the opportunity to effectively implement programmes that are designed to cover several countries. In the case of the offices in Fiji and Samoa, which cover 14 countries and territories, 8 out of 15 agencies stated that over 75 per cent of their initiatives cover more than one country, and 4 agencies said that about 50 per cent of their initiatives are similarly organized. Twelve agencies cover more

than 11 countries, but only 4 agencies reported a staff presence in more than 5 countries.[52]

185. In that regard, there is need for a common understanding between the United Nations development system and its individual entities, programme countries, donors and other partners that a multi-country office model does not imply that a reduction of physical representation equals a reduction in the engagement of the development system, that it has the ability to provide the best support possible through joint multi-country initiatives that capitalize on the advantages of reach and access and joint resources, and that to do so requires a change in current donor practices, as communicated by both Governments and the United Nations country teams, which often support single-country, single-entity projects and which thus do not support the maximization of impact. The multi-country offices must also rely on the existing capacity of the United Nations system at all levels.

B. Resident coordinator system

186. The resident coordinator management and accountability system has been broadly implemented, although progress remains slow: to date, 20 United Nations entities have implemented the system. Of the 20 entities, 17 reported that they recognized their obligation to report to the resident coordinators on resource mobilization and programme implementation under UNDAF (up from 16 in the previous reporting period). The same number of United Nations entities reported that it is a requirement for their representatives to provide the resident coordinators with regular information on their entity's contribution to UNDAF to enable reporting to the Government on the achievements of the United Nations country team as a whole. Fourteen entities have revised the job description of their country representatives to recognize the role of the resident coordinator. At the country level, the implementation of the management and accountability system has strengthened ownership of the resident coordinator system through enhanced accountability and management measures. By the end of 2014, 11 organizations reported that they had fully implemented all four actions points of the mutual accountability principle, an improvement over 2012 when 8 organizations reported full implementation.

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[52] The data was collected by the mission of the Department of Economic and Social Affairs to Fiji and Samoa, based on the information provided by 9 out of 15 agencies with a presence in Fiji (ILO, OHCHR, UNAIDS, UNDP, UNFPA, UNICEF, the United Nations Office for Disaster Risk Reduction (UNISDR), UN-Women and WHO) and 5 out of 7 agencies with a presence in Samoa (FAO, UNDP, UNEP, UNESCO and WHO).

Figure XXVI
Compliance with mutual accountability criteria

(as reported by United Nations entities)

AGENCY	**Job descriptions**	**Reporting obligations**	**RC inclusion in Agency PA**	**UNCT results**
UNAIDS				
UNCTAD				
UNDP				
UNFPA				
UNHCR				
UNICEF				
UNIDO				
UN Women				
UNODC				
UNOPS				
WHO				
WFP				
UNDPI				
ILO				
UNESCO				
OHCHR				
UN-Habitat				
FAO				
UNEP				
IFAD				

Full implementation
Partial implementation
No implementation

Source: UNDG/DOCO
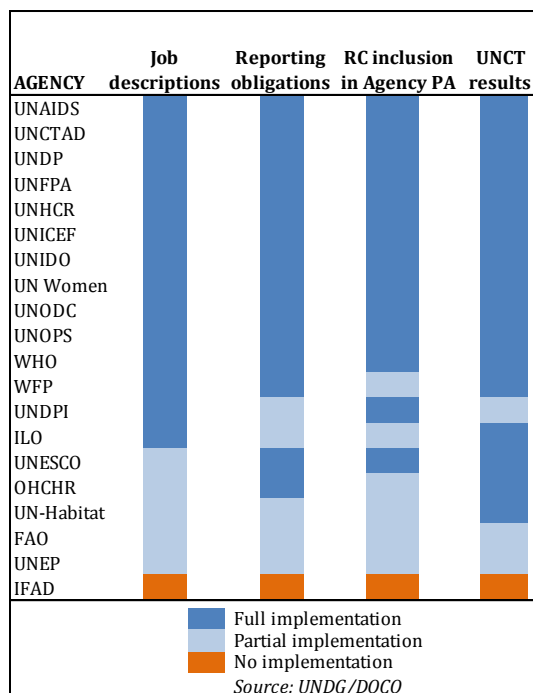
187. Some results remain at the same level of the previous reporting period. There has been no change in the number of United Nations entities (15) that include the results of the workplan of the country team in the performance appraisal system of their country representatives. Only 12 entities reported that they had included the input of the resident coordinator in their country representatives' performance appraisal. This is supported by the results of the survey of resident coordinators, in which 52 per cent of all respondents confirmed that they had contributed to only some of the performance appraisals of the members of the country team in the previous 12 months. The limited progress in regard to the vertical accountability within the entities of the United Nations development system undermines the effective implementation of the management and accountability system.

Figure XXVII
Contribution of resident coordinators to performance appraisals

"The Resident Coordinator has contributed to the performance appraisal of UNCT members in the past 12 months"

- All of them
- Most of them
- Some of them
- None
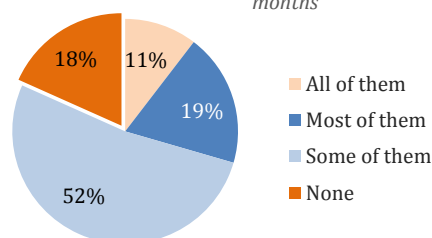
Source: 2015 Survey of Resident Coordinators

188. There has been some progress on the functional firewall between the functions of the resident coordinators and the UNDP resident representatives. One indicator is the implementation of effective delegation of authority, including for resource mobilization, from the resident coordinator to the UNDP country directors. According to the survey of resident coordinators, in 88 per cent of countries where UNDP has a country director, delegation-of-authority letters have been signed.[53] At the same time, the resident coordinator, as resident representative, remains fully accountable for all UNDP matters, including its funding,[54] and some agencies continue to report instances where resident coordinators are felt to have treated UNDP preferentially. On the other hand, some resident coordinators report that they cannot completely divorce themselves from fundraising for UNDP without putting UNDP at a disadvantage.

Figure XXVIII
Number of signed delegation-of-authority letters

"Has the RC/RR signed delegation of authority letters, including for resource mobilization, with the second-ranking UNDP official?"

- Yes, with the Country Director
- Yes, with the Deputy Resident Representative
- Yes, with another official
- No
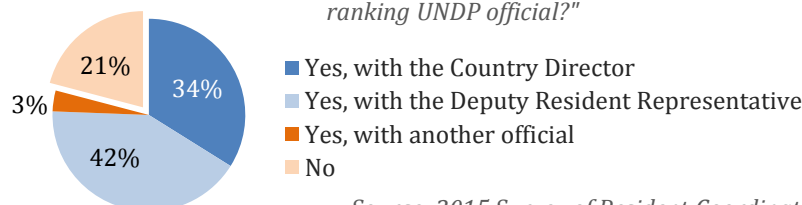
Source: 2015 Survey of Resident Coordinators

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[53] With a variance of 1 per cent, the results of the Department of Economic and Social Affairs survey are in line with UNDP data. According to the survey, 48 out of 116 resident coordinators stated that there is a UNDP country director in place, and 39 stated that they had signed a delegation-of-authority letter with the director. According to UNDP, currently 42 (82 per cent) out of the 51 country directors have signed such letters. While signing a delegation-of-authority letter is not mandatory for the position of deputy resident representative, UNDP reports that 57 (84 per cent) out of 68 deputy resident representatives have signed such letters in countries where there is no UNDP country director.

[54] JIU/REP/2013/3.

189. Efforts have been made to increase diversity among United Nations resident coordinators, with the number of non-UNDP resident coordinators rising from 40 per cent since 2012[55] (see figure XXIX).The competency framework for resident coordinators was updated to assess the extent to which the identified domains, definitions and behaviours are reflective of all facets of the role of the resident coordinators, and the complexity and continually changing context at the country level. This framework is currently being finalized by the United Nations Development Group. Irrespective of these changes, the percentage of resident coordinators from programme countries remained flat, at 44 per cent, between 2012 and September 2015. The gender ratio has improved, however, as reflected in the fact that the proportion of female resident coordinators has risen from 40 per cent to 42 per cent over the same period.

Figure XXIX
Number of resident coordinators by United Nations agency of origin

(as at December 2015)

Source: Development Operations Coordination Office
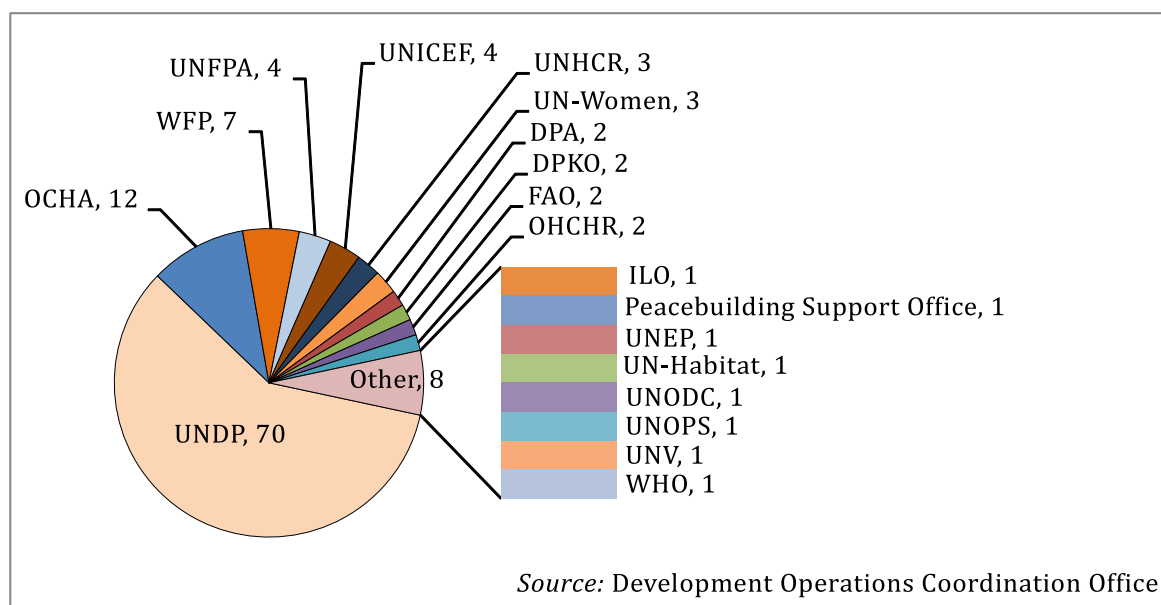
190. The performance appraisals for resident coordinators and the United Nations country teams have been further improved, and a design concept for an "assessment of results and competencies", a new tool for the appraisal of the resident coordinators and the country teams, to be deployed in 2016, has been prepared. The concept, which was the subject of extensive consultations, will replace the current system with a more comprehensive, flexible and facilitative system of mutual accountability based on the agreed goals of the resident coordinators, in line with their revised job description, including the role and responsibilities of the country teams and of their individual members.

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[55] United Nations Development Group, "Results Delivered; Sharing Success in 2014" (https://undg.org/wp-content/uploads/2015/10/UNDG-Results-Report-2014_FINAL.pdf), Development Coordination Operations Office.

191. Accessing the technical resources of United Nations entities at the country level is essential for the effective performance of the resident coordinators: 64 per cent of resident coordinators who responded to the survey confirmed that they had accessed the technical resources of some agencies without difficulty, while 20 per cent reported that they had generally encountered difficulties in accessing those resources.

Figure XXX
Access to technical resources[a]

"The agreed QCPR monitoring indicators include in-kind contributions to the RC system (Indicator 67b). With this in mind, please indicate how readily you have been able to access agencies' technical resources"

- Have accessed the technical resources of all agencies without difficulty
- Have accessed the technical resources of some agencies without difficulty
- Have generally encountered difficulty in accessing agencies' technical resources

Source: 2015 Survey of Resident Coordinators

[a] The question in the 2015 survey of the resident coordinator system refers to indicator 67 (b) of the 2014 monitoring and reporting framework, which was superseded by indicator 67 (c) in the 2015 framework.

192. With the significant increase in the number of programme countries that implement the Delivering as one initiative, the function of the resident coordinator has gained further importance as a cornerstone of efforts to ensure the relevance of the United Nations development system in the implementation of the 2030 Agenda. A more coherent and integrated United Nations presence at the country level requires that the resident coordinator function be empowered through the provision of adequate resources. In this regard, there have been calls from the country level to strengthen the capacity of the resident coordinator system to champion United Nations coherence more effectively and to serve as the knowledge broker, ensuring institutional memory. Many resident coordinator offices are understaffed and are not yet equipped with the necessary financial resources. As shown in figure XXXI, in 2014 almost half of the resident coordinator offices operated with annual budgets of $200,000 or less. From the total share of $33.7 million, according to the resident coordinator cost-sharing modality for 2014, a total of only $23.6 million was contributed, leaving the system underfunded by 30 per cent.[56,57]

193. The experience of Colombia, a country that has not adopted the Delivering as one approach, highlights that coherence and coordination do not originate solely from embracing that approach. In this case, leadership has come into play, most importantly a resident coordinator with the right profile, skills and competencies, who is perceived as a neutral broker and possesses the necessary gravitas and leverage within the United Nations country team, with the host Government and

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[56] United Nations Development Group cost-sharing in support of the resident coordinator system, status of contributions: 2014/2015.

[57] As the manager of the resident coordinator system, UNDP continues to fund the "backbone" costs of the system at the global, regional and country levels, in addition to its annual cost-sharing contribution. In 2015 the combined total of UNDP contributions was more than $92.8 million, or 75.6 per cent of the total contributions to the resident coordinator system.

with other partners. The leadership of the resident coordinator also needs to be assisted by experienced members in the United Nations country team who have served in numerous other countries, so as to ensure the necessary coherence of action on the ground. Furthermore, the understanding of bilateral donors, and their support for adequate funding for coordination efforts, is also important to ensure that the country team and the office of the resident coordinator possess the necessary human and financial resources to deliver in a coherent, coordinated and effective manner.

Figure XXXI
Total cash income of resident coordinator offices, including funds received through global cost-sharing arrangements: 2014

"What was the total cash income, including funds received through global cost-sharing arrangements, of the RC Office in 2014 expressed in US$?"

Percent of Resident Coordinator Offices (RCO)
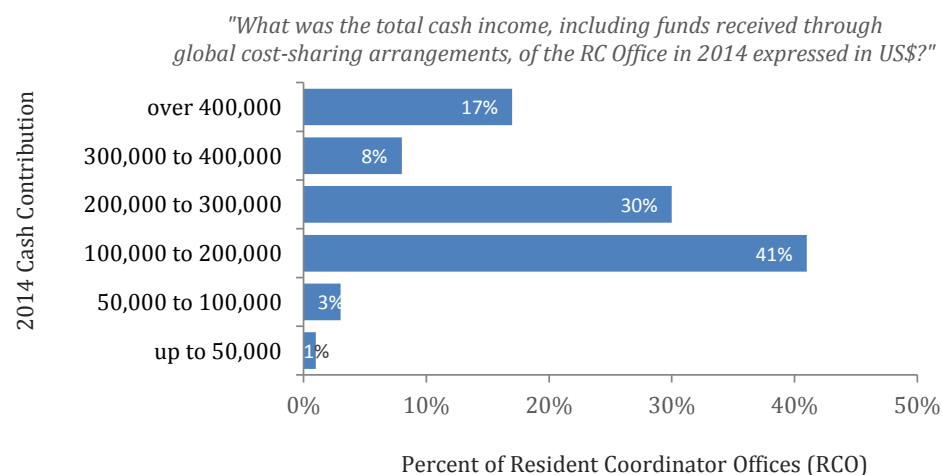
Source: 2015 Survey of Resident Coordinators

194. In response to General Assembly resolution 67/226 on the quadrennial comprehensive policy review and to ensure that resident coordinators have the necessary stable and predictable resources to fulfil their mandate effectively, the United Nations Development Group has been implementing a system-wide cost-sharing arrangement in support of a small portion of the cost of the resident coordinator system since 2014. Approximately three quarters of the cost of the resident coordinator system are borne by UNDP, and cost-sharing is sought only for the remaining quarter. UNDP also contributes to the portion cost-shared, and indeed is its largest contributor. For the biennium 2016-2017, 12 out of the 18 participating United Nations entities have indicated their intention to contribute their full amounts according to the United Nations Development Group cost-sharing formula (IFAD, ILO, ITU, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, UNOPS, UN-Women, WFP, WMO), while 5 entities have indicated that they may not be in a position to contribute the full amount (FAO, UNESCO, UNIDO, UNWTO, WHO).

195. The contribution of the Secretariat, which accounts for $13.3 million of the projected funding gap of $17.5 million for the biennium 2016-2017, is subject to the approval of the General Assembly during its consideration of the programme budget for that period. This contribution, currently under consideration by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee, will go a long way towards the full implementation of the cost-sharing arrangement

and closing the current financing gap, as requested by the General Assembly in its resolution 70/221. Upon release of the certified financial reports for the initial 2014-2015 funding cycle, the United Nations Development Group will commission a review of the cost-sharing arrangement in the second half of 2016, which is expected to generate proposals on ways to further develop the cost-sharing agreement in order to address the effective needs of the system.

196. Moving forward, it is clear that the system needs to embrace different organizational models to meet the development needs of programme countries effectively given the limited availability of resources. For instance, multi-country offices could maximize existing resources by covering several programme countries and supporting increased integration of the activities of the United Nations development system. A fully equipped resident coordinator office can ensure effective coordination for a number of programme countries that do have the physical presence of a United Nations country team.

C. Delivering as one

197. In order to promote further efforts towards greater coherence, the General Assembly, in 2007, endorsed the Delivering as one approach as a pilot scheme in eight countries. Given the strong demand for the approach, in 2012, the General Assembly authorized the use of the approach in any country that requested it. Since its adoption, the number of countries having formally adopted the Delivering as one approach has grown from 8 to 50.

198. While the Delivering as one approach was originally designed to enable greater organizational effectiveness, it also improved the strategic positioning and relevance of the United Nations at the country level. This is supported by the 2015 survey of programme countries, in which 56 per cent of Governments responded that the introduction of the approach has made it either "much easier" or "somewhat easier" for them to deal with the entities of the United Nations system operating in their country. Of the responding Governments that reported that the United Nations has become much more relevant to their country's development needs over the past three years, there was a 41 per cent approval rate from countries that have adopted the Delivering as one approach, as opposed to a 23 per cent approval rate from countries that have not (see figure XXXII).

Figure XXXII
Relevance of the United Nations

"All things considered, please indicate how the relevance of the UN to your country's development needs has changed in the past three years"
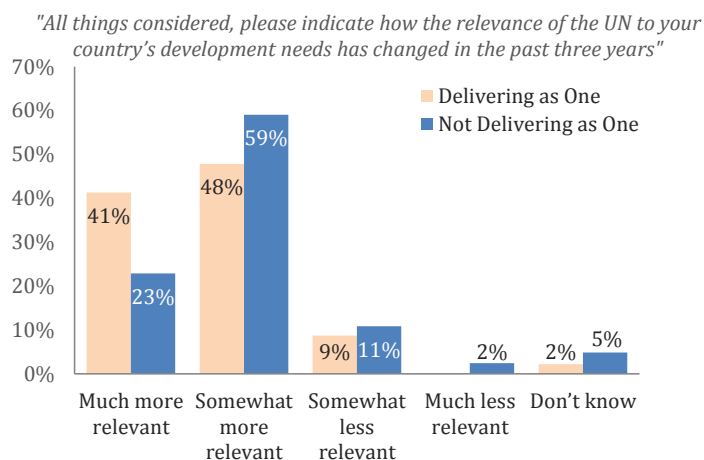
Source: 2015 Survey of Programme Country Governments

199. In the 2015 programme country survey, 69 per cent of respondents expressed an interest in adopting all or a portion of the Delivering as one approach. The results, when broken down by income group (as shown in figure XXXIII), demonstrate that low-income countries were more likely to be interested in the approach. While the majority of respondents expressed an interest in the approach, more than 19 per cent stated that they were unfamiliar with it and over 10 per cent stated that their country was not interested in adopting all or a portion of the Delivering as one approach. The feedback also indicated that programme countries are still assessing what benefits the approach could provide.

Figure XXXIII
Interest in the Delivering as one approach

"Is your country interested in all or some of the elements of Delivering as One (DaO)?"
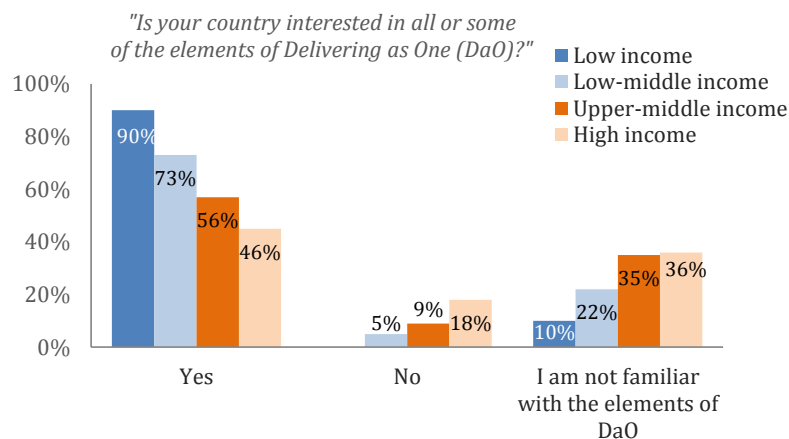
Source: 2015 Survey of Programme Country Governments

200. For countries wishing to adopt the Delivering as one approach, the standard operating procedures constitute an integrated and comprehensive package of support and, most importantly, an accountability framework that responds, in particular, to

the horizontal accountability of the United Nations entities as part of the United Nations country team, as opposed to their agency-specific vertical accountability.

201. In 2014, the United Nations Development Group, in close collaboration with the CEB High-level Committee on Management, adopted the Plan of Action for Headquarters in order to reduce Headquarters bottlenecks that prevent the full realization of the standard operating procedure for the Delivering as one approach at the country level. As of July 2015, 30 of the 49 actions that are outlined in the Plan of Action were completed, 16 were ongoing and 3 have been delayed. It is anticipated that the remaining actions will be completed by the first half of 2016. The delay in implementation is partly caused by the complexity of some of the measures, which go beyond the reach of the Development Group, such as the establishment of a cost recovery approach between the United Nations missions and the country teams at the country level.

202. A number of United Nations country teams working in countries that have not adopted the Delivering as one approach have voluntarily adopted some pillars of the approach as stand-alone measures. The standard operating procedures outline that full implementation of all five pillars of the approach would enable the country teams to make effective, efficient and coherent contributions to the achievement of national needs and priorities. Meanwhile, an increasing number of country teams are implementing individual pillars of the approach. In the recent survey of resident coordinators, 59 per cent responded that their country is implementing some elements of the approach; 7 per cent confirmed that they worked in an original pilot country for the approach; and 12 per cent answered that they were not working in an original pilot country, but that they were implementing all elements of the approach. Implementation of the 15 core elements of the standard operating procedures is shown in figure XXXIV. While the voluntary adoption of the procedures by countries that have not formally adopted the approach demonstrates the usefulness of the procedures, the selective application of some of the pillars of the approach presents risks of fragmentation.

Figure XXXIV
Implementation of the standard operating procedures

Source: DOCO Information Management System
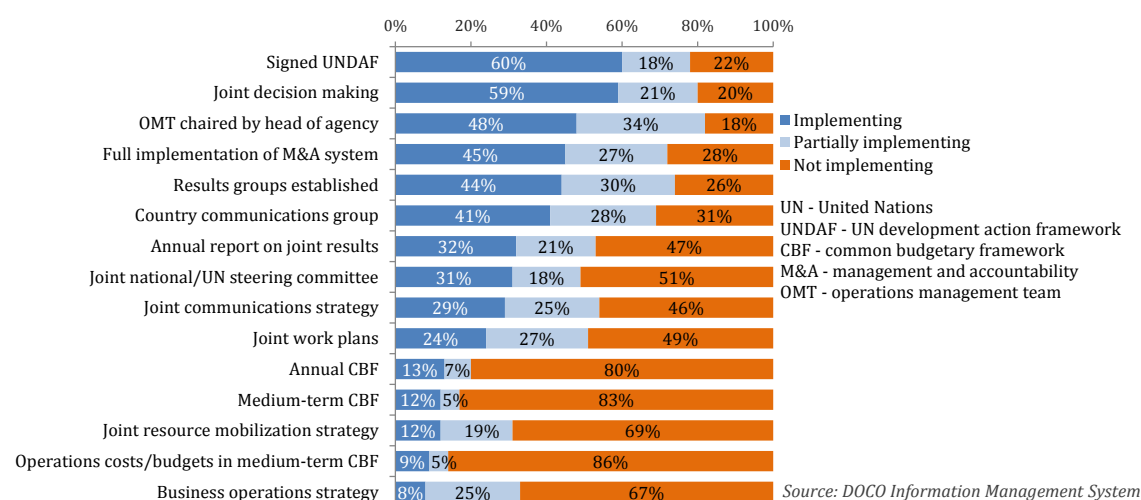
203. The consequent implementation of the Delivering as one approach supports the efforts of the United Nations development system to respond effectively to the

challenges of the 2030 Agenda. The standard operating procedures and the underlying monitoring and evaluation framework outline the importance of the political commitment of all United Nations country teams, the engagement of programme countries and the need for United Nations entities to align their practices with the requirements of all pillars of the Delivering as one approach. The Delivering as one results framework for Viet Nam presents a good example in this regard. Its One United Nations plan 2012-2016 contributes to three outcomes: (a) better alignment with national development priorities; (b) increased effectiveness in delivering and demonstrating development results; and (c) cost savings, reduced duplication and reduced transaction costs. All pillars of the approach are integrally linked and the indicators selected enable the tracking of the contribution of the pillars to the outcomes.

204. While most Governments view the Delivering as one approach as a major step towards the establishment of a more coherent United Nations development system at the country level, limitations remain, particularly with regard to the concept of "Operating as one", where the possibilities of cooperation, while significant, are limited by the persistence of different policies and procedures and agency-specific operational support units. In the 2015 survey of operations management teams, 73 per cent stated that this is the case. In addition, the effectiveness of the approach is, in part, dependent on the resources available for One United Nations funds.

205. The increasing number of countries that have adopted the Delivering as one approach, coupled with decreasing overall resources for One United Nations funds, pose significant challenges to the success and further evolution of approach in the context of the 2030 Agenda. A strong and continued donor commitment to One United Nations funds remains paramount. At the same time, additional options need to be explored. Bottlenecks, particularly at the Headquarters level, in regard to common services and common premises, declining funding from donors over time and strong agency-specific accountability systems at all levels were also identified as important in independent evaluation of the approach. The initial investment in implementing the approach at the country level is significant, including the investment of resources in the implementation of internal change management, coordination processes and the engagement with Governments and donors alike.

206. Lessons learned from the mission of the Department of Economic and Social Affairs to Rwanda, a country that has adopted the Delivering as one approach, illustrate the emerging challenges. In Rwanda the approach is viewed positively by the Government and all partners: the results achieved by the United Nations country team are qualitatively different and more strategic. The United Nations identity and impact are stronger and more visible due to the fact that the country team increasingly addresses high-profile, high-priority and sometimes sensitive matters publicly and in unity, with a single voice represented by the resident coordinator. At the same time, lessons learned from experience with the approach, particularly in Rwanda, highlight that it depends heavily on the commitment of the United Nations leadership at the country level, and that changes in personnel can significantly affect the direction of the process. Donor fatigue with regard to the Delivering as one approach was emphasized, and it is evident that financial resources are shrinking.

207. The United Nations country team in Rwanda also highlighted that advancing the implementation of the Delivering as one approach within the current institutional set-up will pose a significant challenge. The team has pursued all

pillars of the approach as far as possible, given the limitations set by the entities of the United Nations. While the experience from one programme country cannot be generalized, at this juncture the United Nations system should examine what is needed to build momentum behind the voluntary adoption of the Delivering as one approach, actively advance the implementation of the standard operating procedures adapted to individual country contexts and align agency programme and operational guidelines to those procedures accordingly. At the same time, the system should start to work on innovative, flexible and updated approaches to enable the kind of integrated support that countries need from the United Nations to assist them in delivering the 2030 Agenda.

208. It is important to note that the Delivering as one approach is a much broader concept than the application of the standard operating procedures. The approach is based on a vision of focusing the activities of the entities of the United Nations development system on working together in support of national development results, and as such, it aims to align those activities with national priorities, while making the best use of the mandates and expertise of the entire United Nations system. It offers the opportunity to more effectively use the convening role of the Organization to include all stakeholders, including non-State actors and regional organizations.

209. In this regard, the recently adopted Sustainable Development Goals, to a greater extent than the Millennium Development Goals, are highly integrated, cross-cutting and multisectoral. A re-examination of the United Nations development system may be needed to ensure that the Delivering as one approach, in countries that wish to adopt it, realizes its full potential in terms of supporting the efforts of programme countries to implement the 2030 Agenda. To reinforce joint audit efforts in the context of the approach, the United Nations Development Group, in collaboration with the representatives of the Internal Audit Services of the United Nations Organizations, needs to ensure that appropriate structures, capacity and skills are available to support country-level audit actions.

210. The Delivering as one approach has enabled the United Nations development system to address complex cross-cutting issues, including gender equality and human rights, more effectively, Looking forward, the further evolution of the approach towards providing more integrated policy support and actions that are needed to address the multidimensional and interdependent challenges of the 2030 Agenda, including its normative and operational dimensions, could constitute an important approach for the development system in successfully supporting the achievement of the Sustainable Development Goals. This was also highlighted in the first phase of the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system, where it was pointed out that the approach is increasingly recognized as the platform for country support, and the foundation of an integrated approach to supporting the implementation of the Sustainable Development Goals at the country level. Nevertheless, opinions were mixed as to whether the current model was adequate to deliver on the challenges of the 2030 Agenda at the country and regional levels.

211. There is a shared view between the Government of Rwanda, the United Nations country team and partners in the Delivering as one approach in Rwanda that: (a) intervention by the United Nations system must be strategic, and must also focus on fewer areas; (b) that in the next 15 years, the United Nations should play a

role in the coordination of donors and development actors and in strategic engagement with Governments on global norms and standards where bilateral actors cannot be effective; and (c) the United Nations has to look at new models for its presence in the field.

D. Regional dimensions

212. In the 2015 survey of programme countries, "other multilateral and regional institutions not part of the United Nations" were indicated as preferred partners for supporting regional or subregional cooperation. In this regard, the United Nations fell from the top ranking to second place this year (see table 3).

213. Overall, the number of entities reporting on joint global and regional activities has increased. However, considerable variations by entity remain in the degree to which they pool capacities at the global and regional levels (see figure XXXV). UNAIDS, UNFPA and UN-Women reported that over 60 per cent of global and regional activities were carried out jointly, a fall from the six entities reporting over 60 per cent of joint activities at the regional level last year. Notably, UNAIDS reported that over 80 per cent of its activities were carried out jointly at both global and regional levels. While none of the specialized agencies reported that joint activities account for more than 60 per cent at either the global or the regional level, the number of specialized agencies engaging in joint activities significantly increased from last year when the vast majority of specialized agencies reported less than 20 per cent of joint activities at both levels.

Figure XXXV
Proportion of global and regional activities of United Nations entities carried out jointly with at least one other United Nations entity

"Please estimate the approximate % of current programme activities of your agency at the global and regional levels are devoted to activities carried out jointly with at least one other UN organisation?"
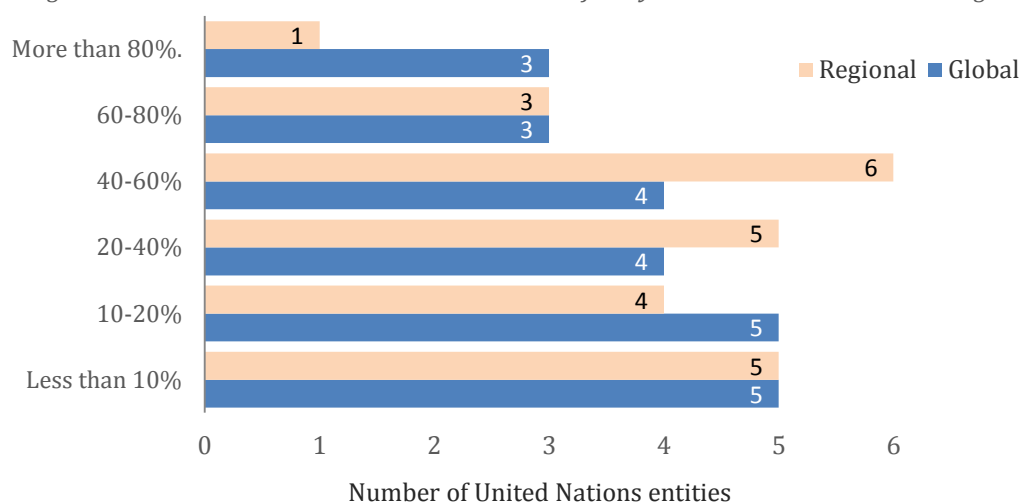
Source: 2015 Survey of Agency Headquarters

214. In terms of system-wide coordination at the regional level, the two principal mechanisms are the regional coordination mechanisms led by the regional commissions, and the regional United Nations Development Group teams led by UNDP as chair of the Development Group.

215. The role of the regional United Nations Development Group teams is to provide leadership, strategic guidance and support to the resident coordinators and the United Nations country teams for the achievement of country-level results and the resolution of operational issues at the country level. This consists of four core functions: (a) technical support to the country teams; (b) quality assurance of UNDAF; (c) performance management of the resident coordinators; and (d) troubleshooting in difficult country situations. The United Nations Development Group teams provide support to the country teams for strategic priority setting and promote the cross-fertilization of best practices among countries. The objectives of the regional coordination mechanisms are to provide normative, analytical and policy work on thematic issues at the regional and subregional levels and to link and integrate such work into country-level development work[58] and to improve coordination and collaboration among United Nations regional entities and their development partners in tackling regional development issues.

216. In 2014, the regional commissions convened a series of regional meetings to solicit views on the follow-up and review of the upcoming new development agenda and to explore options based on existing mechanisms and possible new approaches. One result was to underline the importance of a multilayered follow-up and review framework for the new agenda, which should apply equally to developed and developing countries. The importance of the full involvement of the private and civil society sectors was also underscored.

217. Significant activities of the regional United Nations Development Group teams in 2014 included active support for the roll-out and implementation of the standard operating procedures for the Delivering as one approach, support for the resident coordinators and United Nations country teams in transitioning from the Millennium Development Goals agenda to the post-2015 development agenda, further promotion and joint advocacy on human rights issues, and coordinated regional level support in response to crises, for example the Ebola outbreak in Western and Central Africa.

218. The 2015 survey of resident coordinators revealed that 79 per cent of respondents strongly or somewhat agreed that the regional United Nations Development Group teams provide effective support on the highest priority regional or subregional issues of relevance to the country and 72 per cent of respondents strongly or somewhat agreed to the same statement in relation to the regional coordination mechanisms. The view that better integrating the perspectives of both regional mechanisms would strengthen the link between country and regional levels and support the United Nations country teams and UNDAFs is strongly held.[59] It is in line with the 75 per cent of respondents in country teams who strongly or somewhat agree that the regional Peer Support Group provides value-added to the formulation of UNDAF, as found by the same survey. The survey also showed that 63 per cent of respondents strongly or somewhat agreed that the regional commissions provide effective support on the highest priority and regional or subregional issues of relevance to the country. The results are depicted in figure XXXVI.

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[58] See JIU/REP/2009/9 and https://undg.org/home/regional-teams/.

[59] JIU/REP/2015/3.

Figure XXXVI
Effective support at the regional level

*"Regional Commissions provide effective support on the highest
priority regional or sub-regional issues of relevance to the country."*

	Strongly agree
	Somewhat agree
	Somewhat disagree
	Strongly disagree
	Don't know

Regional coordination mechanisms: 19% | 54% | 18% | 4% | 5%
Regional UNDG Teams: 16% | 63% | 17% | 2% | 2%
Regional Commissions: 11% | 52% | 22% | 4% | 11%

0%   20%   40%   60%   80%   100%

Source: 2015 Survey of Resident Coordinators

219. In the context of United Nations subregional and multi-country offices, the subregional dimension assumes an essential role in defining the advantages and specific functions of the United Nations development system at different levels. This includes the development and implementation of regional and subregional development programmes with regard to the identification of common country challenges in consultation with national and regional stakeholders and partners. For example, the UNDAF (2013-2017) of the multi-country offices in Fiji and Samoa, which was developed as a result of a common multi-country analysis, focuses on interrelated outcome areas that are applicable to all countries in the Pacific region. In this regard, it is evident that the set-up of a multi-country office allows for a greater integration of the development system and heightened support for regional and subregional cooperation and partnerships. At the same time, it allows for an effective use of available resources by expanding available United Nations expertise from a sole in-country source to a subregional or regional pool of talent.

220. The 2030 Agenda will demand a new and strengthened role for the United Nations development system at the regional level, beyond coordination and information sharing. Leveraging partnerships with regional and subregional organizations and exploring options for new and strengthened regional and/or subregional platforms and for instruments on data, statistics, monitoring and the review of progress, as well as on transborder, intra-regional and cross-regional issues will be essential. This underscores the need for further clarity, coordination and coherence in terms of the complementarities in the roles of the regional United Nations Development Group teams, regional coordination mechanisms, the regional commissions and the regional offices of United Nations entities.

221. Prospects for subregional and regional forms of the Delivering as one approach could prove especially useful in certain contexts, including the experiences and lessons learned from existing multi-country offices on supporting both national ownership and partnerships with existing subregional and Government-led bodies, for example the coordination between the multi-country offices in Fiji and Samoa with the Pacific Islands Forum Secretariat, the Pacific Islands Development Forum and the secretariat of the Pacific Community. While effective cooperation with regional organizations fosters knowledge transfer, it also aims to ensure that there is no duplication of functions and that the United Nations development system can capitalize on its particular comparative advantage.

222. Overall, the regional dimension will play a pivotal role in the implementation of the 2030 Agenda as it can provide an important feedback loop as an aggregator and as a bridge between processes and collective initiatives at global, regional and

national levels. This will be highly relevant in regard to informing the design of sustainable development strategies, in monitoring and reviewing progress, as outlined in the 2030 Agenda, and in sharing best practices so as to foster policy coherence and synergies between the normative and operational functions in support of national implementation of the Sustainable Development Goals.

E. Simplification and harmonization of business practices

223. Progress has been made through the implementation of the 2013-2016 strategic plan of the CEB High-level Committee on Management. The Committee has succeeded in implementing the United Nations Development Group Plan of Action for Headquarters, including work in the areas of collaborative procurement, vendor management and long-term agreement availability and use, as well as policies and procedures on how to adapt to the procurement processes of different organizations. As a result, 19 United Nations entities have reported that they can utilize agreements that have been issued by other organizations. In addition, the Committee has identified and included common elements in procurement manuals and guidance on the use of long-term agreements. Comprehensive guidance for information and communications technology (ICT) collaboration under the Delivering as one approach has also been completed. Common agreements with the five largest banks that the United Nations works with are being negotiated and banking agreements in 11 high-cost duty stations have been completed. In the area of human resources, guidance on common recruitment processes at the country level has been piloted and is available to all United Nations country teams. In addition, the Committee has provided training on tools relevant to the implementation of the business operations strategy through its support for the United Nations System Staff College.

224. The United Nations Development Group and the High-level Committee on Management have also aligned their annual workplans to minimize the overlap and enhance the complementarity and collaboration of their activities. For example, Development Group and the Committee joint support for the roll-out of the business operations strategy and for capacity development initiatives to improve skills and competencies of United Nations staff at the Headquarters, regional and country levels.

225. A feasibility study by an independent consultant on enterprise resource planning interoperability, led by ITU, was presented to the CEB High-level Committee on Management in October 2015. The study revealed that, although such interoperability may be feasible, it should be seen as an enabler rather than a goal. Achieving such interoperability would require an overarching and costly transformation to align business processes for all involved entities that are captured by the enterprise resource planning system in order to yield benefits. In this context, limited efficiencies would derive from technical changes towards interoperability. Because existing enterprise resource planning systems are designed as internally integrated and coherent systems, their interoperability would not create substantial efficiency gains. However, rather than adopting the idea of interoperable agency-specific software solutions, the alignment and reciprocity of business operations would make organizations administratively more interoperable. Agency-specific rules and regulations often do not create significant barriers to the interoperability of operational support services, as practices and procedures are in many cases

comparable. Broadening of the focus from the interoperability of systems in the direction of interoperating organizations would open up numerous potential options.

226. The High-level Committee requested the member organizations of the Committee to undertake an internal review of the analysis from the perspective of expected costs and benefits from their individual perspectives. The Committee is also establishing a cross-functional task force to conduct an in-depth review and assessment of the conclusions presented in the report and to prepare recommendations for the Committee at its spring 2016 session.

227. Since its roll-out in late 2012, the business operations strategy, a voluntary framework, has gained considerable momentum and is being implemented in several programme countries. Sixteen countries have begun implementing their frameworks (and 19 are at the advanced development stage). The implementation of the frameworks has had a direct positive effect on the efficiency of the implementation of UNDAF in each country and has provided support for the achievement of development results. The framework has also created efficiency gains in the area of operational support both through volume discounts and the bypassing of transaction costs across all participating United Nations entities at the country level.

228. A recent midterm evaluation concluded that the benefits of common operations include enhanced access and quality of services, faster service provision in support of programmes, the elimination of duplicative operational processes, enhanced risk management and better leverage for the United Nations in procurement. Through common long-term agreements established following the criteria and guidance developed by the High-level Committee on Management, benefits in procurement now represent about 85 per cent of total benefits generated through the business operations strategy at the country level. Such benefits include efficiency gains expressed in United States dollars, including the reduction of staff time as a result of the implementation of long-term agreements and streamlined processing. Those benefits will not necessarily translate to monetary savings, however, unless the United Nations system decides to cut staff costs as a result of the reduction in transaction costs.[60]

229. According to the survey of operations management teams, 29 (24 per cent) of the 119 responding United Nations country teams have established a business operations strategy and 59 (50 per cent) have decided to establish a strategy in the future. In this regard, it is important to address certain bottlenecks that prevent the implementation of high quality and efficient operational support services. Many operations management teams lack the capacity to effectively conduct cost-benefit analyses, implement results-based monitoring and evaluation frameworks and manage common services.[61] Despite existing guidance on how to collaborate, country teams and operations staff oftentimes still perceive the continuation of different business practices of United Nations entities as the main barrier to a harmonized approach in operational support at the country level. In addition, the

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[60] The midterm evaluation focused on the business operations strategy in 5 of the 12 pilot countries (Ethiopia, Lesotho, Malawi, Rwanda and the United Republic of Tanzania).

[61] Midterm evaluation and the survey of operations management teams (to the question, "What were the main challenges when developing and establishing a business operations strategy?", the primary answers were: lack of financial resources: 59 per cent; lack of agency commitment: 45 per cent; conducting cost-benefit analysis: 59 per cent; conducting baseline and needs analysis: 38 per cent; and lack of capacity on the part of the operations management team: 35 per cent).

continuing fragmentation of operational support services through the existence of agency-specific business operations at the country level compromises the impact of a common approach.

230. The business operations strategy and other efforts to create inter-agency harmonization at the country level have had limited success in creating integrated operational support functions. Notwithstanding the considerable benefits of the strategy as a strategic planning instrument for common operations, the United Nations development system has not yet been able to realize further cost reductions and efficiencies as there are persistent bottlenecks and resistance at the implementation level. In this regard, existing efforts are contributing to the deeper organizational changes needed in order for the development system to fully adapt to the 2030 Agenda — and further work will be necessary. Through the integrated service centres in Brazil, Denmark (Copenhagen) and Viet Nam, the development system has taken important steps towards successfully consolidating operational services at United Nations entities in specific locations.

231. Mindful of the fact that "no-size-fits-all", but also of the capacity challenges at the country level, there is a need for developing and implementing simplified, standardized, innovative and effective business operations models that can determine the organization and management of support services in a given environment. As stipulated by the General Assembly in resolution 67/226, this includes the consolidation of support services at the country level, either by delegating common functions to lead agencies, establishing common United Nations service centres or, where feasible, outsourcing support services.

232. The CEB High-level Committee on Management, in coordination with the United Nations Development Group, has consistently backed the drive towards harmonization. While there has been considerable progress, in particular, through the development and partial implementation of the business operations strategy, the funds, programmes and specialized agencies have not made progress in implementing those provisions of resolution 67/226 that require considerable organizational changes at the level of each individual United Nations entity. This includes the call for a system-wide harmonization of regulations and rules and the consolidation of support services at the country level. Consequently, change at the country level has been incremental, and there is still no visible trend towards the implementation of joint business units. According to the recent survey of operations management teams, in over 82 per cent of programme countries, the United Nations country team manages administrative services through separate agency-owned departments. ICT and procurement are managed through separate agency-owned departments in more than 83 per cent of programme countries. The percentages are even higher in the areas of human resources, at 87 per cent, and finance, at almost 91 per cent, in all programme countries.

233. There needs to be more progress in terms of increasing the number of common services at the country level. Based on the annual data provided, no considerable change has been made in the overall number of inter-agency agreements or common long-term agreements for the potential 35 common services that have been monitored since 2012. Currently, about 50 per cent of all United Nations country teams have inter-agency agreements in place for the provision of security services, 41 per cent for medical services, 34 per cent for cleaning services and 27 per cent for travel services. Common services with significant savings potential, such as

common Internet services or common fleet management, have been established by fewer country teams. According to the 2015 survey of operations management teams, just 18 per cent of all country teams have established common Internet services and only 3 per cent have implemented common fleet management.

234. While inter-agency rationalization continues to face considerable challenges, significant progress has been made in intra-agency rationalization through the establishment of agency-specific global and regional service centres. Eight agencies are reported to have established global and regional service centres, including: UNDP, which operates several global and regional service centres that provide finance, procurement, administration, benefits and entitlements, payroll, ICT and travel services; UNICEF, which has recently established a global shared service centre in Budapest, delivering administrative and operational support to UNICEF offices worldwide; and FAO, which operates a global service centre in Budapest, with two smaller hubs in Santiago and Bangkok, providing support in the areas of human resources, travel, payments and asset management to FAO employees and offices worldwide.
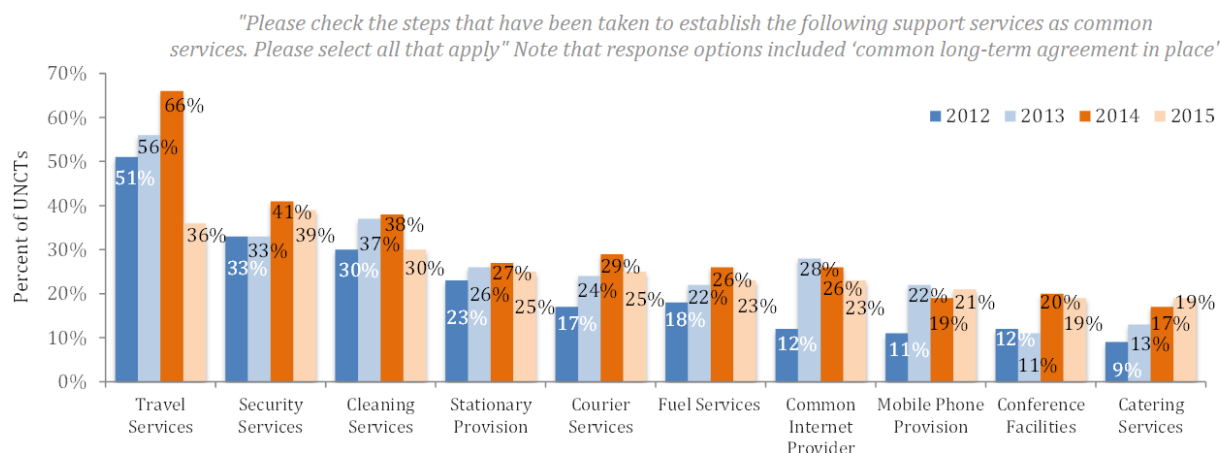
235. In order to increase the efficiency of common service design and implementation at the country level, the United Nations Development Group has introduced standardized common service packages. These are based on proven concepts at the country level, which are collected, reviewed and approved by the Development Group as examples of best practices to be provided to countries in need of the common service covered under a specific package. The result is lower transaction costs for the design of common services at the country level, and better quality control, as they are reviewed at the corporate level by relevant experts. The Development Group aims to expand the number of such packages to make it increasingly easier for the United Nations country teams to implement common services at the country level.

236. The implementation of common long-term agreements has been described as one of the main drivers for cost savings and increases in efficiency of operational support services at the country level. However, from the responses of operational management teams to the 2015 survey, despite the request made by the General Assembly in resolution 67/226, it is evident that there has been no significant upward trend in the number of implemented common long-term agreements at the country level. Figure XXXVII shows the top five potential common services in those countries where a common long-term agreement was established between the United Nations country team and the service provider. The number of country teams using one or more such long-term agreements is still low and, as shown in figure XXXVII, only the number of agreements for the provision of travel services has increased significantly over the past four years, by about 12 per cent. However, countries that have undertaken the business operations strategy have a more systematic approach to implementing common long-term agreements. Of the five countries that have been reviewed in the recent midterm evaluation of the business operations strategy pilot programme carried out by the United Nations Development Group, four countries have each implemented a minimum of 14 long-term agreements and one is currently in the process of implementing eight such agreements as a result of adopting the strategy.[62] In addition, countries that were

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[62] Ethiopia (15 agreements), Lesotho (currently in the process of implementing 8 agreements), Malawi (14 agreements), Rwanda (14 agreements) and the United Republic of Tanzania (17 agreements). Source: 2015 survey of operations management teams.

given support by the CEB High-level Committee on Management "harmonization of procurement" project have seen significant increases in the use of long-term agreements, indicating what can be done when country teams focus on this area of work.[63]

Figure XXXVII
Top 10 common long-term agreements from 2012-2015

"Please check the steps that have been taken to establish the following support services as common services. Please select all that apply" Note that response options included 'common long-term agreement in place'

Top ten common long-term agreements 2012-2015

Source: 2015 Survey of Operations Management Teams

237. The provision of effective and high-quality operational support services, which is one of the cornerstones of a United Nations development system that is fit to respond to the challenges of the 2030 Agenda, requires a clear and strategic vision and buy-in from United Nations entities. Notwithstanding the successful development of the business operations strategy and other initiatives, to date, change has been incremental and largely voluntary. While there is an understanding that the business models of United Nations entities have been developed based on their specific mandates and operating environments, there is a need to discuss the best possible business models for the future and to develop a mutually agreed and time-bound change management plan. The implementation of the existing tools by the United Nations country teams would be a first step in that direction, as it is likely to lead to collaborative solutions that may not require more costly structural changes.

238. As a complementary effort, the United Nations Business Operations Working Group is developing on a "mutual recognition initiative", which advances the goal of harmonization through the mutual recognition by each entity of the development system of the policies and procedures of the other entities. The High-level Committee on Management has also recognized the value of the concept of mutual recognition of agency business processes, acknowledging that harmonization and mutual recognition are not mutually exclusive, and maintaining simplification, effectiveness, efficiency and best practices as guiding principles. Through the

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[63] In their reports on the procurement harmonization project, Bosnia and Herzegovina, Ethiopia, Fiji, Kosovo, Lesotho, Malawi and Serbia reported that over 50 long-term agreements had been established.

initiative, a plan of action will be developed, along with a list of relevant policies and procedures in the areas of human resources, ICT, logistics and procurement, in order to identify differences and to provide an understanding of the principles behind policies and procedures.

239. Under the existing leadership and governance structure, solutions for the most efficient system-wide operational support services could lie in integrating business operations by enabling United Nations entities to access the institutional infrastructure of one or more of the other entities through the adoption of compatible, contractual and procedural frameworks in each relevant function. Accompanied by the development of agreed upon and system-wide professional standards, the entities would continue to focus on removing the existing barriers that prevent the use by multiple entities of the institutional infrastructure and information of the others. Existing examples for successful efforts led by the High-level Committee on Management are the recent adoption of International Public Sector Accounting Standards (IPSAS), joint global and local banking contracts, the mutual acceptance of procurement review processes and the human resources framework for common recruitment and staff mobility.

F. Results-based management

240. It is essential that the United Nations development system demonstrate its value and contribution by reporting on development results. Entities of the system have adopted results-based management as a strategy, and are at varying stages of maturity in their practices in this regard.

241. The entities of the United Nations development system have made progress in strengthening results-based management, primarily in their strategic planning practices. Several entities have taken steps to improve the results frameworks in their strategic plans. Some entities, for example, UNDP, UNESCO, UNICEF, UNFPA and UN-Women, have adopted a "theory of change" or similar methodologies to improve the identification and formulation of results.

242. Some entities of the development system have attempted to introduce integrated results and resources frameworks in order to achieve better alignment between plans and budgets. In practice, however, results-based management processes run parallel to budgetary processes, and the general dependence of budgets on funding from multiple non-core sources makes it difficult to achieve alignment between the results that entities wish to achieve and the budgets that are required to do so.

243. Most United Nations entities use the tools and principles identified in the United Nations Development Group "Results-Based Management Handbook", adapting them to suit their mandate as required.[64] Although the Handbook provides definitions of results-based management concepts, there is room for further harmonization of results-based management language across the system. What constitutes an "output" for one entity may be considered as an "outcome" by another, thus making it difficult to measure results across entities. The UNDAF and

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[64] 2015 survey of headquarters: 95 per cent answered "Yes" to using the common results-based management tools and principles identified in the United Nations Development Group Results-Based Management Handbook, 2011.

the Delivering as one approaches offer good prospects for harmonizing indicators and measuring results. However, alignment between results chains and the UNDAF (or equivalent) is a requirement for only 10 out of 24 entities within the development system, most of which are larger funds and programmes. Six entities do not have this requirement, and eight indicated this requirement is not applicable. A few entities have taken steps to support the development of common approaches and definitions for measuring results and harmonizing indicators with "sister" entities.

244. Results-based management practices of the entities of the development system should not exist in isolation from those of the programme country. It is necessary for the country teams to engage with national stakeholders on the definition, measurement and reporting of results to ensure compatibility with national results-based management practices, where they exist. In responding to the question on the extent to which country teams studied, along with the Government, how results achieved by the entities of the development system in the programme country are defined, measured and reported on, with a view to ensuring compatibility between national and United Nations results-based management practices, 27 per cent of resident coordinators responded that such discussions took place to a great extent, 58 per cent that they took place to some extent, and 15 per cent that they did not take place at all. In answering the same question, 25 per cent of the Governments of programme countries indicated that the country teams studied how results are defined, measured and reported on to a great extent, 61.5 per cent indicated that such discussions took place to some extent, and 14 per cent indicated that they did not take place at all.

Figure XXXVIII
Discussions on the compatibility of results-based management systems

"To what extent has the United Nations country team studied with your Government how results achieved by United Nations development assistance in your country are defined, measured and reported on, with a view to ensuring compatibility between the national and United Nations results-based management systems?"
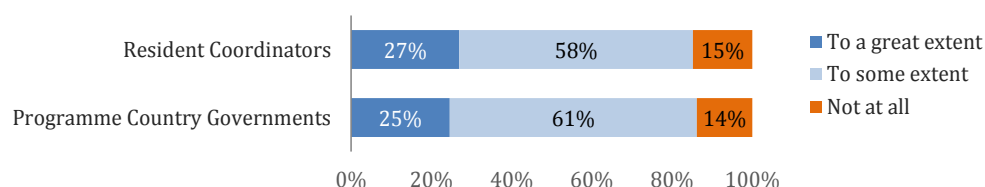
Source: 2015 Survey of Programme Country Governments and 2015 Survey of Resident Coordinators

245. Several entities continue to invest in guidance documents, tools and training of staff in results-based management. The tendency is to focus capacity development narrowly on staff directly involved in programming and monitoring and evaluation, whereas institutionalizing results-based management requires an Organization-wide approach that includes technical and operations management staff.

246. Some entities are active in developing the results-based management capacities of their Government counterparts as well as of the non-governmental organizations that serve as implementing agents. In most instances, country teams have been able to respond positively to requests from Governments for support in strengthening national results-based management systems: in the recent survey of resident coordinators, 3 per cent said the country team was unable to respond to

requests, 57 per cent said that the country team was able to respond to requests positively, and 40 per cent said that there had been no expression of interest from the Government. Nearly half of the programme countries do not have results-based management systems, and there is some demand from programme countries for support in establishing or strengthening national systems.[65]

247. Strengthening national results-based management systems requires the entities of the United Nations development system to make more use of existing national evaluation capacities and monitoring and reporting systems, to support the strengthening of national statistical systems and in order to improve data availability and data quality. Many programme countries will need strengthened statistical capacity to respond to the increased demand for data on a vast range of policy areas necessary for the implementation and review of the 2030 Agenda. In addition, special efforts will have to be made to strengthen national capacities to produce disaggregated data to the degree required to meet the level of ambition of the new Agenda and to ensure the principle of "no one left behind".

248. The forthcoming independent system-wide evaluation on the contribution of the United Nations system to strengthening national statistical capacities will provide information on its role and added value and will include recommendations on strategic actions to strengthen the system's contribution in the future.

Figure XXXIX
Requests for support in strengthening results-based management systems

"Has the Government expressed interest in receiving support from the United Nations country team in strengthening national results-based management systems?"

3%
40%
57%

■ Yes, but United Nations Country Team has not been able to respond positively
■ Yes, and the United Nations Country Team has been able to respond positively
■ No
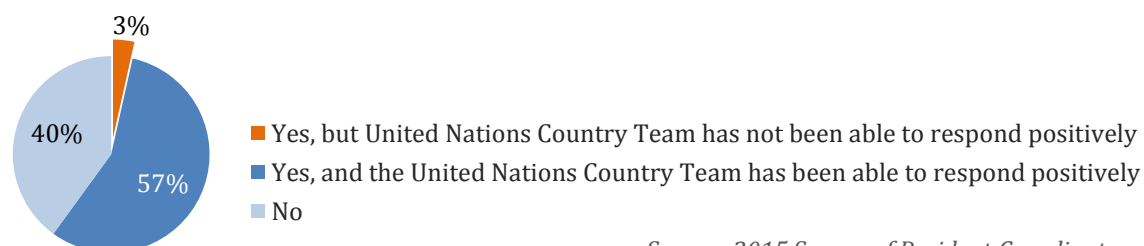
Source: 2015 Survey of Resident Coordinators

249. Building a results-based management culture is as much about changing behaviours as it is about improving systems, tools and capacities, and there is still some way to go in building a strong results-based management culture within the United Nations development system.

250. Within the development system, there are a number of disincentives to the use of results-based management. According to some entities, performance appraisal systems reinforce and reward the expenditure of allocated funds rather than development results. Some reporting systems reinforce reporting on outputs and

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[65] In the survey of programme countries, 51 per cent stated that they had a national results-based management system, 30 per cent stated they did not, and 19 per cent stated that they did not know.

have not yet been adapted to report on outcomes. Furthermore, the increased emphasis from donors on "value for money" has had the unintended consequence of driving entities to focus on easily achievable and measurable short-term outputs rather than more challenging and transformative outcomes, leading, in some cases, to a vague definition of results expectations and their measurement. Oftentimes the achievement of an outcome cannot be attributed to one single organization, and even measuring a single entity's contribution to an outcome is difficult. When governing bodies expect entities to report on and to bear the sole responsibility for accounting for the achievement of an outcome, it serves as a disincentive for entities to commit to transformative outcomes. A focus on short-term results is another disincentive to a culture of results with a longer-term strategic outlook. Several entities expressed concern that achieving development outcomes requires a longer time period than that of a two-year biennium plan or a four-year strategic plan, and that, consequently, they are assessed as ineffective when targeted impact and outcome level results are not achieved within that two or four-year time frame.

251. The United Nations development system has not effectively addressed the problem of system-wide reporting at the country level. The annual reporting of the development system at the country level is institutionalized only in Delivering as one countries, and the divergent expectations between the resident coordinators and programme countries on the frequency of UNDAF reporting needs to be addressed. Weak reporting of UNDAF or system-wide results on the ground undermines transparency and mutual accountability for results.

252. The development system has made progress in implementing results-based management, but there are gaps that must be addressed if the development system is to deliver effectively on the 2030 Agenda. Results-based approaches continue to change and evolve, and the development system should be open to testing new and alternative approaches and methodologies to results-based management in cases where current ones have not been effective.

G. Evaluation of operational activities for development of the United Nations

253. In accordance with the call of the General Assembly in its resolutions 67/226 and 69/237, members of the development system took several steps to strengthen national evaluation capacity in programme countries. At the country level, several United Nations agencies responded to requests to help develop guidelines for national evaluation policies and monitoring and evaluation systems. The United Nations Evaluation Group, which continues to play a central role in strengthening the evaluation function, reported that, in 2015, as part of the "International Year of Evaluation", over 80 events were held to promote, through evaluation, evidence-based development efforts at the international, regional, national and local levels.

254. On using and building national capacities on evaluation, in the 2015 survey of programme countries, 67 per cent (compared to 54 per cent in 2012) responded that the United Nations has used national evaluation capacities as much as possible. Furthermore, 69 per cent agreed (12 per cent strongly and 57 per cent somewhat) that the Organization had contributed to the strengthening of national evaluation capacities (see figure XL), while 97 per cent (same as in 2012) considered it very

important or somewhat important that, in order to become more effective, the United Nations should improve the monitoring and evaluation of its programmes.

Figure XL
Developing national evaluation capacities

"The United Nations has contributed to the strengthening of national evaluation capacities:"
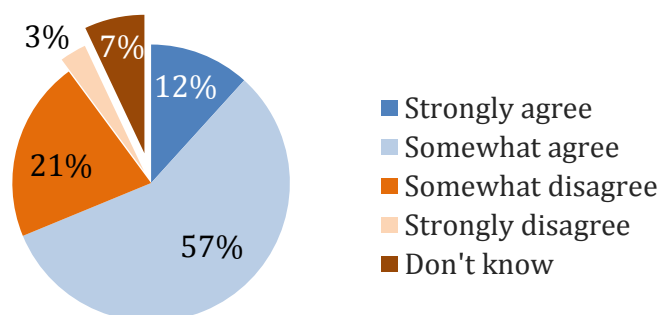
Source: 2015 Survey of Programme Country Governments

255. A 2014 report of the Joint Inspection Unit on the evaluation function of the United Nations system (JIU/REP/2014/6) commends the performance of UNDP, UNICEF, UN-Women, ILO and UNFPA in this regard. All five entities incorporate the development of the evaluation capacity of national Governments. The report found, however, that while many organizations understand the strategic importance of national evaluation capacities, they do not see themselves as having a mandate or a responsibility for the development of the capacity of national evaluation. Overall, progress is mixed, with some agencies demonstrating a high level of engagement in supporting national evaluation capacity development, while others lag behind.

256. As mandated by the General Assembly in its resolution 68/229, two pilot independent system-wide evaluations of operational activities for development were launched in February 2015. The meta-evaluation and synthesis of UNDAF evaluations is expected to be completed by December 2015, and the contribution of the United Nations system to strengthening national statistical capacity should be finalized by April 2016. An evaluation management group, chaired by the Joint Inspection Unit, was established for each of the evaluations.

257. Total financing received by mid-2015 was approximately $398,000, and total expenditures were $140,441. Ireland, Switzerland and UNICEF provided funding, and an additional Government contribution of $200,000 was expected by the end of 2015. Support for a dedicated secretariat has been provided by the Joint Inspection Unit, and a staff member is to be seconded from the Office for the Coordination of Humanitarian Affairs for this purpose. Owing to the fact that financing for an independent system-wide evaluation mechanism has remained limited to date, the overall strategy has been to frontload resources for completion of the UNDAF evaluation, given it is less costly.

258. Between 2010 and 2014, 33 out of 88 programme countries (37.5 per cent) with active UNDAF cycles issued UNDAF evaluations in line with the requirement set out in the 2010 guidelines. While such evaluations have been mandated by the

United Nations Development Group since 2009, the prevalence of evaluations declined slightly in 2015. It is expected that the system-wide meta-evaluations of UNDAF evaluations will address their quality and use.

H. Follow-up and monitoring

259. In its resolution 67/226, the General Assembly requested the Secretary-General to submit to the Economic and Social Council analytical reports on results achieved and measures and processes implemented in follow-up to the resolution in order to ensure its full implementation. Since 2013, a monitoring and reporting framework has been developed and annual analytical reports have been submitted outlining progress towards the implementation of the resolution.

260. The monitoring and reporting framework was slightly revised in 2015 as it was found that several of the indicators needed refinement in order to be measureable and to adequately capture meaningful information regarding the implementation of resolution 67/226. In addition, the 2015 launch of the new United Nations Development Group information management system, which replaces the previous annual report of the resident coordinators, required adjustment of some of the indicators' sources and the survey questions in order to avoid duplication and additional reporting burdens on the resident coordinator system. The monitoring and reporting framework is presented in the annex to the present report.

261. In 2015, the Department of Economic and Social Development carried out surveys of Governments of programme countries, as well as resident coordinators, operations management teams and the headquarters of the entities of the United Nations development system in order to gather data for the present report. Additional data was obtained through the new United Nations Development Group information management system.

262. The completion rate for the surveys was higher than in any previous year: 87 per cent for programme countries; 89 per cent, for resident coordinators; and 92 per cent for the operations management teams. Combined, the entities of the United Nations development system that completed the headquarters survey are responsible for 97 per cent of total expenditures on development-related activities.

263. Data from the surveys can be compared to the previous two surveys to map progress and trends since the adoption of resolution 67/226 in 2012. Where different data sources are used (for example, where the introduction of the information management system has replaced the survey of the Department of Economic and Social Affairs), it should be noted that different collection methodology and protocols are used, and therefore caution should be applied when comparing data points for the same indicator across different data sources. Insofar as was possible, the data was adjusted so that it would be comparable to previous years.

264. In a few instances, new information was provided or obtained by the Department of Economic and Social Affairs, which showed that miscalculations were made in previous years in response to some indicators. These have been corrected in the current monitoring framework. For example, based on new information received by the Department, it was discovered that the regional peer support group of the United Nations Development Group reviewed only six new UNDAFs in Latin America and the Caribbean during the previous reporting period. The calculations based on this information have been corrected.

V. Effectiveness of the United Nations development system

A. Current capacity and contribution of the United Nations development system

265. The capacity and development needs of many programme countries and the nature of development challenges have evolved significantly since the adoption of the United Nations Millennium Declaration in 2000. While the core challenge of alleviating poverty remains at the centre of development cooperation efforts, other challenges, including those resulting from the process of globalization and technological penetration into all aspects of society and economy, increasing interdependence, climate change and urbanization, have grown in importance. Helping countries convert challenges such as these into opportunity will become the litmus test of the relevance of the United Nations development system. The development system needs to step up its efforts to provide the integrated support Member States need to implement the 2030 Agenda for Sustainable Development.

266. The United Nations development system remains a preferred partner for programme countries seeking support for action in a number of operational areas. As can be seen in table 3, when asked to assess a preferred partner in terms of support in 10 specific areas, Governments rated the development system highest in all except two areas.

267. The highest ratings were for "global challenges requiring common action", followed by "peace, security and humanitarian assistance", "policy advice on national strategies and plans" and "institutional capacity development". The United Nations development system ranked much higher than other partners under "facilitating participation of civil society and national non-governmental organizations in national development processes". As in the previous survey, the development system held a second place in the area of "mobilizing external resources for development", in which the Bretton Woods institutions play the main role. In a negative development, the system lost its first place as the preferred provider for "supporting regional or subregional cooperation". Other multilateral and regional institutions were chosen over the United Nations system by a significant margin.

Table 3
Number of countries selecting each partner as one of the two preferred providers of external support (out of the 128 countries that responded)

Areas for possible external support	UNDS (Funds, Programmes and Specialized Agencies)	Bretton Woods Institutions (World Bank, IMF, etc.)	Other multilateral and regional institutions not part of the United Nations	OECD/DAC partners (Traditional bilateral donors)	Southern partners	Thematic or alliance-based partners (e.g., The Global Fund)
Global challenges requiring common action	91	40	34	34	17	46
Peace, security and humanitarian assistance	85	13	40	20	13	16
Policy advice on national strategies and plans	84	33	34	27	7	17

Areas for possible external support	UNDS (Funds, Programmes and Specialized Agencies)	Bretton Woods Institutions (World Bank, IMF, etc.)	Other multilateral and regional institutions not part of the United Nations	OECD/DAC partners (Traditional bilateral donors)	Southern partners	Thematic or alliance-based partners (e.g., The Global Fund)
Institutional capacity development	83	49	54	46	17	25
Facilitating participation of civil society and national NGOs in national development processes	77	26	37	33	14	19
Sectoral programming advice and technical assistance	68	60	42	33	15	28
Supporting south-south and triangular cooperation	62	12	36	39	52	12
Mobilizing external resources for development	62	74	34	43	17	28
Supporting regional or subregional cooperation	49	27	63	35	28	16
Providing equipment and services	42	27	38	40	18	24

268. In the surveys carried out to date (2012, 2014 and 2015) programme countries were asked about the thematic areas in which the contribution of the United Nations development system is judged to have been "especially significant". Governments have consistently put health, gender equality, environment and governance among the four most frequently chosen themes. At the other end of the scale, knowledge and technology transfer, decentralization, and industry, trade and investment were selected least.

Table 4
Thematic areas where the United Nations has played the most significant role
(Percentage)

Thematic area	2012	2014	2015
Health	80	64	69
Gender equality	69	67	64
Environment and natural resources	84	61	59
Governance and public administration	74	60	54
Human rights and equity	66	46	49
Humanitarian assistance	51	36	47
Agriculture and rural development	55	39	47
Education	66	44	46
Food security and nutrition	52	46	45
Poverty reduction	62	46	44
Sustainable development policies	N/A	49	43
Disaster risk reduction	45	41	42

Thematic area	2012	2014	2015
Social protection	N/A	39	40
Peacebuilding and early recovery	38	27	26
Economic growth and employment	31	27	19
Knowledge and technology transfer	24	19	18
Decentralization	34	24	17
Industry, trade and investment	14	16	11

Source: 2012, 2014 and 2015 Survey of Programme Country Governments.

269. Programme countries were also asked to indicate where they might require the assistance of the United Nations development system over the next four years (see table 5). In 2015, environment and natural resources came at the top of the list, followed by sustainable development policies, agricultural and rural development, economic growth and employment, and health.

Table 5
Thematic areas requiring United Nations assistance in the coming four years
(Percentage)

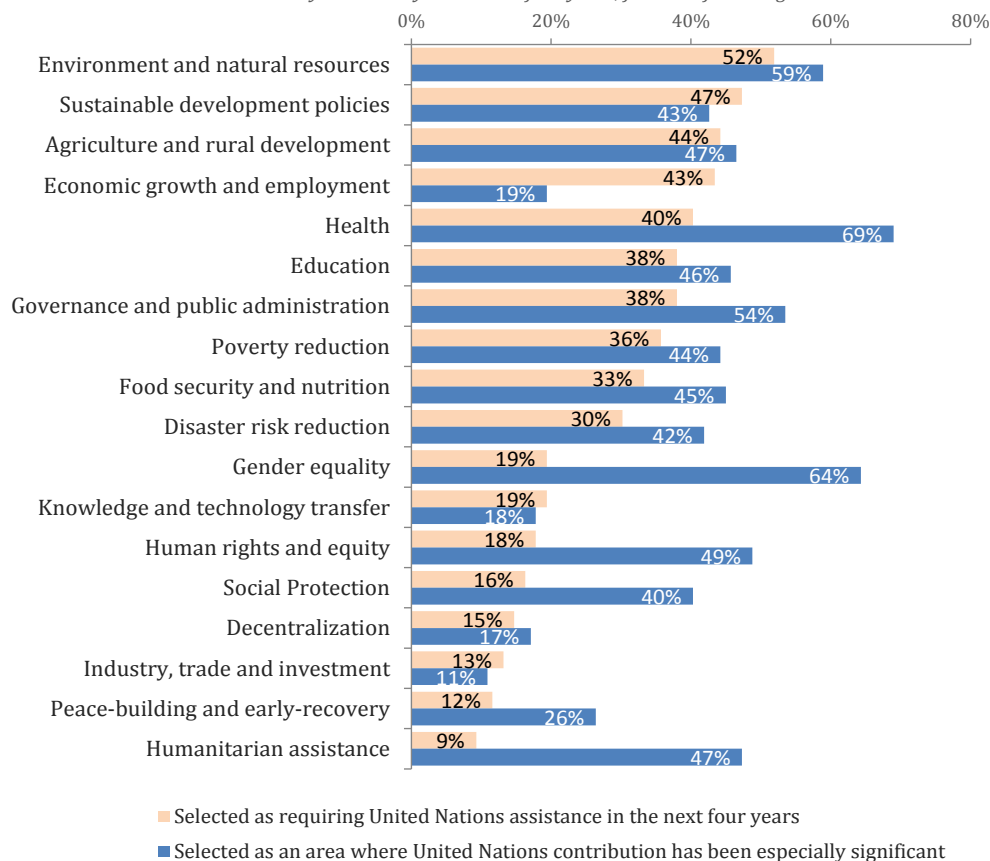| Thematic area	2012	2014	2015
Environment and natural resources	74	51	52
Sustainable development policies	N/A	48	47
Agriculture and rural development	34	34	44
Economic growth and employment	42	52	43
Health	61	41	40
Education	51	37	38
Governance and public administration	39	37	38
Poverty reduction	55	42	35
Food security and nutrition	11	28	33
Disaster risk reduction	20	25	30
Gender equality	26	21	19
Knowledge and technology transfer	23	13	19
Human rights and equity	22	21	18
Social protection	N/A	18	16
Decentralization	12	20	15
Industry, trade and investment	11	17	13
Peacebuilding and early recovery	11	23	11
Humanitarian assistance	7	9	9

Source: 2012, 2014 and 2015 Survey of Programme Country Governments.

270. Figure XLI clearly juxtaposes the areas that programme countries selected as those in which the contribution of the United Nations development system has been particularly relevant, compared to those areas where its assistance is required in the years ahead.

Figure XLI
Comparison of responses

(Percentage)

"Please select the five most important areas where the UN contribution has been especially significant/ requiring UN assistance to your country in the next four years, from the following list

	Requiring assistance	Especially significant
Environment and natural resources	52%	59%
Sustainable development policies	47%	43%
Agriculture and rural development	44%	47%
Economic growth and employment	43%	19%
Health	40%	69%
Education	38%	46%
Governance and public administration	38%	54%
Poverty reduction	36%	44%
Food security and nutrition	33%	45%
Disaster risk reduction	30%	42%
Gender equality	19%	64%
Knowledge and technology transfer	19%	18%
Human rights and equity	18%	49%
Social Protection	16%	40%
Decentralization	15%	17%
Industry, trade and investment	13%	11%
Peace-building and early-recovery	12%	26%
Humanitarian assistance	9%	47%

■ Selected as requiring United Nations assistance in the next four years

■ Selected as an area where United Nations contribution has been especially significant

Source: 2015 Survey of Programme Country Governments and 2015 Survey of Resident Coordinators

Relevance and contribution to national development

271. In terms of the system's relevance, a total of 84 per cent of programme countries believe that the United Nations has become much more (29 per cent) or somewhat more (55 per cent) relevant to their national development needs over the last three years.

272. In terms of its contribution to national development, 89 per cent of Governments (29 per cent strongly and 60 per cent somewhat) agree that the United Nations development system has contributed significantly to development in their countries.

Figure XLII
Contribution of the United Nation development system to development
(Percentage)

"The United Nations has contributed significantly to development in your country"

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know
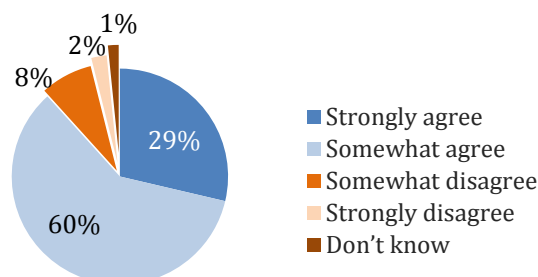
Source: 2015 Survey of Programme Country Governments

273. On national needs and priorities, 86 per cent of programme countries (19 per cent "very closely" and 67 per cent "closely") agreed that the activities of the United Nations development system are aligned with their country's development needs and priorities. The same question was asked of the resident coordinators, 95 per cent of whom agreed that the activities are aligned (55 per cent "very closely aligned" and 40 per cent "closely aligned") with national development needs and priorities.

Figure XLIII
United Nations alignment with national needs and priorities
(Percentage)

"Overall, the activities of the UN and your country's development needs and priorities are"

- Resident coordinators
- Programme country governments
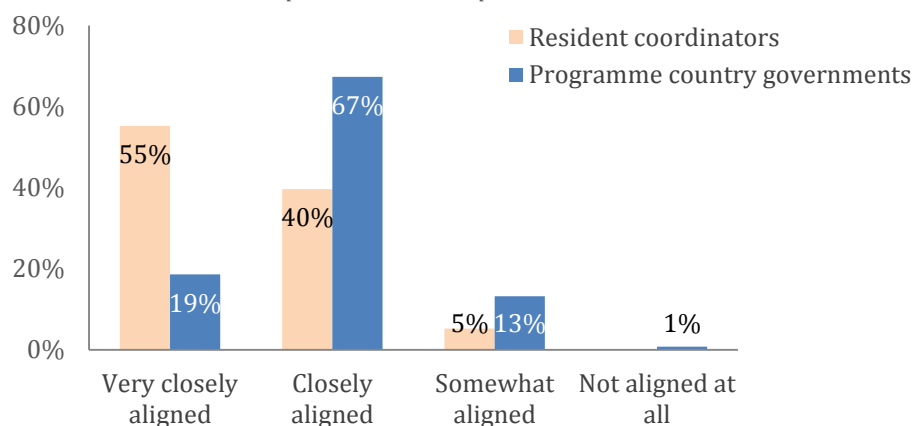
Source: 2015 Survey of Programme Country Governments

274. Last, but definitely not least, 91 per cent of programme countries (of which 32 per cent "strongly" and 58 per cent "somewhat strongly") agreed that the development system is effective in ensuring that adequate attention and resources are given to the development needs of the poorest and most vulnerable segments of

society. In the case of Delivering as one countries, 43 per cent "strongly agreed" versus 26 per cent in the case of countries that have not adopted the Delivering as one initiatives.

275. Overall, the combination of those who "strongly" hold a view in comparison with those that "somewhat" hold a view offers a positive picture in terms of the capacity of the development system to contribute significantly to the development of programme countries, in alignment with their priorities and needs, both in developing national capacity and in reaching the most disadvantaged. Delivering as one countries have a significantly stronger positive view of the performance of the development system than do countries that do not participate in the initiative. An examination of the replies from only those who "strongly" hold a view may raise some questions, as only 29 per cent of Government respondents strongly agreed that the development system had contributed significantly to national development and only 21 per cent strongly agreed that it had been effective in developing national capacities. The above notwithstanding, surveys of the results achieved in programme countries show continuing consistency since 2012, with 30 per cent of the programme countries considering that the development system has become much more relevant over these years.

B. Expected role of the United Nations development system in supporting the implementation of the 2030 Agenda for Sustainable Development

276. Given the relevance and comparative advantages of the United Nations development system, there are several specific considerations that should underpin its response to the ambitions of the 2030 Agenda for Sustainable Development. The entities of the development system share a core responsibility to leverage the moral authority, convening power and operational capacity of the system so that "no one is left behind" and so that dignity and human rights become a reality for every person in every country.

277. The first question to be addressed to ensure that the system is fit to address the challenges and opportunities ahead revolve around functions, that is, "what" should the development system do and "how" should it do it. It should also address what it will not do. In identifying both the "what" and the "how", it is essential to ensure tailor-made solutions for different countries, strongly anchored in national leadership and ownership, and based on their individual capacities, needs and priorities.

278. One characteristic of the United Nations system is its function as facilitator, convenor, advocate and repository for many norms and standards with universal applicability. The system can do more to strengthen the linkage between its operational development activities and normative dimensions at the global, regional and country levels, including through the important work of non-resident agencies.

279. The new 2030 Agenda environment is characterized by the growing importance of a type of development challenge that can only be addressed through collective commitment and response. The United Nations system is uniquely positioned to support the development and negotiation of balanced, impartial and

equitable partnerships to respond to global, regional, transborder and national challenges that require collective action.

280. The system offers an advocacy and convening capacity to bring together major global and regional development actors and institutions in a coordinated multi-stakeholder approach to support the realization of the Sustainable Development Goals by leveraging global and regional capacities to support data, statistics, knowledge platforms and support for the national implementation of the Goals through monitoring and reporting.

281. There is broad-based agreement that tailor-made solutions will be needed at the country level in order to accommodate the capacities, needs and priorities and obligations under international law of individual countries. In some countries this may call for a significant shift away from service provision, towards more "upstream" support for national efforts to implement, monitor, evaluate and report on the implementation of the 2030 Agenda, including though initiatives focusing on policy integration and coherence by bringing the legitimacy of the Organization's norms and standards into the national policy dialogue; technical assistance, to ensure that no one is left behind; as well as leveraging partnerships and facilitating South-South and triangular cooperation.

282. Additionally, for those developing countries with special challenges (including the least developed countries, landlocked developing countries, low-income countries and small island developing States, and other fragile and conflict-affected countries) there will be need for greater integration of long-term development and resilience and, depending on circumstances, including humanitarian and peacebuilding responses. In those countries, more comprehensive, yet tailored, support will likely be required, including, most likely, in the area of service delivery.

283. United Nations business models and organizational arrangements at the country and regional levels have, in many cases, not gone through a systematic rethinking to better match growing capacities and differentiated priorities and needs. The time has come to address these challenges.

284. Ultimately, at the country level, the main ingredient for success is leadership, which must be adequately supported. The role of an experienced and inclusive regional coordinator, with a properly resourced regional coordination office, is important, and must be matched by necessary measures at Headquarters. Solid and experienced leadership within the country team, including profiles and skills that match the needs of the programme country, vision and the know-how to actively engage with a broad range of national stakeholders is another essential element. Finally, leadership at the corporate entity level, as well as leadership within the governing bodies of the entities, are indispensable for setting the tone and providing the guidance that is required both at all levels of the individual entities and across the United Nations system as a whole.

285. In an era of universality and integration, where the contributions of all actors must be brought into play to achieve the Sustainable Development Goals, the United Nations system will have to play an important role in helping to mobilize the efforts of a wide range of actors to meet a very broad set of challenges. This needs to start at home.

286. There are a variety of ways to facilitate more effective and efficient cooperation across the system, including horizontal accountability. At present, most efforts in this regard take place at the country level and are based on a broad agreement regarding the functioning of the United Nations country team. At the corporate level, the challenge lies in the independent nature of the respective governing bodies of the entities of the United Nations development system in relation to other United Nations intergovernmental structures, as well as a historically siloed approach to funding. At the heart of the discussion lies the vital importance that the governance architecture provide strategic guidance, exert oversight, while not micromanaging, and ensure accountability for results. A review of representation, capacity and working methods to ensure fair, coherent and effective governance has been called for by a number of Member States.

287. The activities of the development system have changed over the past several years, and they have increased exponentially following the adoption of the 2030 Agenda. The development system must evolve away from the model of functionally delivered parallel initiatives towards a coherent system for the delivery of integrated support that reflects the underlying vision of the new 2030 Agenda.

288. The development system needs to improve coordination if it is to move towards a truly integrated response to support the implementation of the 2030 Agenda. While coordination entails a logical sequencing of interventions, looking for efficiencies and minimized costs, it can be done without necessarily examining the contents of the interventions themselves, whether they are strategies, plans, policies or other actions. The objective of coherence targets increases in efficiency and effectiveness by ensuring that an intervention in one area or sector does not undermine and, preferably, does not duplicate interventions in other areas. Integration, however, entails a shared understanding of goals and their interlinkages, and the normative frameworks that underpin them, with interventions that are based on a shared vision, strategy and plan to create synergies and address trade-offs, with the aim of ensuring a whole that is bigger than the sum of its parts.

289. At the country level, this may require reviewing existing instruments, such as the Delivering as one approach, the UNDAF and the role of the resident coordinators and the country teams to assess whether they are adequate for the post-2015 era, as well as deciding how best to enhance these instruments and deciding whether a new generation of instruments and mechanisms may be needed to complement the older ones at the country and regional levels.

290. At the global level, this may require considering the use of the quadrennial comprehensive policy review as a system-wide framework that would enable the planning, budgeting, implementation, monitoring and evaluation of programmes as well as reporting to Member States. The complexity of undertaking to make the policy review into such a system or of creating a new one cannot be underestimated, but the benefits may outweigh the challenges. For the United Nations system, such a framework has great potential for clarifying the vision forward, the strategy, the division of labour and the targeted outcome-level results so that the whole is more than the sum of its parts. For Member States, turning the policy review into a global framework or devising a new one would enable a better assessment of the performance of the system and the provision of the kind of strategic guidance it requires. In that way, the 2016 resolution on the quadrennial comprehensive policy

review could provide guidance on a framework that reflects the essence and spirit of the 2030 Agenda for the United Nations system.

291. The United Nations development system needs the right kind of people, competencies and incentives in the right places to ensure that global aspirations are translated into results. In this regard, the rationalization of staffing, including differentiated forms of presence and programming arrangements that effectively respond to country needs, with results prioritized over representation, will be essential elements to deliver on the promise of the 2030 Agenda.

292. The responsibility for ensuring that the United Nations development system is lean, agile and able to respond to country needs includes optimizing the use of limited resources. The dilemma over how to fund a coherent and integrated agenda, particularly in its core functions, while incentivizing the system to deliver and maintaining the necessary flexibility that non-core resources often offer, remains a fundamental question. Leveraging the strengths of all development actors through transparent and accountable partnership approaches that ensure alignment with the goals and mandates of Member States also remains of paramount importance, and a fundamental one in the debate on means of implementation.

VI. Looking ahead: longer-term positioning of the United Nations development system in the context of the 2030 Sustainable Development Agenda

293. The present report is focused on a new era. It is at once retrospective, in that it examines what the United Nations development system, its entities and partners have been doing, and in what manner, at the request of the Member States, to reform their methods of work, but also prospective, in that it looks forward to examine how those actions and new reforms and improvements can forward the ambitious work inspired by the 2030 Agenda and the Sustainable Development Goals.

294. The Sustainable Development Goals adopted in 2015 are highly integrated, cross-cutting and multi-sectorial. Formulating an agenda that was at once ambitiously transformative and yet pragmatically achievable demanded the unified consideration of the world's development community, within the United Nations, among Member States, and, more than ever before, drawing upon the expertise and enthusiasm of a host of non-State actors.

295. The United Nations development system has the legitimacy conferred upon it by its universal mandate, and it has demonstrated its capacity to adapt. The adoption of the new 2030 Agenda for Sustainable Development has inaugurated an era with new challenges and opportunities, new players and new ways of doing business, to which the development system will have to adapt in order to best provide the support needed by Member States.

296. Already, before the adoption of the 2030 Agenda, the development system initiated an examination of its ability to meet the challenges of the Sustainable Development Goals, both internally, within the context of the United Nations Development Group's "fit for purpose" discussions, and as part of the system's inputs to the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system. With the adoption of the 2030 Agenda in September 2015, which calls upon the relevant governing bodies to take action to

review such support, to implement and to report on progress and obstacles, there is need to deepen and accelerate this analysis and to decide on actions as to how the development system can best provide integrated responses within and across the interdependent pillars of its work on peace, development and human rights.

297. A United Nations development system that is lean, nimble and able to respond to people's needs does imply making the best use of limited resources and further strengthening policy coherence and synergies between the normative and operational functions in support of national implementation of the Sustainable Development Goals. The Economic and Social Council dialogue on the longer-term positioning of the development system, mandated by the Council in its resolution 2014/14, initiated the review of the system. In July 2015, the first phase of the dialogue concluded with a shared sense that the development system must transform itself through a fundamental improvement, seizing the opportunity of this historic moment of change.

298. Several new functions of the development system are emerging in the face of the changing world economy and the growing demand from Member States and the requirements of the 2030 Agenda. The Agenda's universal nature, and its promise to leave no one behind, also have implications for the functions of the United Nations in middle and high income countries where different forms of inequality are deepening political, economic and social divides.

299. The tension between how to fund a coherent and integrated agenda, particularly its core functions, while incentivizing the system to maintain the necessary flexibility that non-core resources often offer, remains a fundamental question. The current funding architecture has become too unbalanced, and it is not conducive to the strengthening of the normative, leveraging and convening role of the United Nations development system that is now required. There is need to improve the quality of non-core resources and simultaneously there is a need for the development system to explore innovative models in order to improve the volume and predictability of core funding. Providing an aggregated, system-wide overview of financial flows would enable contributors to gain a better understanding of where funding needs are and how contributions fit within the context of the overall activities of a coherent and coordinated United Nations development system working towards the Goals of the 2030 Agenda. It would also provide developing countries with the up-to-date information they need to plan and manage resources effectively.

300. Embracing different organizational models will be needed, as will different forms of regional, subregional and country presence and programming arrangements in order to effectively and efficiently match the differentiated capacities and needs of programme countries with the limited availability of resources. Ensuring that the development system has the right kind of people, competencies and incentives in the appropriate places will help to fulfil the ambitious global aspirations over the next 15 years.

301. Leveraging the strengths of all development actors through transparent and accountable partnership approaches that ensure alignment with the goals and mandates of the Member States also remains a fundamental subject in the debate on means of implementation.

302. Underpinning these discussions is the need for the governance architecture to provide strategic guidance, exert oversight and ensure accountability for results, while not micromanaging and thus stifling initiative. In that context, some Member States have called for a review of representation, capacity and working methods to ensure fair, coherent and effective governance.

303. The second phase of the Economic and Social Council dialogue on the longer-term positioning of the United Nations development system is expected to present concrete options for discussion by Member States on what changes are necessary in order for the United Nations development system to rise to the challenges of the 2030 Agenda. There is a widely shared view that this would involve a hard look at what is fundamentally needed to build further on the foundations that have been laid.

304. In an era characterized by universality and integration, where the contributions of all actors must be brought into play to achieve the Sustainable Development Goals, the United Nations system needs to take action towards the adoption of a truly integrated response in terms of common analysis, planning, budgeting, implementation, monitoring, evaluation and reporting.

305. Coordination aims at maximizing efficiencies and minimizing costs. Coherence takes coordination a step further, aiming at the merit of activities in order to maximize impact. Integrated action, on the other hand, aims at creating a shared vision built on a collective recognition of the normative frameworks that underpin it, which, in turn, drives a common strategy reflected by activities that overarch and build on the specificities of each entity for a common good.

306. The Sustainable Development Goals and the 2030 Agenda are ambitious, but achievable. Member States have every reason to demand that the United Nations development system unite to achieve the Goals and targets, which the General Assembly has declared "are integrated and indivisible and balance the three dimensions of sustainable development", and which will stimulate action over the next 15 years in areas of great importance to humanity and the planet. Action to achieve these goals will begin within the United Nations development system.

307. After 70 years, the imperatives of the Charter of the United Nations to "employ international machinery for the promotion of the economic and social advancement of all peoples" still hold true, although the nature of the challenges to that advancement has changed tremendously. With the adoption of the Sustainable Development Goals, the United Nations system has unprecedented opportunities for entirely practical advances in the development arena. The development system, under the leadership of Governments, and with its partners in civil society, philanthropic organizations, academia and the private sector, must adapt to the realities of the world today.

308. We have the Goals: this report presents initial planning on how the United Nations can help to reach them. The time is now.

Annex

Monitoring and reporting framework for the quadrennial comprehensive policy review

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
II							
Funding of operational activities for development							
II. A. General principles							
1	24	Total funding for operational activities for development	CEB database	Annually	$23.9 billion	$26.4 billion	$28.4 billion
2	11, 24	Percentage of funding for operational activities for development relative to total official development assistance (ODA)	(a) CEB database (b) OECD.Stat	Annually	17.0	18.0	18.3
3	11, 24	Percentage of funding for operational activities for development relative to total multilateral ODA	(a) CEB database (b) OECD.Stat	Annually	29.1	N/A[b]	30.6 (2013)
4	24, 33, 77	Total funding from countries not members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) (excluding local resources)	CEB database	Annually	$1.193 billion	$1.531 billion	$2.130 billion
5	24, 33, 77	Percentage of funding from non-OECD/DAC countries relative to total estimated global South-South cooperation flows (excluding local resources)	(a) CEB database (b) International Development Cooperation Report	Annually	9.1	N/A[c]	N/A[c]
6	24, 37	Total funding received from non-State partners	CEB database	Annually	$5.946 billion	$6.548 billion	$6.530 billion
7	24, 37	Percentage of total funding for operational activities for development coming from non-State partners	CEB database	Annually	24.9	24.8	23.1

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
II.B. Enhancing overall funding, in particular core resources							
8	25, 33	Total core funding for operational activities for development	CEB database	Annually	6.709 billion	6.722 billion	6.743 billion
9	26, 29	Core share of funding for development-related activities from Governments (excluding local resources)	CEB database	Annually	45.9	45.0	44.4
10	27, 28, 44	Percentage of non-core resources for development-related activities channelled to pooled, thematic and joint-funding mechanisms applied at the global, regional and country levels	CEB database	Annually	10.2	9.5	11.4
11	118, 124 (g), 135, 141	Percentage of programme countries where over 20 per cent of United Nations resources relate to joint programmes and are subject to pooled or pass-through and/or multi-donor trust fund management arrangements (as against parallel funding)	Department of Economic and Social Affairs resident coordinator survey (a) CEB database;[d] (b) Multi-Partner Trust Fund Office	Annually	23.9 N/A	14.6 N/A	N/A 6.0[e]
12	35	Number of United Nations entities reporting annually to their governing bodies on concrete measures to broaden the donor base	Department of Economic and Social Affairs headquarters survey[f]	Annually[g]	N/A	17 (out of 22)	23 (out of 25)
13	39	Number of United Nations funds and programmes[h] that had defined common principles for the concept of critical mass of core resources by 2014	Headquarters survey	One time (2014)	N/A	7 (out of 12)	N/A[i]
II.C. Improving the predictability and quality of resources							
14	41	Number of United Nations entities consolidating all projected core and non-core resources within an integrated budgetary framework	Headquarters survey[g]	Annually	N/A	17 (out of 22)	21 (out of 25)
15	42	Percentage of United Nations country teams implementing a common budgetary framework at country level	Resident coordinator survey[d]	Annually	28	21	34

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
16	24, 33, 40	Percentage of top 10 donors of funds and programmes with core contributions changing by 20 per cent or more from the previous year	CEB database	Annually	18	36	21
17	46	Number of United Nations entities that held structured dialogues in their respective governing bodies annually on how to finance the development results agreed in the new strategic planning cycle	Headquarters survey[g]	Annually[f]	N/A[j]	13 (out of 22)	17 (out of 25)
18 (a)	10, 11, 13, 19, 30	Percentage of core country-level programme expenditures spent in the least developed countries (excluding local resources)	CEB database	Annually	41 (2011)	46	42
18 (b)		Percentage of total country-level programme expenditures spent in least developed countries (excluding local resources)			51 (2012)	48	49

II.D. Ensuring full cost recovery

19	47, 53	Number of United Nations entities that have adopted harmonized cost recovery frameworks	Headquarters survey[g]	Annually[j]	N/A[j]	11 (out of 22)	17 (out of 25)
20 (a)	43, 48, 51, 53	Percentage of total core expenditures on development-related activities by funds and programmes directed to programme activities	Headquarters survey	Annually	64 (2011)	N/A	65
20 (b)		Percentage of total non-core expenditures on development-related activities by funds and programmes directed to programme activities			92 (2011)		91

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
21 (a)		Percentage of total core expenditures on development-related activities by the specialized agencies and other United Nations entities directed to programme activities			69 (2011)	N/A	58
21 (b)	43, 48, 51, 53	Percentage of total non-core expenditures on development-related activities by the specialized agencies and other United Nations entities directed to programme activities	Headquarters survey	Annually	83 (2011)		92
22	54	Number of United Nations entities reporting on cost recovery amounts within their regular financial reporting	Headquarters survey	Annually	13	13 (out of 22)	20 (out of 25)

III
Contribution of United Nations operational activities to national capacity development and development effectiveness

III.A. Capacity-building and development

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
23	14, 57-63	Percentage of new UNDAFs (or equivalents) that substantively address national capacity development	Regional UNDG (Peer Support Group)	Annually	N/A	96	100
24	57-63	Percentage of programme country Governments that "strongly agree" that the United Nations system has been effective in developing national capacities	Department of Economic and Social Affairs programme country Government survey[k]	Biennially	24	30	21
25	64	Percentage of programme country Governments that "strongly agree" that the United Nations system uses national monitoring and reporting systems wherever possible	Programme country Government survey[k]	Biennially	10	17	18
26	64, 66	Percentage of resident coordinators who "strongly agree" that the United Nations system is using parallel implementation units as little as possible	Resident coordinator survey	Annually	N/A	17	25

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
27	63	Common approach and framework to measure progress in capacity development results developed	UNDG/Programme Working Group	Annually until completed	N/A	No	No
28	63	Average number of agency country offices using the common UNDG capacity measurement approach (when fully developed)[l]	N/A until developed (see indicator 27 above)	Annually (once fully developed)	N/A	N/A	N/A
29	14, 15	Three dimensions of sustainable development reflected in strategic plans of UNDG members	Entities strategic plans (A/70/62-E/2015/4) Headquarters survey (A/71/63-E/2016/8)	Annually	N/A[j]	Yes	Yes (22 out of 25)

III.B. Poverty eradication

30	70, 71	Percentage of new UNDAFs or equivalents that substantively address poverty eradication	Regional-UNDG (Peer Support Group)	Annually	N/A	96	78
31	19, 73	Percentage of programme country Governments that "strongly agree" that United Nations contributions to the eradication of multidimensional poverty and the achievement of international development goals is "significant"	Programme country Government survey[k]	Biennially	N/A	26	32

III. C. South-South cooperation and development of national capacities

32	74, 77	Number of United Nations entities that integrate South-South cooperation into their strategic plans	Headquarters survey[g]	Annually	N/A[j]	20 (out of 22)	23 (out of 25)
33	74, 77	Number of United Nations entities that actively report on South-South cooperation in their annual reports	Headquarters survey[g]	Annually	N/A[j]	18 (out of 22)	20 (out of 25)
34	74, 77	Number of new UNDAFs (or equivalents) that substantively address South-South and triangular cooperation	Regional UNDG (Peer Support Group)	Annually	N/A	32[m]	43

	Paragraph(s) of General Assembly resolution 67/226	*Indicator*	*Source/collection method*	*Frequency*	*A/69/63-E/2014/10 (2014)[a]*	*A/70/62-E/2015/4 (2015)[a]*	*A/71/63-E/2016/8 (2016)[a]*
III.D. Gender equality and women's empowerment							
35	81, 85, 88, 91	Number of new UNDAFs (or equivalents) that have specific results and resources for gender equality	Regional-UNDG (Peer Support Group)	Annually	N/A	82[m]	91
36	81, 82, 83, 85	Percentage of countries conducting the gender scorecard that meet minimum standards (rating 4) in at least half of the gender scorecard areas	Resident coordinator survey (A/70/62-E/2015/4)	Annually	N/A	52	N/A
			UNDG information management system (A/71/63-E/2016/8)[n]		N/A	N/A	27[o]
37	86, 89	Number of United Nations entities that track and report on allocations and expenditures using gender markers	UN-Women	Annually	N/A	11	15
38	83, 90	Minimum set of gender indicators developed and endorsed by the United Nations Statistical Commission for system-wide use	UN-Women	Once	N/A	Endorsed	
39	86, 92	Number of entities that have achieved gender balance among both General Service (GS) staff and high-level posts (P-4 and above)	United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women[p]	Annually	N/A	GS: 23/28[m] P-4 and above: 1/28	GS: 23/28 P-4 and above: 1/28
40	87	Status of implementation of the system-wide evaluation of the effectiveness, value added and impact of the System-wide Action Plan on Gender Equality and the Empowerment of Women.	Joint Inspection Unit	Once, starting in 2016	N/A	N/A	Deferred[q]
III.E. Transition from relief to development							
41	93, 94	Percentage of new UNDAFs (or equivalents) that have effectively integrated disaster and climate risk	Regional UNDG (Peer Support Group)	Annually	N/A	89[m]	96
42	93, 94, 108-110	Percentage of programme countries that report biennially on progress on disaster risk reduction	UNISDR	Biennially	N/A	74	N/A[i]

	Paragraph(s) of General Assembly resolution 67/226	*Indicator*	*Source/collection method*	*Frequency*	*A/69/63-E/2014/10 (2014)[a]*	*A/70/62-E/2015/4 (2015)[a]*	*A/71/63-E/2016/8 (2016)[a]*
43	104, 105	Percentage of countries in which agreements/arrangements/initiatives exist with key partners, including the Bretton Woods institutions, for response to crisis	Resident coordinator survey[d]	Annually	N/A	42	73
44	107	Endorsement of standardized instruments by the Secretariat entities and the United Nations development system to support joint programming and business operations in countries where there is a United Nations mission	Integration Steering Group	Annually until endorsed	N/A	Integrated assessment and planning endorsed in April 2013[r]	
45	102	Percentage of countries with country-led and inclusive mechanisms to coordinate support to national priorities for transition	Resident coordinator survey (A/70/62-E/2015/4)	Annually	N/A	81	N/A
			UNDG information management system[n] (A/71/63-E/2016/8)		N/A	N/A	33[o]

IV
Improved functioning of the United Nations development system

IV.A. United Nations Development Assistance Framework

46	4, 5, 7, 12, 21, 113, 114	Percentage of programme countries where a joint national Steering Committee (or similar group) conducted annual UNDAF (or equivalent) review in the past 12 months	Resident coordinator survey (A/69/63-E/2014/10 and A/70/62-E/2015/4)	Annually	53	64	N/A
			UNDG information management system[n] (A/71/63-E/2016/8)		N/A	N/A	66
47	130 (b), 171	Percentage of United Nations country teams that have submitted a United Nations Development Framework progress report to the national Government: – Once in the past four years	Resident coordinator survey[d]	Annually	N/A	72	75[s]
		– Annually for Delivering as one			N/A	80	84

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
48	9, 12	Percentage of programme country Governments that strongly agree that the United Nations is effective or highly effective in facilitating the participation of civil society and national non-governmental organizations in national development processes	Programme country Government survey[k]	Biennially	N/A	55	60
49	9, 12, 20, 114, 124 (i)	Percentage of civil society organizations/programme country Governments that "strongly agree" that the United Nations collaborates "as much as possible" with civil society and national non-governmental organizations	Civil society organizations survey (A/67/320-E/2012/89) Programme country Government survey[k] (A/71/63-E/2016/8)	Biennially	44 (2012)	N/A	46
50	5, 7, 12, 113, 115	Percentage of Governments that consider United Nations activities "very closely" or "closely" aligned with national needs and priorities	Programme country Government survey[k]	Biennially	83	93	86
51	18, 116	Percentage of Governments which are "satisfied" or "very satisfied" with the ability of the United Nations to provide access to relevant expertise from across the United Nations system, including non-resident agencies[t]	Programme country Government survey[k]	Biennially	54	56	50
52	23, 58	Percentage of United Nations country teams that indicate that disaggregated data, i.e. income level, gender, age, disability, minorities (ethnic, religious, language, etc.) and indigenous peoples, has been adequately used to inform the country analysis stage	Resident coordinator survey[d]	Annually	Income: 81 Gender: 83 Age: 88 Disability: 39 Minorities: 48 Indigenous peoples: 30	Income: 87 Gender: 79 Age: 83 Disability: 51 Minorities: 47 Indigenous peoples: 24	Income: 76 Gender: 76 Age: 84 Disability: 49 Minorities: 44 Indigenous peoples: 27

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
53	23	Percentage of new UNDAFs (or equivalents) that include reference to needs of persons with disabilities in line with the UNDG guidance note on including the rights of persons with disabilities in United Nations programming at the country level	Regional UNDG (Peer Support Group)	Annually	N/A	61[m]	87
54	58	Percentage of United Nations country teams that have used human rights-based approach as a programme principal in the new UNDAFs	Regional UNDG (Peer Support Group)	Annually	N/A	86[m]	96
55	14	Percentage of new UNDAFs (or equivalents) that include sustainable development as a strategic priority area in line with UNDG programming guidance	Regional UNDG (Peer Support Group)	Annually	N/A	93[m]	96
56	119	Number of United Nations entities that have developed measures to simplify and harmonize agency-specific programming instruments (specify type of instrument)	Headquarters survey[f]	Annually	N/A[k]	13 (out of 22)	14 (out of 25)
57	117, 119	Average number of months needed for the preparation of a new UNDAF	Regional UNDG (Peer Support Group)	Annually	N/A	13[m]	12
58	117, 120	Percentage of programme country Governments that "strongly" or "somewhat" agree that there is a clear division of labour among United Nations agencies at the country level	Programme country Government survey[l]	Biennially	N/A	67	69
59	117	Percentage of programme country Governments that "strongly agree" that UNDAF or another United Nations planning framework has helped to improve the focus on results	Programme country Government survey[l]	Biennially	48	47	37

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
60	121	Number of United Nations agencies that have aligned planning and budgeting cycles to the quadrennial comprehensive policy review time frame	Headquarters survey[f]	Annually	12 (out of 12)	15 (out of 22)	15 (out of 25)

IV.B. Resident coordinator system

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
61		Full implementation of the following elements of the management and accountability system:					
61 (a)		– Percentage of United Nations entities that have revised the job description of their United Nations country team members to recognize the role of the resident coordinator			N/A[j]	55 (12 out of 22)	56 (14 out of 25)
61 (b)		– Percentage of United Nations entities recognizing reporting obligations to the resident coordinator on resource mobilization and programme implementation performance of any UNDAF/One United Nations programme elements led by the entity	Headquarters survey[d]		N/A[j]	64 (14 out of 22)	68 (17 out of 25)
61 (c)	42, 124 (h), 130 (a), 130 (c), 131	– Percentage of United Nations entities that have included resident coordinators' inputs in their United Nations country team members performance appraisal system		Annually	N/A[j]	55 (12 out of 22)	48 (12 out of 25)
61 (d)		– Percentage of United Nations entities that have included United Nations country team results in agency representatives' performance appraisal system			N/A[j]	59 (13 out of 22)	60 (15 out of 25)
61 (e)		– Percentage of UNDP country directors that have signed delegation of authority letters, including for resource mobilization, with resident coordinators/regional representatives	Resident coordinator survey[d]		N/A	85	88

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
62	124 (b)	Percentage of resident coordinators who are female	Development Operations Coordination Office (human resources database)	Annually	40	39	42
63	124	Percentage of resident coordinators from programme countries	Development Operations Coordination Office (human resources database)	Annually	44	44	44
64	125	Percentage of Governments that are of the view that United Nations staff (heads of agencies) have the "right mix of capacities and skills, including for high-quality policy and programme advice, and the highest standards of leadership skills"	Programme country Government survey[k]	Biennially	N/A	78	84
65	128	Number and percentage of United Nations entities fully implementing the cost-sharing arrangement	Development Operations Coordination Office	Annually	N/A	11 (out of 18)/ 60	11 (out of 18)/ 60
66	128	Proposal on funding modalities of the resident coordinator system submitted to the Economic and Social Council and the General Assembly in 2013	UNDG	One time (2013)	No	In progress[u]	N/A[v]
67 (a)	128	Contributions in cash provided to the resident coordinator system[w]	Development Operations Coordination Office	Annually	N/A	N/A[m]	$23.6 million
67 (b)		Contributions in kind provided to the resident coordinator system[x]	N/A	N/A	N/A	N/A	N/A
67 (c)		Percentage of resident coordinators who stated they have accessed some or all of the technical resources of all United Nations entities without difficulty	Resident coordinator survey	Annually	N/A	85	80
68	124 (a), (b), 127 (c)	Resident coordinator assessment centre reviewed and improved with the ultimate goal of bringing in high-calibre leaders	Development Operations Coordination Office	Once	N/A	Completed	

Paragraph(s) of General Assembly resolution 67/226		Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
69 (a)		Percentage of members of United Nations country teams with adequate delegated authority to make decisions on behalf of their agency	UNDG coordination support survey (A/70/62-E/2015/4)[d]	Annually	N/A	24	N/A[n]
69 (b)	124 (j)	Percentage of countries that "strongly agree" that the United Nations system field representatives enjoy sufficient delegated authority to respond effectively and efficiently to national needs and priorities	Resident coordinator survey (A/70/62-E/2015/4 and A/71/63-E/2016/8)		N/A	17	24

IV.C. Delivering as one

70	134	Number of Delivering as one countries	Development Operations Coordination Office	Annually	33	43	50[y]
71	134	Percentage of countries applying components of the standard operating procedures	Resident coordinator survey[d]	Annually	N/A	72	79
72	130 (b)	Percentage of countries with an annual United Nations country-results report	Resident coordinator survey[d]	Annually	N/A	51	49
73	138	Percentage of programme countries that considered adopting Delivering as one initiative that were satisfied with information provided to them by the resident coordinator/United Nations country team enabling them to take an informed decision on the initiative	Programme country survey[k]	Biennially	N/A	78	73
74	141	Percentage of resident coordinators/ United Nations country team members who state that in regard to Delivering as one they have received effective support from headquarters	UNDG coordination support survey (A/70/62-E/2015/4)[d]	Annually	N/A	53	N/A
			Resident coordinator survey (A/71/63-E/2016/8)		N/A	N/A	66

Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
75 (a)			One time	N/A	Completed	Completed
	UNDG approved the Plan of Action for Headquarters to address challenges and bottlenecks, in particular at the Headquarters level, which prevent the Delivering as one countries from fully utilizing the efficiency gains from the Delivering as one approach					
137		Development Operations Coordination Office				
75 (b)	UNDG implemented Headquarters Plan of Action to address challenges and bottlenecks, in particular at the Headquarters level, which prevent the Delivering as one countries from fully utilizing the efficiency gains from the Delivering as one approach		Annually (starting in 2015)	N/A	Ongoing	Ongoing
76 143	Options for the review and approval of the common country programme documents of the Delivering as one countries presented to the Economic and Social Council in 2014	Jointly by UNDP, UNICEF, UNFPA and UN-Women	One time (in 2014)	No	No[z]	No[aa]

IV.D. Regional dimensions

77 146, 147	Number of joint regional coordination mechanisms/regional-UNDG common positions (papers) to advocate on key development issues	Regional coordination mechanism/R-UNDG reports	Annually	N/A	15	8
78 148, 149	Percentage of resident coordinators/ United Nations country team members who "strongly agree" with the statement that the regional Peer Support Group provides value-added to the formulation of the UNDAF	UNDG coordination support survey (A/70/62-E/2015/4)[d]	Annually	N/A	5	N/A
		Resident coordinator survey (A/71/63-E/2016/8)		N/A	N/A	Road map: 47 Country analysis: 26 Strategic planning: 36 Monitoring and evaluation: 20

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
79	146-150	Percentage of resident coordinators/ United Nations country team members stating that the regional coordination mechanisms provide effective support on highest priority regional/subregional issues of relevance to the country	UNDG coordination support survey (A/70/62-E/2015/4)[d]	Annually	N/A	53	N/A
			Resident coordinator survey (A/71/63-E/2016/8)		N/A	N/A	72
80	146-150	Percentage of resident coordinators/ United Nations country team members stating that the regional UNDG provides effective support on the highest priority regional/subregional issues of relevance to the country	UNDG coordination support survey (A/71/63-E/2016/8)[d]	Annually	N/A	50	N/A
			Resident coordinator survey (A/71/63-E/2016/8)		N/A	N/A	79
81	146-150	Percentage of resident coordinators/ United Nations country team members stating that the regional commissions provide effective support on the highest priority regional/subregional issues of relevance to the country	UNDG coordination support survey (A/70/62-E/2015/4)[d]	Annually	N/A	42	N/A
			Resident coordinator survey (A/71/63-E/2016/8)		N/A	N/A	63

IV.E. Simplification and harmonization of business processes

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
82	161	UNDG strategy developed by end of 2013 to support the establishment of common premises in programme countries that wish to adopt them	UNDG reporting (Task Team on Common Premises)	Annually until done	No	No	Yes
83	152	Plan for consolidated common support services at country level submitted to governing bodies in 2014, including in the areas of financial management, human resources, procurement, ICT and other services	Headquarters survey	Annually until done	No	No	No
84	155	Plan for the system-wide harmonization of regulations and rules, policies and procedures in all functional areas of business operations presented by the CEB High-level Committee on Management and UNDG for review by the Economic and Social Council by the end of 2014	UNDG/High-level Committee on Management	Annually until done	No	No	No[bb]

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
85	159	Proposal on the common definition of operating costs and a common and (standardized) system of cost control presented in 2014	High-level Committee on Management/UNDG	Annually until done	No	No	Yes
86	156	Percentage of countries with 25 or more per cent of the annual United Nations financed procurement volume done by the Government	Department of Economic and Social Affairs operations management team survey	Annually	24	22	18
87 (a)	160	Report on feasibility study for establishing interoperability of enterprise resource planning systems undertaken	High-level Committee on Management	Annually until done	No	No	Yes
87 (b)	160	Report on progress to achieve full interoperability of enterprise resource planning systems in 2016	High-level Committee on Management	One time (2016)	N/A	N/A	In progress[ee]
88 (a)[cc]	152, 154	Percentage of countries implementing five or more common services, based on the implementation of inter-agency and common long-term agreements	Operations management team survey[d]	Annually	N/A	7 (6)	5 (6)
88 (b)		Percentage of countries implementing a minimum of five common long-term agreements			N/A	43 (36)	33 (39)
89	64, 152	Percentage of countries that are fully compliant with the Harmonized Approach to Cash Transfer Framework (HACT)	Harmonized Approach to Cash Transfer Framework Advisory Committee	Annually	N/A	N/A	N/A[dd]
90	153	Number of United Nations entities that presented plans to their governing bodies for intra-agency rationalization of business operations by the end of 2013	Headquarters survey	One time (2014)	N/A	7 (out of 22)	10 (out of 25)

	Paragraph(s) of General Assembly resolution 67/226	Indicator	Source/collection method	Frequency	A/69/63-E/2014/10 (2014)[a]	A/70/62-E/2015/4 (2015)[a]	A/71/63-E/2016/8 (2016)[a]
IV.F. Results-based management							
91	171	Percentage of United Nations country teams in non-Delivering as one countries producing annual results reports	Resident coordinator survey[d]	Annually	N/A	44	36
92	166, 168	Number of United Nations entities using common results-based management tools and principles as identified in the UNDG Results-based Management Handbook	Headquarters survey	Annually	N/A[j]	15 (out of 22)	23 (out of 25)
93	170	Number of United Nations entities that have prepared clear and robust results frameworks for strategic plans for implementation in 2014	Headquarters survey	One time (2014)	N/A[j]	15[ee] (out of 22)	N/A[i]
94	172	Results-based management and system-wide results reporting across the United Nations system reviewed by 2016	Joint Inspection Unit	One time (2016)	No	No	In progress[ff]
95	170	In countries where the Government has expressed interest in receiving support from the United Nations country team in strengthening national results-based management systems, percentage of United Nations country teams that responded positively	Resident coordinator survey	One time (2016)	N/A	N/A	94
IV.G. Evaluation of operational activities for development							
96	173	Number of entities that have an evaluation tracking system that includes the status of implementation of evaluations and management responses	Headquarters survey	Annually	N/A[j]	18 (out of 22)	20 (out of 25)
97	181	Policy for independent system-wide evaluation developed and proposal for pilot system-wide evaluation submitted for discussion at the 2013 session of the Economic and Social Council	Joint Inspection Unit (on behalf of Interim Coordination Mechanism)[a]	One time (2013)	No		Yes

	Paragraph(s) of General Assembly resolution 67/226	*Indicator*	*Source/collection method*	*Frequency*	*A/69/63-E/2014/10 (2014)[a]*	*A/70/62-E/2015/4 (2015)[a]*	*A/71/63-E/2016/8 (2016)[a]*
98	175	Percentage of programme countries that "strongly agree" that the United Nations has contributed to the strengthening of national evaluation capacities	Programme country Government survey[k]	Biennially	10	16	16
99	182	Percentage of UNDAF evaluations for which management response was prepared (from the group of UNDAF countries)	Resident coordinator survey (A/70/62-E/2015/4)	Annually	N/A	59	N/A
			UNDG information management system[n] (A/71/63-E/2016/8)		N/A	N/A	28[o]

(Footnotes on following page)

(Footnotes to annex)

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[a] The reports of the Secretary-General for 2014, 2015 and 2016 report on data collected in 2013, 2014 and 2015.

[b] Multilateral aid data was made available in December 2014.

[c] Data on South-South cooperation for 2013 and 2014 not available.

[d] Source was previously reported as either the Coordination Support Survey or the resident coordinator annual report in A/70/62-E/2015/4 (2015). Where available, data has been separated into two rows. Where an alternative has replaced previous sources, the correct source is provided and the corresponding data has been collected from that source.

[e] Due to a change in data source, caution should be applied when comparing data points for this indicator across the years.

[f] Source changed after A/69/63-E/2014/10 to Department of Economic and Social Affairs headquarters survey from Department of Economic and Social Affairs desk review of agency strategic plans, as the latter had not proven feasible in practice for all United Nations entities.

[g] Annual reporting instead of a one-time report was requested by the Economic and Social Council in its resolution 2015/15.

[h] While recognizing that it is neither a fund nor a programme, UN-Women is classified as such.

[i] Not applicable as data for indicator is collected either once or biennially.

[j] In its 2013 headquarters survey the Department of Economic and Social Affairs sought qualitative information and this data was not reported.

[k] A programme country survey was carried out by the Department of Economic and Social Affairs in 2012, 2014 and 2015.

[l] The UNDG capacity-measurement approach has not yet been fully developed.

[m] Figure revised due to new information provided to the Department of Economic and Social Affairs (see A/71/63-E/2016/8, sect. IV.H).

[n] The UNDG information management system was launched in 2015. It replaces the annual resident coordinator report and the coordination support survey. The Department of Economic and Social Affairs revised its resident coordinator and operations management team surveys to avoid additional reporting burdens. As instruments used different collection methodologies and protocols, caution should be applied when comparing data points for the indicators across different data sources. Insofar as possible, data was adjusted to be comparable to previous years, otherwise the data point is provided in an additional row under the same indicator.

[o] See footnote n and see the online methodological note (www.un.org/en/ecosoc/qcpr/pdf/qcpr_2016_methodological_note_on_surveys.pdf) for details on the reported decline.

[p] *Source*: UN-Women for General Service and CEB for P-4 and above.

[q] Evaluation reported to be on Joint Inspection Unit roster 2017/2018.

[r] No further action taken during the current reporting period.

[s] The 2015 Department of Economic and Social Affairs resident coordinator survey asked "in the past five years".

[t] Data for this indicator reveals the percentage of programme country Governments that consider "access to specialized knowledge in a wide range of subject areas" to be a "very relevant" attribute of the United Nations system.

[u] A/70/62-E/2015/4, sect. IV.B.

[v] See A/71/63-E/2016/8, sect. IV.B.

[w] Contributions under the UNDG cost-sharing agreement.

[x] Indicator not collectable in absence of harmonized definition of "in kind" contribution. Indicator 67 (c) added to display related trend.

[y] As at September 2015.

[z] A joint UNDP-UNFPA-UNICEF-WFP informal consultation was held in September 2014.

[aa] See A/71/63-E/2015/6, sect. IV.A on UNDAF.

[bb] See A/71/63-E/2016/8, sect. IV.E.

[cc] Indicators 88 (c)-88 (f) were deleted as they cannot be measured as such.

dd The concept of a "HACT-compliant country" was deemed not measurable and was formally discontinued with the publication of the UNDG Harmonized Approach to Cash Transfer Framework in February 2014. See A/71/63-E/2016/8, sect. IV.A, on capacity-building and development.

ee Data point reveals "to what extent does your agency's current strategic plan demonstrate complete results chains?".

ff See A/71/63-E/2016/8, sect. IV.F, on results-based management.

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