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**Research Report**

## An executive authority for the UN Development System: why this is necessary and how it could work

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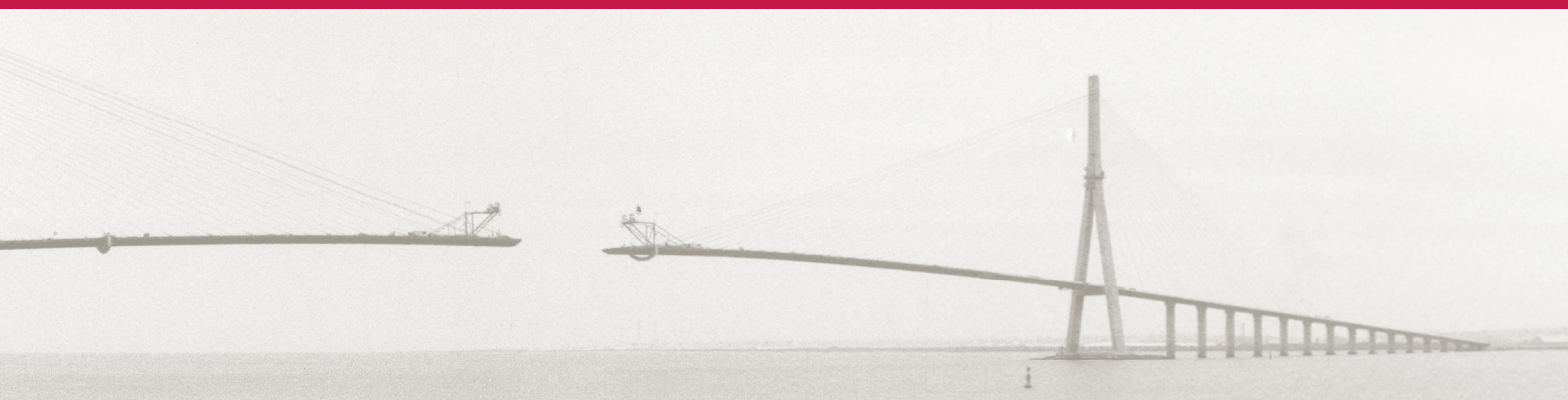
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## An Executive Authority for the UN Development System: Why This is Necessary and How It Could Work

### Summary

United Nations (UN) member states and the UN development system (UNDS) are in a familiar bind: They have problems that they've always wanted to set right but never found the energy for, and as the problems grow, so does the challenge of correcting the wrongs. For decades, member states have discussed the need to establish a system-wide executive authority at the top of the UNDS to keep it functioning. The new "2030 Agenda for Sustainable Development" makes considering this option more urgent than ever, and the current reform process presents an opportunity to finally make the UNDS "fit for purpose".

The need to reform and in some way integrate the UNDS is little disputed by member states or experts. With its 34 funds, programmes, specialized agencies and other entities, 1,432 country offices, no effective system-wide coordination and rising levels of earmarked contributions, the UNDS is on an unsustainable trend of fragmentation and "bilateralization" (that is, donors contracting UNDS entities to implement their priorities, marginalising the multilateral framework). In its current form, the UNDS can hardly be expected to play a significant role in the collective effort to transform our world. For this, the UNDS must provide integrated development solutions, acting as one. It must become more efficient, effective and professional. And it must ensure multilateral functions such as the provision of objective knowledge, coordination, long-term orientation and intellectual leadership.

A system-wide executive authority is needed to run the UNDS. The core functions of such an executive authority would be to administer the Resident Coordinator system,

draft and monitor a system-wide framework and corresponding financial overview, and act as the "brain" of the UNDS. How could this be implemented? This paper suggests that instead of adding new structures, the existing coordination forum of the UN Development Group (UNDG) should be separated from the UN Development Programme (UNDP) and re-organized as the executive authority:

- The position of the UNDG Chair should be transformed into the "High Commissioner for Sustainable Development (HCSD)", heading the new executive authority.
- The Development Operations Coordination Office (DOCO) should form the nucleus of the new executive authority's secretariat and draw additional units and staff from the UNDS.
- Funding should continue to be provided through the UNDG cost-sharing agreement, which should be significantly expanded.
- UNDS members of the Chief Executives Board (CEB) should make up the new executive authority's board of directors, with the HCSD representing the UNDS in the CEB.
- The specialized agencies should become quasi-equal members of the UNDS, subject to the same coordination as the funds and programmes, but on the basis of an opt-out mechanism.

Such an executive authority would arguably enhance UNDS performance more than any other reform, with initial costs compensated by increased efficiency. It would amount to an urgently needed investment in higher quality operational activities, winning back the trust of donors and recipients.

The United Nations is confronted by the huge challenge of helping member states to implement the “2030 Agenda for Sustainable Development” – according to its full title a programme for “Transforming our World”. Success in this endeavour requires the UNDS to excel in three areas:

1. Policy integration. The 17 Sustainable Development Goals (SDGs) have interdependencies and trade-offs that require a holistic approach to implementation. The UNDS must function as one system. Its universal mandate positions the UNDS to lead the difficult quest for coherence.
2. Operational performance. UNDS operational activities must be efficient, effective and professional in order for it to be a strong partner both for those investing in sustainable development and those benefiting from UN development support. Wasting resources undermines the very idea of development cooperation.
3. Multilateral services. More than ever, member states need the UN to set norms and standards and provide objective information (monitoring, development challenges, lessons learned), coordination and longer-term orientation – functions which are difficult to provide bilaterally.

This promising vision contrasts with the mundane reality of today’s UN development cooperation. The UNDS’s complex and scattered network of organisations and country offices is highly fragmented and inefficient. Coordination mechanisms of the CEB (which unites the system’s executive directors) and the UNDG (an association of 31 entities chaired by UNDP) are based on the ineffective principle of voluntary self-coordination. The UNDS cannot be expected to improve operational performance and to deliver – much less project – policy coherence on this basis.

“Delivering as One”, the 2006 initiative to promote coordination at the country level by uniting UNDS members under the leadership of a Resident Coordinator, cannot compensate for a lack of coordination at the headquarters level. The different business practices of the various entities and conflicting lines of accountability make cooperation on the ground difficult.

Donors have over the last years increasingly earmarked their contributions for specific purposes, a practice which “bilateralizes” UN development cooperation. As a result, UN entities compete for funding, which further increases fragmentation. With an historic low level of 24% core funding, in contrast with the 76% that is earmarked, the UNDS lacks the operational autonomy needed to add value to donor contributions by integrating policies and coordinating project implementation.

It is no surprise then, that in the Economic and Social Council’s (ECOSOC) “Dialogue on the longer-term positioning of the UNDS” that lasted from December

2014 to July 2016 member states in near-unanimity agreed on the urgent need for reform. An Independent Team of Advisors (ITA), established by the ECOSOC bureau and consisting of 14 experts from various backgrounds, was tasked with providing further analysis and input to the reform discussion.

### **The political environment makes system-wide coordination difficult**

Among the ITA’s many recommendations, the proposal to establish an executive authority to head the UNDS stands out. This could be the single most performance-enhancing proposal, versions of which have been made for over 50 years (see box). Executive authorities manage and coordinate systems, usually with participation from the heads of the system’s subdivisions; common examples of this are firms (where a Chief Executive Officer presides over the executive council) or universities (where a president oversees the faculties). The UNDS does not yet have such a leadership structure to make the system function as a whole.

This is because organizational authority has always been politically contested in the UN; the current discussions are no exemption. During the ECOSOC Dialogue, member states (again) argued that a central leader would increase politicization, create a costly and stifling new level of bureaucracy and lead to centralization (the phrase “command and control” was invoked several times) that would change the cultural foundation of the UNDS, where plurality is associated with innovation, flexibility and ownership.

These concerns stem from a difficult political environment. Large donors who dispense significant amounts of aid through the UNDS are not inclined to trade well-established channels of bilateral influence for a more professionally organized system, while many developing countries fear that centralized decision-making spells rationalization that only benefits donors. So the entrenched mistrust in the context of north/south and donor/recipient differences continues to keep member states from reaping the benefits of multilateral organization.

However, the long history of such concerns does not automatically validate them. Centralized command and control is neither feasible nor necessary to make the UNDS function as a system. A certain degree of politicization will never be eliminated. For the foreseeable future, there will remain a tension between the power of voting (developing states) and the power of the purse (industrialized states). But power politics in the UNDS is always checked by the need to not alienate the other. This logic ensures that no reform will significantly disadvantage one side. Last but not least, an executive authority would counterbalance the complexity of the system, rather than adding to it.

**Box 1: History of proposals for an executive authority**

- In his 1969 UNDS Capacity Report, Sir Robert Jackson stated, "For many years, I have looked for the 'brain' which guides the [...] UN development system. The search has been in vain." He recommended that UNDP should coordinate the system, but also addressed the need for a "Director-General for Development and International Economic Co-operation" should UN development cooperation grow significantly in the future.
- In the 1970s, at the recommendation of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, a UNDS Director-General was appointed to provide "effective leadership [...] exercising over-all co-ordination within the system." Having failed to be effective, the position was done away with in 1992.
- In 1997, at Kofi Annan's initiative, a new attempt was made, which led to the creation of the position of a Deputy Secretary-General "to support the Secretary-General in ensuring inter-sectoral and inter-institutional coherence of activities and programmes" (A/Res/52/12). Yet lacking the mandate and tools to exercise leadership, this position also proved to have no real influence.
- In 2006, the High-Level Panel on System-wide Coherence called for the appointment of a "UN Development Coordinator with responsibility for the performance and accountability of UN development activities". This proposed reform was not implemented.

**The functions of an executive authority**

Member states should re-evaluate the risks and benefits of reform and embrace the proposal for an executive authority to run the UNDS. For an executive authority to be able to promote policy integration, operational performance and multilateral services, it must be mandated with four functions as recommended by the ITA:

1. Managing the Resident Coordinator system. To effectively coordinate entities on the ground, Resident Coordinators must be rooted in, and accountable to, the UNDS executive authority.
2. Drafting and monitoring a system-wide financial overview. This would serve to identify and close funding gaps and ensure transparency, including that of earmarked contributions. Pledging conferences at the global level would stimulate demand-driven funding.
3. Drafting and monitoring a system-wide strategic framework. This would help define development challenges, including those linked to conflict prevention and public/common goods, and also suggest priorities for the UNDS and muster coalitions to implement them.

4. Harmonizing business operations and operational activities. This is crucial for improving efficiency and coherence. The executive authority should periodically review UNDS entities' mandates and field presence.

The proposal emphasizes "authority". In order to ensure that the executive authority can effectively carry out these functions, the parameters of its authority must be considered. Authority means the right to extract information, influence funding and regulate human resources. It is a continuum along which, for example, the right to influence funding stretches from suggesting funding priorities to approving non-core contributions or even administering a centralized budget. Sources of authority are the constitutional mandate by the General Assembly, decisions by intergovernmental oversight bodies and administrative capacity.

**Suggestions for implementation**

The ITA offers few hints about how to create a UNDS executive authority. It suggests making the Deputy Secretary-General the executive leader of the UNDS. But running the UNDS from the UN Secretariat poses thorny questions about financing, lines of authority, accountability and how this position would relate to existing coordination mechanisms (ECOSOC, UNDG, CEB).

The executive authority could also be built using existing organizational structures, mechanisms and resources, which would be less disruptive, broadly cost-neutral and easier to implement. The guiding principle of this approach is to extract the coordination function from UNDP and re-organize the UNDG as the executive authority, which must be a legal entity. The organizational cornerstones of that proposal are:

1. The UNDG Chair should head the executive authority. The position should be rebranded as the "High Commissioner for Sustainable Development" (HCSD) to signify that the system is run on behalf of member states. The HCSD must be an individual of the highest caliber.
2. DOCO should be the nucleus of the HCSD secretariat. Other units to incorporate could include the UN Office for Partnerships, the Multi-Partner Trust Fund Office and parts of the CEB Secretariat. Additional personnel would be drawn from the UNDS.
3. Funding for the executive authority could be based on a revised version of the current cost-sharing agreement through which UNDS members fund the UNDG. Since coordination is a collective good, member states might consider creating a mechanism of assessed contributions to complement the cost-sharing agreement.
4. UNDS members in the CEB, which is a system-wide body that includes UN entities outside the development field, should be absorbed into the executive

authority as the UNDS board of directors. The HCSD would represent the UNDS in the CEB.

5. An opt-out mechanism should be considered for the specialized agencies. Following approval by their boards, they would become quasi-equal members of the UNDS, subject to the same coordination as the funds and programmes. Opt-outs from specific decisions would require their board's approval; a total opt-out would remove them from all aspects of executive coordination.

These reforms would substantially increase the operational autonomy of the UNDS. Therefore, intergovernmental oversight also needs to be strengthened, both to provide the HCSD with the executive authority to run the system and to hold him/her accountable to member states. One option would be to strengthen ECOSOC's oversight capacity. Alternatively, a system-wide Sustainable Development Board could be created as recommended by the ITA (possibly replacing the entities' boards, which are a major source of fragmentation).

In the medium term, the executive authority should at the very least be cost-neutral. System-wide coordination is

severely underfunded at this time, with just USD 121 million budgeted, less than 0.5% of total expenditures. This amount should be doubled at least. If improved efficiency can save even a mere fraction of the 20% of total UNDS expenditures (around USD 6 billion), as estimated by the High-level Panel on System-wide Coherence, no additional resources would be needed. Initial reform costs could be covered by a credit that would be repaid from gains in efficiency.

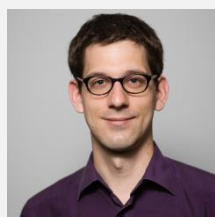
### Investing in global development cooperation

An executive authority for the UNDS is overdue. For too long, the UNDS has been left to voluntary self-coordination, with nobody to oversee the system's maintenance and performance. Member states, however, should reflect on their habitual modes of engaging in UN development cooperation when they reform the UNDS: Picking and choosing is inconsistent with a professionally run, demand-driven UNDS. Creating an executive authority to run the UNDS should be seen as investing in the collective capacity for "transforming our world". Member states' dedication to UN multilateralism is needed to sustain this capacity from which all states, rich and poor, would benefit.

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