



## The UN development system: Can it catch up to the 2030 Agenda?

by Barbara Adams and Gretchen Luchsinger

“The UN development system has tried to wage a war on want for many years with very little organized ‘brain’ to guide it.”

—The “[Jackson Report](#)” of 1969

“The UN is underfunded, underappreciated and the manner in which it is organized is not conducive to delivering the 2030 Agenda.”

—*Ambassador Macharia Kamau, Permanent Representative of Kenya to the United Nations and co-chair of the intergovernmental negotiations on the 2030 Agenda for Sustainable Development*

The current model of UN development assistance—operating country by country, and issue by issue, with priorities heavily driven by individual donors and their interests—is no longer fit for its intended purpose.

The ambitious vision of the [2030 Agenda for Sustainable Development](#) challenges the UN development system to fully respond to the inextricable links across countries and among social, economic and environmental concerns. This is not just an issue of greater efficiency and effectiveness within existing arrangements. It is a question of how the UN development system can meet the high demands of new commitments aimed at transforming the course of development so that it is equitable, sustainable and aligned with human rights, and remains within planetary boundaries.

Despite decades of discussion about coordination, UN development system organizations still function largely on their own. Dozens of different agencies may work on varied aspects of the same issues, which at times is appropriate; however, it also results in activities that fail to reinforce each other. Progress is slowed. Similar interventions may be repeated over

and over at high cost, without sufficient applied learning on what works or does not.

In the worst cases, poorly coordinated programmes undercut or contradict each other, undermining national efforts to achieve a coherent policy framework for development. They generally also fall short in addressing critical systemic challenges, among them inequality, financial contagion and climate change.

Reorienting the UN development system so that it is fit for the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) calls for a transition strategy far more ambitious than past attempts. The [Quadrennial Comprehensive Policy Review \(QCPR\)](#), recently negotiated in the UN General Assembly, rightly positions the 2030 Agenda as the main agenda for the UN development system, and proposes some starting points for change. In the immediate future, however, these need to be advanced, added to and acted upon.

The past incremental approach will not be enough. It has not engendered sufficient confidence and support to reverse a relentless downward trend towards the irrelevance of the UN development system. This would be a great loss, given the fundamental role of international cooperation to a future that is sustainable and just. It is time for the UN system, with its strong foundation of assets—among them programme country presence, its role as an international standard bearer and political legitimacy—to pursue the systemic, collective actions that can genuinely achieve development transformation, not just more tinkering around the edges.

## New directions: a system-wide framework

Making the UN development system fit for the 2030 Agenda will involve all UN Member States, the UN Secretary-General, senior UN leaders, UN staff and advocates for international co-operation. This process should aim at upholding a genuine commitment to multilateralism.

Broadly speaking, for the UN development system to make a meaningful difference on issues such as inequality and sustainability, it needs to operate within a system-wide framework. On the one hand, this rests on more integrated institutions and impact assessments. On the other hand, it calls for a more coherent approach to governance, and a Member State commitment to consistent financing, including through assessed contributions.

Any system-wide framework must be grounded in the primary purpose of the UN development system, which is to support the realization of internationally agreed standards on human rights, sustainable development, and peaceful, just societies—and, critically, to do no harm in the process. If UN activities are not guided by pursuing these standards, in all aspects and to the maximum extent possible, or if some are achieved but to the detriment of others, the UN development system cannot serve its purpose. It should be assessed first and foremost on adherence to these standards, and any course corrections made accordingly.

A number of Member States have already endorsed this approach. A 2015 survey of programme country governments carried out by the UN Department of Economic and Social Affairs (UN-DESA) as part of the QCPR process drew an unprecedented 129 responses. It found that advocacy of international norms and standards was seen as the UN development system's most important attribute, significantly surpassing other options such as resources and specialized expertise. This is a fundamental distinction between UN organizations and other possible development actors, such as civil society organizations or for-profit consulting firms, philanthropic foundations and corporations.

The following points offer some broad directions towards a system-wide framework to make the UN development system fit for the 2030 Agenda. They acknowledge recent commitments in the QCPR, increasing debate about the role of the system and the agenda being developed by UN Secretary-General António Guterres.

(V)ital reforms will depend on trust between leaders, people and institutions—both national and international. We must move beyond the mutual fear that is driving decisions and attitudes around the world. It is time for leaders to listen and show that they care about their own people, and about the global stability and solidarity on which we all depend.

It is time for all of us to remember the values of our common humanity, the values that are fundamental to all religions and that form the basis of the U.N. Charter: peace, justice, respect, human rights, tolerance and solidarity.

All those with power and influence have a particular responsibility to recommit to these ideals. We face enormous global challenges. They can be solved only if we work together.

—António Guterres, Secretary-General of the United Nations.

### I. Increase UN political leadership to solve sources of UN dysfunction.

Through the QCPR, Member States have asked the Secretary-General to take the lead on a number of measures that could potentially unlock transformation. They have requested him to present options to improve governance; conduct a system-wide mapping to identify gaps and overlaps as a basis for strategic recommendations to address these; prepare a system-wide strategic document translating the recommendations into actions; and develop a comprehensive proposal to further improve the Resident Coordinator system.

This has opened a moment for bold political leadership to champion a course correction for the UN development system, equal to the demands of the 2030 Agenda. New proposals and recommendations should aim high, towards shaping a system-wide framework. They should be backed by a persuasive call for Member States to comprehensively act on them.

Through this process, the Secretary-General could engage with Member States on renewing the commitment to genuine multilateralism, which works towards a sustainable, safe world in the interest of every country and person. This commitment is the organizing principle of the UN system, and as an *organizing* principle, it needs to be exercised in every aspect of UN operations.

The Secretary-General could initiate discussion around core standards defining the multilateral character of UN development entities, potentially covering issues such as the diversity and sourcing of financing, and coherence with all internationally agreed norms and standards. This would need to include deliberation on cases where organizations should no longer operate as part of the UN system.

Some potentially hard questions on the suitability of current institutional structures need to be discussed. Can current organizations act adequately on the full complement of issues essential to human and planetary well-being? Are they responsive enough to globalization and cross-border challenges? The conceptual links among peacekeeping, humanitarian and development activities are now well understood, but how can these be translated into institutional structures and financing in line with international commitments? This would include cases of “development crisis,” where the most effective response may be to prevent the risk of a humanitarian emergency by greatly scaling up predictable, multi-year and sufficient investments in development.

## **II. Establish strategic governance under the collective review of UN Member States.**

The 2030 Agenda is owned by all UN Member States, and the role of the UN development system in implementing it should be overseen by them. Right now, oversight, in principle, is exercised by countries at the national level, and by countries selected to be on the executive boards of individual organizations, but many issues fall through the cracks, and many voices are not heard.

In general, the process has allowed wide latitude for organizations to pay lip service to collective priorities, while pursuing their own programmes, many of which are earmarked by donors. Individual entities and the system as a whole fall short of targets under SDG 16 on effective, accountable and inclusive institutions, and responsive, inclusive, participatory and representative decision-making.

For a multilateral organization, accountability, for instance, cannot primarily be to single national providers of funds. Effectiveness is not adequate when a project temporarily provides a public service that can then not be maintained in an economy handicapped by inequitable terms of trade or poorly regulated flows of foreign finance.

The QCPR stresses enhanced transparency and responsiveness to Member States, including through regular briefings to ECOSOC. A high level of engagement and ambition might be achieved by the UN Chief Executives Board for Coordination (CEB) giving a comprehensive annual UN development system report on all contributions to the 2030 Agenda to the High-Level Political Forum (HLPF). The report could be delivered by one or more heads of agency on a rotating basis. This exercise should not just aggregate discrete actions, but explain how different activities work together—under the system-wide framework, and without contradicting or competing with each other—in achieving the 2030 Agenda.

As part of the voluntary national reviews held at the HLPF, “UN development system sustainable development impact” reviews might cover select countries annually, with some consideration for distribution across diverse regions and stages of development. The reviews could encourage a variety of national constituents to participate, including from different sectors of the government, parliament and domestic civil society.

The structure and status of the Executive Boards that oversee the UN development system should follow institutional changes aimed at greater integration under the system-wide framework. More responsiveness to Member States might come from the Executive Boards, rather than the heads of individual entities, reporting directly and regularly to ECOSOC on organizational activities. This would foster a government-to-government exchange that would further contribute to more coherent governance.

## **III. Aim for more coherent global management of the UN development system.**

“If the UN is going to work then the values that create the UN system and human rights framework must be respected both individually and collectively.”

— *Maina Kiai, UN special rapporteur on the right to freedom of peaceful assembly and of association*

While the UN Resident Coordinator system has been an attempt to institute more coordinated management of the UN development system in individual countries, no parallel function exists at the headquarters level. This in part explains why individual organizations still pursue their own

strategies and priorities, call on managers to report foremost within organizational chains of command, and use their own business systems—despite moves towards the adoption of common standard operating procedures.

The terms of reference of the Deputy Secretary-General, in line with the mandate granted in UN General Assembly resolution 52/12, now encompass the management of the reform of the UN development system. Towards reducing fragmentation from the top down, priority actions should be aimed at establishing the system-wide framework, which would govern all activities and funding.

Organizational strategic plans should fully align with this framework, and include integrated strategies, actions and funding modalities to achieve sustainability and the reduction of inequalities. The Deputy Secretary-General would review and sign off on the plans to ensure that they fully align with the framework.

The Deputy Secretary-General could take the lead on the longstanding need to connect the secretariat capacity to conduct substantive research and analysis with country-level demand for policy advice and support. This could encourage more integrated responses by the UN system. An initial focus might be on bolstering new reporting mechanisms and measurement standards to assess UN development system contributions to the 2030 Agenda.

Also critical is the establishment of an independent and impartial internal oversight capacity, possibly through collaboration between the Office of Legal Affairs and the Office of Internal Oversight. This could be charged with developing, tracking and enforcing policies on conflict of interest, revolving door appointments and disclosure, among other core issues, building on the Secretary-General's early moves to tighten and extend protections for whistleblowers. It would help ensure that oversight takes place consistently and with the same standards across the UN development system as a whole, rather than primarily within individual agencies. It should aim at the integrity of UN operations and the substantive outcomes of its support, such as through the prevention of partnerships, appointments or practices that contradict the objectives of the 2030 Agenda.

The QCPR has requested the Secretary-General to propose improvements to the Resident Coordinator system for review by ECOSOC and the General Assembly. This process could move towards disentangling the UN Development Group (UNDG)

from the UN Development Programme (UNDP), given the very poor record of the firewall between the two institutions.

One step would be for the Resident Coordinators to report directly to the Deputy Secretary-General. The UNDG secretariat could become part of the Deputy Secretary-General's office, charged with strategic oversight and policy guidance across the Resident Coordinator system. Within the Secretary-General's new Executive Committee, which brings together senior staff from across the pillars of the United Nations, the Deputy Secretary-General would speak on behalf of the UN development system.

The heightened demands on the UN development system from the 2030 Agenda also require a review of the role of the Resident Coordinator. It could be reoriented from one often focused on the mechanics of herding different institutions to work together to one that oversees the UN system's substantive contribution to the 2030 Agenda, in line with national priorities and international standards.

The Resident Coordinator could be tasked, for instance, with routinely surveying national sustainable development and UN support, identifying gaps and inconsistencies, and initiating dialogues among different groups on strategies to redress these. This process could make systematic links to substantive policy work conducted by UN-DESA and/or the UN regional commissions. Beefed up and regular assessments of risks of all kinds—economic, social, environmental and political—should include comprehensive tracking of how risks in one area might play out across different sectors, such as when signing a trade or investment agreement compromises the ability to protect the environment.

Also on the table should be developing a definition for when a Resident Coordinator is needed—or not, in response to country-led priorities. This might cover countries with a very limited UN presence, for instance, or where the emphasis may be on drawing in external international development experts as demand arises. The recent growth in the number of Special Representatives of the Secretary General and Humanitarian Coordinators underscores the need to better align management structures, recognizing that some cases may require separate authorities and skill sets, but also setting a direction towards the better integration of support bridging development, humanitarian assistance and peace.

#### **IV. Make organizations operate under the system-wide framework, according to development needs.**

The current configuration of UN institutions and functions is in many instances poorly suited to achieving the 2030 Agenda. Not only do different agencies function separately, but so do the units within them. Some entities operate on a project by project basis, which may produce short-term gains but without achieving lasting impacts, including in terms of national capacities to carry forward the work. Fragmentation and constantly shifting priorities are greatly exacerbated by the large share of earmarked funding, which requires a primary focus on getting grants based on donor preferences, rather than helping to design lasting solutions to national development challenges.

An additional concern is that the scope of country presence is heavily defined by average national income, even though huge development challenges remain even in countries rapidly moving up the income ladder. UN budgets in some middle-income countries have become so pared down that the rationale for a UN presence—at least as currently configured—is no longer clear.

The process mandated by the QCPR to identify gaps and overlaps in the UN development system and provide recommendations to address them should elaborate how the different parts of the system can best align with each other under the system-wide framework. It should propose changes in internal and external practices that interfere with a coherent system, including where that entails steps towards more integrated institutions and less fragmented funding. Much better links could be established to connect the national, regional and global levels of the system, and the UN's intellectual and operational resources.

To be transparent and politically dynamic, the process should involve a cross-section of people, including from civil society and parliaments. To sustain ownership while encouraging fresh ideas, it could build on a hybrid mix of internal and external perspectives, with an example of the latter being the Independent Team of Advisors. It might explore some of the differences in perception revealed by the 2015 UN-DESA survey, which found that 55 percent of Resident Coordinators thought UN activities were “very closely aligned” with national development needs, compared to 19 percent of programme country governments. Less than a third of countries “strongly agreed” that the UN had contributed significantly to national development.

While two of the main imperatives of the 2030 Agenda are reducing inequalities and achieving sustainability, no individual agency is responsible for addressing these comprehensively, nor does the UN development system effectively do so through UN country teams. This underscores the need for new and more responsive institutional configurations. A review of institutional arrangements might consider moving away from the traditional emphasis on defining institutions based on the sectoral inputs they make, such as to health or agriculture. They could be defined instead around the outcomes they are mandated to achieve, such as the reduction of inequalities and sustainable development.

#### **V. Reform the funding system to reduce pay to play.**

*“Our ability to exercise leadership in the UN—to protect our core national security interests—is directly tied to meeting our financial obligations.”*

*—Ambassador Samantha Power, former Permanent Representative of the United States to the United Nations*

Much of the current dysfunction in the UN development system stems from politically contested ground around the amount of funding, who provides it and who decides how it is spent.

The amount spent by the UN development system in 2015 was an inadequate \$26.7 billion, compared to \$1.7 trillion for global military expenditures. UN entities are increasingly reliant on a few sources for funding. Some 39 per cent of all government contributions in 2014 came from the United States and United Kingdom, while the top eight government donors accounted for over two-thirds. In a few UN entities, an increasing share of financing comes from the private sector.

Donor governments have maintained an insistence on strong oversight of funds, primarily through earmarking. According to UN CEB statistics, earmarked funds now comprise around three-quarters of resources provided to the UN development system, with the vast majority from single donors for specific projects. Donors justify this approach as needed to achieve the level of accountability required by their own standards and voting publics, but it is also associated with advancing bilateral agendas, donor-driven notions of “effective” development or even business interests.

A major consequence is that UN organizations can agree on strategic development priorities globally or nationally in concert with the countries they are meant to support, but actual activities end up being decided by the people who pay for them—mostly from wealthy countries or companies. Organizations expected to coordinate their activities in practice end up competing for funds, which weakens their relevance, imposes enormous administrative burdens, and contradicts UN standards around inclusiveness and multilateralism, since it essentially reflects a pay-to-play approach rooted in imbalances of wealth and power.

In the UN-DESA survey, two-thirds of programme country governments strongly or somewhat agreed that competition for funds creates confusion, increases their workload and diverts attention from the main tasks involved in UN support, all direct contradictions of internationally agreed principles on aid effectiveness. Only 7 percent strongly agreed that competition provides additional funds.

New political arguments need to be developed and advocated around funding the UN development system in line with the 2030 Agenda and the system-wide framework. These arguments need to galvanize agreement that picking and choosing based primarily on national donor interests inherently undercuts a multilateral, standards-based approach. It is unlikely to be effective in achieving sustainable development with its requirement to synthesize diverse issues and actions. All Member States, whether giving or receiving donor funds, need to assess how far current practices fall short of the 17th SDG on global partnership, particularly Target 17.4, on enhanced policy coherence for sustainable development.

A QCPR recognition that non-core resources pose challenges is followed by a call to make them more flexible and aligned with UN planning, along with practices to move in that direction. But flexibility and alignment would need to be carefully measured and monitored in line with 2030 Agenda objectives, international standards and the requirement to uphold the multilateral character of the UN system. As important would be for the Secretary-General to lead a process of developing well-defined benchmarks, such as stopping the earmarking of programme funding at no more than 50 percent of the organizational total, phasing out single donor/single programme funding, and discouraging the use of earmarking by countries without a sound core track record. Since official development assistance is increasingly inadequate, options to secure new

unearmarked multilateral resources might include a global financial transaction tax. Assessed contributions for the UN development system should also be on the table.

To reduce competition for funds and improve the likelihood that UN organizations would work constructively together on achieving the 2030 Agenda, the UN needs a well-resourced financing mechanism to drive collective implementation. This could be a 10-year fund for integrated, system-wide efforts to implement the 2030 Agenda, managed by the Deputy Secretary-General under the system-wide framework. It would be financed by Member States and could be open to philanthropic contributions, but not for more than 20 percent of total financing. Another approach is to pool at least 10 percent of funding for every agency in a 2030 Agenda Fund. Agencies could draw on the Fund in proportion to their contribution, but only for participating in collective efforts to reach Agenda 2030 commitments and goals.

Since public perception is often a stated concern in countries providing financing, there could be new efforts to build understanding of how public money is channeled through the UN development system, including through engaging with civil society and parliamentarians. A push for greater engagement could build on a recent call by the Inter-Parliamentary Union for members of parliament to ask governments to summarize all allocations to the United Nations in a single annex to the budget document. Beyond the amounts, this annex should identify the kinds of contributions—such as assessed, voluntary and earmarked.

ECOSOC could convene, possibly within the Development Cooperation Forum, parliamentarians, government officials and civil society to discuss current trends related to official development assistance—such as earmarking, the definition of climate finance, and tension between humanitarian and development funding—and compare experiences in providing and receiving resources. These sessions could also assess national assistance packages for policy coherence and contributions to the 2030 Agenda, offering a kind of multilateral stamp of approval—or not. Some new information might come from the QCPR-proposed biennial surveys of programme country governments, which could include detailed questions aimed at capturing the quality and development impact of financing, going beyond narrower notions of operational efficiency and effectiveness.

Financing sustainable development also requires elements such as tax justice, where countries are able to keep (and use) more of the money flowing over their borders. Because these issues involve principles such as equity and country ownership, the UN development system should be expected to engage on them—moving beyond the current focus on advocating for more ODA and closing organizational budget shortfalls.

## **VI. Define and monitor partnerships for public value—system-wide.**

Partnerships can be an essential element of inclusive development, bringing different constituencies together to achieve what might not be possible if each acted alone. Yet the UN development system’s current plethora of partnerships is unevenly defined and managed, with many motivated not by the potential for better development, but primarily by the quest for additional funds or intangibles such as “brand recognition.” The result has been a dilution of governance and a degrading of the quality of assistance. There is growing concern about how “crowding in” corporate funding may be “crowding out” public accountability.

Should partnerships be funding core UN functions such as executive transitions, for example? Or participants in internal policy debates? Or make up for the draw down in state-provided, multilateral funding? Are they desirable for all issues? Should sustainable peace, for instance, include partnerships with private security firms? Should assisting governments in leveraging partnerships be one of the main UN functions, as suggested in the QCPR, or an option applied upon government request and in line with the public interest?

As part of the reform process assigned to the Deputy Secretary-General, one of the earliest priorities should be to relook at partnerships across the UN development system, in line with [resolution 70/224](#) on a principle-based approach and the United Nations Guiding Principles on Business and Human Rights.

Developing clearer partnership rules and tools should be grounded in the notion that partnerships are not a panacea or a common function, but should be carefully selected as warranted by global, regional or national development requirements, in line with international standards. They should complement and add clear value to multilateral assistance, not replace it, or serve mainly as a source for additional profit or a reputational boost.

Rules and tools that apply system-wide should define the standards for acceptable partners and partnership arrangements; cover selection, management and monitoring; and include key issues such as conflicts of interest. Improved information disclosure should encompass systematic reporting on extrabudgetary resources, and regular surveillance by Member States. Criteria need to be in place to end or prevent partnerships, and there should be scope for encouraging regular public feedback on those that already exist. A database could rate how well different partners meet UN principles and guidelines, including across subsidiary bodies and entities involved on their boards. It could also single out partners deemed unacceptable for reasons including practices that contradict inclusive and sustainable development.

One current problem is that UN development organizations both pursue and oversee their partnerships. The close intertwining of the two functions results in blind spots, particularly when organizations are under pressure to get funds, and inconsistency across the system as a whole. A central oversight function, possibly within the UN Secretariat, should be established to monitor and track all partnerships with non-state actors.

## **VII. Adopt better measurements of integrated UN development system contributions.**

In the era of the 2030 Agenda and the SDGs, the UN development system has a vital role in helping national statistical systems to develop technical and coordination capacities, improve the quality of data, and define targets and indicators to guide progress based on national priorities and needs.

It is also crucial for the system to better measure its own performance. More needs to be done to systematically assess what the UN development system, including the World Bank, the International Monetary Fund and other specialized agencies, contributes—or fails to contribute—to policy coherence and the upholding of international norms and standards. This includes capturing how actions by different UN organizations and sectors under the system-wide framework build on or detract from each other. It should be aimed not just at chronicling successes, but also at naming obstacles.

A more intersectional measurement approach could also guide decisions on UN country-level functions and funding. Moving beyond the current inadequate emphasis on national income, measurement could

gauge the interplay of a variety of factors influencing inclusive and sustainable development, including risks that in the worst cases may result in humanitarian crises.

More use could be made of tools such as surveys to gauge government and public perceptions on UN performance.

The results of measurement and monitoring in general should be actively and broadly shared, both in UN governance processes and through deliberate public outreach, and used as a platform for dialogue on changes needed to achieve greater impact and responsiveness. As a tool to highlight general trends and raise awareness, an annual 2030 Agenda Achievement Index could rank contributions to sustainable development by different UN organizations.

### **A choice at a crossroads: Fit or obsolete?**

Right now, there is a marked disconnect between how the UN development system is operating, and how it needs to operate given the high ambitions of the 2030 Agenda. Closing the divide will determine whether the system is fit for purpose or slides into obsolescence.

Difficult choices lie ahead, at a turbulent moment in history for multilateralism. Everyone involved in reshaping the system will need to step up and exercise leadership. With some of today's challenges more daunting than ever before, striking expeditious but short-term deals that end up favouring the status quo may be the worst deal of all.

Genuine multilateral cooperation offers a way forward. This depends in part on a system-wide framework and strategy for the UN development system so that it can fulfill its promise to contribute to a more fair, just and sustainable world.

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